

BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

MINUTES

May 23, 2007

Council Chamber, 8th floor

CONVENE: 10:05 a.m.

PRESENT: Councilmember Joseph Pontanilla, Chair
Councilmember G. Riki Hokama, Vice-Chair
Councilmember Gladys C. Baisa, Member
Councilmember Danny A. Mateo, Member
Councilmember Bill Kauakea Medeiros, Member
Councilmember Michael J. Molina, Member

EXCUSED: Councilmember Michelle Anderson, Member
Councilmember Jo Anne Johnson, Member
Councilmember Michael P. Victorino, Member

STAFF: Lance Taguchi, Legislative Analyst
Yvette Bouthillier, Committee Secretary

Leinaala Kihm, Executive Assistant to Councilmember Medeiros

ADMIN.: Frederick Pablo, Budget Director, Office of the Mayor
Gen Iinuma, Administrator, Civil Defense Agency (BF-28)
Tamara Horcajo, Director, Department of Parks and Recreation (BF-32)
Jeffrey Amaral, Captain, Department of Police (BF-29)
Alan Pascua, Assistant Chief, Department of Fire and Public Safety (BF-35)
Edward S. Kushi Jr., Deputy Corporation Counsel, Department of the Corporation
Counsel

CHAIR PONTANILLA: . . .(*gavel*). . . The Budget and Finance Committee meeting for May 23, 2007 is now in session. The time is 10:05. The Chair would like to recognize the Members that are here this morning. We do have Member Danny Mateo, Member Gladys Baisa, good morning.

COUNCILMEMBER BAISA: Good morning.

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CHAIR PONTANILLA: Member Bill Medeiros.

COUNCILMEMBER MEDEIROS: Good morning.

CHAIR PONTANILLA: Good morning. Member Michael Molina.

COUNCILMEMBER MOLINA: Good morning.

CHAIR PONTANILLA: Good morning. And Member Riki Hokama. Good morning. Excused this morning are Member Anderson, Johnson, and Member Victorino. Members, at this time, the Chair would like to recognize our Staff that is supporting the Committee this morning. We do have Lance Taguchi as well as Yvette Bouthillier. Representing the Administration we do have the Budget Director Fred Pablo and we do have the Corporation Counsel Ed Kushi.

Members, we do have four items this morning that we need to cover, but before we do that the Chair would like to ask Committee Chair, Committee Secretary Yvette, do we have anybody signed up for public testimony? . . .Okay. Thank you. Is there anyone out there that would like to provide public testimony at this time? Seeing none. Members, without any objections, the Chair would like to close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you very much.

**ITEM NO. 28: GRANT FUNDS FROM STATE OF HAWAII,
DEPARTMENT OF DEFENSE; AND AMENDING FY
2007 BUDGET, CIVIL DEFENSE AGENCY
(C.C. No. 07-110)**

CHAIR PONTANILLA: Members, again thank you for making yourselves available for today's meeting. We do have three of the items on today's agenda that is to authorize the acceptance of grant funds and to appropriate those monies in Appendix A of Fiscal Year 2007, prior to the end of Fiscal Year. . . June 30, 2007.

The first item that we have is BF-28, Grant Funds from the State of Hawaii, Department of Defense; and Amending Fiscal Year 2007 Budget, Civil Defense Agency. This is a result of County Communication No. 07-110, transmitting a proposed resolution to authorize the acceptance

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of grant funds totaling \$1,138,582 to the County of Maui, Office of the Mayor, along with a proposed bill to add the grant funds to Appendix A of the Fiscal Year 2007.

Through correspondence dated May 16, 2007, the Committee is in receipt of a revised proposed resolution entitled "AUTHORIZING THE APPLICATION FOR AND ACCEPTANCE OF THREE GRANTS OF FUNDS FROM THE STATE OF HAWAII, DEPARTMENT OF DEFENSE, OFFICE OF THE DIRECTOR OF DEFENSE RELATING TO STATE HOMELAND SECURITY PROGRAM, LAW ENFORCEMENT TERRORISM PREVENTION PROGRAM AND CITIZEN CORPS PROGRAM". The purpose of the revised resolution is to authorize the application for an acceptance of grant funds totaling \$1,138,582 to the County of Maui, Civil Defense Agency, as follows: for the State Homeland Security Program, \$700,000; the Law Enforcement Terrorism Prevention Program, \$400,000; and the Citizens Corps Program, \$38,582.

And the Committee is also in receipt of a revised proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2007 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE CIVIL DEFENSE AGENCY". The purpose of the revised proposed bill is to add each of the three grants to Appendix A of the Year 2007 Budget. At this time, I'd like to call on Mr. Pablo for comments. Mr. Pablo.

MR. PABLO: Thank you, Mr. Chair. Good morning, Members. Regarding the State Homeland Security grants, these are, the grants for this year which is, which is under consideration are similar to the grants which have been applied for and were reflected in ordinance of prior years. Here to represent the Civil Defense Agency is the Civil Defense Administrator Gen Iinuma, whom I would like to call on, so he could answer any questions which you may have. Thank you.

CHAIR PONTANILLA: Thank you, Mr. Pablo. Mr. Iinuma, if you could come up and join the Administration area. Thank you. Members, we also have sitting in our gallery Captain Jeff Amaral from the Maui Police Department as well as Assistant Chief Alan Pascua if you do have any questions for them also. Members, the Chair would like to open up for Q&A at this time.

VICE-CHAIR HOKAMA: Chairman.

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CHAIR PONTANILLA: Mr. Hokama.

VICE-CHAIR HOKAMA: This would be for Mr. Pablo or Mr. Kushi, please.

CHAIR PONTANILLA: Thank you. Go ahead.

VICE-CHAIR HOKAMA: Gentlemen, on an attachment that we have in our binder dated March 20, and I believe this is from Mr. Pablo to this Committee, two things I want to bring up, please. On the third, on the second page of the proposed resolution, Point 2 of the resolved clauses states that the Mayor or authorized representative is hereby authorized to execute any and all documents necessary to process and accept such funds. And then on the very next attachment dated October 11, 2006, we already have a letter from Major General Robert Lee, Director of Civil Defense, State of Hawaii, stating in his written response to Mayor Arakawa, thank you for signing and promptly returning the signed Memorandum of Agreement. So I am in need of some understanding. Is this the same thing? And if it is or whether it is or isn't, who authorized the past Mayor to sign an agreement? And why was it executed? Why was it approved by Corp. Counsel and why is that document already with the State? And why are we going through this exercise?

CHAIR PONTANILLA: Mr. Pablo or Mr. Kushi.

MR. PABLO: Let me make a few comments and then perhaps Corporate Counsel could--

CHAIR PONTANILLA: Thank you.

MR. PABLO: --could also amplify on it. Upon receipt of these documents from the Civil Defense Agency and I was reviewing it for the Budget, Budget amendment submission, I went through the files and I noticed that there was, there was a response date to the Maui Civil, by the Maui Civil Defense Agency and that's on correspondence dated August 22nd, 2006, whereby the County had to respond before September 15, 2006. I don't know the underlying reasons why it was not brought to Council at that time or whether it needed to be and that perhaps what Corporate Counsel could, could amplify on. But it seems that it was a situation, as I understand it, where the August 22nd letter required a response within less than a month. And that's all I can state at that time, and so we went, did

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the Budget amendment to bring this to Council at this time. I learned about in March and this is when we did a Budget amendment request.

VICE-CHAIR HOKAMA: So what is your understanding, Mr. Pablo, of this grant and this, I guess, unauthorized signature by Mayor Arakawa on this agreement? Because from what I, I'm hearing, even if the State gave the County a one-month deadline, that's no excuse to not follow the County laws. And so someone gave Mayor Arakawa the support to execute an agreement without authorization, which in effect is still to me an unauthorized agreement. Council never did process this.

MR. PABLO: As I, as I was not in the Administration at that time I don't know what was the underlying--

VICE-CHAIR HOKAMA: And, and, Mr. Pablo, we understand--

MR. PABLO: --information on that.

VICE-CHAIR HOKAMA: Yeah. There's a transition period...*(inaudible)*...

MR. PABLO: I understand that. But I'm trying to understand whether this Memorandum of Agreement which would be to recognize the offering of the grant by the State of Hawaii, whether that would constitute an application and acceptance and perhaps this would be something for legal clarification.

VICE-CHAIR HOKAMA: Thank you for that, Mr. Pablo. Mr. Chairman, if we may have Mr. Kushi give comment if, if he can at this time.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Mr. Kushi.

MR. KUSHI: Yes. Mr. Chair, obviously this is the first time I've seen this. But looking at the documents there is a copy of the Memorandum of Agreement. I think it's the last document in your binders which is an attachment to the letter dated August 22, '06 addressed to Mayor Arakawa from Robert Lee, Major Robert Lee. Again as an aside, if you note that our Mayor at that time did sign it on August 28, '06. The, General Lee signed it on October 6, 2006 and a Michael Vincent from the State Deputy Attorney General's Office, Deputy Attorney General signed it on October 1, '06. For the record there's no space for our office to sign off.

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But again not knowing the factual situations, deadlines are deadlines I imagine, and from the State's point of view these funds may have needed to be encumbered from their, their standpoint. Again, the monies apparently were never received or to this day are not received until the Council approves it pursuant to the County ordinance on intergovernmental agreements. All I can say is had we looked at this and maybe we did, I don't know, but had we looked at this we would have recommended that the Mayor sign this agreement to encumber the funds with the proviso that the, our obligations in accepting and our, our formal acceptance would be subject to Council approval.

VICE-CHAIR HOKAMA: So at this point in time, you can state this morning that you believe this document to be valid?

MR. KUSHI: I cannot state anything to that effect, Councilman Hokama. We, obviously our, or the record, the document speaks for itself, our office did not review it.

VICE-CHAIR HOKAMA: Okay. Chairman, thank you. I yield the floor to the other Members.

CHAIR PONTANILLA: Thank you. Members, any more questions for the Administration at this time? I just have a comment and well maybe a question to the Administration in regards to applying for grants. According to grant revenues whenever the County go for grant revenues they need the Council approval prior to. If that...I know we've been having grant, receiving grant revenues without prior Council approval and maybe it's something that we need to take a look at.

You know, as Chair of the Budget and Finance Committee, you know, I surely don't want us guys to stop applying for grants, but I think there needs to be some changes done to make it much easier and more concise in how we go after grants. And I think Mr. Hokama brings out a good point, that right now we, you know, you do need Council approval to, to go for grants and maybe that's something that this Committee will need to take up in future meetings.

But, Mr. Pablo, would you know in regards to the grants that are, are asked for by this County to the different State agencies, you know, what, what is the turnaround time in, on an average? And will, will going out for grants, you know, having the authorization of the Council, what I'm trying to say is that would, would, to be on a timely basis to, to write out

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for grants outside of the County within the State and the Federal Government, what turnaround time that, you know, would be sufficient for the Administration?

MR. PABLO: Thank you, Mr. Chair. I don't have that information presently, but this is one area which we are looking at. In fact we had a Directors' meeting yesterday where I've, I've encouraged departments to look for grant revenue as an alternative source of funding. As you know going through the past Fiscal Year '08 Budget we were faced with the EUTF and we were also faced with an ERS obligation. So we have to look beyond the usual sources of revenue that this County has, has always relied on. We need to look at grant revenue and I would like to work with you in trying to find a way to streamline the process so that we could encourage our Departments to go and pursue it no matter how long or how much the application requirements are.

So this is something I would like to work with you on, Mr. Chair and Council Members. As I said we, I have approached Directors already about looking for alternative sources, including grants. So this, this is an area I would like to do with you. Many of the Departments are concerned about the time it takes to do, to go in for a grant and, and do a Budget amendment. They realize it might take up to eight weeks to get that Budget amendment done. In such a short timeframe they could possibly lose the opportunities to compete effectively against other applicants for grants. So I think this is an area...I'm glad it was brought up today. As you know I'm, this is my first year as a Budget Director and if there's any way we can work together to improve this process, I'd certainly look forward to doing so. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. It's not our intent, you know, not having the Department go after grants but, you know, we gotta make it more easy for us to, to get those grants. So I think in future meetings we'll be talking more about this. Members, any more questions? Member Mateo followed by Member Baisa.

COUNCILMEMBER MATEO: Chairman, thank you very much. And I, I'm, I guess, Mr. Chair, you're going to have to provide with me direction at this point, because there already exists a signed MOA by Administration and recognized by the other entities. So why are we at this point in need of having to be redundant and now complete or, or approve a resolution that now authorizes this County's Administrator to enter into another MOA

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when one already exists? So if in fact one has already, is already there, why are we going through this particular exercise at this point?

CHAIR PONTANILLA: That's a very good question, Mr. Mateo. Lance and I talked about this this morning, and, and I've been here five years now, and when I look back five years this is how we always did it. You know, they don't come to the Council for prior approvals, and it's almost like a double-edged sword, if you don't, the timing got to be very critical. If the timing is short, we may stand to lose in this case here, well just to take this case, \$1.3 million. What do we do? Do we say goodbye to \$1.3 million that could support the Fire Department, the Police Department as well as our Civil Defense? So some of the decisions we make going have to be something that, you know, come back to the Council for -- I hate to say the word but -- after-the fact-approvals. But I think we need to really take a look at how do we streamline this process so that, you know, we don't stop our departments from going after the Federal or State grants. Lance, you want to comment?

MR. TAGUCHI: Chair Pontanilla. In regards to the general provisions in the Budget it requires two things. One is a resolution for the authorization in the acceptance of the grant. The second portion of it is a Budget amendment to amend the Fiscal 2007 Budget to place that grant in the, into the appendix. The document being questioned, I believe, is an intergovernmental agreement. There are additional requirements in the Maui County Code regarding intergovernmental agreements. And going back to your question as to the...I'm not quite sure about the authorization reso. But there is a need to pass, if this body wishes to effectuate the grant, there is a need to pass the Budget amendment into the Fiscal Year 2007 Budget.

COUNCILMEMBER MATEO: Okay. No. Thank you very much, Mr. Taguchi. And thank you, Chairman, for your explanation as well. I think the, my difficulty in, in addressing this particular item is one, apparently it's already been done, yeah. The fact that there was no resolution doing the authorization for Administration, that's just an additional problem because the existing MOA that exists, the signed MOA that exists does not come with our own Corporation Counsel's signature as well. So the question of, I don't know who the hell might have provided advice to the prior Administration without our own Corporation Counsel getting involved in that particular review and advice. So I, too, don't want to lose those monies because our departments, you know, like have a specific need for them.

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But it's, you know, it's just, the whole process just seems pretty bad at this point for us to take a look at these issues that have been addressed many months ago and it reaches us now after the fact and for us to have to do it at this point with, you know, with noticing the various discrepancies, you know, I would still look at it questionably. And I don't know if there is a drop date period because the performance period is from '06 to '08. So, you know, for us to approve it now I don't really have a problem with it, but I really would like to understand, you know, what happened in the process. And, you know, for even Corp. Counsel to reexamine this MOA all over again and to see how binding it is, because it did not come or apparently because no signature, no advice or recommendation to Administration. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Member Mateo. Member Baisa.

COUNCILMEMBER BAISA: Yeah. I'd just like to add my comments. Of course as everyone knows, I come from the grant world and did that for many, many years. And the sad part about being in the grant competition arena is that timing is always an issue. Often you receive notice that funds are available and that you can apply for them, and you don't have a whole lot of time and you have a very specific timetable that has to be met. And it is not unusual that grants today are submitted electronically right under the wire with everybody trying to get their grant application into the agency at the very last minute. And that's just because of the nature of the beast of filling out all the forms and doing all the research and everything, getting signatures.

And so timing is a real issue and because of government process that we deal with here it makes it even worse. How we handle it in the non-profit sector, particularly where I come from at MEO, is that early on there is a decision about where grant funds need to be sought. Like say for instance, we are very interested in looking for grants that provide housing, or we are very specific in looking for grants that provide early childhood education. And that is a direction that is set by strategic plan so that people who are charged with looking for grants, like in our case, department directors, would be alerted to looking for grants in those areas and have an informal or really a formal authorization to seek those grants as long as they are within the guidelines and can fall within the areas that we need to bring money in.

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So there is kind of an authorization to begin with for you to go out and search for these monies or to apply for these monies. So I think what's missing here could be a process, a better process that is outlined. Because if department people have to come for us, to us for prior authorization to submitting a grant, that will not work. I just don't see how it would work in terms of, unless it's really planned for and we know that once a year in September these monies become available, but most grants are not like that. They, they just appear, the Federal Government will put out a pot of money for something and the departments have to jump on it and do the stuff right away.

So I think we have a timing issue and I think we also have a process issue. And it bothers me, too, that it's been eight months since this agreement was signed and that was in October and this is now May, and we're finally, you know, getting around to approving this. So I think we should all put our heads together with Mr. Pablo and try to come up with a better way of dealing with this so that we don't have these misunderstandings. But we must encourage everyone to go after grants, we need the money, and money that we can bring in from the State and Feds or private donors or wherever we can bring it in, you know, private sources will help us as we try to pay the bills for the County.

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

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Mr. Hokama.

VICE-CHAIR HOKAMA: To Mr. Pablo, your understanding, Director, is that the various departments that are receiving monies from this request, Civil Defense, 1.13 million, is that already pretty much encumbered, encumbered funds--

MR. PABLO: On the part of the State?

VICE-CHAIR HOKAMA: --unofficially?. It's been spent?

MR. PABLO: On the part of the State? Oh. No. That's a question you could, you could direct to the Civil, Civil Defense Administrator. But to my knowledge it has not been encumbered. When I read this two documents, I understood it as being and, and meeting the State requirements for the

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thing. When you look at that October 11 letter, it states the amounts are available to the County of Maui. The State of, the State of Hawaii has been awarded the Homeland Security Grant Program and the, and the State of Hawaii wants to provide 1.1 million to the County of Maui.

VICE-CHAIR HOKAMAL Okay.

MR. PABLO: And the October letter said it is available for the County of Maui.

My understanding was that we still would have to get County approval. Although money is being made available under this program, we still need to come to Council. And that's the purpose of doing the, the March 20th Budget amendment. But like I said some, some of this perhaps, like it's mentioned, could be a matter of legal clarification or definition whether a Memorandum of Agreement constitutes application and acceptance.

VICE-CHAIR HOKAMA: Uh-huh. Well, I appreciate that comment. I just find it interesting, see, because I don't consider this one timing problem, Chairman. The County whether it was this Administration or the last one, and this was with the last one, knew about it one year ago. So it is not a timing issue for the Council, it is an attitude toward the Council by the Administration or the past Administration who chose to pick and choose what they felt which laws they would follow. Okay. That was a consistency with that Administration, pick and choose what laws it wishes to follow.

My question, Chairman, is they got one month left in the Budget year and by the time we process this, goes through Council maybe they'll have two weeks left in the Budget year. So how are they going to spend \$1.13 million in two weeks...if you get the check cut from DAGS? So how, how is the Department and the Administration--

CHAIR PONTANILLA: Comments, Director?

VICE-CHAIR HOKAMA: --coming through with the actual use of the funds?

MR. IINUMA: Yeah. The, let me, let me answer that if I could, Councilmember Hokama and Members. As you can see in the document before you, the, the grant period is from July 1st, '06 through June 30, '08, and that's when we can spend down. It's a Federal, Federal grant and over the years these particular Homeland Security monies have allowed roughly two years to spend down. And in fact in some of the grant periods they've allowed

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extensions on the grant to spend down. So while, you know, this Fiscal Year, the County Fiscal Year is, is closing, this particular grant's life is for beyond that point into, again, into June 30, '08.

VICE-CHAIR HOKAMA: Okay. So why wouldn't, why couldn't it be part of the '08 Budget then?

MR. IINUMA: Well at this point, I'd been pressed very hard and part of the problem is my, my ignorance to the process. I brought this before the current Administration at a very late time. This document, as you see, was brought out in October, actually September, October of '06. I should have brought that before Council and had the amendment done then so we could spend down then.

VICE-CHAIR HOKAMA: So, so, Mr. Inuma, you know, I appreciate your candidness and being up front with the Council about your, your experience with the process, process that we require. But. . .*(end of tape IA)*. . .

MR. IINUMA: Pardon me?

VICE-CHAIR HOKAMA: You made the Administration aware? Because the past Mayor signed the, in a document.

MR. IINUMA: Yeah--

VICE-CHAIR HOKAMA: So they were aware with it.

MR. IINUMA: Yeah. And, you know, back to the question, the question was why, why ought it be expedited at this point from...the Civil Defense administers these funds for our partners, Fire, Police, Department of Health and others. And in the, in the period of time since we've had an opportunity to accept these funds till today, some of the programs' costs have gone up significantly as much as 15 percent. And, and while it's, you know, it's certainly a reflection on the timeliness of putting the proposal before you all, it really is an opportunity for us to not try to encumber any more additional expenses because costs are rising. And so we'd like to expedite it as fast as we can in order to make better use of these funds.

So we come before you today to get that kind of, you know, expeditious concurrence to allow us to move forward with it. Certainly there is, there

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is, you know other ways we can, we can deal with, you know, future funding, but this one is critical. Prices are going up and we need to get a better bang for our buck.

VICE-CHAIR HOKAMA: Can you tell this Committee what is the intended uses of this funds from the Federal Government?

MR. IINUMA: Yeah. See, Homeland Security monies are, are divvied up into those three pots of money: the State Homeland Security Grant Program, the Law Enforcement Terrorism Prevention Program, and the Citizen Corps. I mean to go backwards, the Citizen Corps money, if you've been following the news, is a community, it's divided into primarily two different areas. One is the Community Emergency Response Team where we go out and we train citizens to act on disasters. The second is a Medical Reserve Corps to be able to put together a, a group of folks from the County community to support our public health sector and our medical sector.

And again it's volunteer programs, so some monies reside there. The Law Enforcement Terrorism Prevention Program is earmarked at law enforcement agencies and organizations. Only they can spend that money and so in, in this particular grant cycle we've been looking at what we call critical infrastructure protection and to look at physical enhancement to provide the kind of security to the various substations as well as the main Police Department, stuff like security cameras and such like that. In the past these monies had been used to provide protective equipment and other kinds of support equipment for our law enforcement people. In the prior, the other grant, which is State Homeland Security Grant Program, has been used to support, again, our first responder communities to provide equipment so that we can respond to all hazard conditions.

VICE-CHAIR HOKAMA: Can you tell us what, what specialized equipment that, that would . . .

MR. IINUMA: It would be, for example, like when, when our, our Fire Department has to go and respond to a chemical spill they can put on Level A or different kinds of equipment to protect them from, from, from that. To provide for them equipment to detect stuff like things in the air, to test air quality, to test water, to test chemicals, you know stuff like that. For one of the pieces of equipment that we, we were really fortunate in getting out of this package has been to provide our public health sector with an opportunity to, to test for biologics that were unknown.

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In the past we never had that capacity. It's not a definitive test but it, it's a presumptive and it'll give us at least a very good indication of, of whether or not we need to move forward. Other kinds of equipments that we've purchased through this program has been a combination of both this program and other grant funds to provide our first responders with communication equipment. We've supported several millions of dollars to assist with our own community network. We have, we've also used some of the money to buy specialized vehicles to be able to respond to all hazard conditions. So over the years it's been, you know, a real asset to us I believe.

VICE-CHAIR HOKAMA: Okay. This is only for future purchases or future improvements, Mr. Iinuma. You know our understanding is that the Fire Department has already procured for a hazardous material vehicle.

MR. IINUMA: Yeah.

VICE-CHAIR HOKAMA: And, and we're, you know, I believe the Council and this Committee has supported the expansion of that, that specialized group in, in Fire Department.

MR. IINUMA: . . .(inaudible). . .

VICE-CHAIR HOKAMA: Can we get reimbursed for those already --

MR. IINUMA: No. These funds are not to --

VICE-CHAIR HOKAMA: --forming. . .(inaudible). . .

MR. IINUMA: --supplant. It's very clearly these funds are not to supplant. And, and if there is an opportunity for, for the State Homeland Securities to accent ongoing equipment and on going purchases, you know, in terms of, say Fire Department has the need for self-contained breathing apparatus and they need to go out and do a, a refitting of that for whatever reason, bringing on additional air tanks, bringing on a trailer to supply, to refill the air bottles and stuff like that, that would be one aspect.

VICE-CHAIR HOKAMA: Okay.

MR. IINUMA: But again it's not to supplant County funds.

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VICE-CHAIR HOKAMA: Okay. And just so we're clear. The State gets a block of money, like a block grant from the Feds and then the State tells Maui County out of this pot you have the ability of up to \$1.13 million to access if you put in an application.

MR. IINUMA: In the past the funding was like that and in recent times with this particular grant and in subsequent grant years it's an application process. So during a period of time we just went through the '07 grant period where folks from this community, the first responders, number of our partners, Civil Defense partners, will come together on the table and put together our package for the coming Budget cycle. So what . . .

VICE-CHAIR HOKAMA: So you could have actually asked for the whole pot of money then if you had sufficient requests?

MR. IINUMA: Well, no. What we do is we put all of our requests together and we, we prioritize here in the County, we sit down and we look at what are the priority needs that we have as a group and we sit on that. We put in our entire package to the State and whether they accept parts of it, it really based on, on the State needs because they're putting the entire grant together. So I believe that in, in '06 the entire grant that went up to the Feds was something in the neighborhood of about \$20 million. What they received was about 13 and our portion of it, you know if my memory serves me correct, came out to about 4.5 million.

VICE-CHAIR HOKAMA: Okay. Okay.

MR. IINUMA: And what we've got out of this is 1.1138(?).

VICE-CHAIR HOKAMA: Okay. I appreciate your response, Mr. Iinuma. Chairman, thank you very much.

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

COUNCILMEMBER MATEO: Chairman, thank you. Mr. Iinuma, just for information purposes then. In addition to specialized equipment would warning systems be included in equipment?

MR. IINUMA: It could be but it really has to pass the scrutiny of, of the State system, and being that warning system at this point is a State...the

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warning siren system is a State asset they're, they're the ones that apply for those kinds of monies.

COUNCILMEMBER MATEO: So . . .

MR. IINUMA: If we do it as a County it, it again would depend upon whether or not they would allow it to occur. I'm not seeing any, they put out a grant guidance and I'm not seeing that within there.

COUNCILMEMBER MATEO: Okay. So because this County current...there's certain areas in this County that does not have sirens for emergency and because part of the reference to the monies indicate all hazard preparedness initiatives, so would not a siren or an emergency system qualify under that category?

MR. IINUMA: As I've stated I'm not seeing it within the grant guidance that allows that.

COUNCILMEMBER MATEO: No. Not whether you've seen it but could it qualify? That's the question.

MR. IINUMA: And again, you know that's from the State side they would, they would, they would probably have a better answer than I do.

COUNCILMEMBER MATEO: Thank you. Thank you, Chairman.

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

COUNCILMEMBER BAISA: Just a suggestion if I might. You know when you do a grant you have an executive summary page that kind of, at the top of the grant that gives you an outline or an idea of what you're asking for and what you're going to do with it. I think it would be really helpful when we get this kind of information to act on if we had that. All the information that we have in our binder doesn't really give us any clue as to how the money's going to be spent or what it's going to be spent on. And that would take away a lot of the questions.

MR. IINUMA: Thank you very much. That's extremely helpful.

CHAIR PONTANILLA: Thank you. Member Medeiros.

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COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chair. Mr. Inuma, I, I want to follow up what Member Mateo was talking about. One of the program funds listed here is critical infrastructure. Does sirens come under...the actual unit of a siren come under critical infrastructure?

MR. IINUMA: To my knowledge, no. ...(*inaudible*)...

COUNCILMEMBER MEDEIROS: What is critical infrastructure?

MR. IINUMA: Critical infrastructure would be something like a, like this County building that houses people of decision-makers and important status. For example, like a water treatment facility or a water pumping station, a utility company, airport, critical infrastructures are, are, you know, would fall into those categories. Things that ought to demand a high amount of security and hardening and reinforcement to protect it against any kind of insult.

COUNCILMEMBER MEDEIROS: So it is your understanding that if sirens need to be replaced or new sirens need to be installed because there are areas that are not covered currently by sirens then the State Civil Defense is responsible for that?

MR. IINUMA: That is correct.

COUNCILMEMBER MEDEIROS: So would we make our application through you or directly to Civil Defense State?

MR. IINUMA: Well, you could certainly come, come through me and I would forward it up there. And, and being that the Mayor is the Deputy Director of Civil Defense certainly I believe that would be appropriate.

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

CHAIR PONTANILLA: Thank you, Member Medeiros. Members, any more questions for the Administration at this time? If not the Chair recommendation is to adopt the revised proposed resolution and the passage of the revised proposed bill at first reading and the filing of the communications.

COUNCILMEMBER MOLINA: So move.

COUNCILMEMBER MATEO: Second.

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CHAIR PONTANILLA: Moved by Member Molina, second by Member Mateo.
Any more discussion, Members? All in favor of the motion please say
aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Any opposed?

COUNCILMEMBER MEDEIROS: No.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Seeing none.

COUNCILMEMBER MEDEIROS: I voted no.

CHAIR PONTANILLA: Okay.

UNIDENTIFIED SPEAKER(?): Roll call.

CHAIR PONTANILLA: Roll call. Mr. Hokama.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Mr. Molina.

COUNCILMEMBER MOLINA: Aye.

CHAIR PONTANILLA: Mr. Medeiros.

COUNCILMEMBER MEDEIROS: No.

CHAIR PONTANILLA: Mr..., Ms. Baisa.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Member Mateo

COUNCILMEMBER MATEO: Yes.

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CHAIR PONTANILLA: And the Chair votes yes. So we have four yes and two noes.

VOTE: **AYES:** **Councilmember Baisa, Mateo, Molina, and Chair Pontanilla.**
 NOES: **Councilmember Medeiros, and Vice-Chair Hokama.**
 ABSTAIN: **None.**
 ABSENT: **None.**
 EXC.: **Councilmember Anderson, Johnson, and Victorino.**

MOTION FAILED.

COUNCILMEMBER MOLINA: Move to defer.

COUNCILMEMBER MATEO: Second.

CHAIR PONTANILLA: Thank you. Which is a motion to move to defer by Mr., Member Molina, second by Member Mateo. Any discussion? If not the Chair will call for a short recess. . . .(*gavel*). . .

RECESS: 10:48 a.m.
RECONVENE: 11:04 a.m.

CHAIR PONTANILLA: . . .(*gavel*). . . Thank you, Members, for that short recess. The Budget and Finance Committee meeting is now reconvened. Presently we do have a motion on the floor to defer. Members, any discussion in regards to the deferral? Member Molina.

COUNCILMEMBER MOLINA: Mr. Chairman, I, if there's no objections I'd like to ask for a, to withdraw my motion to defer.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MOLINA: Discussion.

CHAIR PONTANILLA: Member, there's a withdrawal on the deferral at this time. At this time, the Chair is entertaining a motion, a reconsideration at this time.

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COUNCILMEMBER MEDEIROS: Chair.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Prior to our reconsideration do we have an opportunity to ask some questions prior to that?

CHAIR PONTANILLA: Sure.

COUNCILMEMBER MEDEIROS: Okay. If I may, my concern with my no vote was that it was brought upon the floor that the Memorandum of Agreement that currently exists apparently didn't comply with County law as I understand it. And my question is if we pass this resolution and authorization and then later the Memorandum of Agreement is found to be, you know, not legal and nullifies our process where do we stand then is the question. And that might be for Corp. Counsel and I know Corp. Counsel did try to address that, but being that they didn't review it as evidenced by no signature from their office on the Memorandum of Agreement maybe if they can further expand on that.

CHAIR PONTANILLA: Thank you. Corporation Counsel.

MR. KUSHI: Yes. Mr. Chair, if, if, if that is the fact scenario which Member Medeiros, if that happens of course we would again review what had happened in the past and we will look at it retroactively I guess. And if this body does pass the resolution of course we would then amend the Memorandum of Agreement to then make it fit within the bounds of the law.

COUNCILMEMBER MEDEIROS: Okay. And so in your opinion, Mr. Corp. Counsel, we can do that after the fact and still retain the monies through this grants?

MR. KUSHI: Member Medeiros and Members of the Council, at this time without knowing any further of course, I would say yes.

COUNCILMEMBER MEDEIROS: Okay. That satisfies my questions, Chair.

CHAIR PONTANILLA: Thank you. Members, are there any...Member --

VICE-CHAIR HOKAMA: Chairman. Chairman.

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CHAIR PONTANILLA: --Hokama.

VICE-CHAIR HOKAMA: Excellent question by my colleague. So with the resolution that is attached to this request, Chairman, it is authorizing now Mayor Tavares to execute all documents. But is there a need for a re-execution since, although it was unauthorized there is an executed agreement? So is this resolution appropriate?

CHAIR PONTANILLA: Corporation Counsel.

MR. KUSHI: Mr. Chair, the question is, is the resolution appropriate? We would say yes because it's required by the, by your processes in your budget ordinance. As to the, as to what the resolution itself says in a, as noted by Member Hokama in No. 2 on the "be it resolved" is that, that the Council does authorize the Mayor or her authorized representative to execute any and all documents necessary to process and accept such funds. We would then review and advise the Mayor if an amendment to that Memorandum of Agreement is needed.

CHAIR PONTANILLA: Thank you. Councilmember Hokama.

VICE-CHAIR HOKAMA: Chairman. Thank you very much. I know this is a hard one, I know that it is not the County's practice to turn down grant revenues. I think the initial vote should be taken seriously by the Departments that at least the Committee of this Council will not tolerate future processing in this manner. You know we have had enough time enforcing our own laws with our community and explaining why they need to follow the County laws or for the betterment of the community and the County. And here the County cannot even follow it's own guidelines that we tell the community to follow. What kind of examples are we, Chairman? So I hope they...I hope this is part of your Committee report Chairman that it was very difficult for this Committee and that originally it turned down by vote to accept the grant funds because of the way it has been handled by the past Administration. And I will support the Committee's majority decision whatever it may be, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. At this time, the Chair would like to recognize a Member for reconsideration. Member Medeiros.

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COUNCILMEMBER MEDEIROS: Mahalo, Chair. After that discussion and certainly I think it's the, certainly the will of the body that we would want to receive these funds. I think that wasn't the question about receiving the funds. I think the question was are we doing it legally? And if we're satisfied with that as discussed with Corp. Counsel then, Chair, I make a motion for a reconsideration.

CHAIR PONTANILLA: Is there a second?

COUNCILMEMBER MATEO: Second.

CHAIR PONTANILLA: Thank you. All those in, any more discussion in regards to the reconsideration? If not, all in favor of the reconsideration please say aye.

VOTE:	AYES:	Councilmember Baisa, Mateo, Medeiros, Molina, Vice-Chair Hokama, and Chair Pontanilla.
	NOES:	None.
	ABSTAIN:	None.
	ABSENT:	None.
	EXC.:	Councilmember Anderson, Johnson, and Victorino.

MOTION CARRIED.

ACTION: APPROVE reconsideration.

CHAIR PONTANILLA: Okay. Back to the motion. The Chair, Chair's recommendation is to adopt the revised proposed resolution and the passage of the revised proposed bill at first reading and the filing of the County communications.

COUNCILMEMBER MOLINA: So move.

COUNCILMEMBER MATEO: Second.

CHAIR PONTANILLA: Okay. Moved by Member Molina --

MR. TAGUCHI: Chair Pontanilla.

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CHAIR PONTANILLA: --second by Member Mateo. Staff.

MR. TAGUCHI: Just a clarification. The current resolution refers to the attachments. The question right now is whether or not the exhibit, which includes the Memorandum of Agreement, will have to be, should be revised.

CHAIR PONTANILLA: Corporation Counsel.

MR.KUSHI: I'm sorry, what, you referenced the attachments? What was the question again, Mr. Taguchi?

CHAIR PONTANILLA: Staff.

Mr. TAGUCHI: The, the question is whether or not the resolution which, which refers to the attachments, whether or not considering the fact that there may have to be amendments to the Memorandum of Agreement I'm not quite sure how that affects the resolution.

MR. KUSHI: Mr. Chair, again I'm not sure what his point is. But the resolution does state in the whereas provisions various exhibits which are the attachments. But the authorization does authorize the...does say that the Mayor is authorized to execute any and all documents necessary including any amendments thereto. So even if you didn't have this particular situation I'm not sure if the, what your Staff is saying that if, if the Mayor then executed an amendment to any of the previously approved, any of the exhibits previously approved by the resolution would have to come back to this body I don't think that's the intent. Therefore, if an amendment to the MOA is indeed, indeed needed to comply with our County Code or provisions of intergovernmental agreements I don't believe that it should come back to this body again.

CHAIR PONTANILLA: Thank you. Okay, Members, we do have a motion on the floor. Any more discussion? All in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Opposed? Okay. Motion is carried.

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VOTE: **AYES:** **Councilmember Baisa, Mateo, Medeiros, Molina, Vice-Chair Hokama, and Chair Pontanilla.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Anderson, Johnson, and Victorino.**

MOTION CARRIED.

ACTION: ADOPTION of revised proposed resolution; FIRST READING of revised proposed bill; and FILING of communication.

CHAIR PONTANILLA: Thank you Members for that lengthy first item.

ITEM NO. 29: GRANT FUNDS FROM SPRINT-NEXTEL; AND AMENDING FY 2007 BUDGET, DEPARTMENT OF POLICE (SPRINT-NEXTEL RADIO RE-BANDING PROJECT) (C.C. No. 07-111)

CHAIR PONTANILLA: The second item we do have is BF-29, Grant Funds from Sprint-Nextel; and Amending Fiscal Year 2007 Budget, Department of Police (Sprint-Nextel Radio Re-Banding Project). This is a result of County Communication No. 07-111 transmitting the following: A proposed resolution to authorize the acceptance of grant funding totaling \$83,960 to the County of Maui, Office of the Mayor, for the Department of Police Sprint-Nextel Radio Re-Banding Project; and a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2007 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF POLICE". The purpose of the proposed bill is to add the grant to Appendix A of the Fiscal Year 2007 Budget. Further correspondence from the Budget Director dated May 16, 2007 transmits a revised proposed resolution entitled "AUTHORIZING THE ACCEPTANCE OF A GRANT OF FUNDS FROM SPRINT-NEXTEL CORPORATION RELATING TO THE DEPARTMENT OF POLICE SPRINT-NEXTEL RADIO RE-BANDING PROJECT". At this time, the Chair would like to call on Mr. Pablo for comments.

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MR. PABLO: Thank you, Mr. Chair. Chief Phillips and Deputy Chief Yabuta are on a business trip on Oahu. They regret that they couldn't be here this morning; however, we do have Jeff Amaral, the Project Manager for this project. He'll be here available to answer any of your questions.

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

COUNCILMEMBER BAISA: Thank you, Chair. Again, would you please give us a brief description of what's going to be happening with these funds?

MR. AMARAL: I'd be happy to, Councilmember Baisa. The funds that we are requesting is actually to allow us to submit reimbursements for some personnel costs that we have encumbered up until now and also some supply equipment services that we would like to have done and get reimbursed for.

COUNCILMEMBER BAISA: Thank you very much.

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

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Captain Amaral. So these monies were applied for by the Department to Sprint-Nextel?

MR. AMARAL: Yeah. These monies have been part of an ongoing negotiations of an agreement between Sprint-Nextel and Maui.

COUNCILMEMBER MEDEIROS: So this is part of the whole process of Sprint-Nextel replacing the system radios and so forth?

MR. AMARAL: That is correct.

COUNCILMEMBER MEDEIROS: Okay. So there may be other applications for more money as it becomes necessary?

MR. AMARAL: There, there's about \$193,960 I believe already in the FY '08 Budget that's noted there. The other funding that will be used to complete this project will be paid for directly from Sprint to whoever the vendors are as this project proceeds.

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COUNCILMEMBER MEDEIROS: Thank you, Captain Amaral. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Hokama.

VICE-CHAIR HOKAMA: Chairman, just so we can understand the internal adjustments that will be made. We recognize this as, I guess, a grant fund but our understanding that the Captain just reconfirmed was this is a reimbursement for expenses that the Department had already put forward in dealing with the 800 megahertz radio band adjustments, I believe, with the Federal FCC's --

UNIDENTIFIED SPEAKER(?): Mandate.

VICE-CHAIR HOKAMA: --guidance. So that being the case why wouldn't they, this be just a reimbursement and go back into the General Fund since it's already, it's a reimbursement.

CHAIR PONTANILLA: Department.

VICE-CHAIR HOKAMA: Because that's what we have in the Department's letter, purpose to seek reimbursement of expenses.

MR. AMARAL: Mr. Chair, can I explain?

CHAIR PONTANILLA: Go ahead, Captain Amaral.

MR. AMARAL: Yeah. Let me just explain that on the, on the request on the salary portion would be monies that we would like to recover for some of the time that has been spent in preparation of our agreement up until now. However the 75 has not been, has not been spent, there's a plan there but that is not an actual reimbursement. That is, that is actually equipment and supplies that Nextel is willing to purchase on behalf of, of the County. So in other words, they would authorize us to purchase. . .(inaudible). . .up until that amount.

VICE-CHAIR HOKAMA: So Captain, so just so that we're clear, out of the 83,960 out of this...okay, what is proposed to us is a grant, only the \$8,960 is a reimbursement, and the \$7,500 is, would be like a grant amount for equipment, future purchases of required supplies and services. Is that a good understanding?

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MR. AMARAL: That's correct.

VICE-CHAIR HOKAMA: Okay. Well, I appreciate your, your clarification because my understanding was that the Department has already forwarded an advance from the General Fund through the Department's accounts, 83,960 and that we are now getting 83,960 back for the advance from the Department. That is not correct. Right, Captain?

MR. AMARAL: No. That is not.

VICE-CHAIR HOKAMA: Okay. Okay. Well, then I understand the way that it's being proposed. Because other than that I would have expect that to go back into the general fund for the. . . (*end of tape 1B*). . .to figure out how he plans to then utilize that funds whether it be through re-appropriation or as a savings for the following fiscal year. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Members, any more questions for the Department? Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. I, I think I'm a little more confused now with that explanation because, Captain, the reimbursement is for the entire 83,960, and that 83,960 is not indicative only of salary and wages. So can you, can you be real clear and tell me what we're looking at in terms of why was this was identified as a reimbursement?

CHAIR PONTANILLA: Department.

MR. AMARAL: These would be funds that Nextel, once we had, have an agreement would allow us to facilitate some of the upgrades that are necessary and yet at the same time assure us that if we are putting out any County funds first that, that would be reimbursed back into the County.

COUNCILMEMBER MATEO: So at this point the only funds, County funds that had been appropriated for this particular project, you're, you're identifying 9,000, 8,960 on the salaries and wages. Now that had already been spent?

MR. AMARAL: That is correct.

COUNCILMEMBER MATEO: What had not been spent is the 75,000 operating expenses for supplies and service?

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MR. AMARAL: Correct.

COUNCILMEMBER MATEO: So, then in part the only reimbursement is the 8,960?

MR. AMARAL: That, that would be costs that were involved in order for us to come up with this agreement between Sprint-Nextel and Maui would be on the 8,960.

COUNCILMEMBER MATEO: Okay. So the 75,000 additional in expenses is for --

MR. AMARAL: Is, is, is equipment that we would like to --

COUNCILMEMBER MATEO: --equipment and supplies.

MR. AMARAL: --to purchase--right--but has not been yet.

COUNCILMEMBER MATEO: But once that is purchased then that is all part of this total reimbursement figure?

MR. AMARAL: Correct.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you, Member Mateo. Members, any more questions? If not the Chair's recommendation is to adopt the revised proposed resolution and the passage of the proposed bill at first reading and the filing of the County communication.

VICE-CHAIR HOKAMA: So move.

COUNCILMEMBER MOLINA: Second.

CHAIR PONTANILLA: Moved by Member Hokama, second by Member Molina. Any more discussion, Members? All in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Thank you. Motion is carried.

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VOTE: **AYES:** **Councilmember Baisa, Mateo, Medeiros, Molina, Vice-Chair Hokama, and Chair Pontanilla.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Anderson, Johnson, and Victorino.**

MOTION CARRIED.

ACTION: ADOPTION of revised proposed resolution; FIRST READING of proposed bill; and FILING of communication.

CHAIR PONTANILLA: Thank you, Captain Amaral.

ITEM NO. 35: GRANT FUNDS FROM FIREMAN’S FUND INSURANCE COMPANY; AND AMENDING FY 2007 BUDGET, DEPARTMENT OF FIRE AND PUBLIC SAFETY (C.C. No. 07-141)

CHAIR PONTANILLA: The next item on our agenda is BF-35, Grant Funds from Fireman’s Fund Insurance Company; and Amending Fiscal Year 2007 Budget, Department of Fire and Public Safety. This is a result of County Communication 07-141. The Committee is in receipt of a revised proposed resolution entitled “AUTHORIZING THE ACCEPTANCE OF A GRANT FUNDS FROM THE FIREMAN’S FUND INSURANCE COMPANY RELATING TO THE DEPARTMENT OF FIRE AND PUBLIC SAFETY”. The purpose of the revised resolution is to authorize the acceptance of grant funds totaling \$12,290 [*sic*] to the County of Maui, Department of Fire and Public Safety, for equipment, training, or public safety and education outreach.

The Committee is also in receipt of a revised proposed bill entitled “A BILL FOR AN ORDINANCE AMENDING APPENDIX A OF THE FISCAL YEAR 2007 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO THE DEPARTMENT OF FIRE AND PUBLIC SAFETY”. The purpose of the revised proposed bill is to add a grant

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called "Fireman's Fund Insurance Company" to Appendix A of the Fiscal Year 2007 Budget. At this time, the Chair would like to call on Mr. Pablo for opening comments. And joining us this morning again is Assistant Chief Alan Pascua.

MR. PABLO: Thank, thank you, Mr. Chair. Chief Kaupalolo and Deputy Chief regret that he couldn't be here, they're at a required staff meeting. However Assistant Chief Pascua is available to answer any specific questions regarding this proposal. Thank you.

CHAIR PONTANILLA: Thank you. Members, any questions? Member Mateo followed by Member Hokama.

COUNCILMEMBER MATEO: Chairman, thank you. And I guess this is to the, the Budget Director. This is another October '06 reference and we're taking action now, so can the Department, not the Department, excuse me, if the Budget Director can tell me what took so long?

CHAIR PONTANILLA: Director.

MR. PABLO: I'd be glad to. Hold on. We received this, this request from Chief Kaupalolo in, in February or early March and that was the earliest that I could prepare this. I believe it's March 20th was the date or April 24th. Perhaps Assistant Chief Pascua could, could also provide further background on what, what occurred between October 30, 2006 and the submission of his budget.

COUNCILMEMBER MATEO: Briefly. Thank you.

CHAIR PONTANILLA: Chief.

MR. PASCUA: Chair, thank you for that question, Member Mateo. Yeah. On October 30th Chief Kaupalolo just got an impromptu call from Fireman's Fund stating that they would like to make this grant in the amount of 12,390. At that time we weren't expecting this intent, letter of intent, we weren't expecting these funds at all. Through business insurance and Mr. Shiraki there who made the recommendation through Fireman's Fund, we decided to work with them and you know try to work with them as much as possible to get these funds accepted by the County in a proper, in accordance with the laws. On November 7th Chief Kaupalolo responded to the intent and wanted to hand over the grant application process to me.

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I then submitted the application and the proposal and the compliance agreement in November 18th and Fireman's Fund Heritage Program, where the grant came from, actually granted the fund and sent me a congratulatory letter in January 19th. On January 22nd--as you can see this is progressing pretty quickly once it started going--I had a meeting with Corp. Counsel to discuss the, the process by which we accept the whole thing. And Corp. Counsel actually reviewed a draft of a resolution shortly thereafter. From that point to the point where Director Fred Pablo finally got the, the request from Chief Kaupalolo in April it kind of just floated around in there until the resolution got to the table and on top of the Budget Director's agenda.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama.

VICE-CHAIR HOKAMA: Chairman, thank you. And I appreciate Mr. Mateo's original question. This is for, for Chief Pascua. Chief, you have a variety of potential uses including purchasing equipment, training, educational outreach. Can you tell us your Department's intended use of this grant funds please?

MR. PASCUA: In our grant compliance agreement and in the application form again working with the Fireman's Fund Insurance Company--and looking at this very specific amount I don't know how they came up with this exact amount, it's beyond me-- we decided that in looking at our training priorities, we decided that we could tailor this amount especially for a training class, a course that specifically addresses fire service instructor levels, certification thereof. So we...because it goes a per head price in the class we thought we could adjust it depending on the, the vendors quote to us, and we actually tailored that amount to what we could provide within the vendor's quote. Therefore we got 20 people nailed down and we got the, the requisition ready to be signed and we got the quote ready to go, and as soon as acceptance in this ordinance passes through we're going to encumber the funds and conduct this fire service instructor level one certification course.

VICE-CHAIR HOKAMA: That is terrific, Chief. I'm happy to hear that. I will say that maybe, you know, the Department might in the future want to consider maybe some of the use of this funds for management and administrative development within the Department, so that as we work on the interior career ladder program for promotions and, and movement

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upward we can assist our fire fighters, both our men and women to get the additional training to be even better managers and administrators of the Department. And that would be something I would ask for the Department's consideration.

My second question, Chairman, and it would be more for maybe Mr. Pablo and again I know Mr. Kushi is...*(inaudible)*...last minute to sit in this meeting. But if we look at Page 1 of the ordinance, gentlemen, there is an underscoring of \$1,000 under private donations. So I'm just asking are we missing something that we are, this Committee is not aware of, or, or is this just a clerical fluke? I'm just of interest. So if someone could provide some comment please.

MR. PABLO: I'll be glad to comment it on. Could you reference...*(inaudible)*...

VICE-CHAIR HOKAMA: I'm looking at, at the ordinance proposal that is attached to, and if you look at the latest one April 24th. In response to the resolution then we have the letter from Fireman's Fire Fund, then we have the ordinance proposal. And normally we underscore things we adding and we bracket out things we deleting. And I notice an underscoring under donations, letter 3.g. And so I'm just wondering is there an additional \$1,000 that the Department is getting that...or we don't know about, or?

MR. PABLO: No. No. No. Council Chair Hokama. What had happened was that, that apparently was a mistake, a typographical mistake.

VICE-CHAIR HOKAMA: Okay.

MR. PABLO: It was corrected and resubmitted on May 16th. So there should be a corrected one in your files.

VICE-CHAIR HOKAMA: May 16th, Mr. Director, I'm sorry to inform you it's still underscored. So and that's the reason of my question, yeah.

MR. PABLO: We, we had resubmitted it, so.

VICE-CHAIR HOKAMA: You have more than one May 16th letter?

CHAIR PONTANILLA: Yeah. Chairman Hokama, we do have a new sheet that removed the underscored under the \$1,000 appropriation area.

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VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Sent a letter to Mr. Pablo again on May 16th to notify him that the underscoring of the \$1,000 should be deleted. So we do have a corrected copy, thank you.

VICE-CHAIR HOKAMA: Okay. Chairman, thank you so much for your, that was very fast and efficient, Chairman, thank you so much.

CHAIR PONTANILLA: Are you done, Mr. Hokama?

VICE-CHAIR HOKAMA: Thank you very much.

CHAIR PONTANILLA: Thank you. Member Molina followed by Member Medeiros.

COUNCILMEMBER MOLINA: Thank, thank you, Mr. Chair. Good morning, Chief. I'm just curious, you know, you've been with the Department for some time now. Is this a frequent occurrence where you have these insurance companies give monies back to the Maui County Fire Department? Because I mean it's nice to see, and these insurance companies are making a heck of a lot of money off the public. So it's nice to see at least one company giving back. So from your tenure of being in the Department is this a somewhat frequent occurrence from, I guess, Fireman's Fund, which is part of the Fireman's Fund Heritage program, and are there other companies that are doing this for not only Maui County but other Departments as well?

MR. PASCUA: Chair.

CHAIR PONTANILLA: Go ahead.

MR. PASCUA: Thank you for that question, Member Molina. No. It's very highly unusual, actually. A lot of times private companies...like just recently Wal-Mart decided they just wanted to donate \$1,500 to, to purchase smoke detectors and that went through this, this --

COUNCILMEMBER MOLINA: Right.

MR. PASCUA: --this body also. It's just totally unexpected. I don't know what happens, but they come to us and say we want to give you money, and we

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sure would like to get the kind of help Mr. Pablo gave us to get it processed accordingly. But no, it's not very frequent.

COUNCILMEMBER MOLINA: Oh, good. Well I hope it becomes a more frequent occurrence out there, 'cause you know as we all know the cost of insurance for everybody, you know, impacts a lot of lives, so it's just nice to see this gesture done by Fireman's Fund. Thank, thank you, Chief.

MR. PASCUA: Thank you, Mr. Chair.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chair. Kind of answered already by Member Molina's question. But I just want to follow up one portion of that. So actually there was no initial application for this money, it was just offered by this company, and then you took it upon yourself to go through the legal process of how to receive this money?

MR. PASCUA: Correct.

COUNCILMEMBER MEDEIROS: Yeah. Right. Which is commendable to you. Okay. Thank you. Chief, thank you.

CHAIR PONTANILLA: Thank you, Member Medeiros. Members, any more questions for the Department at this time? If not the Chair's recommendation is to adopt the revised proposed resolution and passage of the revised proposed bill at first reading and the filing of the County communication.

VICE-CHAIR HOKAMA: So moved.

COUNCILMEMBER MATEO: Second.

CHAIR PONTANILLA: Moved by Members Hokama. Second by Member Mateo. Members, any more discussion? If not all in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Thank you. Motion is carried.

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At this time the Chair would like to recognize the Director of Parks and Recreations Tamara Horcajo for comments as well as the Budget Director for comments.

MR. PABLO: Thank you, Chair. Just, just a few words. The, the purpose of this Budget amendment is to properly reflect that CIP project in Fiscal Year '07. A corrective action has been taken to transfer the funds from operations to CIP. And this CIP project is properly reflected also in the Fiscal Year '08 Budget, which was just, which is under consideration now. Thank you. Here for the Department of Parks and Recreation is Director Tamara Horcajo.

CHAIR PONTANILLA: Thank you. Any comments, Director at this time?

MS. HORCAJO: Thank you, Chairman. I just want to take a minute to say, on behalf of the men and women working in the Department of Parks and Recreation, thank you for all your hard work and for Fiscal Year '08 Budget consideration and support. And also say that the thoughtful handling and resolution of this current Budget item and the stop work on the existing maintenance baseyard has truly made an impact on our Department, and I believe because of the Administration's handling of this in an appropriate manner and the response from our maintenance section it has made a positive impact on our Department and that you will see changes in the future.

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

VICE-CHAIR HOKAMA: Chairman, not a, not a question for the Department specifically but I want to ask that if the Committee would consider that we add the project and we utilize the same name, project description title as we have for the '08 CIP project. Also, I believe we called it the Construction Maintenance Iron Maehara Stadium. So I want to just ask for some consistency so that it's very clear it's one and the same project regardless of Fiscal Year. Two, Chairman, coming back from our recent WI, Western Interstate Region Conference with our 14 other western states and peers, I would like to use this project in a manner that, you know, I shared with some of the Members that in the County of Pierce County, which is just south of Seattle, it's in the city of Tacoma, Federal Way, that County has cities and the cities as their own entities contract the County to do certain services. So all the cities' repaving is done by the County, they don't go out and hire private contractors.

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I think this is one project that I believe will be a test for us to see whether or not there's enough efficiencies, savings, ability to come under schedule, under budget as an option for the County to look at projects differently in the future. But to do that, Chairman, I think I would ask this Committee to consider a resolution that we do a performance audit on this project so that we can look at the positives, the advantages, the disadvantages of, of doing the project in the manner it's moving forward.

If there's sufficient advantages then I would say part of our earlier Budget discussions regarding movement forward of a construction division would have a lot more support from a project that we have viewed and taken into account the various standards that I think we would need to set for the County to move forward to do projects in a different manner. So I would ask you at the appropriate time, Chairman, to authorize a resolution to conduct an audit in support of the project.

CHAIR PONTANILLA: Thank you, Chair. Members, any more discussion?
Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. If the Department can kind of refresh my memory. The, this 47,175 represents what? You're moving --

CHAIR PONTANILLA: Department.

COUNCILMEMBER MATEO: --you're moving from one section to another?

MS. HORCAJO: Yes. We are.

COUNCILMEMBER MATEO: What is the, what does the 47,000 represent?

CHAIR PONTANILLA: Department.

MS. HORCAJO: The 47,000 represents materials purchased for the construction of the baseyard for the Construction Maintenance section. And because it is for a building facility it's being moved out of the operations where we purchased the materials into the CIP account for our Department.

COUNCILMEMBER MATEO: Thank you. Thank you, Chair.

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CHAIR PONTANILLA: Thank you. Any more questions, Members? Member Hokama.

VICE-CHAIR HOKAMA: Chairman, you know, if we're going to be very good on this project as we review the, the final, after completion, the final true cost on it, I would hope that the Department would calculate the operational wages and salaries that also went into the existing...up to this point how much funds was allocated for that component of the project. I think for us to be fair to assess after completion of the project we would need to have all of the various factors in a CIP to make a better analysis and review. So that is not currently part of the 47,000, Director Horcajo?

MS. HORCAJO: That is currently not. It's hard materials and supplies only.

VICE-CHAIR HOKAMA: Is that something that you could...well, it's going to be too late for this Budget year but I think for us to, well maybe the audit can, can, can dig it out, Chairman. But I think to be fair to the project we would need to know also the, the funds we've expended already on manpower. I'm done. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chairman. Good morning, Director Horcajo. Do you have a general timetable as to when you anticipate this project may be finished at this point?

MS. HORCAJO: The current plans have been approved and are working their way through the Departments. I believe it's with Water currently and as soon as it comes out that the staff will be ready to go. We will be looking at the timetable because our Staff has a schedule to maintain on our current facilities. And we are looking at that timetable. As soon as we're ready to go and I'll, I believe a six-month period after the project begins we would be looking at completion approximately.

COUNCILMEMBER MOLINA: Okay. So you have any, any time you can pull out of the sky for us at this point? A year from now...*(inaudible)*...

MS. HORCAJO: Council member, I don't have that much history and experience with the permit process. I know that it could come out shortly but then it does take a little time as well. So I think we're anticipating it anytime soon and we are working with Planning to hopefully streamline some of

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our regular procedures. But I'll be better able to tell you as soon as I go through this a few times.

COUNCILMEMBER MOLINA: No problem. I guess Member Hokama just stimulated my curiosity being that this could be used as a model --

MS. HORCAJO: Right.

COUNCILMEMBER MOLINA: --based on the fact upon what he had learned up at his conference and I think it's a good, good concept to look into as well. So but, thank you. Thank you, Chairman.

MS. HORCAJO: Thank you.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chair. Just to follow up on that. So while you wait, wait for the completion of the permit process work has been suspended on the project is what you're saying?

MS. HORCAJO: Yes. It has.

COUNCILMEMBER MEDEIROS: Okay. So work will continue when you get the permit and then you'll have a projection then about when you'll be completed with the project?

MS. HORCAJO: That is correct. And I do notice that a proviso was made here in the Budget ordinance and so that a report will be forthcoming. And we'll try and put together basic information on, that was requested from this Committee.

COUNCILMEMBER MEDEIROS: Mahalo, Director Horcajo. Mahalo, Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions in regards to the Department or the Budget Director? If not, the Chair's recommendation is passage of the revised proposed bill at first reading and filing of the County Communication.

COUNCILMEMBER MEDEIROS: So moved.

COUNCILMEMBER BAISA: Second.

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CHAIR PONTANILLA: Okay. It been moved by Member Medeiros, second by Member Baisa. At this time, the Chair would like to entertain a motion to revise the proposed bill to change the name as noted on Page 2, "Construction Maintenance Baseyard" to "Construction/Maintenance Baseyard at the Iron Maehara Baseball Stadium". And this is the same as what's being posted in the Fiscal Year 2008 Budget.

VICE-CHAIR HOKAMA: So moved.

COUNCILMEMBER MOLINA: Second.

CHAIR PONTANILLA: Moved by Member Hokama, second by Member Molina. Any more discussion? If not, all in favor of that motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Thank you.

VOTE:	AYES:	Councilmember Baisa, Mateo, Medeiros, Molina, Vice-Chair Hokama, and Chair Pontanilla.
	NOES:	None.
	ABSTAIN:	None.
	ABSENT:	None.
	EXC.:	Councilmember Anderson, Johnson, and Victorino.

MOTION CARRIED.

ACTION: APPROVE amendment to the main motion.

CHAIR PONTANILLA: Coming back to the main motion as amended. Any more discussion? If not, all in favor of the motion please say aye.

COUNCIL MEMBERS: Aye.

CHAIR PONTANILLA: Thank you. Motion is carried.

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RECESS: 11:50 a.m.
RECONVENE: 11:55 a.m.

CHAIR PONTANILLA: . . .*(gavel)*. . . The Budget and Finance Committee meeting is now reconvened. Members, BF-32 was our last item on the agenda. And earlier Mr. Hokama, or Chairman Hokama had proposed to the Chair in regards to a proposed resolution to the auditing some Departments. Because that item wasn't agendized the Chair will be working with Chairman Hokama to come out with a draft resolution to take care of that issue. Members, any more discussion or comments at this time?

VICE-CHAIR HOKAMA: Chairman. Chairman. If you just let me one quick comment please --

CHAIR PONTANILLA: Sure.

VICE-CHAIR HOKAMA: --regarding the potential of a proposed resolution. My intent is, it's not about Parks, this is about the County of Maui, how the County does its projects. So I want it very clear on the record and in front of the Director this is about all Departments that we're going to hold them to the law like we hold all our residents to the law. Simple as that, Chairman. And it's not about Parks. This is about the County Government itself. Thank you.

CHAIR PONTANILLA: Thank you. And I, I just want to add a comment that some of the Departments do welcome the audit in regards to their particular Department. So with that if there's. . .*(end of tape 2A)*. . .meeting adjourned. . .*(gavel)*. . .

ADJOURN: 11:57 a.m.

APPROVED:



JOSEPH PONTANILLA, Chair
Budget and Finance Committee

bf:min:070523:ds

Transcribed by: Daniel Schoenbeck

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CERTIFICATE

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

DATED the 7th day of June, 2007, in Pukalani, Hawaii



Daniel Schoenbeck