

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

**MINUTES**

**April 14, 2008**

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

**CONVENE:** 9:05 a.m.

**PRESENT: VOTING MEMBERS:**

Councilmember Joseph Pontanilla, Chair  
Councilmember G. Riki Hokama, Vice-Chair (in 9:08 a.m.; 4:08 p.m.)  
Councilmember Michelle Anderson (out 11:20 a.m.)  
Councilmember Gladys C. Baisa  
Councilmember Jo Anne Johnson  
Councilmember Danny A. Mateo  
Councilmember Bill Kauakea Medeiros  
Councilmember Michael J. Molina  
Councilmember Michael P. Victorino (out 1:45 p.m.)

**STAFF:** Lance Taguchi, Legislative Analyst  
Michael Geers, 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  
Agnes Hayashi, Deputy Director, Department of Finance  
Deidre M. Tegarden, Coordinator, Office of Economic Development, Office of  
the Mayor  
Victor Reyes, Energy Commissioner, Office of Economic Development, Office of  
the Mayor  
Jeff Hunt, Director, Department of Planning  
Don Medeiros, Director, Department of Transportation  
Wayne A. Boteilho, Deputy Director, Department of Transportation  
Ellen Kraftsow, Planning Program Manager, Water Resources and Planning  
Division, Department of Water Supply  
Traci Fujita Villarosa, First Deputy Corporation Counsel, Department of the  
Corporation Counsel

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Seated in the gallery:

Scott Teruya, Assistant Administrator, Real Property Tax Division, Department of Finance

Joanne Inamasu, Deputy Coordinator, Office of Economic Development, Office of the Mayor

Clark Hashimoto, Agricultural Specialist, Office of Economic Development, Office of the Mayor

Tamara Horcajo, Director, Department of Parks and Recreation

**OTHERS:**    **Item 1:**        Ed Tamura  
                                 Clayton Ishikawa  
                                 Arthur Rego  
                                 Dorothy Hughes  
                                 Ronda Barstad  
                                 Yuki Lei Sugimura  
                                 Sandy Baz, Executive Director, Maui Economic  
                                 Opportunity, Inc.  
                                 Others (10)

**PRESS:**        Akaku: Maui Community Television, Inc.  
                                 Illima Loomis, *The Maui News*

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CHAIR PONTANILLA: . . .(*gavel*). . . The Budget and Finance Committee meeting for April 14, 2008 is now called to order. The time is 9:05. Good morning, Members. I hope all of you had a restful weekend.

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: (*Chuckles*) I hear one “No”. (*Laughter*) At this time the Chair would like to recognize the Committee Members that are here this morning. We do have Member Mateo, Member Anderson, Member Johnson, Member Medeiros, Member Molina, Member Victorino and also, coming down the aisle, Member Baisa. Good morning.

COUNCILMEMBER BAISA: Good morning, Chairman.

CHAIR PONTANILLA: Supporting the Committee this morning we do have our Staff. We do have Lance Taguchi, Gayle Revels as well as Mike Geers who’re our Legislative Analysts. And Yvette Bouthillier, our Committee Secretary. We do have members of the Administration this morning. We

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have our Budget Director, Mr. Pablo and our First Deputy, Corporation Counsel, Tracy Fujita Villarosa.

Members, this morning before we bring up the OED Department, we do have public testimony. We do have people signed up this morning. Members and members of the gallery, if you can turn off your cell phone or put it on the silent mode as not to interrupt the people that are testifying this morning.

For those of you that are providing public testimony, you have three minutes to provide your testimony, with one minute to conclude. After the first three minutes has gone by you'll be notified by Staff that three minutes has gone by. And if you can conclude in a minute, the Committee will appreciate that. For those that are testifying, if you can provide your name and the organization that you represent we would appreciate that. And if you need more than three minutes, after everybody has spoken...not everybody has spoken but if you want another three minutes after three minutes, you know, we'll give you another three minutes but you'll have to wait until everybody has provided their testimony. And again, you have only three minutes without that additional minute to conclude or to continue on. So with that, Members, the Chair would like to recognize the first testifier. We do have Ed Tamura.

*...BEGIN PUBLIC TESTIMONY...*

MR. TAMURA: Thank you very much, Joe. Good morning, everybody. Name is Ed Tamura. I'm representing myself, Hui Maui Golf Club, Waiehu Golf Club and Mr. Riley Kaneshina of the Maui AJA Golf Club. We would like to say that we are not very happy about the proposed rate increases at Waiehu Golf Course for the seniors and the residents. There's reasons for that. And the thing about it is the rates, we feel, are not correct. And the golf course was made for the residents and here because why was it made? It was because the residents couldn't afford to be playing at a private course. If you look at how the golf course was made, the golf course was made with County employees without using professional help. They put it together and made the course. And the course is a very unique course. It's not a professionally designed course but yet it provides recreation for your residents at a very reasonable rate. And we would like to see that the rates stay the same as much as possible.

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And going back in history in time about the golf course fund itself, the fund was not created to run the golf course. The golf fund was created—the green fees were established to help subsidize whatever the County could not cover as far as maintenance of the golf course. And it's not—the golf fees were not used to be for operational purposes. That was up to the Council to decide how the golf course maintenance or golf course operation, employ...the number of employees would be decided by you, the Council Members, or the Mayor him...herself.

And so we...we would like to say that there's a lot of senior citizens today that are on fixed income. And when I say fixed income, there's still a lot of people that I would say plantation retirees, they're lucky if they make 300 a month. You know, and now you going tell them they gotta pay this much more. And most of'em, a lot of'em have a hard time walking. They used to be able to walk but now at this point in time, they do ride or they need assistance. And so for them to go golfing on an average day, which would be just any day, would be like about 20, \$20. And you can imagine now, they like to play golf twice a week. That's \$40. Then you're looking at 160, you know, you're looking at \$160 with no problem a month. And the guy making 300. You know, he's gotta provide his life. So that's what we're asking is that, please consider your residents and also your seniors. That we would like to see them be able to use the facilities. Along with that, increasing the rate is not the way to increase golf usage. Or you wanna increase revenue...

MS. REVELS: Three minutes.

MR. TAMURA: Increasing the rates will not really do anything. What it'll do is it'll take your numbers down and what's gonna happen is you're gonna lose revenue. So we just wanna ask you for your help. And hopefully that you'll consider all of that and help us out. Keep the rates same. Thank you.

CHAIR PONTANILLA: Thank you, Mr. Tamura. Members, questions for the testifier? Member Johnson.

COUNCILMEMBER JOHNSON: You almost got away, huh? (*chuckles*) I...I thank you for your testimony. I'm not a golfer so I take my lead from the people who are. One of the questions that I have is in regard to the statement that you made about the monies that are collected for, you know, your fees, that that was never designed to operate the golf course. Was it ever explained to you that the golf course is what they call an

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enterprise fund? Are you aware of, you know, how the golf course operates now?

MR. TAMURA: Well, not really. Councilman Victorino tried to explain to me about the enterprise fund this morning but the thing is if we're gonna go into that kind of theory or how it's gonna be run business-wise, there's a lot of things other that are not run in that mode.

COUNCILMEMBER JOHNSON: Yeah. And, you know...

MR. TAMURA: Swimming pools, tennis courts, et cetera.

COUNCILMEMBER JOHNSON: Yeah, and I totally agree with you but I just wondered if you, you know, if that had ever been explained to you.

MR. TAMURA: No, I...I really not familiar with that at all.

COUNCILMEMBER JOHNSON: Okay. And my second question is that there is—and you didn't speak specifically to this but you just made a statement about the fees changing—I know that there's a fee that is being contemplated that if, let's say, somebody doesn't show up. They reserve time, maybe they forget about it, or whatever. But they reserve a spot at the golf course. Do you believe that that individual who's holding that position, should be charged some kind of a penalty for not showing up and then therefore depriving somebody else of the opportunity to have played?

MR. TAMURA: Well, I went to the hearing they had...Alice Lee's hearing for...about the golf course last week. And we talked about how...how, you know—basically, they were talking about the clubs. They weren't talking about individuals. They were talking about how the club penalties would be if you didn't fill out the times. And we kinda ironed out some things and I thought we got a pretty good understanding of how the penalties should be assessed. And I think when you see Alice's proposal, or whatever the thing is called, you should see that thing should be a lot brighter. . .*(inaudible)*. . .

COUNCILMEMBER JOHNSON: Okay, 'cause I haven't visited with Miss Lee and I know she's a golfer so.

MR. TAMURA: Yeah, she's doing a study or a proposal for Parks and Recreation.

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COUNCILMEMBER JOHNSON: Okay, all right. And then one final thing. And that would be that because not all seniors who—you know, 'cause I know some seniors that, you know, they're...they're not rich people but they certainly don't mind paying a little bit more if it's gonna mean that the golf course is better maintained. But for those seniors who absolutely are under financial hardship, do you think that one of the options might be to develop some kind of a kokua fund where based on your income level, you could apply for some type of a subsidy or financial relief?

MR. TAMURA: You know, I gotta tell—I gotta disagree with that. I'm not sure how familiar you are with culture. But basically, your seniors are very, very proud people. They don't like handouts. And it goes back from my days growing up as a small kid. They never wanted a handout. What they did was, they helped each other out. But not by saying, oh, you know, we're gonna give you money for this.

And I think even in today's situation, if you were to do that at the golf course, the seniors that...if they...if they can't pay, they're not gonna play. They're—they just not...and we've lost—I'll give you an example. I...I'm not—I haven't been playing that long but on Saturday mornings, Maui Pine, the employees, retirees of Maui Pine used to have five or six times—that's 25, 30 golfers—every Saturday they used to play. You go to the course now and on that Saturday morning group, there's only, I would say, maybe eight. Six to eight of'em. That's all that's left out of that group. Of course, some have died. But a lot of'em have quit because they said it's just too expensive for them to play. That's what it is.

COUNCILMEMBER JOHNSON: Yeah. And I understand that but there are many other things that we do based on it's not like you're asking for handout at all because we have homeowner exemptions. We have all kinds of things like for our circuit breaker. And it's just simply a qualifying level that if you mark down this is the income level that I'm at and perhaps setting the rates in accordance --

MR. TAMURA: Okay.

COUNCILMEMBER JOHNSON: --with the level of your, you know, your earnings.

MR. TAMURA: Okay, that be something that be interesting. I...I think if you put it out and try to put a feeler out, I think you'd probably get some good, positive feedback on that.

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COUNCILMEMBER JOHNSON: Okay.

MR. TAMURA: I'm not sure, you know, how it would...how well it would work but...

COUNCILMEMBER JOHNSON: Yeah, and...and I'm not sure either because, you know, I just—for those individuals, there are many people that they want to play but they also feel they want the quality of the course to be there. So they don't mind paying because they have the ability to do so. But there are many people that as you, you know, outlined, they can't do that. So I'm trying to develop a way to at least address those concerns.

MR. TAMURA: I'm glad you are because that's what we want. We want seniors to stay in the game. We want them to have their exercises, maintain their health and at least, you know, go out couple times a week, walking if they can. But if we're gonna suppress them from going out, to me, that's...that's what I'm here for. To help them out to make sure that...

COUNCILMEMBER JOHNSON: Yeah. And...and sometimes when you're trying to develop the rates and fees, one size doesn't always fit everybody.

MR. TAMURA: Yes.

COUNCILMEMBER JOHNSON: Thank you very much for your testimony.

MR. TAMURA: Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa. Ed, more questions.

COUNCILMEMBER BAISA: Thank you, Mr. Tamura, for coming this morning.

MR. TAMURA: Thank you.

COUNCILMEMBER BAISA: I'm...I'm not familiar much with Waiehu. My husband plays golf but he plays at Maui Country Club. I'm wondering, do you have a senior rate?

MR. TAMURA: A senior list?

COUNCILMEMBER BAISA: A senior rate.

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MR. TAMURA: Yes. At the golf course now?

COUNCILMEMBER BAISA: Yes.

MR. TAMURA: Yes, there is a rate, yes.

COUNCILMEMBER BAISA: So seniors already get a break in what they pay?

MR. TAMURA: The rates are great for the seniors, you know. My friend plays there five times a week but he pays the resident. He's retired but he pays the resident rate and he pays—what he pays in maybe two weeks, I pay for one month. I mean, one...you know, I can play for one month what—I'm a senior. He pays resident. He's retired. He...what he pays for two weeks of play there which is ten times, I can play there for the whole month.

COUNCILMEMBER BAISA: You know, I'm trying to pick up on what Member Johnson is saying and I'm wondering if we could create some kind of a special senior rate. And that way, it wouldn't be so obvious that, you know, I have a special rate because I'm low income. I understand culture very well. I was born and raised here and I don't think anybody wants to be embarrassed. But I'm trying to find a way too, so that we get the income that we need from the people who can pay. And that we give a break to the people who cannot play who we want them to play. And I was wondering if, you know, a senior rate was the answer. But I guess not.

MR. TAMURA: Yeah. I think...I think if you keep the rates, we're not going to lose any seniors at the present time. But also what happens is the concessionaires are gonna come out ahead because if you don't lose any golfers, they're gonna use the...whatever carts or facilities there and the concessionaires pay the County in turn based on their revenues. So, you know, there's...it's a win situation for everybody, the County, the concessionaires, the golfers themselves. And that's what we gonna ask you for help for. We're asking you as the Council for your help to maintain that.

COUNCILMEMBER BAISA: One more question, if you don't mind. About this meeting that Ms. Lee had, is she going to have some recommendations in time for this Budget?

MR. TAMURA: Not really. We, the Budget...today's Budget, the thing, no.

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COUNCILMEMBER BAISA: Well, we're...we're, you know, we've got some time left here. We won't really set everything today so there is a little bit of time. But I was wondering, would she have her study ready for us to use in this Budget or is it...will something that be ready for maybe next time?

MR. TAMURA: Probably the next time 'cause I...I haven't...I haven't even seen the budget on this...I always will...we were working on was the proposals that I got it on Monday and Tuesday night we went to the hearing. That's...that's what it was. It was like we had 24 hours to look at the proposal and come up with our thing. And so...

COUNCILMEMBER BAISA: Okay. Thank you very much. And thank you for being here.

MR. TAMURA: Thank you very much.

CHAIR PONTANILLA: Thank you, Ed, for being here this morning. Members, any more questions? Seeing none, thank you very much. Members, we're gonna take up rates and fees probably this afternoon. And we'll have an in depth review with the Parks Department when...when they do come up. So, again, I just want to thank the testifier for being here this morning. The next testifier is Chief Ishikawa.

MR. ISHIKAWA: Good morning. Good morning, Budget Chair, Council Members. My name is Clayton Ishikawa. I'm a retiree, put in 30 years in the County as a firefighter. Basically, I'm trying to enjoy my retirement and I do play golf a lot.

I'm here on behalf of myself and also the seniors. I've have the opportunity that since I retired, I got to meet a lot of the seniors. And, you know, a lot of the seniors that I played with and we talk, talk story together. A lot of'em are my parents' friends. And, you know, they well up in age. And, again, as Mr. Tamura touched on, these people are plantation retirees, cannery retirees. And, you know, their income is very low 'cause I know my parents are in that category. And I feel for them. And I know they won't be coming out here 'cause they're not the vocal type as our society before. So...I don't know. Because I got to know them and we got to be friends and I enjoy their company. So I thought maybe I'd be the vote for them, the voice today. And just ask you folks to and just keep the rates as is until, you know, we can find out better ways

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of performing with the golf course. And, you know, like I always said, if you're gonna raise fees, the product gotta be good and the product is not good right now. So I would appreciate you folks, you know, taking the time to research this and try to keep the fees as is and so our seniors can keep playing on.

I seen some that quit because of the last raise fees...the fees that was raised. And it didn't sit well. And, you know, also I've noticed the concessionaires takes a hit, the restaurant. Before the seniors used to go in there, drink coffee, eat a light lunch after but they...they don't go in there now. You know, it could be because of the rate fees and they're...and everything else is getting up there. Gasoline, electric, you know, so I guess they gotta tighten the budget. I gotta tighten the budget. If it goes up, I'm gonna have to cut back on my days of golf. And, you know, that's my physical exercise. And I try to keep active. And, you know, so just for them, they need that exercise. They need the camaraderie. And, it's good for them. And hopefully you folks will consider their plight. Okay, thank you.

CHAIR PONTANILLA: Thank you. Members, questions? Member Molina.

COUNCILMEMBER MOLINA: Thank you. Thank you, Chair. Good morning, Chief and good to see you again.

MR. ISHIKAWA: Good morning. Thank you.

COUNCILMEMBER MOLINA: And you're looking really young...*(laughter)*...since you retired from the County. Just to clarify your statement about the...the product itself, for the golf course not being up...up to standard, up to par, and as far a rate increase. Can you clarify what's not good about the golf course in your opinion?

MR. ISHIKAWA: Okay, the...you know, what makes the golf course, the layout...one of the best I've seen, you know. Waiehu has...has one of the best golf layouts, it's just the conditions are bad. I played all...almost every golf course in the State and on the mainland so...but I've been told by tourists too, that the layout is beautiful. In fact, a tourist lady once told me that it's more beautiful than Pebble Beach. And, you know, I had to take a double take at her and say, "Oh, okay." You know, but the conditions, the greens are what make your golf course. The greens are in deplorable conditions. The weeds...I've never seen it that bad. Number two, the greens gonna be lost. There's fungus on the green and, you

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know, it's really bumpy. You know, greens normally when you putt the ball rolls. It doesn't bounce. But ours bounce, you know. So, you know, the condition...it just needs to be improved. The layout is good. Conditions needs to be improved.

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

CHAIR PONTANILLA: Thank you. Members, any more questions for Chief Ishikawa? Seeing none, thank you again for being here.

MR. ISHIKAWA: Thank you.

CHAIR PONTANILLA: Chair would like to recognize the presence of our Chair, Mr. Hokama. The next testifier is Art...Arthur Rego.

MR. REGO: Good morning, Budget Chair, Council Members. My name is Arthur Rego. I am the manager for Lloyd Yamamoto at Waiehu Golf Course. I should say in the last three years, we've struggled at the golf course operating. And lot of it, we've lost golfers, not gained golfers. There's statistics that say that nationwide golfers have gone down. But really our operation is not to the max. In any business you try to maximize the operation. When I say hours of operation, maybe we need to look at extending hours.

Or now they're talking about eliminating twilight. This is one of the things us as concessionaires need it because we need to take care of the guy who gets through work at 4 o'clock and wants to play a fast nine holes. But yet you were saying that twilight is taking...the juniors can't play. And that's not true. That is not a true statement. If you come Monday through Friday, the juniors are on the course. Saturdays and Sundays, we start the juniors—we start them the last several weeks—at 3:30. And normally they started'em at 3:00. They moved'em back to get grounds out. But they're saying it's not working. If we're getting golfers, why do we want to chase them away?

My thing is, right now Lloyd Yamamoto, I...I managed three course on Oahu, City courses. Ala Wai, the busiest course in the world, Ted Makalena is next to the second busiest in the world and there is also Ewa Village and Westloch. Ala Wai has 160,000 rounds of golf. Why is it? Number one is hours of operation. They open at sunrise, they'll start people on back nine. We don't, we never did. You know, so we could get extra income that way. The nine hole play, we start'em after 3 o'clock.

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They go—the front nine is nine holes only. And the rules basically state that if someone pays at 2:45 and he doesn't make the turn at nine holes paying eighteen holes, he can't go to the back nine because the course is closed at 5 o'clock.

To me if you pay your eighteen hole rates and the play is slow. Why shouldn't you be entitled to go the back nine? You paid for it. But we stop'em. You know, I think the restaurant is hurting. They're paying—decent amount is 3,000 a month. They're...they're paying more than any other concession that has been there. We pay \$27,500 a month. Last year we lost \$70,000.

But no one thinks about the concessionaires, even asking us. Whenever they raise the rates the last go round, they raise the rates. No one talked to us. Even like this go round, as Ed said, they came up with the rules for the course rules and regulations in 24 hours. That's when I got my notice too. You know, we never had time to tell'em exactly when we try to explain. We're not there to tell'em basically the operation end. We're trying to say, "Look at everything. Check with the other City municipals in the State."

MS. REVELS: Three minutes.

MR. REGO: Can I come back, Joe? Or you want me to finish?

CHAIR PONTANILLA: Yes you can, after everybody has testified.

MR. REGO: Okay, sure.

CHAIR PONTANILLA: Okay, Art. Thank you. The next testifier is Dorothy Hughs.

MS. HUGHS: Good morning, Mr. Chairman, Committee Members. My name is Dorothy Hughs and I'm chairperson of the Poolua Na Wahine Hui Kolepa. And we have about 28 members. And Mr. Tamura...talked just...he...he was like he talked about our organization. So I won't repeat a lot of what he said. But I...I want to tell you that most of our members are in their at least upper 60s, 70s, and a few of us, 80s. So we're talking about people who are not only born here but worked on their hands and knees in the fields. And are being...you know, they get by on a very limited income. However, in addressing one of the other questions, they did agree and we

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talked it over and they said they would agree to the \$5 increase but not the eight. That would eliminate an awful lot of our members...at \$8.

I suggested at our previous meeting with Ms. Lee that seniors are beginning to grow younger and younger everyday. And we might have to think about—and...and I know my gentlemen friends disagree with me on this—but raising the age limit of a senior from 60 to 65. At 60, most people are still working and so they can, you know, afford whatever. But at 65, that's kind of the age of retirement or when they are put on Social Security and they...they also would agree to that.

And, again, the course is just in terrible shape. I tell you there are holes where their goose gra—I think they call it goose grass. It's so tough that it costs you extra strokes to try to get out of it. And no matter how much strength you have, it's just terrible. And, you know, we've been complaining about it and nobody does anything about it. And...and I know that, he mentioned one group that's gone. But I know that there's another group from the Marriott who used to play. They've gone elsewhere because of the course conditions. And yet, that's the most—in fact, as I said at our little meeting—this is the only course in Hawaii that God built. You know, at that time, they didn't have the big machinery to...to build a course. They did, they just worked with what was there. And it is the most beautiful course. I...I just...I played two other courses over the weekend...terrible. But they can't compare with Waiehu. So it's a jewel that we have and...and should absolutely be kept for Hawaii residents. I hear talk of, well, they may be thinking of—don't even think about selling it.

MS. REVELS: Three minutes.

MS. HUGHS: I'd like to come back, too, to talk about another issue.

CHAIR PONTANILLA: Thank you.

MS. HUGHS: Thank you.

CHAIR PONTANILLA: The next testifier, Yuki Lei Sugimura.

MS. SUGIMURA: Good morning, Council Members. I'm here today just to support your continued efforts to support Project Graduation. I know that it's in lot...is a item that has come before you through the Department of Housing and Human Concerns. And I, as a parent, of a sophomore at

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Seabury, I just want you to know that our parents have already started fundraising so that we can be ready for Project Grad when it does happen in 2010. We find this—I know you must look at this and think, “Okay, whose responsibility is graduation party?” And if you think back in days—I think all of you are probably younger than me but in days when I graduated from high school over 35 years ago, we would all get together at friends’ houses and then we would go house...house hopping and drive around town and just celebrate, you know, graduation night. As you can imagine, it’s dangerous.

And so when this idea of Project Graduation did come forward—I don’t know how many years ago—I was really happy because I was so saddened when I would see crosses on the side of the road. And families that are, you know, just the newspapers flooded with stories about different things have happened with...with kids who should be celebrating and is left with this sad memory of, you know, their classmates who didn’t have this opportunity of having a safe graduation experience that night.

And as you all know when we graduated, we were so happy. And at 18 years old, you do things that at when you’re old like us, you wouldn’t think of doing. But I just would like to say it’s...it’s my son’s turn to receive this benefit. But I want you to know that there are classes out there like our, you know, my son’s class that we already are fundraising so that when it is our turn . . .(end of tape 1A - 9:35 a.m.). . . and pay our fair share. And we really, really, really appreciate what the County is doing in terms of helping to...protect our children. Thank you.

CHAIR PONTANILLA: Thank you. Members, any questions for the testifier this morning? Member Baisa. Lei, please.

COUNCILMEMBER BAISA: Good morning, Yuki Lei.

MS. SUGIMURA: Good morning.

COUNCILMEMBER BAISA: And thanks for being here. You may not be the person but is there someone else here who could answer more questions about Project Graduation?

MS. SUGIMURA: I’m not that person because I’m...my son’s not ready to graduate. But we can ask, you know, a...a senior Project Grad chair who could probably answer your questions in detail.

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COUNCILMEMBER BAISA: Well, one of the...the reasons why this was discussed the other day was the statement was made that some of the money that the County set aside for Project Graduation was not used. It wasn't...you know, they didn't request it. So I think that's something that somebody will want to clear up as to why that happened because I am a big supporter of Project Graduation.

MS. SUGIMURA: Thank you.

COUNCILMEMBER BAISA: I think it's a wonderful project but we don't want to leave that impression that the money is not necessary. So you might want to help us clear that up. Somebody could send us a letter or something.

MS. SUGIMURA: Okay.

COUNCILMEMBER BAISA: Thanks.

MS. SUGIMURA: So I will, I will. I think there's 11 high schools Countywide and I can place phone calls and try to find out information and see, you know, if there's like a...maybe just a communication...

COUNCILMEMBER BAISA: Right. I don't—you know, I don't think we need a, you know, hundred testifiers. A letter clarifying that would certainly be helpful.

MS. SUGIMURA: Okay.

COUNCILMEMBER BAISA: Thank you.

MS. SUGIMURA: Thank you. I will. Thank you very much, everyone.

CHAIR PONTANILLA: Thank you. Members, more questions? Seeing none, thank you again. The next testifier is Rhonda Barstad.

MS. BARSTAD: Good morning, Chairman, Council. I've been playing Waiehu Golf Course since 1983. I lived here since 1970. In the beginning I was more of a surfer girl than a golfer. But my husband and I play together and I figured if he was gonna play, maybe by the time I became middle-age like now, I'd be at least good enough to keep up with him. We do not play any other course on the island even though we've lived here and I started my very first round ever played was Wailea Orange when it was

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only \$25. We only play Waiehu. I mostly try to walk though lately I am riding because my husband had a knee replacement and we need let him play without the strain of, you know, 18 holes walking. But I want to bring up the...over the past when I first started playing it was like...I think it was \$15 monthly card and 50 cents to play. Then it went to \$20 monthly card and a dollar to play. Then it went to \$25 monthly card and \$2 to play and now it's, no, you can't pay for the card but you still can pay over at Wailua Golf Course on Kauai. And I believe theirs is you pay card and it's free to play for 25 or \$30.

If the course was in really good condition it might be worth paying \$10 as a non-senior to play. I'm not a senior and I've been looking forward to becoming a senior in another couple years so that I could get the really low rate. By the time I get there, it isn't gonna be low...really low rate and it might not even be 60 years old which I've been looking forward to for 10 years.

But the...the weeds which whatever the prior lady called something which I call star weeds. But they are really, really terrible especially on the back side, 14, 15, 16, 17, 18, well, down 10, up 11. The front side, number 2, is really...the green itself is in really terrible condition. If you get in one of these clumps of star weeds which we're not talking about—it's not called "rough" like the...like the PGA. This is out in fairways now. So if—and if you play the USG rules where you don't bump the ball out and you hit as you lie, sometimes you can't see balls in the fairway. And that's just not fair.

And about two years ago they were starting to get the weeds under control but now they have become almost as bad as they have been. And I will say that I am truly a participant in helping make that course better. I have gone out on the days years ago when they did let us come out and use the knives and weed the greens ourselves like a Saturday weeding. Then we had to stop that because it made the County look bad. If they would have taken care of the course then we wouldn't be making the County look bad. But then also—we needed to sand areas. I would carry a sand bottle even though I was a walker and --

MS. REVELS: Three minutes.

MS. BARSTAD: --I would go out and sand the areas myself over the years. And in the four...four grounds approaching the greens and now almost every approach of a green is well grown in though there might be weeds

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everywhere. But if they're going to raise the rates, please make sure the course is in really, really playable condition because the greens are not—two is especially not good. And they're all bumpy except for couple on the back side. And there's way too many weeds in fairways and playable areas. Oh, and there was a point where they didn't cut the grass out of number one sand trap off to the left for maybe seven months and I couldn't get out of the grass in the sand trap. Now that at least is really well taken care of. The sand just out—I mean, the grass is cut in the sand traps. There was a time when it wasn't.

MS. REVELS: Four minutes.

MS. BARSTAD: Thank you.

CHAIR PONTANILLA: Thank you. Members, questions for the testifier? Seeing none, thank you. The next testifier is Art Rego, given another three minutes of testimony.

MR. REGO: Council Members, if you look at the rounds at Waiehu over the last three years, we're keep on losing rounds. And our expenses keep on going up. As we as private business, we run the pro shop. I had a cashier that retired and we didn't fill her position. Why? Because costs went up. We had to cut a position. And the problem with the County, you always subsidize them. If they had to walk on their two feet and operate, they can't because the way the course is operated.

I think they have too many workers. My feeling, workers might not like that but that's the truth. On Oahu I know what they—how many people they have as well as Kauai. They have less workers than we have here. And the Big Island also. Last year the Big Island had 90,000 rounds of golf. Kauai had 98,000 rounds of golf. And remember the Big Island has all this rain. How can they get 90,000 rounds of golf? And I think lot of it is just management operations. You know, they're not managing as a business. It's more like a social club to me.

CHAIR PONTANILLA: Is that it?

MR. REGO: That's it, Joe.

CHAIR PONTANILLA: Thank you. Member Anderson.

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COUNCILMEMBER ANDERSON: Thank you, Chair. Mr. Rego, thank you for being here. When you said the course is “losing rounds”, could you explain that?

MR. REGO: Well, from last year the 2005-2006 year, and estimated rounds for 2006-2007. Right now they’re gonna lose about roughly 3,000 rounds. And yet we have low rates.

COUNCILMEMBER ANDERSON: And why is that?

MR. REGO: I think lot of it is, number one is, hours of operation. We increase fees. Tourists, we raise from \$26 and \$30 to \$50 and \$55. You...they’ll grumble. And the problem is, they’ll come to the pro shop and grumble with us first. They call us on the phone and say, “hey, on...on the web, you’re at this price.” But the County have nothing to do with the web. It’s individuals that put up websites that are not changing the pricing because they’re not notified or we don’t know about’em.

We must have maybe 50 or 75 phone calls a day asking for starting times because the County is under County government while your golf course is not in the phone book. It’s under County government. You have to look under—but there’s Waiehu Golf Shop. They’ll call us and how I answer the phone—like I’m at Waiehu five days a week, four days on the register. And I’m answering the phone and hear...hear somebody wants a starting time. So I gotta explain to’em what the rates are, what we do.

And what we’ve done also in the last year, we put a ATM in the store because the County only takes cash. The tourists will come there, don’t have enough money to pay the green fees. And they used to leave and never came back and that’s the reason some of the rounds—you know, they book the time, but they leave. They don’t come back. They...they gotta go all the way back into town to get some money. And maybe the County needs to look at having a charge machine there.

COUNCILMEMBER ANDERSON: So you’re saying that the projected round for this --

MR. REGO: This...

COUNCILMEMBER ANDERSON: --this coming Fiscal Year.

MR. REGO: 2006-2007, that’s gonna be about 83,000.

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COUNCILMEMBER ANDERSON: That was this --

MR. REGO: This past year.

COUNCILMEMBER ANDERSON: --this current fiscal year.

MR. REGO: This current year's gonna be about 85, not much. 83-85. I haven't seen the numbers but looking at what we generated, we've never—we've raised our rates in the last 13 years. Gas prices went up. We went up 90 cents in 13 years. And we had to fight to get the 90 cents increase.

COUNCILMEMBER ANDERSON: Okay. Then one other thing I wanted some clarification on. You were saying that twilight golf does not interrupt junior golf.

MR. REGO: No, it doesn't.

COUNCILMEMBER ANDERSON: And so, I don't know if you have a handle on this but does it seem like the junior golfers have increased or decreased or stayed the same?

MR. REGO: They've decreased.

COUNCILMEMBER ANDERSON: They have decreased?

MR. REGO: Yeah, from looking at 2005-2006 year, we average like 462 juniors a month. 2006-2007—these are—I'm using numbers that—I took—they had a nine-month average. I averaged it out and it came up to 394. And I teach most of the juniors at Waiehu so, you know, and I take juniors on the course every Wednesday and Friday afternoons at 4:30. I let the regular golfers go out, then I take the juniors after that. And we'll play five holes, six holes but just to encourage them to get on the course. Instead of taking a lesson, hitting balls and never coming back again.

COUNCILMEMBER ANDERSON: And so what would you attribute that decrease to then if it's not...

MR. REGO: I think...I think a lot of it is discouragement. Lot of it is getting starting times. At one time junior golf basically was discouraged. They were getting too many kids so they said you can't get all of these times. And also we lost rounds because junior golf blocked from 1 o'clock to

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closing at 5:00. And they show up with 40 kids which no one made the cancellation. And it affected us. And, you know, we do more for junior golf than any other individual on Maui as far as the operation. With teach junior golfer we give clinics. We bring kids in from Hana. We teach the kids from Hana at no charge.

And this is the thing I think we need to look at. Why are we wanna discourage golfing completely? Are we wanna make this a private club? So we need to change rates. Or are we gonna privatize the course? You know, it's...it's already, with the budget, what I've seen, there's no way the golf course gonna break even. And it's not gonna break even next year. Unless they throw out—they...they know something I don't know which I managed Mililani Golf Course for 15 years. And that's the thing I think, we need to look at how we can generate more rounds first before even increasing.

You know, you heard the comments as far as the condition of the course. You know, I...I'm proud to say I'm the pro at Waiehu. But, you know, what sometimes some of my friends say, "oh, I heard the greens got so much weeds." And these are people from Oahu that I go back and talk to'em. And they tell me, "oh, we're not gonna come to Waiehu club this month". You know, because we normally have summer clubs come to Maui to play golf. But also since the last go round, they raised the Waiehu rates to 30 bucks. They pay \$12 on Oahu. You go to Kauai you play \$12 for State resident rate. But we've raised our rates. So I think we're trying to raise rates but not looking at how much we're gonna lose. I'm thinking if we raise the seniors presently right now as...as it go, I think we'll lose 20 percent.

COUNCILMEMBER ANDERSON: And so what could we do to increase the number of rounds?

MR. REGO: Hours of operation. For example, the summer months, we'll open earlier.

COUNCILMEMBER ANDERSON: So can you give me specifics?

MR. REGO: Six o'clock in the morning, okay. Six o'clock the first tee time because the seniors wanna play early and they wanna get all the way. They'll play a fast nine holes.

COUNCILMEMBER ANDERSON: And right now it opens at?

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MR. REGO: 6:49 as of today. You know, back nine they will not start anyone on the back nine. During the winter months especially we have tourists. Why not start them on the back nine if they wanna only play nine holes? Collect that \$30 green fee for nine holes only for a tourist going nine holes the back nine. Now we have the twilight rate. Now they wanna eliminate it. And we've actually had more tourists where they rented clubs, paid the \$30 green fees and took a cart and went out. And they buy stuff from the restaurant too. You know, I...I think we need to look at numbers. How do you get numbers is all kinds of ways of getting numbers. But first thing will be increasing hours. You know, at summer months, why we close at five? 5:30, increase half an hour.

COUNCILMEMBER ANDERSON: Okay, thank you, Mr. Rego.

COUNCILMEMBER VICTORINO: Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: Thank you. Thank you, Art, for being here today and I think you've covered a lot of the points. Our Member Anderson a lot of the questions I had. And the concern I had when we were talking a few weeks ago with the people from the golf course was the...the conditions that we've discussed and has been brought up many times today. The other part was junior golf because I been told by junior golfers that they were being forced off because of the twilight. Now, you're saying that's different. Or maybe we need to look at it differently, yeah? 'Cause I want to make sure that our juniors and the seniors get the right to play 'cause the course...course is for our residents. No offense to the tourists, no offense to anybody, Art. I not...I never really pay much attention to how many tourists come which if they come, they come. They don't, they don't. But this course was designed for the people who live here that have retired here, have worked here and want an opportunity to play golf. My question is, you said Big Island get 90,000 rounds.

MR. REGO: Yes.

COUNCILMEMBER VICTORINO: Okay. And I know 'cause I'm from the Big Island that I know that place is closed down at least...oh, I'd say anywhere from 100 days or so at least half day because of heavy rains and all that other stuff. So if they can get 90,000 and we don't have near that much out in Waiehu. Why're you saying that we only get 83 or 85?

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MR. REGO: That's what I'm saying, operations. See, like, what you're saying in junior golf. We're not against junior golf. We promote junior golf. The thing is, if you move your times instead of...if they ask for 3 o'clock and your twilight rate is 3 o'clock, you can start them at 3. We're not saying not to start them. But they using this as a...as a stump card saying that, oh, you know, you start at 3:45 because we need our twilight play. So they're making that condition, not us. We want juniors out there.

And the juniors, most of the juniors that play, they play on Saturdays and Sundays, late afternoons. I think in about two weeks, they'll be playing 18 holes and they'll be starting, I think, at one. And that's what they used to do. And they'll play all the resorts too. Normally the 12 and under would play at Waiehu and the 13 through 18 would play all the resorts. And they break the group up. Right now, the group hasn't gone out to the resorts and that's the reason why they're saying they're getting a hard time getting times. If you look at the schedule, it shows this past—not last...this past week, the week before—they're started at 3:40. But had so many twilight people came out that they went out after 4 o'clock. So that's a good problem but yet we need to look at how we can make it better because...can we start some of them on the back nine and then the kids go off the front nine at their regular time which they're not doing.

COUNCILMEMBER VICTORINO: Now you mentioned that junior golf fell off from 460 to 394.

MR. REGO: Yeah.

COUNCILMEMBER VICTORINO: Okay. Was that strictly because of the tee times?

MR. REGO: I...I think lot of it was...some was tee times and...and some of it is now with the new requirements junior golf has for participants. It's little tougher because one parent has to be there if two of'em are working.

COUNCILMEMBER VICTORINO: Oh.

MR. REGO: So some of'em have dropped the kids off but some of'em still go out with me on Wednesdays and Fridays. I take'em on the course. And, you know, that hasn't changed.

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COUNCILMEMBER VICTORINO: Okay, so that's a requirement by junior golf to have the parents --

MR. REGO: Junior golf, yes. Yes.

COUNCILMEMBER VICTORINO: --is a part of it. Okay, I can understand that and it's a difficult and place like Maui County where two parents work and some working two jobs to get parents to come out. So I can see that the—the other part about the operations I wanted to ask you is, we've heard people say and I've been told many times, the...the course itself is in bad shape. It's a beautiful course. And I think the public has to understand when the people talk about a beautiful course [*sic*]...golf course, they talking about the scenery, the layout, that's all nice. But the conditions of the fairways and the greens are sub-par at best.

MR. REGO: Yeah.

COUNCILMEMBER VICTORINO: Am I correct in saying that?

MR. REGO: You're right.

COUNCILMEMBER VICTORINO: Okay. And you mentioned manpower. How many men do you use, for example, at...at Makalena...Ted Makalena course?

MR. REGO: Well, we run the --

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

MR. REGO: --we run the pro shops at Ted—ah, not Ted Makalena—Ala Wai. They have one supervisor and eight men.

COUNCILMEMBER VICTORINO: So the Ala Wai had—you gave us a figure of—what you gave?

MR. REGO: Hundred...over 160,000 now.

COUNCILMEMBER VICTORINO: 168...160,000 golf tee times?

MR. REGO: Right.

COUNCILMEMBER VICTORINO: And they have one supervisor and eight...

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MR. REGO: Workers.

COUNCILMEMBER VICTORINO: Eight workers.

MR. REGO: What they did, they have a freeze in Honolulu. I think Mufi just said it recently. There's no hiring, we're freezing. Every City golf course has ten employees, that's it, on the maintenance crew. And...and basically they realize the cost is...is escalating. And they tried—I think it was last year—trying to privatize Pali Golf Course. It's not a done deal yet.

COUNCILMEMBER VICTORINO: Uh-huh.

MR. REGO: And basically because they're saying they can't run it efficiently to make it balance. And they're making money right now. Pali is losing money because of the weather conditions.

COUNCILMEMBER VICTORINO: Okay. Last question, if I may, Chair? How many people do we have here on Maui?

MR. REGO: I think 16 or 17 with the manager.

COUNCILMEMBER VICTORINO: One manager and about 16, 17 people?

MR. REGO: Yes.

COUNCILMEMBER VICTORINO: Okay. Thank you for that clarification. Thank you, Art. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Members, more questions for the testifier? Seeing none, thank you very much.

MR. REGO: Thank you.

CHAIR PONTANILLA: The next testifier given another three minutes to complete testimony is Dorothy Hughs.

MS. HUGHS: Thank you again, Council Members. I think we've taken care of the course and everything but we have a situation. The toilets are working half of the time. And they tell me that there was a job order that was supposed to go through on April 2<sup>nd</sup>. But it didn't. There are three toilets

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right there at the beginning and usually at least one is out of order, sometimes two. Now there is another facility after the first hole but...I...and that one is...is not out as much the other ones are. And I went through the new building and I see there's a women's toilet in there, in the new palatial building that we built. And, but in order to get in there, we would have to walk half a block or a block to get into the maintenance shed and then come back because they've blocked the doorways to the building from the golf course site.

So as I went through that building, I was puzzled as to why we needed three huge offices in there. I'm told that there is only going to be a maintenance office for one man and the manager's office, one man. The offices are huge. I mean, I wish I could put them in a perspective in this room. But I don't know how many of the Parks Department has been through the new building to inspect that or what they're going to do with it. But if we can maybe rent out one of the rooms, maybe it would take care of some of the...financial problems that we have on the course. Let's get those toilets fixed and...and there was one shower but that's gone. But there...there are some problems out there that have just been neglected for too long.

And getting back to the seniors, I received a...an email from my son the other day and he talked about Dr. Rosen who has perfected, and it's being...it's just being processed but it's a chip that will totally change medicine. Instead of taking care of the problems that we have, they're going to take care of the problems before we have them. You'll be able to put a chip of...of...of a drop of blood on a chip. They put it into the computer and it'll say, I see a cell where cancer is coming. They zap it out. And this is coming within ten years. And this is why I think you need to take a really good look and HMSA and Kaiser are doing great jobs right now. They're telling people get off that sofa. Get out and walk. Get involved. Do something.

MS. REVELS: Three minutes

MS. HUGHS: And...and that's what we have to look at. Instead of looking backwards, you've got to look at the senior problem forward. And prepare for it. Whatever you do, don't...don't get rid of that golf course. There may be a day when it'll be for seniors, period, Waiehu. I think that's, takes care of some of my thoughts. Thank you very much, all of you.

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CHAIR PONTANILLA: Thank you. Members, any questions for the testifier this morning? Seeing none, thank you very much. Is there anyone out in the audience that wanna provide public testimony at this time that haven't signed up earlier? This is your chance. You already had your chance, ma'am.

MS. BARSTAD: *(NOTE: Spoke from the audience.)* I didn't bring up about the bathrooms are in really bad shape--

CHAIR PONTANILLA: Thank you.

MS. BARSTAD: --and also, no showers, regular golfers should have showers.

CHAIR PONTANILLA: Thank you again. Seeing none, Members, if there's no objections the Chair would like to close public testimony.

COUNCILMEMBERS: No objections.

CHAIR PONTANILLA: Thank you very much.

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

**ITEM NO. 1: PROPOSED BUDGET FOR FISCAL YEAR 2009 FOR THE COUNTY OF MAUI**

CHAIR PONTANILLA: Members, last week we provided you with a spreadsheet on the grants for the Fiscal Year 2009 Budget. We've completed the Department and...of Housing and Human Concerns last week Friday and this morning we do have the Office of Economic Development to go over their grants request for Fiscal Year 2009. So at this time if, Deidre, come forward please.

Before I call on Deidre Tegarden this morning, I'd like to have Mr. Pablo provide us with some comments.

MR. PABLO: Thank you, Chair. I just have a few comments to make to the Council Members as a follow-up on last Friday's meeting on grants. There's a change in the presentation of grants in the Operating Budget ordinance. In the past, grants were listed from A to Z. What we've tried to do this this current Budget is to break down the 150 grantees and put it

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into categories. We thought it'd be easier to...to understand how much funds are...are being provided in each category of community service.

In...last week when we covered Housing and Human Concerns, there were...there were eleven categories. We'll be going through the OED today and there's five categories which consist of 32 grantee awards...or proposed grantee awards.

The second comment I wanted to make was at the end of the day last Friday I didn't have a chance to...to respond to Council Member Medeiros' question. His question specifically was, was there a mistake on the Ma Ka Hana Ka Ike grant. And there was. It wasn't a part of the Budget Office and I regret that. The Mayor had recommended two grants to the Ma Ka Hana Ka Ike. And when we did this category...categorization, one of them dropped off. We met with Mr. Rick Rutiz back in September and he had two programs. One was for carpentry for the high school. And the other part was...was actually renewable energy, solar...solar heating. And so the Mayor intended to have this in the Budget in two areas. One would be Ma Ka Hana Ka Ike for the carpentry type work with the high school students. And the other part of the Budget was for the renewable energy which would be under the OED.

But unfortunately, when we did OED's categorization, it dropped off. The Mayor had intended that part of the East Maui Cultural Economic Development program for Hana have a proviso for 50,000 for the renewable energy project. So I thought I'd answer that question that Council Member Medeiros had raised. Again, I regret it. The Mayor's intention was to fund it.

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

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. No, I just wanted to thank the Budget Director for looking into it. And, you know, it was a mistake that was unintentional so we can appreciate that. But we will be looking to any means possible to restore some of that funding. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. At this time I'd like to call on the OED Coordinator, Deidre. Go ahead.

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MS. TEGARDEN: Good morning, Committee Chair Pontanilla and Committee Members. Today the discussion before us pertains to the line items in the Office of Economic Development. And just as a refresher from my testimony last Monday, the bottom line is that we have reduced our proposed budget by \$21,000 and we made this reduction without negatively impacting any of our services to the community. So with a lot of efforts and hours we not only managed to decrease the overall budget but as you will see, we are also able to support some new proposed projects.

Council is well aware that OED's task is to promote and nurture a sustainable economic development within Maui County. This development must be consistent with our community's needs and priorities. And this is accomplished through the partnerships that we have with our grantees under our...under our following OED programs which would be workforce development, agricultural, our film office, renewable energy programs, cultural initiatives and small business enterprise which includes both the Molokai Kuhao Business Center and our Maui County Business Resource Center.

I'd like to give you a little overview about each about each of the programs within OED so you have a further understanding of some of the things we do. First of all is Workforce Development and the Maui County Workforce Investment Board established the Maui Business Education Partnership program this past year. . . .(end of tape 1B - 10:06 a.m.). . . with programs and opportunities to empower them with skills, competencies and values that lead to lifelong learning and success in the work place. A speaker's bureau has also been created under this program utilizing business members to speak with the students about careers in their respective areas of work. Some of the other ideas that the Maui BEP is exploring are also career shadowing, internships and business mentoring.

This past week—past two weeks has seen many different emergencies that our Workforce Development program has really stepped up to the plate to address. Arranging job fairs for those hundred of employees who have lost their jobs due to the recent happenings. And actually this past Saturday, April 12<sup>th</sup>, we had a...our second job fair with over 50 employers who have immediate job openings. That was at the Queen Kaahumanu Center. Our...we have also have a job fair coming up this Saturday in Molokai with over 30 employers at the Job and Service Fair. And our first job was put together in just three days thanks to the efforts,

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again, of our Workforce Development agency and our partners. And the point being is that we were able to jump on a crisis in a very timely fashion with the attention of being able to alleviate any crises before they actually got out of hand.

Renewable energy as we all know, renewable energy opportunities abound throughout Maui County. And to insure a sustainable, renewable and independent tomorrow, Maui County must lead the way with the Green Power, Green Future with sun, wind, wave and waste being free, we are researching ways to pass the benefits of renewable energy on to our residents. The 2007 Maui County Energy Expo invited many of our Maui County, State and national stakeholders to share their experiences and expertise on renewable energy options for Maui County. And was a—this is a major event for OED. We had over 200 participants for this two-day expo and I think that maybe one of the...the greatest stakeholders that were there kicked off the event with the first panel. And that was our youth. So it was amazing to hear what they had to say, the concerns that they have. And we are moving forward with the items that came out of the Energy Expo. And again just making sure that we can create a sustainable future for Maui County.

Agriculture, we have been working very hard to streamline the Kula Ag Park, getting tenants up to date with their insurance, leases, et cetera. Thanks to this campaign, 23 of the 26 tenants now have valid liability insurance. And the County is working diligently with the agricultural community on the vacuum cool plant as this facility will help farmers become more efficient in their marketing and could assist them in complying with the Food Safety Act.

Our film office this year began with the third installment of the Disney blockbuster, Pirates of the Caribbean At World's End. And this was filmed both on Maui and in Molokai. The production brought in over approximately 200 crew members and hired 40 local crew members as well. The final tally for 2007 saw revenue from film, television and media to over \$10 million. These monies were derived from direct expenditures into local businesses within Maui County. The film office also sponsored several well-attended workshops this year for the local film community during the year and we plan to continue this for Fiscal Year Year '09. This is...this is new, last year.

Our Maui County Business Resource Center has had an average of 55 clients per week and so the...the Center is staying very busy. The

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Business Action Center is now a full-time presence at the Center and the Office of Economic Development worked with the DCCA to provide a program that provides services to neighbor islands. The Business Resource Center works in close partnerships with our community partners such as MEO Business Development, the Hawaii Research Library and our Small Business Development Center.

Our Molokai Kuhao Business Center also has been serving many entrepreneurs over in Molokai. It was established originally to assist the Molokai resident, to improve public access to government resources and increase the reach of partners that provide business assistance and consultation. Workshops range from financial literacy know-how to ag promotion and serve not only adults but we're reaching out into the schools as well on ag...on business promotion. We also had a recent Molokai to Maui agricultural education tour which brought in 12 farmers and three support personnel to tour the Alii Kula Lavender Farm, the Surfing Goat Dairy and Maui's Ulupalakua Ranch. From these 12 farmers there are now four of them looking into ag tourism seriously.

Our HTA and Cultural Product Enrichment...program, it supported over 27 festivals this past year and awarded over \$396,000 to local organizations that were matched by one-to-one sponsorships. This program continues to model community based tourism where our residents and...are able to initiate the activities reflecting Maui's multi-cultural diversity. It's important that the residents are involved when we do these sorts of festivals because we wanna make sure that we are portraying the Maui County that is true to our hearts.

As Budget Director explained, our grants have been categorized in the following manner with agricultural promotion at \$863,000; culture and the arts with little...a little over a million dollars; business development and technology at approximately \$2.4 million; renewable energy at \$250,000; environmental with 1.7 million and...visitor industry in the amount of 3.8 million, for a total...of just a little over \$10 million. Our major increases include the Iao Theater. I know they came and testified last week regarding the air conditioning ventilation system as well as roof improvements. The Community Clinic of Maui for 250,000 and this is to help fund an installation of a photovoltaic system in their new...in their new property.

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Friends of Old Maui High School is requesting \$100,000 for a project coordinating and implementation as they develop plans to future their funding for the building at the Patsy Mink Center.

OED also funds the Maui Visitors Bureau to keep Maui top of mind. And also some people question support of Maui Visitors Bureau, the fact is that a very large number of our residents generate their paychecks from the visitor industry. MVB uses the money for marketing, promotions, advertising and events. When there is a disaster in Maui County, Maui Visitors Bureau is often one of the first to arrive whether it is in aiding with the shelters during a fire or manning the ATA counter at the airport as they did a few weeks ago. Terra Vencl and her staff are present to help maintain calm, prevent panic and bad publicity and also help visitors and residents in these stressful times. Maui Visitors Bureau gives back to Maui more than it takes, not only through their \$22 million of TAT but in other ways that could be advertised as priceless.

This sums up the...my presentation and I am welcome to answer any questions or make any clarifications if necessary. Thank you very much.

CHAIR PONTANILLA: Thank you for that quick overview. Members, if you can turn to your details on page...starting from page 13-8 and on your proposed Budget bill on page 7. Okay, Members, like Ms. Tegarden as well as Mr. Pablo had indicated the grants in this particular area has been broken down to five different areas. So Members, we're gonna be concentrating on the 8-1/2 by 14 sheet that was passed out last week. I think it's easier to follow. The first area is the grants and disbursements for agricultural promotions. Deidre?

MS. TEGARDEN: Yes.

CHAIR PONTANILLA: The first one.

MS. TEGARDEN: Yeah. Agriculture continues to be a vital component of Maui County's economy. And it provides also open space for our community. The Office of Economic Development has done a lot of partnering with the Maui County Farm Bureau to promote agriculture, different programs and so forth. I...We have decreased this where we are proposing a decrease of \$30,000 for this line. We wanted to make sure that with these difficulties that the County might be facing financially in this next...next Fiscal Year, we really wanted to take a hard look at our budget. We had a lot of discussion with our staff and with our stakeholders.

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One of the things we did last Fiscal Year was to double the line items amount for the Maui County Farm Bureau up to \$435,000. So after some heavy consideration, we thought that taking 30,000 out of this year, we would still be able to support the various programs under agricultural promotion while at the same time looking at our bottom line. Some of the things we do under ag promotion that don't have line items are the...we help fund the Maui County Flower Growers Association. We are looking at doing a 4-H program over in Molokai. We just finished the Organic Farming Workshop earlier this year. So the kinds of projects that fall under ag promotion, again, are ag related projects that do not have specific line items. We are working very diligently on the vacuum cool plant as well as I'd mentioned before and with the...the Farm Bureau.

CHAIR PONTANILLA: Thank you. Members, questions to that first item? Member Mateo.

COUNCILMEMBER MATEO: Chair, thank you very much. Coordinator, good morning and thank you very much for the overview. And could I request that you also provide us the copy of that narrative that you opened up your remarks with?

MS. TEGARDEN: Certainly. I'd be happy to.

COUNCILMEMBER MATEO: Thank you very much. Just to...to follow up on your last comment, the...the Maui County Farm Bureau, do they also service Molokai/Lanai, I guess, ag operations as well?

MS. TEGARDEN: Yes, they do and we can also get you a listing perhaps of some of the projects that have been specifically Molokai and Lanai.

COUNCILMEMBER MATEO: Thank you. My...my only concern was, you know, we as a County has...has year after year after year taken a position of the importance of agricultural to...to this community and any reduction that I can see at this point that limits or virtually, you know, \$30,000 is a...is a direct reduction in the services in supporting ag promotions for Maui County. So I'm really worried and I really would like you to reconsider the reduction from the ag promotion because without that component, I don't know how successful we'll be in these...these more difficult times that...that we're gonna approaching because the urgency in being able to promote the product. I think is a viable one and I would ask you or your...your agency, your group, to reconsider this...reduction and

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perhaps let's look at another component that you are also considering increases with. Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Mateo. During the decision making, we'll reconsider any of these so called grants that are listed. Member Anderson.

COUNCILMEMBER ANDERSON: Thank you, Mr. Chair. Thank you for that overview.

MS. TEGARDEN: Thank you.

COUNCILMEMBER ANDERSON: It was a lot to take in very quickly so if I'm asking a question you already answered, my apologies. But you did mention the Maui County Farm Bureau does do promotions. They...they got a \$235,000 increase from '07 in '08 and it's going to be that amount this year. So can you tell us how much of that money is spent towards ag promotion? Would you know that?

MS. TEGARDEN: I don't have those exact numbers in front of me but I can get them very easily. They're doing the Grown on Maui campaign, a lot of their funding also goes into the Ag in the Classroom program which is technically specifically not ag promotion in the common sense of the word. But they are also getting the word out to the schools and to the youth. But to answer your question I can get specific numbers to you soon.

COUNCILMEMBER ANDERSON: I think we're specifically concerned about promotion in the sense of marketing. And then also does the Maui Visitors Bureau put any of their money towards promotion of agriculture, the marketing?

MS. TEGARDEN: I know that Ms. Vencl is in the audience today. A lot of the marketing and advertising dollars that Maui Visitors Bureau spends is for keeping Maui top of mind in general. And I'm not sure if there is a specific ag program. However, I'm sure she could answer that, if you would like.

COUNCILMEMBER ANDERSON: I was thinking in regards to contributing to like the Ulupalakua Thing or something like that.

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MS. TEGARDEN: Yes. They...they actually—Maui Visitors Bureau does help fund certain events including one last year with the Mercedes Golf Tournament there was a booth that had to do with agriculture as well. And I...I know that we—a lot of people worked on that together.

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

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. Of course, as agriculture promotions (*clears throat*) is very important to me, it's the area I represent that is very heavily in ag. I'm very interested. You made a very quick reference to working diligently on the vacuum cooling plant. Could you please elaborate?

MS. TEGARDEN: Well, the vacuum cooling plant offers a wonderful facility for our farmers to help with marketing the products with the food safety and it has not been utilized to its fullest capacity. One of the things that Clark is working on with the Farm Bureau is to focus money and time in getting it back up and running so that it is there for all of our farmers who are interested in using it to utilize. So we are...we're working on that with the Maui County Farm Bureau trying to get the...the lease that we have now...ironed out a little bit. And move forward with that.

COUNCILMEMBER BAISA: Thank you. (*Clears throat*) Thank you for the information. I, like Member Mateo, have serious concerns about a 20 percent reduction but we'll discuss that later. Thank you.

MS. TEGARDEN: Thank you.

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

COUNCILMEMBER JOHNSON: Yes, Deidre, in...in ag promotion does that also encompass individual, you know, like, I guess efforts such as—I know that we used have a Fine and Fresh promotion and then we had other things where we would actually co-sponsor certain events to promote the consumption of local products, value-added products. Is that included in this particular component?

MS. TEGARDEN: Yes, it is and also one of the things that we're looking at for Fiscal Year '09 is actually having an ag conference or working with some of the farmers to put together another fair, an ag fair. But our money does

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go towards the Grown on Maui. Grown on Maui is a Maui County Farm Bureau initiative that we are looking to help them as much we can. Of course, they have their own line items for that within their...within their budget. But to see what the County can do to help really take it to the next level because it is very important that we are all on the same page working together for the same...with the same message. So, yes.

COUNCILMEMBER JOHNSON: And...and I appreciate that 'cause sometimes when I look at ag promotions, there's your operating budget where you can actually co-sponsor without it being in this particular component. Is that correct?

MS. TEGARDEN: That is correct. So things like, let's see what else did we do? Like the Maui Counter...Maui Flower Growers Association, a 4-H project. We also helped with the Molokai Food and Business Expo which comes out of the Molokai funding. However, we're working on a project with them for a website right now. And that would be coming out of ag promotion. So this fund of money allows us a little flexibility so that we can help sponsor these individual events.

COUNCILMEMBER JOHNSON: Yeah, and...and I think what's helpful for us to understand, where, you know, you're coming from, I think, you know, when we look at the description of agriculture promotion, what you're doing in your department which is really considered part of your operations budget. What were the things that were done in '08 and what things would you anticipate doing in '09 that would actually bolster this type of thing? Like providing venues where we wouldn't otherwise have that because I think about—oh, gosh, was it two years ago?—when we just were doing ag promotion after ag promotion and doing the Fine and Fresh. What some of the vendors explained to me was they were so grateful to have the opportunity to interface with the public so that the public then began changing their buying habits so that they knew that these businesses existed. So I think that's one thing that is really important to me to understand where we can put our resources, or what resources you already have committed.

And then the second thing is what things within the ag promotions this particular line item that you would consider falling in this category occurred last year. You know, so both from your operations side but also on this particular side.

MS. TEGARDEN: I can certainly get you a listing.

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COUNCILMEMBER JOHNSON: Yeah, I...I really...I need to understand that because I think it's really important that we do promote our local produce. And if there's any other efforts that fall into this category. Thank you.

CHAIR PONTANILLA: Thank you. Thank you for that response regarding that you'll get that listing to Member Johnson. Members, just to let you know that, you know, because of the short time frame for us to send anything in writing for their response, you know, it's probably going to be too late by the time you get it. So if you need anything from the Department, make that direct request to the Department if you can do that on a timely basis—on your response be timely so that we can do that on the decision-making time. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Thank you, Ms. Tegarden, for your overview. And, you know, I join Member Mateo and Member Baisa in, you know, agriculture promotion. I think we've heard a lot from the agriculture industry that, how serious is the County about supporting agriculture? And so I think we have to look at the agriculture promotion reduction and...and during deliberations. I want to ask, though, on the agriculture promotion, are there funds in there that assist the East Maui Taro Festival?

MS. TEGARDEN: We...our HTA program actually funds the grant for the East Maui Taro Festival. However, we have been asked in the past to help with the Keanae Festival and when people are able to put together a grant application and so forth, yes, we are able to support them. That would either be through agriculture promotion or the East Maui...line item as well. So through HTA's...our HTA office, we have done this. We do do the East Maui Taro Festival.

COUNCILMEMBER MEDEIROS: Thank you. And also thank you for the consideration of the Keanae Ho'olaulea which certainly is a wonderful event in East Maui. And could you use, you know, the help too. But thank you for mentioning that. The Maui Nui Botanical Gardens, their budget has stayed flat. Is that because on their own they wanted to stay flat or was it a decision in the Mayor's budget?

MS. TEGARDEN: No, that was their decision.

COUNCILMEMBER MEDEIROS: Okay, because I certainly, you know, for myself like to support their operations because they are one of a few that

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are—trying to put together an inventory of taro plants, the rare ones and...and being sure that we have a back up in case, you know, some of the farmers need it. So I think that's an important consideration. And I...I think that's all I have except that, you know, it's good to see that, you know, we are showing, you know, a consistent support for the agriculture industry. Thank you.

MS. TEGARDEN: Thank you.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you, Member Medeiros. And again, Members, for your information just to let you folks know that some of the organizations that are requesting for grants from this Budget and Finance Committee—we...we do have letters and support data in regards to the funding request. So if you can, review those grant requests. Some of the answers may be in writing already. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chair. My questions have been answered but like my other colleagues, once we get into deliberations I would be in favor of adjusting the proposed figure upwards for the ag industry. Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama.

VICE-CHAIR HOKAMA: The Molokai Livestock Cooperative, give us some additional comments on this specific request, please.

MS. TEGARDEN: The Molokai Livestock Cooperative, this is continued funding for their operation. The past year and a half has seen, we've seen great management over at the—we refer to it—at the Cooperative. We have gone over there for site inspections. Their reports are coming in on time. They're making a very big effort to, you know, make sure that they are really being able to find other funding sources as well trying to increase their...their own manufacturing of the...the...the slaughtered animals for...for sale so that they are not as reliant on the County funding. However, this past Fiscal Year they were able to encumber and utilize all of the funding that we had provided to them in a very timely manner, again, with a wonderful follow-up report. And we were also able to find a grant that had not been—from Fiscal Year '06, I think—that hadn't been finished yet for about \$5,000 that they were also able to utilize this year. So we've just been very impressed with their management. And again, the

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fact that they are—they seem to be really looking at their bottom line and seeing what they can do internally to make sure that little by little they are not as reliant on County funding.

VICE-CHAIR HOKAMA: Is this the old slaughterhouse project?

MS. TEGARDEN: It is. We...it was referred to as the slaughterhouse and when we looked at the different paperwork the correct name is the...the Molokai Livestock Cooperative.

VICE-CHAIR HOKAMA: Okay. So our understanding is this supposed to be weeded of the County's grant list so...so why it...so why does keep coming back?

MS. TEGARDEN: Well, again, the year before last, they were not able to utilize the funding. They didn't have their management in place. The grant application didn't come in in a timely manner. However, with their...with their new administration, new management, they've just shown a...a good faith efforts. So this is why we...we put it in again this year. Again, they've just really done a good job so we thought we would ask for support for one more year.

VICE-CHAIR HOKAMA: Maui Nui Botanical Gardens, their original business plan to us is that this would be a self-sufficient operation eight years ago. So they have changed their job plan and they've convinced you to be a annual request of County funds?

MS. TEGARDEN: Looking at what they do throughout the year, they have increased the different programs, their outreach programs. They do a lot of things with youth. They have a wonderful collection of native Hawaiian plants as Councilman Medeiros mentioned also about the...the taro. They're really trying to do new things as well. So while their original business plan may have been different, they are starting to do new programs. They haven't been asking for additional funding. And we felt that it was important to have somebody, one of our grantees who is so committed to, again, the native Hawaiian plants and taro and that is why we put it in the budget again.

VICE-CHAIR HOKAMA: So you're not pushing them to be self-sufficient?

MS. TEGARDEN: We have not had that discussion. However, their operations have gone up. We are a small...a smaller percentage of their overall

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budget. They are finding other sources of funding. We are not their...we are not their sole source. And again, they haven't asked for any increase and because of their mission of native Hawaiian plants, we felt that it was a good thing to continue funding them.

VICE-CHAIR HOKAMA: Chairman, you only want us to stay in this agricultural area?

CHAIR PONTANILLA: In that Ag area. Yeah.

VICE-CHAIR HOKAMA: Okay, I'm done, Chairman. Thank you very much.

CHAIR PONTANILLA: Before I call on Mr. Victorino, the grant that is provided by the Water Supply to Maui Nui Botanical Garden for \$50,000, is...is that a consideration that was done when you created your budget for Maui Nui Botanical Garden?

MS. TEGARDEN: Yes, we...we try to take into consideration when it comes to the grantees all of their funding sources whether it comes from the...the County of not and especially when it comes from the County, we try to look at that. I...don't have the figures in front of me but I think that their grant through Water Department is different than what we are funding so we felt confident in suggesting an award of \$125,000 again because it is for the...the...their mission of the plants.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: Thank you, Chair. I...*(end of tape 2A - 10:36 a.m.)*... Tegarden and I would concur with my fellow Members that when it comes to agricultural promotion, somehow, somewhere we would like to make sure that it gets put back in. And I do agree with Chair Hokama although at this time with the downturn in...in the economy on Molokai and the closing of the Ranch, I don't think it's time we pull money from...a real needed area. So I would have to say that I'd like to support that.

The other question I have is you know with the Maui Farm Bureau, you know, I know they're an integral part and what they...what we do as far as agricultural community on Maui County and they've always said "put your money where your mouth is." But do you think this \$435,000 for this Fiscal Year 2008 is going to be spent? Because I've heard that maybe

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some money won't be used. So do you know if they'll be able to use all of this grant?

MS. TEGARDEN: I know that...one thing we want to have all of our grantees do is if they cut a grant to be able to utilize the funding. Maui County Farm Bureau is on course to utilize all of their funding for Fiscal Year '08 and I feel confident that they will do the same for Fiscal Year '09. But we did speak to many of our grantees, especially ones that were perhaps not utilizing it as quickly as...we think they should be especially since they're large sums of money. So we have had that conversation with our grantees to ensure that if you're going to get this financial support from the County, you're able to utilize it.

COUNCILMEMBER VICTORINO: Oh, thank you, I appreciate that. And I...I think that's very important that if we're giving out money that it's being utilized and utilized in the proper way. If not, you know, we have so many other people lined up for help. Hey, if you can't, you don't need it, please don't be asking for it because there are a lot of people really need—lot of organizations, I should say. Thank you, Mr. Chair. Thank you, Ms. Tegarden.

MS. TEGARDEN: Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions in regards to this first area? Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Just a...a quick one. Ms. Tegarden, you know, like the agricultural promotion, so does that go to a particular entity or is it money in your office that people apply for?

MS. TEGARDEN: Correct. It's money in our office that people apply for. But as we look at Fiscal Year '09, we are talking about doing an ag conference similar to what we did with the renewable energy, the expo. We are looking at doing a bigger farmer's market so that money would also be utilized for those things as well.

COUNCILMEMBER MEDEIROS: Okay. So, you know, in East Maui our major agricultural activities are either ranching or taro cultivation or small diversified farms. Now, so that the people out there or those may be interested in getting some of the benefits of these grants, they first of all have to be certified non-profit?

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MS. TEGARDEN: Or they can go through a non-profit. There are...they could go through Maui County Farm Bureau. Then there are other agencies that act as umbrella agencies that they could go through.

COUNCILMEMBER MEDEIROS: Okay, in applying for the money?

MS. TEGARDEN: Correct.

COUNCILMEMBER MEDEIROS: But if they are certified non-profit, they can make that application to your office for the agricultural promotion funding?

MS. TEGARDEN: Correct.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Ms. Tegarden. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. I'll try not to belabor this because I know time is of the essence. But, Ms. Tegarden, when these people apply for a line item, do they supply a budget to you?

MS. TEGARDEN: Yes. Whether it's a line item or...or a grant application in general, we require a budget. We require all of their background information, financials, rosters of their directors, everything. And I will say just because somebody fills out an application, it doesn't necessarily mean they're going to...to get a grant. We...we really look at everything with a fine tooth comb. And make sure that the budget makes sense. And if it doesn't, we talk to the grantee, or the potential grantee, and see how we can help'em.

COUNCILMEMBER BAISA: Good. I think that's very important as we look at these items to know that, you know, they've already been documented. What I would like to request if you wouldn't mind, I'd like to see the budget what...that was submitted by the Farm Bureau. And the reason is it ties into the agriculture promotion and I just wanna make sure we cover that.

MS. TEGARDEN: Yes, I will get that. It does cover it and I'm sorry I don't have it with me to be able to answer those specific questions about...

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COUNCILMEMBER BAISA: Thank you very much. I think that'll help us at... when it comes to decision time.

CHAIR PONTANILLA: Thank you, Member Baisa. The Chair had circulated—or I gave each one of you the Farm Bureau's budget request. So if you can't find it, the...the Chair will make sure you got a copy.

COUNCILMEMBER BAISA: Thank you, Chair. It must've been eaten.

CHAIR PONTANILLA: *(Laughs)* Probably. Talk about eaten, the Chair recognizes the time and the Chair will take a morning recess and we'll reconvene five minutes to 11:00. This meeting is in recess. ...*(gavel)*...

**RECESS:           10:42 a.m.**  
**RECONVENE:       11:00 a.m.**

CHAIR PONTANILLA: ...*(gavel)*... The Budget and Finance Committee meeting is now reconvened. Members, we go to the second area which is the grants and disbursements for cultural, arts, and tourism. Deidre?

MS. TEGARDEN: Yes, thank you. We'll start with the Aloha Festivals. I think we're all very familiar with Aloha Festival. The 10,000...the \$40,000 is a \$10,000 for each Aloha celebration...for each Aloha Festival celebration. They use that money for operations, marketing, supplies, the whole nine yards.

CHAIR PONTANILLA: Thank you. Members, questions to Aloha Festival at this time? Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you very much. And maybe...when they submit their applications for these funds, it comes inclusive with attachments regarding their total funding sources?

MS. TEGARDEN: Correct.

COUNCILMEMBER MATEO: I...I think maybe in the very near...in the future for perhaps next Fiscal Year, we had better take a look at the State's contribution because at this particular point, the Aloha Festival celebration's island representative, the chairs or the managers are gonna be struggling in the upcoming fiscal years because the State's reduction in

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their—I mean, it's a major reduction in their funding source. So I think we better be sure that we are able to recognize the State's again passing of their responsibilities on. So I don't want us to get caught or stuck with the major components of this particular celebration even though it is most justified and recognized in the community. But as you look at their fiscal stability, I think you will need to question the State's commitment to this particular function.

MS. TEGARDEN: I have made note of that. Thank you.

COUNCILMEMBER MATEO: Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Anderson, questions to this?

COUNCILMEMBER ANDERSON: I'm just wondering if Ms. Tegarden knows how much the State is reducing it?

MS. TEGARDEN: I have not heard the specific amount yet. I...I don't know that...I don't know that has...that has come out yet. But...I...I hear that it's...it's less than half. But still it's, you know, 40 percent. That's a substantial amount. I can...I can look into that but I don't have that number off the top of my head.

COUNCILMEMBER ANDERSON: Thank you. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions, Chair. Mine have been asked. Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. And Ms. Tegarden, this funding, is it divided equally among Maui, Lanai, Molokai, Hana? How...how is it divided?

MS. TEGARDEN: It is divided equally.

COUNCILMEMBER MEDEIROS: Equally. And...and so when the State's funding is part of it, do you know if that's also divided in an equal way?

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MS. TEGARDEN: As I understand, it is divided equally. Again, I can...I can check on that for you.

COUNCILMEMBER MEDEIROS: Okay. Yeah, I'd like to hear about what the State's final funding amount will be. Thank you. Mahalo, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Hokama.

COUNCILMEMBER HOKAMA: Not on Aloha Festivals.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: Not at this time. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Next one is Film Industry Promotion.

MS. TEGARDEN: Yes. The film industry, our film office, the mission of our film office is to keep Maui top of mind as a filming destination. We did put \$10,000 additional in this year. Part of that is to update the websites. The film industry website hasn't been updated since 1997. So we wanted to use the funding partially for that as well as do more of these workshops geared toward local film industry rep people. Like I said last year we just started doing these kind of workshops. They were very, very successful and we want to continue offering those. So that...that funding would go towards...the additional funding would go toward that as well.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No.

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CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. I just wanted to ask Ms. Tegarden if there's any stipulations to the funding that promotes using local help, whether it's electricians or carpenters or actors and actresses, whatever it may be?

MS. TEGARDEN: We try very hard when we get the phone call from someone coming in to...to film a TV show or a movie. We always let them know what local talent we have, what local electricians we have. We have a whole guidebook. And we certainly, you know, suggest that we have equally qualified people right here in Maui County to help with whatever, you know, needs they might have. So we...we stress that.

COUNCILMEMBER MEDEIROS: Okay. Thank you because, yeah, it not only provides work for our residents but it also diminishes the need for additional housing for people coming from out of state. So thank you for your response. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLILNA: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: Yeah. Ms. Tegarden, just to tack along with that same line of questioning, these film production...or promotions that you hold are here on Maui County and that includes Molokai, Lanai if that's part of it?

MS. TEGARDEN: Correct. *Pirates of the Caribbean* was—a lot of that was filmed in Molokai. We are in discussions with a project that is interested in doing something in Lanai. It's still under wraps but we...we are able to let them know that, you know, we have all these different site locations, Molokai, Lanai as well as Maui.

COUNCILMEMBER VICTORINO: Okay. I think that's very important because if we're gonna promote, we're gonna promote here on Maui County and if they're gonna go somewhere else, then we don't wanna be promoting that as much. Isn't that true?

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MS. TEGARDEN: Oh, right. With the...we...what our mission here is to make sure that Maui County is top of mind for your filming. We do catalogues. We do a lot of catalogue shoots. We have people from Japan coming in. We do music videos. So, again, it's all for Maui County. We do not advertise for any of the other islands, just Maui County.

COUNCILMEMBER VICTORINO: And when you talked about workers, you said electricians, stage, things of that nature. But that's also carpenters and other...necessity for back drops and all of these other things that are needed for filming?

MS. TEGARDEN: Correct.

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

CHAIR PONTANILLA: Thank you. Next item is Maui Arts and Cultural Center.

VICE-CHAIR HOKAMA: Chairman.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: One quick one before you move on to the MACC, please.

CHAIR PONTANILLA: Go.

VICE-CHAIR HOKAMA: How much money actually does Molokai get to benefit from this past movie initiative?

MS. TEGARDEN: For *Pirates of the Caribbean*? I will have to check what the Molokai specific numbers were. So I can...I can get back to you with the Molokai specifics. I don't wanna give you incomplete...

VICE-CHAIR HOKAMA: But Countywide you mentioned 10, \$10 million?

MS. TEGARDEN: That was for the entire year. So that included *Pirates of the Caribbean* but it also included the various catalogue shoots, the...advertisements that came to film here. That was everything in general was 10 million, all of the film-related funding.

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VICE-CHAIR HOKAMA: Do you have direct job counts of --

MS. TEGARDEN: We do.

VICE-CHAIR HOKAMA:--what the industry has as far as relating to this movies that were...were done in the County?

MS. TEGARDEN: Yes, I can get you the numbers of how many local citizen residents worked on *Pirates of the Caribbean* and other productions.

VICE-CHAIR HOKAMA: Okay. Thank you very much. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Maui Arts and Cultural Center.

MS. TEGARDEN: Yes. This \$300,000 line item is for operations of the Maui Arts and Cultural Center. Sixty eight percent goes towards repairs, maintenance. Thirty five percent goes to marketing and PR and the remainder goes for education and community outreach programs.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. Member Anderson.

COUNCILMEMBER ANDERSON: Thank you. Ms. Tegarden, would it be possible to find out of this 300—well, how much this allocation helps them leverage other grants or funds from foundations?

MS. TEGARDEN: Yes. I...we can get that information. I also know that Ms. Karen Fischer is in the audience today if...if you would like an immediate response.

COUNCILMEMBER ANDERSON: If she knows that, it would be helpful, I think.

CHAIR PONTANILLA: You...you want that immediate response, Member Anderson?

COUNCILMEMBER ANDERSON: No, no, that's okay, Chair. I won't slow it up but I think it's important to realize how this money is utilized. It's not just for—because again this was somebody who said years ago, "We're

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not gonna come for any more funding from the County.” But they do come every year and I think it’s important to recognize that when the County shows support financially, it helps them leverage money, or rather get funding from outside sources, sort of as a match.

MS. TEGARDEN: Yes. And...and I will say that Maui Arts and Cultural Center is one of our grantees when they do—when they provide their budget each year, they show a wonderful match with Federal funding, private grants, private donations. So I think that we can be very happy to know that our money is being used for matching funds. Exactly how much it is, I don’t have that number in front of me. But we will get that.

COUNCILMEMBER ANDERSON: Thank you. Thank you, Chairman.

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

COUNCILMEMBER BAISA: No questions. We’ve heard wonderful testimony about this line item.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: No questions at this time.

CHAIR PONTANILLA: Thank you. So we’ll get that info to Member Anderson?

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MS. TEGARDEN: Yes.

CHAIR PONTANILLA: Thank you. The next one is Maui Community Theater for Iao Theater Improvements .

MS. TEGARDEN: Yes, the \$490,000 as I know we heard from Miss Dascoulias on Friday—Executive Director over there—\$300,000 is for a new air conditioning system. And it also includes six months of operation fees in there as well. When they looked at doing the air conditioning, they realized that they have a wonderful ventilation system in there that was, you know, built when the...when the building was built. However, last time they had some construction done to the building somebody sort of painted over it. Then so now you can't really use the ventilation system. Because they are a nationally registered...historic building—thank you—in order to do the ventilation project the right way, they have many different codes to follow. So we thought, well, when they do the A/C, we should do the ventilation as well. If the ventilation system were working correctly, that would also cut down on the cost to operate the air conditioning.

And then in December we had the storm and I personally went over there to see all the buckets under the...the roof. We had just spent a lot of money this past fiscal year putting in brand new seats that are now getting ruined with the water dripping on it. So they had plastic all over the chairs. So we thought that we should also put some funding toward getting the roof fixed. Because, again, if you have a new A/C system in there but the roof isn't, you know, up to par that's going to lead to...to issues as well. So I know it's a...a large line item but it would fix the roof, the A/C and the ventilation system.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Ms. Tegarden, thank you very much. Yes, yeah, the size altogether of this line item is...is kinda scary. You indicated that it...the vents were painted over?

MS. TEGARDEN: They were painted over and something had been done to them so that you couldn't...you couldn't open them properly. I don't know if it was paint or someone put drywall—however, I saw that you couldn't open them properly.

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COUNCILMEMBER MATEO: So...so if it was painted or if it was drywalled it was on a contract. Someone had to be hired to...to do it?

MS. TEGARDEN: Right. And again, this was some...some time ago. I don't know exactly when that had happened. I just know that when I went to look at it and we had the people from the theater taking us around, you...you couldn't open it properly and...

COUNCILMEMBER MATEO: There's no way of recouping the correction of...of that particular contract, be it paint or drywall?

MS. TEGARDEN: Well, you know what, we can certainly look into that. I...I don't know that it can. I don't know when it was done. But we can certainly look into it and see.

COUNCILMEMBER MATEO: Thank you very much. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Anderson. Thank you. Member Baisa.

COUNCILMEMBER BAISA: Well, it's a lot of money but it is Iao Theater. And although it's a money pit, we love it. And it's a part of our community and we've gotta keep it together. I just wondered, you know, years ago when I was at MEO, the old Lihikai School was next to us. And I was trying to get custody of that building so that we could've used for an MEO building. And there were people coming to meet with me about investors who invest in historic renovation. And I was wondering if anybody has looked into that to see if we might access that for Iao Theater. It's just, you know, another way of trying to find money to take care of this 'cause it's gonna continue.

MS. TEGARDEN: Again, we can certainly look into that. I know that the new management down at the theater is actively looking at starting a capital campaign and specifically looking at some historic renovation funding. But that doesn't mean that our office can't look for something as well.

COUNCILMEMBER BAISA: Yeah. You know we had the people lined up. But...what went wrong was the State wanted to...and was talking about building the Kahului civic center there at that time. And so that's why the deal went sour. But you might want to check into it. We could sure use the help. Thank you.

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MS. TEGARDEN: Thank you.

CHAIR PONTANILLA: Thank you, Member Baisa, for that wonderful information. Member Johnson.

COUNCILMEMBER JOHNSON: No, and this is something that pricey as it may be, it is a historic building and that's probably why it, you know, it requires a little bit more work and a little bit more money than some ordinary project. So when you look at this building, what we've had to spend on this building for air conditioning, I can appreciate that. Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. I just wanted to ask Ms. Tegarden, I know the money is for roof repair, ventilation system and especially the air conditioning. Now, is this money also included in this funding to operate and maintain the A/C...because that's...that's a large cost to operate and maintain air conditioning system that large.

MS. TEGARDEN: Yes, it is. And this 300,000 would include six months of operating expenses and we would hope that by that time, perhaps, their capital campaign would kick in. Maybe they'd also be able to do more productions there at the theater. I know during the summer time it's so...it's very uncomfortable to sit there in some of those productions so maybe the...everything grouped together will help them pass the six months, be self-sustaining.

COUNCILMEMBER MEDEIROS: Thank you. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chair. Just following up on Member Medeiros' question with regards to the operating cost. Do you know offhand how much of the 490,000 is being...dedicated towards operating cost?

MS. TEGARDEN: Of the 300,000—the 300,000 is for the A/C which includes the six months of operating costs. And I...I think that I would say around 30...30,000 would...they were looking at for operating but also not just the utility bills but some other small maintenance projects that relate to

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getting a new air conditioning system in. But I can...I can get back to you.

COUNCILMEMBER MOLINA: And now you've been told that this would be a one-time request at this point?

MS. TEGARDEN: Yes. That this is all a one-time request.

COUNCILMEMBER MOLINA: Okay. And they have a capital...ongoing capital campaign?

MS. TEGARDEN: They will be starting an ongoing capital campaign. Again, with the concession bill that was passed, they're able to have a little bit more flexibility. One big issue that they had was people didn't want to put a lot of money in for a capital campaign if it was just for a short amount of time. So they are working on that now and have—so that they will be getting our office a plan so that at least we have something to...to look at. Right now I don't have anything.

COUNCILMEMBER MOLINA: And do you know offhand when that plan will be received?

MS. TEGARDEN: I...

COUNCILMEMBER MOLINA: I would hope that it can get to you as soon as we, prior to us making a decision.

MS. TEGARDEN: It's...It's very...it's very, very soon. I've had discussions with her based on, you know, some drafts, items that she put together. But I would say probably by the end of May we should be able to have a very basic, if not more than basic, plan to share.

COUNCILMEMBER MOLINA: Yeah, I would hope a little sooner but anyway, thank you, Director. Thank you, Mr. Chairman.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: Have you been able to prioritize all your grant requests?

MS. TEGARDEN: Yes. In the—well, could you explain your question just a little bit more?

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VICE-CHAIR HOKAMA: I'm looking how to cut up to \$20 million.

MS. TEGARDEN: Well, one of the things that we did when we put together our budget for the Mayor was to find ways that we could make cuts. And we sat together with the staff and looked at all of the requests that come in, looked at what we had funded in the past, look at what is a necessity we think for the community. And there were a lot of...there were some requests that came in that, you know, perhaps weren't what we, you know, considered something that we needed to fund this year. We tried to make a concerted effort that before we came before all of you, that we put together a budget that was as concise as possible that addressed the issues within our community. And that we had talked to our stakeholders about before coming forward. That's why when we able to...to cut the overall budget by 21,000, we looked at our administration, our equipment and our line items. We were very happy. Even with the new projects and even with Iao Theater at 490,000, we were able to come before you with a \$21,000 cut and I know that that's not as much as the amount that you just said. But we...we tried to make a concerted effort before coming before you to give you as concise a budget as...as possible.

VICE-CHAIR HOKAMA: So why for this project, it's a ready to go project? It does not need to have additional reviews? It's...it's ready to go to construction?

MS. TEGARDEN: For Iao Theater? I think they are...they have been talking to contractors but before they actually sign any documents I think that they want to be sure that they have the funding coming in before they make any promises that they can't keep.

VICE-CHAIR: Good. We should do the same thing too. Thank you. I'm done, Chair.

CHAIR PONTANILLA: Thank you. The next item is the Maui Fest.

MS. TEGARDEN: Yes. This line item for \$30,000 is to basically expose the local community to films that they might not otherwise see. They do a lot of—I know this is Boy Kanae and...and Kenny Burgmeier. They have films in Hana and Molokai. They want to do something in Lanai. I don't know that they have done that yet. But these are foreign and Polynesian films and entertainment to what they say is remote communities.

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CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Anderson.

COUNCILMEMBER ANDERSON: No, thanks.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions. Thank you.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Thank you. Maui Visitors Bureau.

MS. TEGARDEN: Yes. The Maui Visitors Bureau line item is—The Maui Visitors Bureau is the...the visitor industry is the economic engine of Maui County. And our economy depends on a healthy visitor industry. The Maui Visitors Bureau is here to keep Maui top of mind to the visitors who travel. I know that with the recent job losses with Aloha Airlines, ATA, now more than ever I feel we need to keep our marketing dollars out there because as soon as we pull marketing dollars, we're going to start seeing less visitors. Less visitors means less money for our residents whose paychecks depend on the visitor industry. I don't know anybody who doesn't know somebody who works in the visitor industry. So we have kept our request for Maui Visitors Bureau the same.

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CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you very much. And thank you very much, Ms. Tegarden. And I think...I think because of the current situation in...in terms of the cost of fuel, I think we're gonna see a lot of reduction in travel which will undoubtedly affect us dramatically. And not only the mainland travel but interisland travel as costs continue to increase. And, case in point, even Island Air is looking at difficulties because of rising fuel costs so... so we're gonna be impacted one way or another.

So I don't know how promotions is really gonna help us when they can't even get here. Or in order for them to get here, they're gonna have to pay a hell of a lot more anyhow. And especially on Maui where in previous discussions with Ms. Vencl, you know, I'm just worried about the target we are promoting. We heard her testimony. We're looking primarily at the high end. This is where Maui excels in getting those who pay a lot more for their vacations. And in this questionable market, I don't if that's really gonna be, you know, a really wise thing and not really promoting to the family travel, the...the...those who not able to pay the 400 and \$500 room rates.

So I'm hoping you had that discussion with them and taking a look at the promotion of Maui who we are versus, you know, we cannot always be the playground of the Pacific all the time. This is our home. And it should be promoted accordingly so that when people do visit us, that's the magic of what Maui is. We're not the magic ...*(end of tape 2B - 11:23 a.m.)*... you know, this is our home first. And it should be promoted accordingly. And in these difficult times, we are gonna turn right back to the local people in helping to support our economy again. So, you know, I'm...I'm hoping you've had that discussion and maybe you can kinda verify whether or not you did in terms of how to utilize these funds for specific promotions?

MS. TEGARDEN: Yes. Thank you. We have had discussions with Maui Visitors Bureau and...and you bring up the...the point of, you know, this is our home. And I think if you, for those who...who read the Viewpoints on Sunday, you know, a \$100 million is—whether it's the...the TAT as well as the real property tax, that money is being brought right back to our home, to our residents. And yes, we are facing challenges this year or...or...or recently. And I think Maui Visitors Bureau is very cognizant of the fact that when they're doing their marketing and promotion, they're

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looking at many different sectors of the community, not just that high end traveler anymore. You know, we have the...the honeymoon, the romance traveler. You have the people that are coming over for an experience of the...the people that like to come over and hike. Obviously, I'm...I'm more of like the shopping traveler. But you have the people who wanna come over and experience the beauty of what Maui County is. So, yes, I...I do think that Maui Visitors Bureau is very cognizant of that fact. And they're not just going after that high end client because as times change, so does their promotion and marketing have to reflect that. And I know Ms. Vencl is in the audience here today as...as well.

COUNCILMEMBER MATEO: Thank you. Thank you, Ms. Tegarden. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. I also...echo some of Member Mateo's comments and that is that this is a very difficult time for us. We do not know where we are going in terms of tourism right now. It certainly doesn't look very good. I don't think that this is the time that we want to decrease our efforts. If anything, we're gonna have to make the best use of this money and try to get the best bang for the buck and get those folks here because we need them. You know, we have seen the fallout from the small vacation rental B&B close downs. I don't know that we wanna tinker with what works. So those are my sentiments at this time.

CHAIR PONTANILLA: Thank you. I...I'd just like to share a comment here. I have gone to MVB in regards to extending local conventions here on Maui. And because local conventions—they wanna come to Maui but because of the prices that we pay for hotel room, they don't come. So working with Maui Visitors Bureau, we're fortunate to have the State of Hawaii Lions Club convention here on Maui. It's gonna be next month. Through the efforts of MVB we got to work with a hotel property here on Maui that will be providing the local residents that wanna attend conventions here on Maui at a very reasonable rate. So I thought I'd just pass that comment to all of you this morning in regards to the support that the local convention people have from the Maui Visitors Bureau, especially, you know, the Lions Club. Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yes, and, you know, kind of along the lines of both the article that was in the paper this weekend as well as other

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testimony that we've received from people who are in support of us. Have you received a plan or an action plan other than just the same promotion after promotion and this advertising and that advertising? Have you received an action plan that will actually help to address the issue of airlift in any of the items for the Maui Visitors Bureau budget?

MS. TEGARDEN: I have not received a report as such, however, I know that Maui Visitors Bureau, HTA, everyone is working very diligently on addressing that exact situation. And I think that there is something coming out soon as it...as it relates that. But that is something that is on everybody mind and it is being looked at. I don't have anything but when I do get something, I will be very happy to pass it on to you.

COUNCILMEMBER JOHNSON: And...and I appreciate that because that's what I'm looking at. Is during periods of challenge, you can't do the same things that you've always done. And so, Mr. Chair, I'm hoping that perhaps Ms. Vencl who's in the audience will be able to provide that to us so that we're assured that the allocation of the money that we are giving or whatever amount it is that we're gonna give is actually helping to address the issue of airlift.

And then also with regard to the quality of the visitor experience, we have been getting many complaints from people who are stating they are not going to return because of beach...dirty beach parks, a lot of overcrowding. Maybe taxi rates, it might be the cost of accommodations. I mean, all of these things are really important.

And then also I think it's really important to look at what is the mix currently within Maui Visitors Bureau of the people or the entities that are represented? Time shares, are they represented? I know we have the Hotel Association which is, you know, separate beneficiary of some funds. But I look at what is the mix? How is it changing? Because if you're not asking those questions, we're not going to get results and I would rather reinvest the capital, or portion of it, into the things that we're not getting revenues for such as our bathrooms in our parks. You know, things that we get continual complaints about and particularly because these are amenities that our visitors use all the time. Even the lessons that are given under ocean rec activities permits. Many of them are given on public property. So what is there within their budget besides promoting something that actually delivers a product that is worthy of a first class destination? So those are the issues and they're the same issues I've had from day one. So, enough said.

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CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. You know, Ms. Tegarden, I think you stated correctly most of us either know someone that's in the visitor industry or, like myself, I've worked in the visitor industry for many years. And so did many members of my family because in Hana the hotel is the largest employer. But saying that, a grantee that receives an amount of funding like this, I'm sure has some obligations to report back to your office as far as how they expend the money?

MS. TEGARDEN: Yes. They do.

COUNCILMEMBER MEDEIROS: And...and those reports and records are available for review?

MS. TEGARDEN: Yes, they are.

COUNCILMEMBER MEDEIROS: Okay. And because we've heard a lot testimony and we've read a lot of...letters in the paper about questioning, you know, MVB's goals and so forth. So I...I think, you know, I'd like to...be able to see those records so that I can justify for myself and for the taxpayers that have to pay for this funding that it is...it is indeed something that is being asked for and done for the amount it is and that we can see that in writing and in the...in the records. So thank you for, you know, having those records available. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Mr. Chairman. Madam Director, on the, this appropriation, the way you see it, I know you're definitely in favor of keeping the same level funding as in past, prior fiscal years. Do you see this, if we were...if this were to be reduced, will this have any kind of residual effect on other areas for economic development for Maui County in terms of, maybe, do you feel publicity wise, could this have an impact? If the County showing maybe, I guess—I don't want to say lukewarm support. Or if this Council did that, I don't know. Can I get a feel on this? Do you see this if we reduce this having some kind of impact on other areas in terms of economic development?

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MS. TEGARDEN: Thank you for that question. And yes, I...I see it on...on many levels. Number one, as you're saying the publicity end of it, Maui County not being as open to the visitor industry. But equally, or more importantly, are the jobs, the ancillary jobs that will also be lost. I always say that we have up to 80 percent of our economy is reliant on the visitor industry. And, of course, you know, the hotels and the activities. You have the restaurants, the shops. All of these people are relying on the visitor dollar to come in and purchase items. And again, you know that just—it's a whole ripple effect.

And I think that, you know, so often when times are bad, you know, companies will look to pull their marketing dollar and as...as so many of us know, I mean, that's the thing that you don't do. In...in times when there is down turn, you actually want to increase your marketing. You have to keep your name out there or the residual effects will be even worse.

So I think, yes, if we were to...to decrease the item, we would see a very big impact on our hotels, of course. But we would see all of the...the ancillary jobs would also suffer. Publicity would suffer and once you do that—right now, we are the, you know, number one destination. If we start pulling funding we will no longer be number one and then to try to get back up to number one, it's often tough especially when you have Mexico, the Caribbean, Barbados, you know, everybody out there trying just as hard for that...for that visitor dollar. So as soon as we start to decrease a little bit, it's gonna take even...even more effort to get back up if we ever can reclaim that number one spot. So, yes, I think it would be devastating.

COUNCILMEMBER MOLINA: Okay. Thank you, Madam Director. Just a quick comment, Chair. I know the—I brought up the issue of publicity, I think, for several...maybe about a week ago when ATA had their closure. Ms. Vencl was on the front page working, you know, at the desk. I think that was a very powerful picture and a commitment when you see the MVB director, you know, working the front lines if you will. So I just wanted to compliment Ms. Vencl on that. And I think it leaves an impression on the visitor itself when he can see our...our visitor bureau doing whatever it takes to come to the rescue, if you will, in cases like this. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Hokama.

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VICE-CHAIR HOKAMA: Let me take a different approach to the funding request, Chairman. You know, when times are good we...hear don't...don't tinker with it 'cause times are good so just maintain what you got. And when times are bad, don't tinker with it. Times are bad, we need the money. So when is the right time to tinker and make the appropriate adjustments? 'Cause what we're hearing this morning from you is, we want the visitor industry to maintain its 80 percent strangle hold on our...our economy's...economic engine. Is that what you're telling us?

MS. TEGARDEN: I think that when you have an industry that supplies 80 percent, that is the economic engine of your community that you need to continue funding it because if you pull funding away from your main economic engine, and there isn't another industry to absorb all...to absorb that loss, then it's imperative that we fund it.

VICE-CHAIR HOKAMA: So tell us what is your office doing to strengthen our other components?

MS. TEGARDEN: We are looking at agriculture seriously again. In Fiscal Year '08 we doubled the line item for Maui County Farm Bureau. We have what was Maui County Farm Bureau working on the Ag in the Classroom. We have Maui Economic Development Board and our high...our technology industry. So there are other industries out there certainly that are growing in Maui County. And everybody, all of our stakeholders are doing a wonderful job. However, the fact of the matter is, is that the visitor industry still maintains that they—it is the economic engine.

So until one of the other industries really is able to move up to that level, I think it is our responsibility to continue funding the Visitors Bureau. That doesn't mean that we should not fund the other industries and we are making sure that we partner with the Farm Bureau, MEDB making sure that we have jobs here—renewable energy—that we have jobs here, high paying jobs that we can offer our residents. We have so many people who've also left the islands and I know MED program, Kama'aina Come Home, is trying to, you know, bring our...our people back. So there is a lot of activity out there through ag, renewable energy, high tech.

But for the time being right now, the visitor industry is our economic engine. And if we pull support from them, I think it would be devastating.

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VICE-CHAIR HOKAMA: Thank you for your comments on that, Ms. Tegarden. You know, one thing, Chairman, we've heard a lot of high profile so obviously Aloha made the news, made the front pages, made the newscasts. Molokai Ranch was a very big news for this County. Made the televisions, made the media. But interesting enough, nobody talks about Lanai. So what did we do? We went to luxury end housing development and visitor industry from pineapple. Are we having just a hard time as every place else, Chairman?

But nobody...nobody puts on the TV, prints it in the paper that Castle & Cooke shuts down its construction division on Lanai. So I got unemployment issues too. I have economic development issues too. I think what every island in this County is facing these issues and all we can do the best is, let's hold and maintain the course. That's not good enough. I would think we would...would look at trying to define and promote leadership that would look at ways of improving the situation than just throw money at it. Maybe that's part of our...our...our problem, Chairman. We've been very successful so now we have financial resources to throw at...at the problems. I'm not too sure that this is the best solution for us.

I will just say, Chairman, I am open to adjusting every single item in the budget appropriately. And I...we will have our debates and our reasons why, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. Member Victorino:

COUNCILMEMBER VICTORINO: Thank you, Chair. And I've heard all these compelling statements from my fellow colleagues and each one makes good sense in what they're saying. I, too, agree that we must work very diligently in moving away on our dependency on tourism. But that's gonna take time. In the meantime, that is our economic engine. We can't just...just say, "forget it," walk from it, you know. But I'm also very concerned and I'll say it this way. High tech and all these other programs that we're trying to bring to Maui and to the State, my big...big concern is the word, foreign competition.

Today more engineers are produced or come out of India than come out of the whole United States. Pakistan is one of the leading engineers and other professionals. These countries have spent an enormous amount of money on their educational system to compete with the world. They're taking American jobs. We're pouring...we're transferring out a lot of

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things to the Philippines. Now you call Hawaiian Airlines, you don't talk to somebody local. You talking to somebody in the Philippines. No, we get...you guys have a lot of Filipino people that live here. And that's their family and friends. But I'm saying we're losing jobs very rapidly.

Putting our eggs in one basket or another is not a good idea. We gotta spread it around. You talk about agriculture. I was with a farmer yesterday. He said, "You know, Mike, six months ago I was paying \$11.56 for my 50 pound bag of fertilizer. I just went to the store the other day, was \$25.69 a bag." He said, "I could buy eight bags with \$100. Now I can buy little over three bags." We talked about farming. How we gonna make that work? We talked about a lot of things.

The problem I see right now, Chair, is we have a lot of different...dynamics. And Ms. Tegarden, you pointed out a number of us with us. I have worked in the visitor industry for 26 years, out in Lahaina, West side and South side. I've seen the change. And you know what is really ironic, Chair? Yesterday, I took my mom to the Grand Wailea. My mom is 82 years old. And she was astonished at all the changes that have gone on. She hadn't been down to South Maui for like 12 years. And she said, you know, Auntie Rose (her auntie) had a house, beach house somewhere along Kamaole. She didn't even know where cause it's all changed. And she said it was just nothing but dirt roads and kiawe and sugar cane fields wherever they ended out there. But that's Maui. We've changed and we cannot stop the change.

But we've gotta make some real true changes in the course of where we want this economy to go. I'm all for change. And I agree with Chair Hokama. Nothing's sacred in this budget, nothing's sacred. However, when we make change, let's make the change that are going to benefit the long-term.

By the way, all of us have issues with unemployment. We all have that. But the smaller communities like Hana, Lanai, Molokai, when something shuts down or something cuts back, it's more profound. So we gotta figure out ways that we can help these smaller communities and the community at large 'cause Wailuku's not immune to that. We're having this happen right now. Two more stores down here in Wailuku town have closed up. Because why? Times are changing and they're getting out of Wailuku Town. And we're losing what we need. It's more merchants in there, not less.

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Anyhow, so Ms. Tegarden, I will say that although conceptually I agree with the Maui Visitors budget, I agree with one of the statements that was said earlier. I hope they've got a different direction. I hope they've got some other ideas to bring forward because we need to...to...to...maybe take a real good look at where we wanna go. And like Chair Hokama said, nothing's sacred. We'll look at each and...every individual item as they come up. But thank you for your efforts. I do appreciate it. Thank you, Chair.

CHAIR PONTANILLA: Thank you, Member Victorino. I...I'd just like to add a comment in regards to what we—when I say “we”—neighbor islands had agreed to at one point was to have the City and County impose a increase in their GET. I forget the percentage and whatever percent that they got that the TAT that they received was supposed to come back to each of the neighbor islands. Guess what? We didn't have the power in the Legislature to overturn that. So we lost a lot of money. We...we agreed to do something and we got shafted. That's it. So, thank you, Ms. Tegarden, for that information. Next one is the Special Events Program.

MS. TEGARDEN: Thank you. The Special Events Program is \$60,000 and this is to support local special events that don't necessarily fall within any of our major categories. They don't fall in ag promotions. They don't fall in small business promotions. Some of the things we funded this past year would be the...the Maui Baseball Expo. We did the Puunene reunion. We worked on a project with the Humane Society. The Okinawan Cultural Society recently had an event at the Maui Arts and Cultural Center. Pineapple Fest, so just the things that otherwise don't fit into the...the big chunks of line items. And usually these kind...these events are about 5,000, \$6000. They're smaller events but it just gives us some flexibility when a project comes our way that doesn't...doesn't fit within our scope but yet still is economic development or cultural development in...in...in a...one way or another.

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

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

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CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Ms. Tegarden, so you would have a breakdown of previous fiscal years on how the funding was utilized and...and the amounts?

MS. TEGARDEN: Yes. This...this started for Fiscal Year '08 and I can certainly send you a list of the different events that were funded under this, for this current year.

COUNCILMEMBER MEDEIROS: Okay. Mr. Chairman, with your permission, if she can provide that to the Committee?

CHAIR PONTANILLA: Yeah. Anything that you ask directly will be submitted by Ms. Tegarden. But, you know, for submittal to the Chair to get answers, because of the time frame being so short, you may not get an answer on a timely basis.

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

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MEDEIROS: Thank you, Ms. Tegarden.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: No question.

CHAIR PONTANILLA: Thank you. Members, before we go into grants and disbursements for Business Development and Technology, the Chair...we can go at it for ten minutes and...I would rather recess and then come back at about 1:20 this afternoon.

COUNCILMEMBER JOHNSON: Yeah. Let's recess.

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CHAIR PONTANILLA: If there's no objections? Okay. Fine, thank you. Chair's gonna recess this meeting to 1:20 this afternoon. This meeting is in recess. . . .(gavel). . .

**RECESS: 11:49 a.m.**  
**RECONVENE: 1:24 p.m.**

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now reconvened. Members, if you can turn to page 9 of 9 of your handout. This is Parks Grants on 9 of 9 of your handout, Mr. Medeiros. This one. The long sheet.

COUNCILMEMBER MEDEIROS: The grants?

CHAIR PONTANILLA: Yeah. Look on page No. 9. Members, we have reviewed all three of the Parks Grants. Do you need the Parks Department over here for the grant review or grants review?

COUNCILMEMBER BAISA: No, Chair. Thank you.

CHAIR PONTANILLA: Thank you. Okay. Mr. Pablo, if you can notify the Parks that --

MR. PABLO: Thank you very much.

CHAIR PONTANILLA: --don't have to show up with regards to the grants.

MR. PABLO: Okay.

CHAIR PONTANILLA: Okay, Members, when we left off, we left off at the grants and disbursements for culture, arts and tourism. We're gonna go into the third area which is Grants and Distribution...*Disbursements* for Business Development and Technology. Deidre, the first item...

MS. TEGARDEN: Yes. It's the Business...

CHAIR PONTANILLA: Business Research Library.

MS. TEGARDEN: Yes. Thank you. For \$150,000, the large amount of this funding goes toward the Maui County Data Book. And just as a refresher,

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ongoing research, archiving, software and publishing fees are included in this. The Research Library...also offers new business reference tools, annual recurring electronic research data base fees, and specialized business reference books. Salaries for business research specialists who respond to calls from Maui County citizens, small business, non-profits, and government agencies requiring answers from everything ranging from...everything ranging from licensing and registration to complex census and custom demographics questions, the research library handles all those requests.

CHAIR PONTANILLA: Thank you. Members, any questions to this item here?  
Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa:

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: Uh-uh.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Okay. Next one up is the Community Clinic of Maui.

MS. TEGARDEN: Yes. This \$250,000 is to put towards a photovoltaic system on their new location at Ooka's.

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

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COUNCILMEMBER MATEO: Thank you. Ms. Tegarden, the amount that they're requesting, that can't be the total amount of photovoltaic so who else are they getting funds from?

MS. TEGARDEN: It's... from what I understand, they're looking at some additional grants both State and Federal as well as some other private fundings that they have.

COUNCILMEMBER MATEO: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Will the Community Clinic of Maui be ready in the next fiscal year to accept that money --

MS. TEGARDEN: Our...

CHAIR PONTANILLA: --for that project?

MS. TEGARDEN: Sorry. Our conversations with them state that they will be ready.

CHAIR PONTANILLA: As far as the funding from the State, guaranteed? No guarantee?

MS. TEGARDEN: I'm not sure that it's guaranteed yet. And this would just be, you know, just putting it towards the overall system. This could be phase one if, you know, could be turn out that. Like, it could be done in phases.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

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CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: No questions at this time. Thank you, Chair.

CHAIR PONTANILLA: Thank you. East Maui Cultural/Economic Development Program.

MS. TEGARDEN: Yes. This is for East Maui Cultural and Economic Development programs. We have funded the Hana Like boat ramp, the Keanae flume repairs and Hana Fest this past Fiscal Year.

CHAIR PONTANILLA: This year?

MS. TEGARDEN: Correct. I'm sorry, this...this Fiscal Year so far.

CHAIR PONTANILLA: And then for the next Fiscal Year, it would be the same or?

MS. TEGARDEN: You know, it depends. We try to reach out to the community to find out what organizations have projects in that area. We also like to work closely with the councilmember to make sure that, you know, we are funding projects that the community needs. We don't necessarily say, this is what we think East Maui needs. Instead we like to have the grantees come to us. But we do make efforts to reach out to the members so that they know the money is available.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

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COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No, thank you.

CHAIR PONTANILLA: Member Hokama. Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: No. Just good...good...good investment in a small community. Thank you.

CHAIR PONTANILLA: Thank you. Friends of Old Maui High School.

MS. TEGARDEN: Yes. This \$100,000 is for project coordinating and implementation as they develop plans for future funding of the building of the Patsy Mink Center. Looking at their budget, this is going towards salary, utilities, supplies, your basic operations.

CHAIR PONTANILLA: Thank you. Member Mateo, questions?

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: Yes. One quick question, Chair. Ms. Tegarden . . .(end of tape 3A - 1:29 p.m.). . . a prior appropriation, the, I guess, the

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difference being 175,000. If memory serves me correct, can you recall what that was for?

MS. TEGARDEN: If I may have the...the—I don't have that information in front of me. I think it was operations in general.

COUNCILMEMBER MOLINA: Oh, oh, okay, okay. That's...that's all I would need. No...

MS. TEGARDEN: It wasn't for a specific project that I...that I remember seeing.

COUNCILMEMBER MOLINA: Okay. I can consult with, I guess, Barbara Long as well, too, to find...get additional details on this. Trying to get my memory back here. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Just a fast question for...Ms. Tegarden. In regards to the request made by the Old Maui High School, is this a request, \$100,000, or was it higher than this?

MS. TEGARDEN: No. The...the amount that we received to be placed in the budget was \$100,000. I'm not sure if they had additional conversations with Housing and Human Concerns. But as for OED, this is what we were provided with.

CHAIR PONTANILLA: Okay. Thank you. Maui Community College for Long Term Care Partnership.

MS. TEGARDEN: Yes. I know we all heard testimonies last Friday. This \$275,000 goes towards the operations of the program to train people on how to become long-term, in home...caregivers. This amount represents a small portion of their overall budget and I do know that they have other funding sources and are able to leverage the County funding.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

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COUNCILMEMBER BAISA: Just a comment. I'm very happy to see us putting money here because this training, nurse training and now medical aide training is absolutely crucial to what we're looking at. Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yeah, and I do support this and, I guess, when we get into deliberations, we'll look at the amounts again.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Okay. Next one is Maui Community College for nursing and dental assistant programs.

MS. TEGARDEN: Yes. The \$500,000 is for nurse training. I know that the funding is matched by the State. They leverage their funding as much as possible. And I...and I do know that there are a lot of testimony...testimonials on this so I will stop there.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No, no questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

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CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Yes, Chair. We, you know, we heard from many testifiers about how short we are of nursing so certainly support I this program. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: Another fine program that I can support. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Maui Economic Development Board.

MS. TEGARDEN: Yes. The \$500,000 represents level funding to continue the 25 year partnership that the County has enjoyed with Maui Economic Development Board to diversify Maui County's economy. The funding goes...for all of their various projects, the...the STEM program, women and technology and are all guided by the Focus Maui Nui mission.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, Maui Economic Development Board also provides services to the Molokai community and our youths in particular so I have no questions.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions but much support for a wonderful program that does great things particularly with our youth and in helping us with this diversification of our economy that we're so worried about.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yes. Deidre, will this also help them to get towards their campus and expansion of the campus or is this something irrespective of this?

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MS. TEGARDEN: I think that they're...they're finding additional funding for the expansion and this is more for the actual...at the program level.

COUNCILMEMBER JOHNSON: Okay. So just the operations and the assisting them with expanding their programs?

MS. TEGARDEN: Yes.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: I support.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Victorino:

COUNCILMEMBER VICTORINO: Again, another fine program to support our youth and diversity our economy. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Maui Economic Development Board for Maui High School program model.

MS. TEGARDEN: Yes. This is \$100,000 in operations and to train a new instructor to keep this nationally award-winning automotive program staying on course. I personally went down there to meet with the students. I didn't know that there were a total of 120 students at Maui High School who're involved with this program. They get hands-on experience and I must say when I was down there my tire signal came on in my car. And one of the—made me panic, actually didn't know what the signal was. And...and they took it in there for me. They did a little test, showed me that it was just that my tire had...was lacking air. But I must say that the students are so...so well knowledgeable. And they're also so polite. And I have to say in this day and age, it is...it is rare to see such polite young people. And it was...it's a real good experience that I had down there. And I can see that the...the money goes for a good cause.

CHAIR PONTANILLA: Thank you. Member Mateo.

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COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chair. Just one quick question for Ms. Tegarden. You know, last term...the...our last...last year, during the Budget session, there was some discussion about this and the involvement of the State. Has there been any, you know, feedback from the State on this? And I know this is apparently, from what it sounds like, it seems like it'd be very good program with MEDB's foresight. But, again, you know, the proverbial issue, where's the State in all of this?

MS. TEGARDEN: Yes. When I had spoke to the people down there, they still weren't sure what the level of support would be from the State. I do know that some of the instructors are actually taking money out of their pockets to provide, you know, supplies for the students as well. So, yes, I mean it's definitely something to look at to...to question the State on.

COUNCILMEMBER MOLINA: Uh-huh.

MS. TEGARDEN: And that...that hasn't been secured yet.

COUNCILMEMBER MOLINA: Okay. And can we get—I don't know if it's been provided to you—some kind of report on it after one year, progress report on what's transpired since then?

MS. TEGARDEN: Certainly. We can get that done.

COUNCILMEMBER MOLINA: Thank you.

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CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Thank you. Members, this is one of the first programs that—in fact, we started to fund this particular program because of the success of the Maui High...High School automotive program. And, you know, we all look at the technical side. You know, automotive which is a technical, very technical industry today as well as, you know, we used to get Future Farmers. So the intent last year was try to revive those programs in the high schools and this is a really good start. Thank you. Micro [*sic*] Economic Opportunity—oh, Maui Economic Opportunity, Inc. for Microenterprise Program.

MS. TEGARDEN: Yeah. \$200,000 facilitates economic development in the community by providing entrepreneurial education workshops and micro-lending to provide capital for startup and expanding businesses of low and moderate income individuals.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you very much. Maybe Ms. Tegarden—well, first of all, you know, there's no doubt about the success of this particular program. Are you aware of what percentage of the 200,000—or even the prior funding—what percentage is actually...actually goes into the loans versus the administration part of it?

MS. TEGARDEN: I—the 200,000 is not...doesn't go into the loans. That is a separate revenue stream. That does not come out of the 200,000. This is specifically for the programs but not for the loans.

COUNCILMEMBER MATEO: Thank you very much. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Of course, I'm in great support of this program and I'm very aware of its success. I think that it's also very timely because as things get tough, more and more people will be turning to

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entrepreneurial efforts. And this program will show them how and also loan them money if they need it and hold their hand as they go.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yes, Mr. Chair, and this is one of the programs that I really would support, perhaps putting more money into because I think it's a...an investment in a lot of the service type businesses that people are starting up. And we're in desperate need of expansion into those areas because we're getting longer and longer waiting lists. And I know many of the people that have gone through this program and they're just so grateful. And they're providing very valuable services so I think Susie Thieman does a great job and I'm really pleased with the outcomes.

CHAIR PONTANILLA: Thank you, Member Johnson. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Ms. Tegarden, you know, I've heard a lot about this program and it certainly, you know, has been spoken of as being very successful to many people. And I know Member Baisa knows a lot about this. But is there any return in fees once these people get into business and are successful? Or do they pay any fees to be in this program?

MS. TEGARDEN: Depending on your economic status, there is a fee sometimes to join the program. I think when they pay back their loan, that is when—you know, if they're going for a loan—that is where they make their biggest, you know, repayment.

COUNCILMEMBER MEDEIROS: Okay. But the loan is with the...a financial institution, not with this program, right?

MS. TEGARDEN: That is correct.

COUNCILMEMBER MEDEIROS: Right. So...

MS. TEGARDEN: Oh, actually—I'm sorry. The...the loan is with the program. However, it's not coming out of our \$200,000. That's what I meant.

COUNCILMEMBER MEDEIROS: Right. It's coming from a financial institution, right?

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MS. TEGARDEN: It actually come—I...you know what the people from the Business Development corporation are here. They might be able to—or Councilman...woman Baisa might be able to answer that better.

COUNCILMEMBER MEDEIROS: Chair, just...I...just for my own information, maybe Member Baisa has --

CHAIR PONTANILLA: Sure.

COUNCILMEMBER MEDEIROS: --information on that, please?

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. I'll be happy to try and help Member Medeiros. MEO has a loan fund. And that loan fund was initially started with a loan from the Bank of Hawaii, made a low-interest loan to MEO. And since then, I'm sure that there's been more activity there. But that money is not with a financial institution. It is loaned by MEO. And they repay the loan and then they're, you know, recycled. Money in, money out, back and forth to try to keep the loan program going.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Member Baisa. And thank you, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: No. Another good program that helps a lot of good people. Thank you.

CHAIR PONTANILLA: Thank you. I...I know Susie always sends us invitations to attend their graduations. If you haven't, you know, you should go to one and get firsthand knowledge about the particular program, microenterprise program which I think is a very good program. Okay, Ms. Tegarden, Maui Food Technology.

MS. TEGARDEN: The \$70,000, this program was originally formed to grow Hawaii's food industry by connecting students, food producers and

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farmers through the practice of food science. Stage 1 has been completed with this current fiscal year grant. And the 70,000 is to help with the first year of operations.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: No. Another project that I think really has grown and continues to endeavor and help our agriculture industry at the same time. So I think this is...this is well worth it. Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama.

VICE-CHAIR HOKAMA: No, thanks.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. I...I just have one question. The...is this the program that is located now in Haiku?

MS. TEGARDEN: I know that they are with the...with the college. I don't know if they have an additional office in Haiku. They...they might very well have one.

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CHAIR PONTANILLA: So this is not the same program. In regards to—I know last year somebody came over here from MCC in regards to...Food Technology and was supposed to be located on Market Street next to Iao Theater. Is this the same entity?

MS. TEGARDEN: Yes, it is.

CHAIR PONTANILLA: Okay. Thank you. I think they're located in Haiku now.

MS. TEGARDEN: I...I think you're correct. My apologies.

CHAIR PONTANILLA: Okay. Thank you. Molokai Economic Development and Cultural Program.

MS. TEGARDEN: The \$110,000 includes partial funding for our Kuhao Business Center operations and the remaining funding goes for Molokai projects including the Business and Food Expo. We are also working on some other grants that we've just received in our office. But I was able to go over to Molokai early March with Councilman Mateo's help and be able to sit with grantees who are interested in this funding but had just never reached out to our office for it before. So we had some exciting grants that look like they're coming down those...the pike.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, no questions other than to indicate that the Department has been quite aggressive in helping utilize these funds that have been made available to our community and especially in today's times for...for us. I think this is—for myself—this is an excellent investment right now as we go through a stage of meeting a point where we're able to take a look at options. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

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COUNCILMEMBER MEDEIROS: Support.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thanks.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: Another great program. Thank you, Ms. Tegarden.

CHAIR PONTANILLA: Thank you. Small Business Promotion.

MS. TEGARDEN: The \$150,000 includes operating costs for the Maui County Business Resource Center. But also looks at new programs including a youth entrepreneurship program expanding our SCORE branch and SCORES, the...the retired consultant who offer free consulting to entrepreneurs or people who just need to come in for a little bit of business counseling. We're also looking at possibly doing a...a small business conference in conjunction with some of our partners in Fiscal Year '09. But I will say that this...this past year, we've seen our workshops just grow. We have at least five workshops, up to ten workshops a month down at the Center. They are usually sold out. Just in the number of clientele that come through for counseling or to sit with the DCCA, we have 55 a week which is...which is a substantial increase from the year before.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman. Ms. Tegarden, the 150, this just represents the service? It doesn't include the rent we're paying for the facility?

MS. TEGARDEN: No, the rent...the rent is separate. But it does include some of the operations...with...at the...at the Center, electricity and...and things like that. But primarily it is for the programs.

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COUNCILMEMBER MATEO: Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Ms. Tegarden, now the revenues derived from the sales at that location, what...what happens to those revenues?

MS. TEGARDEN: Well, actually we have changed the Center a bit. When I first started, they were doing a lot more sales. We were doing a partnership with MCC, so they had their students come in to learn entrepreneurial skills. But that—we...we changed it so basically what we're concentrating on down there is being a...a full on business center. The few sales that we do make through the tee shirts and so forth, we have a...a relationship with Tri-Isle RC&D and the funding goes...goes back there because technically the County cannot take money. There's a grant agreement between Tri-Isle RC&D and...

COUNCILMEMBER MEDEIROS: That's where the money goes?

MS. TEGARDEN: Yes.

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

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No. No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: No questions. Thank you, Chair.

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CHAIR PONTANILLA: Thank you. Okay. The fourth area that...in regards to grants for OED is grants and disbursements for Renewable Energy and Energy Efficiency.

MS. TEGARDEN: The \$100,000 under Renewable Energy in general, as I had said before, our office is tasked with initiating, planning and facilitating the many facets of renewable energy programs here in Maui County. As such, the County promotes the development of large and small renewable energy resources, supports green work...workforce development and education and advances the integration of Maui's energy and transportation infrastructure as well as fostering leadership in energy efficiency and conservation and has committed to a greenhouse gas and carbon dioxide emissions reduction. So this...this funding would go toward smaller projects that come in for grant applications as they have as it deals with renewable energy. It would also help fund another—as we move forward with the Maui County Energy Expo and the Maui County Energy Alliance. Some of the funding would come from there. But we are trying to make sure that this stays for projects specific.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: On this one, Deidre, I know that in the previous year's budget, there was an amount that was for like photovoltaic which was an initiative that never moved forward. And I still think that, you know, there's possibly some merit as we look at different energy alternatives. So is this particular program going to look at anything such as photovoltaics or some of the new technology and integrating that within our—actually—County construction codes?

MS. TEGARDEN: Yes. We are looking at photovoltaic as well as the other means of renewable energy. I know that the MECo had a grant in past for \$150,000 for the photovoltaic systems which then turned into a solar water heating initiative. But to answer your question, yes, we're looking at

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photovoltaic. We are looking at water. We looking at all the diff— biofuel crops, all the different options out there that are right for Maui County.

COUNCILMEMBER JOHNSON: Yeah. And I think what had happened was—if I'm not mistaken, I think it was either 100, \$110,000 last year—that we removed from the budget because they said they were not—MECo—was not yet ready, I gather, to move into something that, I guess, with the technology was either changing or they weren't ready to accept it. So I'm just, you know, I'm curious about where we kinda going with that because if we still have challenges...

MS. TEGARDEN: I...I think also one of the things MECo was concerned about is because they were also doing a revolving loan program. They thought that they were able to reach out via solar water heating systems. The water at the solar water hearing systems as opposed to just the photo...photovoltaic systems. And so therefore, that's...that was one of the big considerations as to why they...they changed it from what it was to something a little bit more general because they could reach out to more families. And I...I know that's the next one on the list. But I think they've, you know, reached out to 425 families with their solar water heater initiative. So they're just able to touch more families by doing it that way.

COUNCILMEMBER JOHNSON: Yeah, 'cause I know the regular systems were photovoltaics were very expensive --

MS. TEGARDEN: Right.

COUNCILMEMBER JOHNSON: --so.

MS. TEGARDEN: So expensive. It just made more for MECO to do it through solar water heaters.

COUNCILMEMBER JOHNSON: Okay.

MS. TEGARDEN: But, yes, we're looking at everything.

COUNCILMEMBER JOHNSON: Okay. Thanks very much.

CHAIR PONTANILLA: Thank you. Member Medeiros.

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COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Ms. Tegarden, renewable energy programs, would that also include energy efficiency programs?

MS. TEGARDEN: Yes.

COUNCILMEMBER MEDEIROS: Okay. And so that—and if the Chair would allow me—you know, in a previous Budget item we're talking about the Iao Theater putting in new air conditioning system. Does the County have energy efficient standards that when we fund things like this that what they purchase has to meet certain standards of energy efficiency?

MS. TEGARDEN: It is certainly something we are talking about and we agree that if we are giving...funding to grantees, it would be wonderful if we could, you know, certainly say if you're gonna be doing this we want to make...you know, we wanna have you look at something that's gonna be energy efficient. The same goes with recycling, you know, for that matter. So we are working on that as we move forward from the Energy Expo we have established the Maui County Energy Alliance. And we have five working groups and the working groups are gonna be represented by all members of the community. One of the things—one of the working groups is specifically looking at conservation and efficiency and also what we can do at the County level.

COUNCILMEMBER MEDEIROS: Okay. And...and following on that line, since we haven't developed any...energy efficiency standards yet, do they have to meet any national efficiency standards in the equipment they purchase with County money?

MS. TEGARDEN: I don't know if they have to fall into Federal guidelines but I would say that as we look at our guidelines for the County, we would want to make sure that we are incorporating guidelines that's, you know, the...the federal government or the Department of Energy is creating, we wanna make sure that they're in alliance. So I'm not sure if it's a requirement. But it's something we definitely want to...want to do because we wanna make sure we're all on the same page and don't have different criteria than everybody else.

COUNCILMEMBER MEDEIROS: Okay. Mahalo, Ms. Tegarden. Mahalo, Chair.

CHAIR PONTANILLA: Thank you. Member Molina.

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COUNCILMEMBER MOLINA: No questions other than the fact I appreciate the administration is looking at expanding and looking at the other alternatives for energy. Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO. No, no questions, sir.

CHAIR PONTANILLA: I just have a quick one. In regards to energy efficiency, would you know if anybody's taken a look at all of the County facilities regarding efficiency utilization?

MS. TEGARDEN: Yes. Our Energy Commissioner, Dr. Reyes, is looking into that as we speak. And that is one of things he has been tasked with by the Mayor, is to look at what the County is doing so that as we move forward we can say, you know, that we're practicing what we preach. So the answer is yes and...and Victor Reyes is doing that.

CHAIR PONTANILLA: Thank you. It was noted in one committee meeting that we should take a look at our backyard first before --

MS. TEGARDEN: Always.

CHAIR PONTANILLA: --venturing out. So, thank you. Solar Water Heater Initiatives.

MS. TEGARDEN: So this is the \$150,000 line item in partnership with MECo. They've been helping County homeowners reduce their electricity consumption by affording them the installation of solar water heaters. The continuation of this program will allow more families to participate in this zero interest revolving loan program recognized as a pioneering program by the County. And again, this is where there are 425 families are beneficiaries of the water heaters thus far.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Thank...thank you. Ms. Tegarden, the revolving component of this process. Do we have an idea of how much monies are in this revolving loan? And the only reason I ask, because the whole purpose of the revolving was to have that ability to as they pay in, more monies become available to pay out or to help other families. But

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consecutively, we're giving this same level. So can you kinda give us an update of where that status...what that status is?

MS. TEGARDEN: So far there is \$700,000 in the revolving fund. And I can also provide one of their most recent reports if you would like to see that. But so far it's 700,000.

COUNCILMEMBER MATEO: Seven hundred thousand right now? And do you know what they spend in a year's time?

MS. TEGARDEN: I don't know what they spend in a year's time off the top of my head. And I can get...I can back to you.

COUNCILMEMBER MATEO: But my questions would be then, if they have 700,000 available to them now, how important is this 150?

MS. TEGARDEN: I think it continues to be important because it is reaching out to more families. I...I—like I said, there are 420 families that have been beneficiaries so far. I think that every 150,000 can help with 75 new...five? With five new families.

COUNCILMEMBER MATEO: Oh! Okay.

MS. TEGARDEN: I'm sorry. Perhaps Mr. Reyes could give us some more information.

CHAIR PONTANILLA: Mr. Reyes, please.

COUNCILMEMBER MATEO: Wow, how big a system? Wow, must be the convent.

MR. REYES: Good afternoon. My name is Victor Reyes. I'm the Energy Commissioner working with Office of Economic Development. I'll be happy to answer any questions. Thank you.

COUNCILMEMBER MATEO: Thank you, Mr. Reyes. Just to follow up, my question initially started off by asking how much money currently exists in the revolving loan and there's \$700,000 right now. The question was how beneficial is this additional 150,000 when they already have available 700,000?

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MR. REYES: The answer to the first question is as the money comes, it's being re-lent. So technically we are about probably close to zero or less than the equivalent of one system as the money comes...comes along. The total number of systems on the average for the 150,000 of the brand new system would be about 30 solar water heating systems or 30 families. The amount that we have so far at 700,000, my understanding is this was an original project that's designed to have \$1 million in...in the actual amount that needs to be revolved. And so we're on...by the fifth grant we're in now at 700,000—that's where we are—so we're requesting another 150,000 to move up to that \$1 million level. That was the understanding when this program got initiated or started.

COUNCILMEMBER MATEO: So where does the...where does that 100...that additional monies come from—other than the revolving because I don't think the revolving would give you \$700,000—so where are these additional monies coming from?

MR. REYES: As the—maybe I...we can use another way of looking at it. Of the total amount that's been...reused or revolved, 57 percent of that of all existing systems today was...was from the original amount that was appropriated by the County. And 43 percent of that is from the revolving fund that has come back to the...to the...to the pool of money and has been re-lent to...to new...new owners. I don't know if I answered the question indirectly.

COUNCILMEMBER MATEO: So the only contributors to this fund, then, is MECo and the County of Maui?

MR. REYES: Yeah. The County of Maui provides the 700,000 and MECo administers it for zero...dollar. We don't—MECo doesn't charge anything to administer this fund, this grant.

COUNCILMEMBER MATEO: Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions. Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

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CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: The million is up to us, Chairman. There was no agreement on the million dollars in writing.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: So if...if I'm correct in hearing what you said and what Chair Hokama said, once we reach that \$1 million threshold, does that mean we're done? We don't put any more money in? Is that what I understand it to be?

MR. REYES: Yeah. Councilmember Hokama is correct in saying that this not a written agreement or compact between MECo and the County. It was just a goal and a target, the way it was set at that time.

COUNCILMEMBER VICTORINO: Uh-huh.

MR. REYES: There's no implied that, understanding either, that when we reach the 1 million that ...*(end of tape 3B - 1:58 p.m.)*... continue. So it's...it's something that it's just what at that time when it was set was for about \$1 million.

COUNCILMEMBER VICTORINO: A target goal, in other words, at that time?

MR. REYES: It might be possible. Depends on the Council and the County. But hopefully we'll be able to develop other programs at that time that'll make it, you know, sufficient to keep it...keep it moving and have more families.

COUNCILMEMBER VICTORINO: Okay. I...I mean, I'm all for the program. I think it's a...has a valid point...valid position in our community. I think it helps a lot of good people. But I'm just curious, when does it stop? I mean, if every year we're putting in 150,000 when do we come to a point

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where the money coming in—and you just said we have nothing left at this point, it's like zero—money come in, go right back out, right?

MR. REYES: Exactly.

COUNCILMEMBER VICTORINO: Okay. I just, where's the question, you know. Chair Hokama has mentioned \$1 million. Do we go to 1.5? Do we go to 2 million? I don't know. Just...just...out of curiosity just so the public to understand that this is an ongoing program but where is the, quote, threshold? And when do we get to a point where enough's coming in that we don't have to put any more money and then we can still give out? I don't know. Is there a point that we think we can reach here?

MR. REYES: I guess it will depend on the needs of the community.

COUNCILMEMBER VICTORINO: Okay. How many loans do we institute each year under this program? Do you have any idea, Mr. Reyes?

MR. REYES: That'll be on, like I mentioned earlier, the 150,000 is, on the average, good for 30 new systems. So as the loan is repaid, I believe on the average, about 15 gets re...revolved or recycled. And as more money comes into the fund, of course, more repayment. You'll have more than 15 each time.

COUNCILMEMBER VICTORINO: So you're saying approximately 5,000 per...

MR. REYES: Per...per system.

COUNCILMEMBER VICTORINO: Per system, yeah.

MR. REYES: So 30 plus 15 would be about 40, 45, something like that.

COUNCILMEMBER VICTORINO: Right, per year.

MR. REYES: Per year.

COUNCILMEMBER VICTORINO: Okay. Okay, thank you for that clarification. Thank you, Chair.

CHAIR PONTANILLA: Yeah. Fast question. Who administers the program? Make sure that once we get—whoever gets the money, make sure that the

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next person that is in line for a solar heater, you know, gets \$5,000 or whatever?

MR. REYES: Yeah. That's performed by MECo on Maui.

CHAIR PONTANILLA: By MECo.

MR. REYES: Yeah. Electric.

CHAIR PONTANILLA: At no cost, right?

MR. REYES: At no cost.

CHAIR PONTANILLA: Thank you. Okay. Members, we're going into the fifth area, grants and disbursements for Water and Environmental Resource. The first grant is Aquaculture/Marine Resources Development. Deidre?

MS. TEGARDEN: The \$60,000 for this line item it's in cooperation with the Sea Grant Program. The Maui County Aquaculture and Marine Resource Development Program supports extension activities within the County. The program is focused on environmentally and economically sustainable aquaculture/agricultural systems including integrated agri-aquaculture hydroponics, aquaponics and low input aquaculture. The Aquaculture Extension Program offers hands-on assistance throughout Maui County, the State and Pacific Region and the program assists with water resource management issues within Maui County and helps community organizations with their sustainability pro...sustainable programs.

CHAIR PONTANILLA: Thank you. Member Hokama...uh...Mateo. *(Laughter)* The reason why I call him Member Hokama is that I saw this thing on Lanai, that's why. And it's working real good.

COUNCILMEMBER MATEO: Chairman, thank you very much. Ms. Tegarden, I had—you know, when you take a look at the...the funding levels for the last two Fiscal Years and then the current, it's flat right across. And I had thought that aquaculture and because of the...the progressive technology that had occurred, that this would have been area of expansion. And, but looking at the level of funding it doesn't seem to indicate that. So is the—are you working with some of the aquaculturists and the marine resource groups to see whether or not there really is a future in this particular area?

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MS. TEGARDEN: Yes. From what we understand, there is a future in this area. The reason we kept this at level funding is that they...you know, there are other grants out there available as well for similar projects. Another thing is if there were a project that came to the table that was above and beyond the 60,000 we could certainly look at agricultural promotion, that line item as well to...to help fund something. But right now we felt confident that there's additional funding out there to be fought for so we kept it level.

COUNCILMEMBER MATEO: Thank you very much. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No, no comments. I think this is really great.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: No. I think it's a great program. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: A very excellent program. Thank you for the support.

CHAIR PONTANILLA: Thank you. Again, I saw hydroponics and agriculture...*aquaculture* working together in...that person on Lanai had a real good system although it was small but, you know, very effective. Thank you. Environmental Protection

MS. TEGARDEN: In order to ensure that Maui County continues being able to provide protection from and ultimately the eradication of invasive species, we have placed the flat amount of 1.1 million in the budget again. The breakdown as it has been in the past has been for general miconia, for coqui frogs, banana bunchy and fire weed disease. And we also keep a 100,000 for environmental response. This is, for instance, if a new species comes to Maui County and we need to respond to it immediately, we could be taking funding out of the environmental response portion that we have to the side. But we are working in conjunction with Maui Invasive

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Species Committee and they are also looking at State and Federal funding for additional funding for their...projects as well.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, no questions for this group.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions. Wonderful work that they're doing, though. It was great to hear all the testimony from the various workers that do this work and it was nice of them to bring us pictures of the stuff they're dealing with too which I really appreciated.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: On this one, Deidre—you know, I apologize 'cause I stepped out of the room for a minute—I know that we had 600,000 in '07 and 1.1 million in '08, level at 1.1 in '09. But if I remember going through different line items because of the way that this is expressed 'cause some money for grants went away and some got reallocated. Is this a good picture of all of the grant money that would be used to control both invasive species and the fire weed and miconia? Is this the only pot and did we—when we had the money split up in all those other multiple pots last time—did we have more money if you reconfigured it to include all the separate pots before?

MS. TEGARDEN: For Environmental Protection, we have the same amount as Fiscal Year '08 and depending on—oh, let me step back. This is a time when we really work with our stakeholders, for instance Maui Invasive Species Committee. I don't know if this year banana bunchy is going to be more of a problem or if fire weed is going to be more...more of a problem. So what we try to do is not to say, okay, we're going to give 500 to banana bunchy but only 300,000 to fire weed. That's why we like to have it in the large lump sum of the 1.1 million. We were talking about the grant revenue that our office is looking at for Environmental Protection in general. So if we're able to access some of that funding, we can put additional funding toward Environmental Protection in the...the specific areas.

COUNCILMEMBER JOHNSON: Yeah. And...and I guess what I was trying to get at is it seems to me when I added up all of the other monies—and I

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didn't have time, I started to do it and then, you know, we got onto another subject—but there...if I'm not mistaken when you added up what came out of water, when you added up what came out of your division when you looked at some Public Works stuff, there were all these different pots of money. And I guess what I'm asking you is that under the heading of Environmental Protection it would've incorporated then, in from the '08 figures, all of those same things that I just was talking about?

MS. TEGARDEN: Correct. It...it encompasses all of the same things. However, depending on what the emergency is this year—and perhaps I'm misunderstanding the question.

COUNCILMEMBER JOHNSON: Yeah. We had specific line items that would say this was for MISC, or this was for, you know, East Maui Watershed, or this was for miconia eradication or this was for fire weed. We use to have separate lines and what I'm getting at is, within the \$1.1 million category, is that just the designation for Environmental Protection that was in last year's Budget? Or did it incorporate all of those separate items? And I...I know that you addressed this at some point in time.

MS. TEGARDEN: No, I..I—maybe I didn't...

CHAIR PONTANILLA: Excuse me.

MS. TEGARDEN: I don't remember.

CHAIR PONTANILLA: Excuse me. Let me interrupt. If you look under page 8 of 9.

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: I think some of your questions can be answered because we do have line items in regards to Watershed Protection as well as Miconia Containment and Removal.

COUNCILMEMBER JOHNSON: Okay. Yes. All right, I appreciate that, Mr. Chair, 'cause I know that in the past we did have fire weed though specifically and we had some of the other ones.

CHAIR PONTANILLA: Yes.

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COUNCILMEMBER JOHNSON: And I guess now there's a new invasive species that's come on board so I...I thank you. And...and it seems that we're at least headed in the right direction where we are doing protection for the watershed when you incorporate some of the other items. Thank you.

MS. TEGARDEN: Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Yeah, I just wanted to follow up little bit on that, Ms. Tegarden. So you did say that this funding kinda works with the Maui Invasive Species Committee as what? As...as something they can dip into besides their other funding?

MS. TEGARDEN: Right. We...we work with Maui Invasive Species Committee. We also work with Tri-Isle RC&D and some of their other...their other stakeholders. But, yes, this is the County's portion of support for these different invasive species which to date has been miconia, coqui frogs, banana bunchy, fire weed, and...and that's all we have right now.

COUNCILMEMBER MEDEIROS: So does it also help with the Watershed and the Reforestation projects?

MS. TEGARDEN: Yes. It does. And while we have \$500,000 in Watershed Protection, 100,000 going to each of the Watersheds, that's more for the control of the...the feral goats and pigs and...and building fences and things like that. So, yes, this is money certainly helps with the Watershed.

COUNCILMEMBER MEDEIROS: Mahalo. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: No, thank you.

CHAIR PONTANILLA: Member Victorino.

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COUNCILMEMBER VICTORINO: No, thank you, Chair.

CHAIR PONTANILLA: Thank you. Kauaula Instream Flow Study.

MS. TEGARDEN: Yes. This three and a half year study and we're...we're in the...the third year of it, is helping to develop instream flow standards. The grant is a joint funding grant between the County and the U.S. Geological Federal fund. It is studying Waikapu, Iao, Waiehu Streams as well as Waihee River. The objective of the investigation is to begin to collect some of the information needed to determine the effects of existing surface water diversions on stream flow characteristics and to identify additional information needed to establish technically defensible instream inflow standards that will support reasonable and beneficial allocations of water resources.

CHAIR PONTANILLA: Thank you. Member Victorino, questions?

COUNCILMEMBER VICTORINO: Yeah. Thank you. I think this is one of those programs that will be very invaluable in the overall scheme of things, especially since now we've recently had the decision for Na Wai Eha. And I think this will help us to get a little better handle on all of this. My question to you is, has this study...this study should be completed by the end of the Fiscal Year 2009?

MS. TEGARDEN: Correct.

COUNCILMEMBER VICTORINO: Okay. And when would that information be forwarded to the Department and...and to this Council?

MS. TEGARDEN: It is my understanding that it would...it would take them a few months to actually put together all of their findings so it'd probably be another, I don't know, five months by the time we actually get a report. And I can follow up on that. That was my conversation a while...a while ago so my numbers might be a little shady.

COUNCILMEMBER VICTORINO: Oh, I think I...yeah, we'd like, you know, if there's anything in the interim that needs to be, or could be passed on, I think many of the Members here would be very appreciative of that.

MS. TEGARDEN: We have also asked to see some sort of, you know, preliminary report or what their findings are so far. And we haven't

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received that yet. But as soon as we do, I will make sure to get to this Committee.

COUNCILMEMBER VICTORINO: Yeah, thank you. I...I think that'll be something very interesting to see. And I think something we really, really need, needed this for a long time. But thank you, thank you, Ms. Tegarden. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Hokama.

VICE-CHAIR HOKAMA: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Chair. I'm just interested in knowing why they call it Kauaula Instream Flow Study?

COUNCILMEMBER JOHNSON: It's West Maui's.

COUNCILMEMBER MEDEIROS: Yeah, that's in West Maui. So it started there?

MS. TEGARDEN: I think it started there and then it...it progressed.

COUNCILMEMBER VICTORINO: Yeah.

COUNCILMEMBER MEDEIROS: Okay.

MS. TEGARDEN: No?

COUNCILMEMBER MEDEIROS: To Na Wai Eha?

MS. TEGARDEN: I...I don't think it progressed to Na Wai...

COUNCILMEMBER MEDEIROS: Oh, I thought I heard you mention that?

COUNCILMEMBER JOHNSON: Yeah, yeah.

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MS. TEGARDEN: I had...Waikapu, Iao...

COUNCILMEMBER MEDEIROS: That's Na Wai Eha.

MS. TEGARDEN: Oh, Waiehu.

COUNCILMEMBER MEDEIROS: That's Na Wai Eha. That's the four streams.

MS. TEGARDEN: Okay.

COUNCILMEMBER MEDEIROS: But it's...it's part of this study?

COUNCILMEMBER JOHNSON: No, no.

MS. TEGARDEN: The...

COUNCILMEMBER MEDEIROS: I'm asking her.

MS. TEGARDEN: No. Unless I...I could be wrong and please, I think  
Councilmember Johnson has a...

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Member Medeiros, can I call on Ms. Johnson?

COUNCILMEMBER MEDEIROS: Yeah, I'm just trying to get clarification  
because I know Kauaula is in West Maui.

CHAIR PONTANILLA: It is.

COUNCILMEMBER MEDEIROS: But I thought she mentioned Waihee,  
Waikapu...

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Yeah, she mentioned all of the streams that are  
presently located on this side of the island.

COUNCILMEMBER MEDEIROS: Is part of the study?

COUNCILMEMBER JOHNSON: No.

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MS. TEGARDEN: From...from what I understand—I could be very wrong and I apologize that I...if...if I am wrong—it is my understanding that this flow study which began before I took this position, it was called the...the...

COUNCILMEMBER MEDEIROS: Kauaula.

MS. TEGARDEN: Right. Instream Flow Study. However, they are looking at these other...the other streams so I don't have enough probably background information to answer your question intelligently, which I apologize for.

COUNCILMEMBER MEDEIROS: Okay. It just caught my attention because, yeah, I know Kauaula is in West Maui. And when I heard Waikapu and...so I was wondering...well, it must be all in one study now. But I'm sure we can get more information on that later. Thank you.

MS. TEGARDEN: My apologies.

CHAIR PONTANILLA: Thank you. You're not the only one. Member Johnson, I think she can provide us with some history.

COUNCILMEMBER JOHNSON: Yeah. And...and what's...what did start out before—and it was a totally different name of a grant. It was the Na Wai Eha and it was instream flow restoration for that area. They completed, I believe, most of the components. The head and shoulders and that was, you know, it may be, I guess, funded now by U.S. Geological Survey. This was a separate study that was undertaken for West Maui which was modeled after the Na Wai Eha one. And what it does is, it's looking at the same kind of components to see how they can measure. But U.S. Geological Survey is doing the same thing with this grant to look at the West Maui instream flow standards the same way that they did at Central. So while it's modeled after the...you know, the...recitation that you made, it's modeled after that. It is *not* the same project. It's a totally different one. And this is just the progression for that.

MS. TEGARDEN: Thank you.

COUNCILMEMBER JOHNSON: Not at all. It's confusing sometimes.

CHAIR PONTANILLA: Thank you. So you don't have any questions?

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COUNCILMEMBER JOHNSON: No, because I know what it's being, you know, used for and it's progressing.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: Mr. Chair. Just so that --

CHAIR PONTANILLA: Member Victorino.

COUNCILMEMBER VICTORINO: --I'm totally clear now 'cause you—I...I went the wrong way, right? So this would be what streams in particular? Now you say, West Maui...Honokohau? Like what streams are we talking about?

MS. TEGARDEN: You know, before I answer that...

COUNCILMEMBER VICTORINO: You better not...yeah, not want to...yeah, okay...

MS. TEGARDEN: I may...I think I'll just get you that information in writing, if I may.

COUNCILMEMBER VICTORINO: Thank you, yeah. Just so that we have no more confusion.

MS. TEGARDEN: Yes.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: It says Kauaula--

COUNCILMEMBER JOHNSON: It is Kauaula.

CHAIR PONTANILLA: --Instream flow, which is the stream.

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COUNCILMEMBER JOHNSON: Yeah.

COUNCILMEMBER VICTORINO: That's the only stream that they...there...there...

CHAIR PONTANILLA: Yes.

COUNCILMEMBER VICTORINO: Okay.

CHAIR PONTANILLA: Okay. Next item is Maui Soil/Water Conservation district.

MS. TEGARDEN: Okay. This...\$40,000, the West Maui Soil and Water Conservation district request for funding is for clerical support for the four Maui Soil/Water Conservation districts to carry out soil and water conservation programs. And those districts are West Maui, Central Maui, Olinda, Kula and Hana. The districts also assist in the environmental education of the general public through school programs and other mass methods of recognition for conservation-minded citizens.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: Do we have—is this leveraged against Federal monies as far as soil conservation?

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MS. TEGARDEN: Yes. It is.

COUNCILMEMBER VICTORINO: Okay. 'Cause I've seen this somewhat reduced so far from prior years, you know. It's brought...been brought down and conservation of soil is become so...so very important. You know, it's part of many needs on this County. And to have 40,000 for the entire County—even though it's just clerical—that's still cutting it real thin so...thank you, Chair. I appreciate that.

CHAIR PONTANILLA: Thank you. The next item is Soil/Water Conservation Districts - Molokai and Lanai.

MS. TEGARDEN: This is to, again, provide clerical support for the Molokai/Lanai Soil and Water Conservation districts to fulfill their responsibilities.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: No questions.

CHAIR PONTANILLA: Thank you. And the last item is the Watershed Protection.

MS. TEGARDEN: Yes. \$500,000 is divided equally so \$100,000 for each of the watershed partnerships for protection, renovation and replenishment of the watershed environment and that includes the control of feral pigs and

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goats. And the five watershed partnerships are East Maui, West Maui, Leeward Haleakala, East Molokai and Lanai Institute for the Environment that wants to manage those.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: This is just for the management, right, as of...for our watershed areas? This is not for any purchasing or any expansion of these areas, right?

MS. TEGARDEN: That is correct.

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

CHAIR PONTANILLA: Thank you. At this time the Chair would like to thank Ms. Tegarden for doing a wonderful job in answering the Members' questions. That completes the OED grants for '09.

MS. TEGARDEN: Thank you very much for the opportunity.

CHAIR PONTANILLA: Okay. Thank you again. The next set of grants will be from the Transportation Department. This afternoon we do have the Director, Mr. Medeiros here with us. And Members, the Transportation Department grants are found on page 6 of 9 of the 8-1/2 by 14 sheet. Trying to look at the proposed bill what page it's on...it's on. We'll start off with Mr. Medeiros providing us with some brief comments.

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MR. MEDEIROS: Good afternoon, Chair Pontanilla. As you know, the Department...the majority of the Department consists of transportation services. The services use two transit providers, Maui Economic Opportunity, Inc. for the social service transportation and Robert's Hawaii for the Maui Bus transportation services. And the funds are transmitted to those two vendors via grants, which make up the lion's share of the Department. I'm open to any questions you may have.

CHAIR PONTANILLA: Thank you. The first grant is the Air Ambulance Program. Director, if you could provide us with some short comments in regards to the program.

MR. MEDEIROS: Yeah, this is a program that is a partnership with the State of Hawaii and the service is to provide Medi-Vac services within the County of Maui. For the first half of this year, over 20 flights have occurred. The majority of those flights, 13, were scene transports which is really what the service was designed to do.

CHAIR PONTANILLA: Thank you. And, Members, it's on page 11 of your proposed bill. Member Mateo, you got any questions to the Air Ambulance Program?

COUNCILMEMBER MATEO: No questions, Chair.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: With regard to the money, Don, that the State is providing, I know that the costs have gone up. And so as far as you know, at the State level their funding has increased beyond what this is? Is that correct?

MR. MEDEIROS: That's correct.

COUNCILMEMBER JOHNSON: Okay. And you don't know exactly what that amount is at this time?

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MR. MEDEIROS: I don't know the exact amount. Some of it was for...purchase of a new...another helicopter.

COUNCILMEMBER JOHNSON: Okay.

MR. MEDEIROS: But we weren't involved in that.

COUNCILMEMBER JOHNSON: Okay. So...but, I think it's, you know, probably double what we're putting in. Is that correct?

MR. MEDEIROS: I'm really not certain.

COUNCILMEMBER JOHNSON: Okay.

MR. MEDEIROS: When we did this current year, it's about the same. It went up skoshi but that's about all.

COUNCILMEMBER JOHNSON: Okay. All right. Thank you very much.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Chair. Yes, Director, so is the program based out of Oahu or on all the islands?

MR. MEDEIROS: No, this is...this...the helicopter is based in Kahului and it works in conjunction with the ambulance system. And they...they work with the hospital and...and then dispatch the helicopters needed working with the...usually the scene people which would probably be the police.

COUNCILMEMBER MEDEIROS: Okay. So this is just the Maui's program?

MR. MEDEIROS: That is...well, County of Maui. On Maui and Molokai.

COUNCILMEMBER MEDEIROS: Right, County of Maui.

MR. MEDEIROS: That's correct.

COUNCILMEMBER MEDEIROS: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama.

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VICE-CHAIR HOKAMA: You use some of the funds for fixed-wing requirements?

MR. MEDEIROS: No, not at all.

VICE-CHAIR HOKAMA: Our hospital has been receiving patients from the Big Island. Does this program cover any transportation of Big Island residents to our hospital here?

MR. MEDEIROS: No, it does not.

VICE-CHAIR HOKAMA: Okay. Do you know how they get air transported, Mr. Medeiros, to Maui?

MR. MEDEIROS: Normally, it's the fixed-wing ambulance, air ambulance. They're...they're two of them now. So, if you recall about two years ago, the...the costs for numbers were going through the roof. Largely because there was only one...one vendor. Now that we have the two, the service is really...really acting in the way it was designed to act. And then the Big Island, now whether they bring them over on their own, my understanding is the Big Island has two helicopters of their own.

VICE-CHAIR HOKAMA: Okay. Thank you. Any of the—is this basically just within the County so everything is more or less to Maui Memorial Medical Center or does this also include transportation to Oahu?

MR. MEDEIROS: The primary destination from a scene would be the Medical Center. However, the paramedics will determine, along with the doctor, what's...what would be critical. In some cases, it would go to Queen's Medical Center. For instance, Lanai...Lanai scene transports thus far, there were three, one of which went directly to Queen's. And Queen's—the helicopters are certified to land on the Queen's helipad which speeds things up.

VICE-CHAIR HOKAMA: Great. But that decision is made by the doctor? The physician on site?

MR. MEDEIROS: Normally, it's via communication with Maui...Maui Medical...the para...para-transits. So that's their...that's how they control this. Just as they do with the ground ambulance.

VICE-CHAIR HOKAMA: Okay. Thank you very much.

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CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: No. I think it's another good program that the people of Maui County truly deserve and so long as it's helping those who are need...in dire need of it, I can support something like this. Thank you.

CHAIR PONTANILLA: Thank you. The next grant is Maui Economic Opportunity, Inc. for Ala Hou Program

MR. MEDEIROS: Yes, on this program, it's gonna be redesigned on Molokai where now this current year it serves weekends and holidays. And it'll now serve Mondays, Wednesdays, and Fridays in order to better address the...the needs on Molokai for folks being dialyzed. And that was at the...at the request of the community.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Thank you. Mr. Medeiros, good afternoon. So that means the weekend...the weekend services is not going to continue?

MR. MEDEIROS: That's correct.

COUNCILMEMBER MATEO: So it's...and...and dialysis will be provided. 'Cause they had to shift in order for you to change Monday, Tuesday, Wednesday, their services had to change. So that change is still in accordance with the availability of the bus?

MR. MEDEIROS: That's why MEO did it, I believe. They did some...some changes and they had more...they now have more folks. So Monday, Wednesday, Friday was a better way to go about it.

COUNCILMEMBER MATEO: Thank you. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Mr. Medeiros, the money that MEO has requested for Ala Hou, does it match what's in the budget or has it been reduced?

MR. MEDEIROS: That's what they requested.

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COUNCILMEMBER BAISA: So exactly what they asked is what they got?

MR. MEDEIROS: On that program.

COUNCILMEMBER BAISA: What's recommended.

MR. MEDEIROS: Correct.

COUNCILMEMBER BAISA: Thank you very much.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Hokama. Member Victorino.

COUNCILMEMBER VICTORINO: No questions here.

CHAIR PONTANILLA: Thank you. Maui Economic Opportunity, Inc. for Dialysis Transportation. Mr. Medeiros:

MR. MEDEIROS: Yes. Let me find that, one second. Okay. Due to an increase in the demand for dialysis service, MEO has...is including more morning dialysis transportation service. The reason for this is that there's a . . .*(end of tape 4A - 2:29 p.m.)*. . . You might have read about it on Maui Lani Parkway. So with a larger facility, you know, more folks would want to go in the morning and shift their schedules. And so that's really what's happening. So this is to address the changes in...in...in the service that are occurring which are...which are really positive. In the past, many of these folks would have to go to go till midnight or so.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. Mr. Medeiros, the...you know, without a doubt this is one of the most vital service opportunities to take care of...of our people. When you take a look at the rapid increase that goes along with the necessity, it looks like in the next Fiscal Year we will be continuously escalating with...with costs. How's the...how are

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you preparing for this kind of cost in terms of our system continues to grow? And the more specialized cost, the more burdensome it becomes to the County. So how are you preparing for additional cost factors, you know, right after this Budget?

MR. MEDEIROS: Operationally, we're gonna try to look at it from that standpoint and hopefully that will be one method to deal with it. MEO has just purchased two eight pass...eight wheelchair buses. And what we're hoping to see, which will give them three total, what we're hoping to see is with this change with new...seats becoming available in the morning that...MEO's working with the dialysis center to hopefully see if we can schedule folks from a area at around the same time to come in. So that rather than doing one person at a time, we can do multiple.

COUNCILMEMBER MATEO: So in the '09 Budget then, the 377,000 plus, that represents what?

MR. MEDEIROS: That...that will represent the total grant to MEO for this program. For that...for that specific purpose.

COUNCILMEMBER MATEO: Okay. And that increase is based on what, another route?

MR. MEDEIROS: Yeah. It's additional buses are needed so it actually works out to more hours of service that are required.

COUNCILMEMBER MATEO: Thank you. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Just for clarification. Because of the new dialysis center in Central Maui, is that the reason for the increase in bus services?

MR. MEDEIROS: That...that is correct because there are now more chairs available.

CHAIR PONTANILLA: Okay. Thank you. Member Baisa.

COUNCILMEMBER BAISA: Yes. Mr. Medeiros, I can't remember exactly what Budget hearing it was because we went to so many they're all kinda blending together. But there was dialysis client who came and said that his family had to pick him up late in the evening because MEO services

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stopped at a certain time and they couldn't service him beyond that. And I'm wondering, will this additional money be able to help with that?

MR. MEDEIROS: We'll have to take a look at it. Most likely not. This is targeted for the morning and the MEO services go to about 10, 10 o'clock at night.

COUNCILMEMBER BAISA: Yeah. I wish I could remember better but I, of course, I don't have my notes in front of me exactly what he said. But he said, you know, they stop and then it was hard for their family 'cause they had to go and get him. And I was thinking, you know, the reason we do dialysis service at MEO, we used to—we...we started the whole thing because people would be so frail and sick many times after dialysis. It was difficult for the family to handle them without a wheelchair bus. And so I'm wondering, unless they could move this guy into the morning if they had more capacity in the morning. And that might solve it too.

MR. MEDEIROS: I think that's what's gonna happen. Because it's only been a certain amount of chairs and that goes, you know, this way till late at night that, you know, that's why their hours are...were so late. But we're hoping that it'll kinda maybe go this way and that...and that...what tended to happen was the new patients coming in, the openings...they put'em at night because as the morning slots opened patients that were there would...would jump into it. You know, sort of a seniority type of thing after all. And...and that's sort of how it fleshed itself out. So this way with more chairs during the day and midday, I'm...I'm not really sure where it's all gonna go as far as their late operations.

COUNCILMEMBER BAISA: I just thought I would ask because it did come up at the hearing. And, you know, we want folks to know that when they ask questions at hearings, we're paying attention. Thank you very much.

MR. MEDEIROS: Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yes. Don, does this service—'cause I know mostly we're dealing with the local patients. But I know on occasions there have been visitors that have traveled here from other places. This doesn't discriminate. If you need transportation for dialysis, this would be made available whether you're resident or visitor is that correct?

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MR. MEDEIROS: Yes, and no. Prior to this, and I'm not sure where they're at today, there's just, there was just no room. So they couldn't accommodate you 'cause they had no wiggle room. And we've...we've taken a lot of calls, you know, asking about that. And when we connect them up with the folks, some people have not been able to come simply because the dialysis could not handle that.

COUNCILMEMBER JOHNSON: Okay. But...but assuming that the additional capacity, you know, expansion is provided, then we're not gonna discriminate. If somebody has to have this transportation, they would be able to get that?

MR. MEDEIROS: Yeah. They just have to apply for it.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Director Medeiros, so this fund includes the Dialysis Transportation from East Maui, from Hana?

MR. MEDEIROS: No, that is a separate...that is a separate line item that we have for that in the Budget. And that has not changed so it's remain...it remains the same.

COUNCILMEMBER MEDEIROS: And that Budget item is not within your Department?

MR. MEDEIROS: It is. It's just...it's the...it's the same as last year. That hasn't...there's not gonna be any change in it.

COUNCILMEMBER MEDEIROS: Okay. Okay. Do you also expect an increase in the people going to the new center because some people do home dialysis which is a difficult process for some that now with more seating capacity at the center you may increase the amount of people wanting to go there? Have you seen that or heard that from the medical staff?

MR. MEDEIROS: No, they...they...they've had to go to this large one because they have a larger—sad to say—they have more clients coming that way.

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COUNCILMEMBER MEDEIROS: I see.

MR. MEDEIROS: And they were at saturation with the...with the old facility. So they built this to address the new one. I do not know what...what...how long they anticipate it'll be before they reach saturation at this new facility. I don't have that information.

COUNCILMEMBER MEDEIROS: Okay. And this new facility, I believe, is what, 40 plus seats or stations? Is it that big?

MR. MEDEIROS: You know, I thought it was somewhere in the area of about 20 or 30, I thought it was, where in the past it was in the teens.

COUNCILMEMBER MEDEIROS: Yeah. Okay, thank you for that information. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Hokama.

VICE-CHAIR HOKAMA: What's...what's the benefit of you separating out East Maui from the rest of the Dialysis Transportation funds, please?

MR. MEDEIROS: That's the way it...it landed. It landed at a...as a separate line item and so we track it...we track it that way. But when we do the grant...when we construct the grant with MEO, it really goes into one grant. We just track it separately.

VICE-CHAIR HOKAMA: So you can...you can tell us how much more East Maui receives of the...of the fund...funding amounts, please? I'm trying to...trying to find it paid in the line but even I can't find it. Would you be able to tell us this afternoon?

MR. MEDEIROS: Yes, I should. I will have to get back to you.

VICE-CHAIR HOKAMA: Okay, Mr. Medeiros. I thank you for that. Now the 921 is our total outlay after reimbursables or there's no reimbursables?

MR. MEDEIROS: You're speaking of the Dialysis Transportation?

VICE-CHAIR HOKAMA: Yes.

MR. MEDEIROS: That's...that is, yes. That is our cost for this...to pay for this program.

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VICE-CHAIR HOKAMA: Is there any reimbursables involved with...with this program?

MR. MEDEIROS: Yes. They do apply for Medicaid. Some people do qualify for Medicaid and so they do...they are able to recoup some.

VICE-CHAIR HOKAMA: The County recoups that, or the...the patient recoups that, Mr. Medeiros?

MR. MEDEIROS: MEO recoups that.

VICE-CHAIR HOKAMA: We...we don't get none of that?

MR. MEDEIROS: No.

VICE-CHAIR HOKAMA: So MEO gets the 921 plus whatever they can recoup from the Federal government for Medicaid reimbursements?

MR. MEDEIROS: Right. The reimbursements are...are rather small and the...what last I recall about one-third of the folks...going to dialysis qualify for it. So it's not that large. But MEO also, as you've heard, does other services and basically they try to do the best they can with what we fund them. And that there are other expenses which we may not cover.

VICE-CHAIR HOKAMA: Okay. Is this a correct understanding on the Committee's part? Gentlemen, we are hoping that East Maui would be able to have an upgraded program by having their own dialysis services provided in their own communities which would have immediate impacts on the plus side regarding transportation? Dialysis transportation system would have a site on...in Hana. Is that something that's already calculated into this new Budget request or...or that is something that is still...more conceptual, therefore not part of the planning process for the Budget?

MR. MEDEIROS: We have not included that in the budget simply because what we have read and what we have heard from the Hana community, we didn't want to do it until their...something is actually being done and that ground has been broken. There seems to be pros and cons to this and we didn't want to try to figure something might be coming that wouldn't. So we'll address it as it comes.

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I think, to be honest with you, the other piece is that, in my personal opinion, I don't think that we'd ever change it because now it provides seven...*five* days of service out of Hana. The dialysis allowed an extra three whereas in the past, the rural shuttle just allowed two. So other people are coming out. We're just calling it dialysis and have service because that's what it was charged to do. But when this money was requested and put in by...then Councilmember Carroll, it was really to enhance the entire transportation services from Hana into Central to five days a week.

VICE-CHAIR HOKAMA: But I...I would rather us call it what it is so that we can properly appropriate accurately as well as over sighting...we know exactly what we are asking in return of the appropriations. So I would highly recommend making those adjustments so that it's clear where we're putting the money and what we're expecting out of those...those funds. I've great expectations that with Hana's ability to get their dialysis facility up, would see...we would see the appropriate adjustments in...in these accounts. But if you are telling us then now there is other transportation included in this specialized service, you plan to break that out next...next year so that we know where the...where the costs is, more accurately?

MR. MEDEIROS: I'll have to work with our Budget Director, figure out how to do that. But...but if so directed, we could.

VICE-CHAIR MEDEIROS: Okay. Thank you, Mr. Medeiros. I'm done. Thank you.

CHAIR PONTANILLA: Thank you. Member Victorino.

COUNCILMEMBER VICTORINO: No question.

CHAIR PONTANILLA: Thank you. Members, we're gonna take a 15 minute break here. We'll return at three o'clock. This meeting is in recess. ...*(gavel)*...

**RECESS: 2:45 p.m.**  
**RECONVENE: 3:03 p.m.**

CHAIR PONTANILLA: ...*(gavel)*... The Budget and Finance Committee meeting is now reconvened. Members, thank you for that wonderful break. I thought we all needed it because as I look across the room, you

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know, and heads are drooping, then I figured it's time to get a recess. Okay, Members, we'll continue on with the Transportation Department.

COUNCILMEMBER BAISA: Chair.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: Chair, if you would like help in, you know, working this MEO transportation maze, the MEO executive Director Sandy Baz is here. And maybe he can assist us in figuring out how these numbers fit together.

CHAIR PONTANILLA: Members, if there's no objections?

COUNCIL MEMBER: No objections.

CHAIR PONTANILLA: Okay, fine. Mr. Baz.

MR. BAZ: Thank you, Mr. Chair. My name is Sandy Baz. I'm Executive Director of Maui Economic Opportunity and I hopefully can answer your questions you might have.

CHAIR PONTANILLA: Thank you. I think we had a lot of discussions on the dialysis transportation and how it trans—I think when we left off, in regards to some of the transportation that was provided Hana coming in this way, other than dialysis patients. I...I now at the Hana Helen Hall, you know, got some members of the community thanked the County for some transportation that is...that was sorely required. You know, transporting people from Hana coming in to Central Maui to do other things, other than dialysis and going back to Hana. So if you can expound on that. I should note one of the questions when we left --

MR. BAZ: Sure.

CHAIR PONTANILLA: --for recess.

MR. BAZ: Well, former Councilmember Bob Carroll was the one that initiated the funding request. I think it was about three or four years ago to meet the needs of the dialysis patients that were in Hana that needed to come out to...Wailuku to actually, yeah, have the facility out there. Now, the current dialysis contract that we have with the County Department of Transportation does not include the Hana Dialysis funding. That's a

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separate contract that we...we contract with Department of Transportation for. In our request this year, in an effort to make things a little bit more streamlined and...and cohesively able to understand, we actually included that Hana Dialysis Transportation funding request into that...that line item that says Dialysis Transportation. And if that caused any confusion, I apologize for that.

CHAIR PONTANILLA: Thank you. So the number that's indicated as an addition for Fiscal Year '09 is basically the transportation for the Hana Dialysis?

MR. BAZ: No. The...actually the...the transportation...the increase that we see is actually not...it's not a increase in the Hana Dialysis Transportation. It's actually an increase in our request for dialysis transportation to be able to provide transportation from early in the morning until late evening. As there's more beds becoming available at the Liberty Dialysis Center, they want to be able to provide more hours of operation. And so they...we're actually working with them on the ability to provide more transportation on different hours as well.

CHAIR PONTANILLA: Thank you. Members, any questions for Mr. Baz? Member Baisa.

COUNCILMEMBER BAISA: So Mr. Baz, that number in your request for dialysis includes all the dialysis services including East Maui and the expansion?

MR. BAZ: Yes.

COUNCILMEMBER BAISA: Okay. So there's only one number that says dialysis. We don't have another contract floating around somewhere else?

MR. BAZ: No. Over the last few years we've been working with the County's Department of Transportation to...to kind of combine the contracts because at one point a few years ago, there was about six different lines, seven different line items for the grants and some of'em were additional and some of'em were—it was very confusing for not only the Department of Transportation to try to administer that to put the pieces together but also us as operators to try to figure out where the funding is coming from and which contract meets...might apply for different clients here or there. So we've been working with...with Don to try to combine those and it's

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been, you know, working kind of well. It's just...as the years go by, it'll take some work combining to get it to work.

COUNCILMEMBER BAISA: Thank you very much. You know, it really is nice to have you here because we were trying to figure out where the Hana Dialysis was in what budget or what line and we couldn't identify it. But that was the reason.

MR. BAZ: Correct.

COUNCILMEMBER BAISA: Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chair. And mahalo, Mr. Baz for the information and the clarification. But additionally what I wanted to know is even though you've included the Hana Dialysis Transportation within the lump sum amount under Dialysis Transportation, do you track the Hana transportation separately in statistics that you provide to the Department of Transportation?

MR. BAZ: Yes, we do.

COUNCILMEMBER MEDEIROS: You do?

MR. BAZ: Yes.

COUNCILMEMBER MEDEIROS: Okay. Thank you very much. Mahalo.

COUNCILMEMBER PONTANILLA: Thank you. Any more questions for Mr. Baz at this time? Seeing none, thank you. Thank you, Sandy. Stick around, though.

MR. BAZ: Okay. I'll be here.

CHAIR PONTANILLA: Okay. Members, okay, continuing on, the Maui Economic Opportunity, Inc. for Transient Center. Mr. Medeiros, comments?

MR. MEDEIROS: I would defer to the Executive Director at MEO at this time.

CHAIR PONTANILLA: Okay, fine. Sandy.

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MR. BAZ: I didn't even sit down. Thank you. Okay. Thank you very much, Mr. Chair and the Committee Members and Mr. Medeiros for allowing me to talk about our Transportation Center and the request that we have in place. As many of you know who've been in the Council for a number of years, it's...in fact, it's an item still on the Planning Committee agenda, is our new transportation facility. And an update of that project is that we have filed our draft environmental assessment back in February and we are looking to get that approved by the Planning Commission before the end of this year. Then it'll be up to you as Council Members to review it and approve it hopefully before Budget next year. If that's the case, and...and what we're doing in...in conjunction with the actual...land entitlements, we are doing our construction drawings at this moment. So the...what we're planning on doing is trying to get as much of the design and planning work done at the front end so that come beginning of next year, we should be able to move full forward and at least with in...infrastructure and grading of the property. Then probably before the summer of next year actually start the construction of it.

My initial request was for three and a half million dollars to both the County and the State and what we've done is...let the Mayor know prior to her submission of the Budget actually that it would be okay that, you know, we could probably use at least a million dollars this coming Fiscal Year. And I didn't want to ask for more than we would be able to use this Fiscal Year knowing that budgets are very tight. So then what we would do is come in for next Fiscal Year for the balance of the funds. And I have done that at the State level as well. The State Senate put in \$1.2 million for the grant-in-aid for our facility and that we're hoping for a million dollars from the County for this Fiscal Year. That should be enough for us to do the infrastructure and grading as we've planned for the actual construction of the facility. So this isn't, you know, a one-time funds of a million dollars we are gonna be requesting the funds next Fiscal Year as well.

CHAIR PONTANILLA: Thank you.

MR. BAZ: Okay.

CHAIR PONTANILLA: Member Mateo, questions?

COUNCILMEMBER MATEO: No.

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CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: Yes, Chair. So Mr. Baz, if I understand this correctly, and I'm looking at the paperwork we received from you initially, you...your two '09 requests was \$3,500,000. What was recommended in the Mayor's budget was 300,000. And so now you're telling us that you would need an additional \$700,000 for a total of 1 million instead?

MR. BAZ: Yes, Councilmember Baisa. What...what we'd be requesting is additional \$700,000 for CIP for this coming Fiscal Year. That would allow us to, like I said, to get, you know, go hit the ground with our feet running as far as the infrastructure and the grading goes on the project. You know, we talked before about the...the need for us to expedite the construction of the project, then us moving out of our current facilities both the transportation baseyard across from Sears and our maintenance facility which over by the Harbor. And it's...it's been daily getting to be that we need to move out.

COUNCILMEMBER BAISA: And your best guess is that you would be able to use this money in the upcoming Fiscal Year?

MR. BAZ: Yes.

COUNCILMEMBER BAISA: 'Cause you know how we hate to appropriate CIPs that don't get used.

MR. BAZ: That's why I called the Mayor initially and told her that I wouldn't be able to use the whole three and a half million and that we'd be looking for about a million dollars.

COUNCILMEMBER BAISA: All right. Thank you very much.

MR. BAZ: Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson. Member Medeiros.

COUNCILMEMBER MEDEIROS: No, no questions on that Transit Center.

CHAIR PONTANILLA: Thank you. Member Hokama. Thank you. I guess you can still stand there. Maui Economic Opportunity, Inc. for Transportation Services. Call on the Director first.

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MR. MEDEIROS: Yes, this request, this is the large Transportation Program that has many elements to it and this request is for six...six programs. One would be under senior services that the...senior services that the additional Senior Club excursions for each club for a total of three excursions per year. And under the MEO banner, they have 40 some odd clubs, 42, 43. That was a request for \$73,020.

The next request was for Internal Shopping Shuttle. The budget...their request was for 119,908. However, there was a...there was a...a reduction in the budget so really ended up funding 28,304 of that. And that was to provide internal shuttle within...within Lahaina, Kihei, Upcountry communities. Currently the service brings people from the rural area into Central Maui. At the request of many people who came to public meetings, they wanted to...to stay within...within their rural area to...to do shopping. And so MEO came up with a...with a way of doing that.

Additionally there was \$13,838 for a Lanai expansion and that was to provide Lanai residents coming to Maui shuttle service once a month, coming over on the ferry once a month, the third Monday of each month to pretty much to go shopping and then go back on the shuttle on MEO services back to Molokai.

The other request...another request for...for the youth transportation. MEO carries on quarterly meetings with transportation providers and what has happened is now that DOE is...is on a sort of organized schedule, however, there are some...some anomalies with that so during the periods where they have conference period, school end an hour earlier causing youth to be unsupervised at school while waiting for the transportation, the youth transportation bus. And then so what MEO thought they would do is if they could provide earlier pickups during these conference times. Throughout the year they could continue normal service hours for those not conducting parent and teachers...conferences. And that was 12,106. So it...it wasn't a large request to handle these anomalies.

There's another new...part of the new requests is the Maui Adult Day Care. There's an expansion request for \$13,835. And...and basically this was for three extra excursions for three—excuse me, three sights for two extra excursions each month for three of their locations.

And finally, a new request for \$10,088 was to fund air and ocean transportation, airfare for Molokai and Lanai disabled residents to attend

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the Special Day Fair in conjunction with the County Fair. So all of their requests except for the Internal Shopping Shuttles which is a shortfall of \$91,000 was...was included in the Mayor's Budget per their request.

CHAIR PONTANILLA: Thank you. Mr. Mateo, questions?

COUNCILMEMBER MATEO: Not at this time.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: Just so that we're extremely clear, because we have two pages of requests for Transportation from MEO. The way this is laid out is very difficult to follow. The total of all the total requests, the cut in operational expenses that you requested for was a \$91,604 cut in your request for this Internal Shopping Shuttle, Mr. Baz?

MR. BAZ: Like I mentioned in my testimony, there was a \$91,604 reduction in what we requested to the Mayor that actually was recommended to fund...to you, the Council Members. And discussions with Mr. Medeiros, basically that's the largest pot of money that is there and available to reduce and so that's the pot that we reduced that from.

COUNCILMEMBER BAISA: This is in the nature of an expansion?

MR. BAZ: Correct. Yes, this is the nature of an expansion.

COUNCILMEMBER BAISA: Okay. Well, you know, I think that's very relevant. Unfortunately, this is a real . . .(end of tape 4B - 3:19 p.m.). . . And we're gonna try to, you know, take care of the things we need to. But if we have to make any kind of reduction, it's better to make a reduction in an expansion than in an existing program. But again, thank you very much. And if we can find money, of course, it'd be nice if we could fund it 'cause I know the seniors really appreciate it.

MR. BAZ: Yeah. Like Mr. Medeiros mentioned, it was one of the most vocal components when the Mayor went out to the communities and requests. So, yeah.

COUNCILMEMBER BAISA: And we heard them too, believe me. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Johnson.

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COUNCILMEMBER JOHNSON: I've no questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Yes. I'm not sure. I think Council Chair Hokama could ask this but I just wanted to be sure we ask this. And I was trying to follow the presentation made by Mr. Baz and...and Director Medeiros. But I know on Lanai, the seniors there were asking for an additional trip. Is that included?

MR. BAZ: Yes. That's part of the expansion that's requested as well on the first page of the Transportation detailed request. There's \$13,835 for the Lanai expansion.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that. And then, because we're talking lot about transportation, I just wanted to put in a few comments for you, Mr. Baz, that whenever possible if the vehicles provided to Hana for transportation of dialysis and of seniors could be your best vehicles being that the trip is very hard on vehicles. And we hate to see our two female drivers with seniors or dialysis patients on them, you know, stuck half way on that two and a half hour trip. So just...just as a, you know, a consideration. I know when you buy vehicles it may be bought with the intention for a specific purpose.

MR. BAZ: Uh-huh.

COUNCILMEMBER MEDEIROS: Or place or route. But, you know, I know in the County we used to try and send the vehicles that were in the best conditions to areas that needed it, you know.

MR. BAZ: Correct. We...we do that for...we try to do that for Hana, Molokai and Lanai.

COUNCILMEMBER MEDEIROS: Okay.

MR. BAZ: One of the issues with Hana, of course, is the...the small road. And so we can't necessarily send the best bus because it's very large. What we've tried to do was, we got a Dodge Sprinter, a different type of vehicle which is longer, skinnier, still has the wheelchair capabilities and...and but it...there's some quirks with...with that bus too since we tried that one. The CDBG funds that were appropriated last year are just being

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negotiated with the specs and things now with the CDBG office and we should be able to get those within the next six months or so. So Hana and Lanai will both be getting new vehicles shortly.

COUNCILMEMBER MEDEIROS: Okay. I appreciate that consideration for the community of Hana and East Maui. And also if you can incorporate that same thinking with the Youth Bank vehicles. Thank you.

MR. BAZ: Thank you.

CHAIR PONTANILLA: Thank you. Member Hokama. Thank you. Thank you, Sandy. Now you can go and have a seat.

MR. BAZ: Okay.

CHAIR PONTANILLA: The next item is the Bus Replacement Grant.

MR. MEDEIROS: Yes. MEO proposes to buy nine new buses, seven of which will be in the 25 to 29 passenger category. All of which are accessible and they will be servicing, you know, the majority of the MEO programs. They cross all lines. And they will be buying a couple other school bus types for the Youth Transportation. So this is an increase over the current Fiscal Year of 386, 390.

CHAIR PONTANILLA: Thank you. Member Mateo, questions?

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: Yes. Thank you, Chair. Mr. Medeiros, as we made our rounds to the areas we were asked by several groups of youth who use the MEO—who are members of the MEO Youth Bank—and they kept asking for, can you buy us a new van? Can you buy us a new van? So I'm wondering, is there a van included in this?

MR. MEDEIROS: I don't believe so.

COUNCILMEMBER BAISA: Not, huh?

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MR. MEDEIROS: No, there...there...they're following their bus replacement schedule. And so what they're trying...trying to change out are the 25 passenger buses that were purchased somewhere in the early 2000.

COUNCILMEMBER BAISA: I...I'm wondering about this van because, you know, if it's gonna fall apart, we're gonna have a problem. But maybe we can discuss this Mr. Baz later and find out whether or not MEO can handle that. Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Hokama. Thank you. Bus Replacement Matching Fund.

MR. MEDEIROS: Yes, this is for Federal monies that we are attempting to get to match the Federal monies for the Maui Bus System.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Mr. Director, can you me tell how need...how much of a need we have for the County system in terms of buses?

MR. MEDEIROS: With the ridership going the way it has, to address it we need larger...we need larger buses. And so we have, thanks to Senator Inouye and his Federal earmarks, we've got three more low floor transit buses arriving in the next few months and put into service. And we're looking with this money to pick up three...two or three more to replace and each day we need about 11 buses on the road to maintain the service, not including the commuter service. And what has happened is the smaller buses that we got two years ago are what they call medium duty buses. And they have a life expectancy of five years or 200...200, 250,000 miles. We're already in...in the second year hitting the 200,000 miles. So we're having a hard time keeping up. We really need to get into this heavy duty coaches that'll last up to 10 years or...or more.

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COUNCILMEMBER MATEO: So and...and then so what...what does the 50,000 reduction in...in this number mean when you're trying to get matching funds?

MR. MEDEIROS: We were...the last year we knew we were gonna get a million dollars and so that's how we matched it. This year we know it's gonna be a little lower. We're not sure exactly what that is but we felt we would take off the 50 with the 200,000 to match that. We think it's about 800 but we'll see when we finally get it.

COUNCILMEMBER MATEO: And 800,000 will...will allow you to purchase how many...how many?

MR. MEDEIROS: Probably two.

COUNCILMEMBER MATEO: Two new buses.

MR. MEDEIROS: Yes.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: The new buses you plan on purchasing would be how many seaters?

MR. MEDEIROS: Thirty eight.

COUNCILMEMBER MEDEIROS: Thirty eight seaters. And then, just quickly, can you tell me on similar routes, say as in City/County of Honolulu...public transit, as compared to Maui what the difference in fares are? Maybe for some short routes or...

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MR. MEDEIROS: Yeah. City...City and County of Honolulu is a \$1.50, I believe, right now for the majority of what they do.

COUNCILMEMBER MEDEIROS: And we're a dollar?

MR. MEDEIROS: We're a dollar.

COUNCILMEMBER MEDEIROS: Okay.

MR. MEDEIROS: And some are free.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Director Medeiros. Mahalo, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Hokama. Thank you. Next item is Bus Stop Planning and Design.

MR. MEDEIROS: Yes. All...all...we don't have anything on that. It's a zero. It's...

UNIDENTIFIED SPEAKER: It's still yet 200,000.

MR. MEDEIROS: Where are we? Oh. But the next one is...

COUNCILMEMBER JOHNSON: \$100,000.

MR. MEDEIROS: Yeah. We're not asking for anything this year. That was a one shot for the Bus Stop Planning so we're not...wait...oh, I'm sorry. I'm sorry! I'm sorry! I'm sorry. No, what we've done is, in the past it was—that's for the Public...there is \$100,000 that we used for...to buy bus signage, make schedules and that sort of thing that's...that's...and...and do some...a advertising as needed. And it was broken up, 50,000 was in the General Fund and 50,000 was in Highway Funds. And we're just taking it out of Highway Funds and putting it all in General Funds. That's what we're doing with a 100,000. This Bus Stop Planning, we're...we're not asking for any money. I think this is a typo here. Or actually it should be Bus Stop Signage, et cetera. I think that's what it is 'cause that's what we're doing. Yeah, yeah, 'cause when you look in the budget...

COUNCILMEMBER JOHNSON: It's a 100,000.

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MR. MEDEIROS: It's...it's 917740 is the index code. And it's called Public Transit Bus Stop Sign Services. And it...it was 50,000 then we've jumped it up to a 100,000 'cause there's an equal one in...in the Highway Fund to total a 100,000. So...so moving some money around.

CHAIR PONTANILLA: Signage.

MR. MEDEIROS: That's it, sir.

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: As long as we know that Signage...Signage is not existing in another part of your budget, I would be willing to remove this until we know for sure where it is. And that move would be to my island. Thanks, Joe. *(Laughter)*

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: Thank you, Chair. Don, you better figure out where this is.

MR. MEDEIROS: That is in the budget.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: Okay. On page 18-6, under 917739, Bus Stop Planning and Design, you deleted 100,000 and then you moved that. It looks like to 917740, Public Transportation Bus Stop Signs, because I think that under a previous one, you had enough money to do some of design and the recommendations from last year. So it...it looks to me like you bumped from '08 was 50,000 in one category. You're now at a 100,000. But you eliminated entirely the Bus Stop Planning and Design.

MR. MEDEIROS: Correct.

COUNCILMEMBER JOHNSON: So I...I just see this as just moving from one area to --

MR. MEDEIROS: Right.

COUNCILMEMBER JOHNSON: --to the next implementing phase.

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MR. MEDEIROS: And it was on 917736, Public Transit Bus Signs --

COUNCILMEMBER JOHNSON: Okay.

MR. MEDEIROS: --Highway Materials and Supplies.

COUNCILMEMBER JOHNSON: Oh, I see.

MR. MEDEIROS: Which is now zero.

COUNCILMEMBER JOHNSON: Okay.

MR. MEDEIROS: Yeah.

COUNCILMEMBER JOHNSON: Yeah. So I see, you combined the two. I don't have a problem with this.

MR. MEDEIROS: It's just housekeeping.

COUNCILMEMBER JOHNSON: Because obviously you got to implement what was recommended and I think that over time, you did some studies and we weren't sure of where the placement of these were going. But this is something that is absolutely demanded by the public.

MR. MEDEIROS: It's actually ongoing.

COUNCILMEMBER JOHNSON: Yeah, I know. But I appreciate it. Thanks very much.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: No. No questions.

CHAIR PONTANILLA: Member Hokama. Okay. Last item is the Public Transit Program.

MR. MEDEIROS: Yes. This is the Maui Bus and Robert's Tours and Transportation was the low bidder on an RFP that we conducted last year. The cost increases are due to, as we mentioned earlier, the doubling of the Upcountry/Haiku/Islander service for 419,292. And the Haiku/Islander for...and the Haiku/Islander in that...in that amount. And then another

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330 for a new route that we're...proposing which is the Lahaina Villager fixed route.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: So, Mr. Medeiros, the increase that we're showing for this Fiscal Year is...is just based on the additional routes?

MR. MEDEIROS: It's based on three things. It's based on the additional routes for Upcountry, Haiku, and the Lahaina Villager and increase costs for the...for the service as a result of the bid which was about 16 percent higher, or \$805,000.

COUNCILMEMBER MATEO: Okay. Thank you.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions but definitely much support for the Lahaina Villager. That's...we've heard it a lot.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yeah. And I...I support this because it's a voided cost on roadway expansion. So I appreciate it and I really...I know some comments have been made about visitors using this. But if the visitors are taking out, you know, are off the roadway it takes a rental car or two off the roadway. So be it. I...I just think it's really helping. So I notice it on my trips home because the queuing is not nearly so bad and usually in high season all through that we would've had tremendous queuing. But with the increase in gas costs and people trying to cut down, I've had more and more people tell me they are using the bus. And so now that's why they're asking for the expansion. So I think this is actually helping. Thanks very much for your work.

MR. MEDEIROS: Thank you. We do too.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Director Medeiros, so in 2008 it was 4,000, almost—I mean, 5 million almost. And then 2009 you're requesting 6,550,000 so...and you showed a difference. That's because that's what the bid ended up at, or?

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MR. MEDEIROS: Three elements. That's for the expansion of the Upcountry and the Haiku, the new one in Lahaina, and...and the increase in the bid which was about 16 percent or \$805,000.

COUNCILMEMBER MEDEIROS: Yeah. Can I ask you how many bidders you got?

MR. MEDEIROS: We had two bidders and the difference between the two bids was \$63,000.

COUNCILMEMBER MEDEIROS: Okay. And so the contractor that you use, will use County buses?

MR. MEDEIROS: That is correct.

COUNCILMEMBER MEDEIROS: And so their funding is to cover their personnel and overhead costs?

MR. MEDEIROS: And maintenance and operation and dispatching and we do draw on their reserve of buses, for instance, in the commuter. Our largest bus is 41 passengers. They have just brought in from their Oahu operation, two 63-passenger buses because there are times that we run into the normal...the overload of the normal motor coach which is 57, to address that. So they augment what we do with their equipment as well where it's possible.

COUNCILMEMBER MEDEIROS: So that's part of the contract with them?

MR. MEDEIROS: Correct.

COUNCILMEMBER MEDEIROS: That they include that?

MR. MEDEIROS: Yes, that is correct.

COUNCILMEMBER MEDEIROS: That's...that's...that's a good scope to have as part of the contract. Thank you, Director Medeiros. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Member Hokama. Thank you. Members, that completes the Transportation Grants this afternoon and the Chair

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would like to thank Director Medeiros, Deputy Director Boteilho for being here this afternoon. Thank you again.

MR. MEDEIROS: You're welcome.

CHAIR PONTANILLA: Oh, hang on.

MR. MEDEIROS: Sure.

CHAIR PONTANILLA: This is going to be quick.

MR. MEDEIROS: Sure, sure, sure.

CHAIR PONTANILLA: Members, we're gonna go into Rates and Fees for the Transportation Department. If you turn to page 30 of our handout that was passed out earlier. On page 30. Then again, Members, in your proposed Budget bill, the changes weren't indicated so we had the Administration do some changes and provided...and they provided us in the Ramseyered format the changes of the proposed bill. So on page 30, we do have some changes in regards to the fees. Page 30 of your handouts, okay? Mr. Director, you have your handout?

MR. MEDEIROS: Yeah.

CHAIR PONTANILLA: Okay, fine. And if you go...could go over the changes in regards to the fees that is being proposed for 2009.

MR. MEDEIROS: Okay. Some of this was housekeeping. If you take the first one which is Kihei Villager and then you go all the way down to the Kula-South Maui commuter. We wanted to—so that's one, two, three, four, five, six, seven, eight, nine, ten. Those ten lines, we wanted to eliminate that and then the replace it with all fixed routes are a dollar except for the following fixed routes with—fare designated as other than dollar so it's the Wailuku Loops, the Kahului Loops and if it does go through, the Lahaina Villager, which would be free. And then all the commuter routes are a dollar, which is, except for the Lahaina Villager, which is currently what it is. And then the monthly pass rates which is currently what it is. And the ADA which is currently what it is. So really, what we were looking at was just some house cleaning, keeping to clean it up and to maintain the levels of fare system that we have currently.

CHAIR PONTANILLA: Members, questions to this item here? Member Mateo.

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COUNCILMEMBER MATEO: Chairman, I guess in just taking a look at this, I do know that the dollar fare is really...has really helped to attract the number of passengers that...that we're experiencing at this point. But I don't know how long a dollar fare is something that we can continue on when we have multiple services being provided. So I'm kinda hoping that the Director start preparing to provide to us a consideration at a later point. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Yes. I was looking at the fares for the bus. And I notice that they have an adult fare, a disability fare, a senior fare, a Medicare fare, a visitor/adult fare and a youth fare, and, you know, different kinds of categories. And their fare for an adult is two dollars for one way. And then for their visitor adults, they also charge the two dollars one way. But then they do give a break to seniors for a dollar and the disability fare for a dollar. I mean, and they have different categories. So they're trying obviously to make more money on the regular adult or for the visitors. So I don't know how soon we want to consider. And I understand what Mr. Medeiros is trying to do. He's trying to get the ridership up. The whole idea was to get people in the bus and get used to using the bus. And then hopefully once they do that, and especially if they start looking at gas bills, they may be more than willing to pay two dollars or even more to get on a bus and not have to run their car. So I see both sides of this but, you know, other people are...have a different fare structure.

CHAIR PONTANILLA: Thank you. And the first structure you just read is from where?

COUNCILMEMBER BAISA: The Bus.

CHAIR PONTANILLA: The Bus, City and County of Honolulu?

COUNCILMEMBER BAISA: Correct.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yeah. And...and I know that, you know, these seems woefully low but when people get on and off, actually the physical act of making change or paying the fare, I think particularly on

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the short runs like the proposed Lahaina Villager and the Wailuku and Kahului where there's a frequency, what I see is that takes time for whoever's operating the bus to make the change. So I think it's, for me, it would almost be a function of how much time and effort do you really put forth in trying to address that. And short of having everybody being required to purchase a pass, which they can just stand when they came in, I mean, that would be ideal. But a lot of visitors are not going to do that. For me, I...I don't mind. At least it's a fare that over time we can see if it works and if we have to up a little bit, fine. But I would also wonder on your, you know, like the selected routes and \$45 for all routes, that...those passes are available, I guess, to anybody and obviously if you're only traveling on a route that is free, you're not gonna buy one of those passes. But do some of the companies currently pay those amounts on the commuter ones that come in to Lahaina? They pay for their employees, that amount?

MR. MEDEIROS: Yes. Many of the hotels are getting into that now and buying passes for their employees or buying one dollar scripts to try to get people to use and to try and see if it works for them.

COUNCILMEMBER JOHNSON: Yeah. And...and I know we haven't done our traffic impact fees either. But, Mr. Chair, at some point in time—and I know this in Ms. Baisa's committee—but I really would like to revisit this because once we look at the ordinance because I believe the original study did not look at alternative transportation as assisting with level of service. And that is something that I think if we can get some of the money from these impact fees from the hotels or other facilities being built, that may actually help to offset some of this. But I...I don't have a problem with charging very low or nominal fees to begin with and then we can see where it goes from there. Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Hokama.

VICE-CHAIR HOKAMA: Chairman, thank you. I notice you...you have this under the Highway Fund, gentlemen, and yet you ask for a General Fund subsidies. So can you tell me what...what is the Department's approach to...I think earlier you said you changed the...one of the requests from Highway to General Fund?

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MR. MEDEIROS: Yes. That \$50,000.

VICE-CHAIR HOKAMA: I think maybe we had this initial discussion earlier, Director. But are you knowledgeable that are we utilizing the maximum we can from the Highway Fund?

MR. MEDEIROS: That's a Budget Director's question. I can't...I can't answer that one.

VICE-CHAIR HOKAMA: I know and just so happens he's not here for you at this time. But I think that's something we need to know, Chairman, you know, the approach because, yeah, we placing all the revenues in a special fund that can only be used for specific purposes. And yet we already heard from the Director of the Department that for certain things, we're asking for General Fund support and I think we need to make a determination of how we're gonna approach this program for the long-term benefits that we all hope to achieve, Chairman.

You know, just quickly, and you and I—we all know there's no such thing as free. So I want that out of our user group's mentality 'cause somebody's paying for...for everything. And I don't like the term free. You know, we in government know there's nothing free. So I wouldn't mind having a appropriate fee schedule that would have users as well as those of us who are a subsidy site are providing...assistance, all have a vested interest in the success of this program is the way I would approach it, Director. So that would be my...my suggestion to you.

And for you, Mr. Pablo, my...my question—and again when you have time to respond that will be appreciated—is why are we asking for fee schedule only under Highway Funds and yet the Department ask for General Fund support? So, you know, I think the Committee needs to understand how you wanna approach taking this program forward because I'm not sure we maximizing the use of the Highway Fund. This is where we're putting revenues but yet he's not asking for all of his things to come out of...of this revenue source. So the first question is, are we utilizing the maximum we can from the Highway Fund program?

MR. PABLO: Yes. We're...for Fiscal Year...2009, I don't have the figures in front of me, but I recall that the revenue from the Highway Funds does cover the expenses for the Department of Public Works-Highways and the segment of the Department of Transportation-Highways. There was a

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supplemental transfer mainly for the cash portion of the CIPs for...for both programs. But the Highway revenue does cover the revenues...I mean, the operating expenses of the Department of Transportation, Highway portion. Why we did it that way, this is just what we followed because it was in the...in Appendix B; under Highway Funds.

VICE-CHAIR HOKAMA: Did you consider making it just a regular fee structure that would be part of the General Fund or that was not --

MR. PABLO: No.

VICE-CHAIR HOKAMA:--one of the options that you looked at?

MR. PABLO: No, we didn't consider that. Like I say, we...we mainly followed what was in the Appendix B already. So and I understand that this had already been established several years ago when the Highway Fund for the mass transit was started. I looked into the various...the carpet code in the Maui Chapter. There was no...no type of statement on...on actually how the Highway Fund is supposed to be treated. There was a general...general term that Highway Funds would include mass transit.

VICE-CHAIR HOKAMA: Okay, Director. Finally, since you mentioned this is how it's been done in the past, my...my other question to you then would be, as regards to the revenue sources for this particular Department—Chairman, when are you planning to do decision-making on Rates and Fees?

CHAIR PONTANILLA: What's that again?

VICE-CHAIR HOKAMA: When are you anticipating taking us through Rates and Fees decision making?

CHAIR PONTANILLA: Um...

VICE-CHAIR HOKAMA: End...end of the week, Chairman?

CHAIR PONTANILLA: Probably end of the week...yup.

VICE-CHAIR HOKAMA: Okay. Have you been given any indication from Mr. Young, Finance, whether or not they're...they're forecasting adjustments to what was earlier projected to be the Highway Fund revenues for the Fiscal Year, the current year?

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MR. PABLO: No, I haven't heard anything about that.

VICE-CHAIR HOKAMA: I think, Chairman, we get payments twice a year, like every six months more or less on the Highway Fund? And again, I'm just wondering whether or not they...our projections on what we had anticipated in fuel sales has converted to the revenue that we...that we...if we budgeted and if it's already true and in some type of trends, Mr. Pablo, I...I...that might be something we might wanna be made aware of prior to decision-making so we can then do...

MR. PABLO: Certainly. I could...I could consult with the Director of Finance on that. Thank you.

VICE-CHAIR HOKAMA: Yeah. Thank you. That would be appreciated for appropriate adjustments.

MR. PABLO: Certainly.

VICE-CHAIR HOKAMA: Chairman, thank you very much.

CHAIR PONTANILLA: Thank you. Very interesting question in regards to revenues generated from the Highway Fund. ...*(end of tape 5A - 3:50 p.m.)*... Director with us, you know, everything was...seems like most of the money that we received was from the first half of the year and it's starting to slow down so it's gonna be interesting. Members, any more questions in regards to the fees that is being proposed by the Department? Member Johnson.

COUNCILMEMBER JOHNSON: I know this is a fee structure but my curiosity is like on our...our passengers when we have 55 years and older. I was just looking on Ms. Baisa's, you know, printout and it showed 65 years of age with...and older was at a certain rate. So, you know, 'cause...I mean, Honolulu has that. So have you looked at that and does that make any difference? Do you have numbers?

MR. MEDEIROS: The majority of the passes that were selling are day passes...one single route passes is...is majority, and commuter. We really haven't had any takers as far as senior is concerned.

COUNCILMEMBER JOHNSON: Okay.

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MR. MEDEIROS: On, we've had very little as far as student is concerned.

COUNCILMEMBER JOHNSON: Okay. And then the other thing would be, because I've been on MEO Transportation, even though there's not a fare, a set fare, established, you know, for some of these were...if we're currently saying it's a service that you don't have to pay for, you know, I...I have recognized Mr....Chair Hokama's question because, you know, his comment is there is no such thing as free. But I notice on MEO that they do have like a little collection box. Do you have that currently in place as a system so that if people would wanna give donations—you know, and I...and I think it's important because if...if we're visitors and many of them, I believe, would be happy to contribute, you know, to these services.

MR. MEDEIROS: To answer that question, no, we don't. I think it gets a little confusing as to how handle this, frankly. And the reason we use the word "free" is...is just so that people understand they don't have to pay. And...and that's the only reason we're using that. It's to help people understand what's going on. But on a fixed route system, you know, there's usually a fare associated with it or not a fare. And MEO does actually tell people and put it on the bus and says, that hey, you know, your...your fare...your donations will help. That...that'll be problematic in the setting that we have, I think.

COUNCILMEMBER JOHNSON: Yeah. And...and the only reason I ask is because I think that where people wanna make a donation because they're appreciative of the service, I think even if they're...even if you didn't want to handle the actual collection of a donation on the bus, I think it might be helpful just to even have somewhere on the bus some kind of a handout or the availability of a handout or even at your bus stops that just explains how this was funded. And that, you know, if you wanna make a donation or whatever, if we could establish some kind of mechanism for doing that because basically the only way that we're gonna provide or continue to provide this service is if it is financially feasible. And especially when some of the businesses, you know, if they're gonna be having their workers using this transportation, that is a tremendous benefit for them. But I think they wouldn't mind at least contributing towards it. I know many of them have told me that...they would be happy to do so. So, I don't know. Just think about it and see if you have any brilliant ideas of how we could accommodate that. Thank you.

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CHAIR PONTANILLA: Thank you. Mr. Medeiros, I...I know you told us about the difference between fixed route and community...commuter routes. Can you again tell us what's the difference?

MR. MEDEIROS: The commuter route is a route that runs a bus in the morning, in our case out to West Maui, the majority of them are...are headed one to South Maui. And then later on in the afternoon it'll...it'll come back. So right now we have eight routes running. So you got eight buses going out, eight buses coming back in the afternoon. That's...that's it at...at specified times.

The fixed route is something that operates—and that operates seven days a week, by the way. A fixed route goes through a designed route, certain roads where the bus stops are usually available, designated bus stops and picks people up as they stand at the...if they're at the corner there or pull a cord in the bus and ask to get off the bus.

The commuter, you have to make a reservation for it so that we know how many people are coming and have enough seats. The fixed routes needs no reservations. As long as you're there, the bus is there that certain time, we'll pick you up.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: Just one last thing on this fare thing. We heard during some of our testimony from the public concern by the persons with disabilities about the fare. And in...I noticed that on our sheet it says Americans with Disabilities, private transit fares, one way fare shall be two times the regular one way fare. So that'd be two dollars instead of a dollar. And they had some concerns about being able to pay that. I notice that Oahu charges that one way fare a dollar so you would pay two dollars for, you know, for coming and going. But they offer the passes. And they have monthly passes and they have yearly passes. So that kinda, I guess, would mitigate the increase. Now, I don't know if...if we wanna get into that. I notice we're not offering any. But I just thought we should talk about this 'cause it was brought up during our hearings.

MR. MEDEIROS: The system...the system is...is in it's second year and we're still growing. Last year I said, you know, when we had this discussion, I said please, please bear with us until we can at least find out, you know, where the ceiling or the plateau is. I'm singing the same song this year because we still don't know.

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COUNCILMEMBER BAISA: Yeah.

MR. MEDEIROS: Now, it is still continuing to grow. If we were to increase all of the fares to whatever, and then say, well, we'll do a, you know, a monthly pass for a lesser rate. That would generate more folks buying a monthly pass. I don't...one we don't have the systems in place to deal with that. And when we're looking at systems you're talking six, \$700,000 to put a system in and hire more staff to maintain this thing with kiosks and whatever.

And we've been looking in to the new technologies and their wonderful and everything is beautiful but there's...there's always a dark side to it. For instance, they're talking about smart cards and how you can walk into the bus and just pass it by the fare box. But then there's a down side. If somebody is smart enough that they pull up next to you and they have enough technology, they could take it right off of your...right off of your card onto them and use it simply...similar to what the people that have...wireless internet in their homes. If you don't encode it, a car can pick...come outside, dial in and just use your internet for whatever at...at free.

So there's...there's always two sides of this and at this juncture, you know, we don't have all the outlets that Honolulu has with the satellite City Halls and...and all these various things. And so I think the way the fares are running now, we're probably getting maximum fares. I think we're getting maximum fares rather than going with the discounted. So I just wanna try to keep it simple at this stage of the game because the people that sell the tickets are the drivers. And that's kind of it.

COUNCILMEMBER BAISA: I understand. I know what it would cost to collect money and, you know, when you were at MEO, we did that study and we found out it wasn't worth putting up a system to collect quarters because we gonna spend probably four or five times as much to collect those quarters.

MR. MEDEIROS: Exactly.

COUNCILMEMBER BAISA: But, you know, this is a special population and we just wanna make sure that, you know, I don't...I don't know their financial situation and I hate to have them impacted by, you know, charging them too much. But then everybody is a special population these

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days. Everybody's having hard time. But, you know, because they brought it up and said they felt there would be a hardship, I thought it was important for us at least to address it. Thank you.

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

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. I just wanted to ask the Director, educate me on, you know, you have commuter routes and you have fixed routes. And if you have a disabled person, especially one in a wheelchair, not all the buses can accommodate wheelchairs, is that correct? Or they all can?

MR. MEDEIROS: They all do, except when Robert's has to augment with their motor coaches on the commuter, they are all accessible.

COUNCILMEMBER MEDEIROS: So all the Maui Buses can accommodate?

MR. MEDEIROS: Correct.

COUNCILMEMBER MEDEIROS: So they don't have to wait for a separate bus to come by the bus stop to pick them up?

MR. MEDEIROS: No.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that information. Mahalo, Chair.

CHAIR PONTANILLA: Thank you. Members, that concludes the rates and fees for the Department. Again, I wanna thank Mr. Medeiros and Mr. Boteilho for being here. Thank you very much and take a look at the old ways of...of collecting tickets, utilizing the punch. Thank you.

Members, we do have the Water Department here in regards to their grants review. So at this time I'd like to call on the Water Department personnel that is here. Miss Kraftsow...Kraftsow. I was wondering if you don't mind waiting until I take care the Planning Department. They...they have only two items on the Grants.

MS. KRAFTSOW: Yeah. Not at all.

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CHAIR PONTANILLA: Yeah. Thank you. Mr. Hunt, Planning Department. So Members, on page 7 of the Planning...Planning Grants. 7 of 9 and...and Mr. Hunt if you can provide us quick overview on your grants.

MR. HUNT: Good afternoon. On page 7 of 9 there's two grant proposals. One's the Wailuku Main Street/Tri-Isle Main Street Resource Center. And this is an annual amount that we have been allocating to that organization for many years now, not the exact amount but an annual allocation. This year, I believe, we are suggesting that it remain the same as in the past. The Tri-Isle Main Street does work for small towns, planning work for small towns in our...in our community and that's what that money would be used for similar to what it has been used for in the past.

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

COUNCILMEMBER MATEO: Thank you. Mr. Hunt, how beneficial are those reports that they provide to the Department?

MR. HUNT: That's a good question. Frankly, there's some discussion within our Department that the reports could be more beneficial. We have tried to get a relationship with the Tri-Isle where there would be some coordination to have a planner involved. And there seems to be some hesitancy from their...their side. They viewed it as being...having veto power or...or actually having...overseeing the project rather than just being involved in the project. And that's not what we intended. But that's how that conversation kinda ended. I...

COUNCILMEMBER MATEO: I'm sorry, go ahead.

MR. HUNT: I...I don't have an exact answer for you other than to be honest with you. There has been some questions as to the...the value of those. We have tried to implement some accountability so that we're not just automatically giving out those dollars. We're asking for evidence of compliance with the...the work program, products. We're trying to review those products. And I guess...I guess that's our response at this time.

COUNCILMEMBER MATEO: So, Mr. Director, would you know then, whether or not in the grant agreement that is signed between both parties that you're able to do these inclusions into that grant agreement?

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MR. HUNT: Well, we have oversight of the disbursement of the payments. But what we've been trying to do is get involvement all along so that it's not like after six months they hand us the product and...and then we tell'em there's things we don't like about it or things we're uncomfortable with or their suggestions at a late hour. It seems more beneficial to us to be involved all along in the process from the beginning. Frankly, there's maybe a little bit of a protective turf mentality going on there or, you know, the...the two Departments not working as well as they should together. I'm not sure. I'm, you know...

COUNCILMEMBER MATEO: Have you...have you provided any kind of...written communication to the organization asking for a greater part or a larger part in their planning processes?

MR. HUNT: I don't believe we've provided written communications to have us more involved but we have provided written communications making clear that the expectation is we want a product and a good product before we'll disburse the funds.

COUNCILMEMBER MATEO: Okay. Thank you very much. Mr....Mr. Chair, so I would share my concern regarding the Department's concerns regarding the inabilities so that we know that the investment we make with the organization does in fact provide a useable product. And that, at this point, we're...we're not sure. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions, Chair, except that, you know, I think that as a grantee of the Planning Department that there should be a very clear cut agreement as to what the grant is for and the outcomes that are expected. And I think that's a very reasonable expectation when one is granted taxpayer money.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Mr. Chair, we just discussing the Wailuku Main Street?

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CHAIR PONTANILLA: Yeah.

COUNCILMEMBER MEDEIROS: Okay. No questions.

CHAIR PONTANILLA: Thank you. Director, the next one, UH-Maui Sea Grant Program.

MR. HUNT: This grant pays for the services of staff essentially and Zoe Norcross is our staff person who comes out of this program. She focuses on the...on the seashore, the resources of...of the shoreline. And this pays her salaries. It's an annual increase every year due to cost of living. We have a match that we have to commit to...to our percentage. So as the UH salary goes up, our...our commitment goes up. The large jump that you see in 2007 to 2008 was because the previous Administrations didn't account for that on an annual basis. They were just making up for that cost of living increase out of salary savings or whatever. And so we said, well, it's better accounting just to do it every year, say this is the annual amount that...that we're obligated to pay. We do think this is a very important and productive grant for our Department.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No. I support this.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. I just need some clarification. So this is a salary of a Planner who's a staff member of your Planning Department or of UH?

MR. HUNT: Technically, UH.

COUNCILMEMBER MEDEIROS: I see. And, but we pay the salary.

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MR. HUNT: A portion of it. I believe --

COUNCILMEMBER MEDEIROS: A portion.

MR. HUNT: --it's three quarters, or something like that.

COUNCILMEMBER MEDEIROS: Okay. And so, this...how does this UH-Maui Sea Grant Program grant work with the Aquaculture Marine Resources Development grant which is also for Sea Grant? Are you familiar with that under Economic Development?

MR. HUNT: I'm not that familiar with grant.

COUNCILMEMBER MEDEIROS: Okay. Because they...when we reviewed that, it was described as supporting the Sea Grant program. So I just wondering, you know, we...we have two grants now for that program. I know yours is just for a salary. Okay. Thank you, Director.

MR. HUNT: I...I can explain the Sea Grant is more of a conservation/preservation/environmental protection side of things. If there was an Economic Development regarding let's enhance aquaculture or something along that line, that would seem more appropriate in Economic Development Department.

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

CHAIR PONTANILLA: Thank you. Mr. Pablo...Members, that's the only two grants in the Planning area. Give me a second. Members, we're gonna go to rates and fees for the Planning Department on page 27. And this is in regards to waivering of some fees for affordable housing. And if the Director can provide us with some information in regards to this one particular area on the fee waiver.

MR. HUNT: On the bottom of page 27, the existing language in our fee schedule provides for a complete waiver of any project that is called affordable housing. And while we support this and we think it's a great incentive, it's problematic in its implementation given the recent workforce housing policy that was recently adopted. In effect, every project that comes through us now will have to be an affordable housing project. It'll have to meet that criteria. Our concern was this would be used as waiver to waive the fees on every project. It didn't seem that was the intent.

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So what we're proposing the intent of the language is to say, if somebody comes in *above* what is the base requirement in the workforce housing project, either the 40 or the 50 percent requirement, then we would start waiving their fee as a percentage of how much they're going above it. So if they're ten percent above, then we would waive it up to 60 percent and another ten percent, we make it 70 percent, all the way up to a 100 percent fee waived for a 100 percent affordable housing. So we're intending to put back in an incentive which was the original intent prior to the workforce housing policy.

CHAIR PONTANILLA: Thank you.

MR. HUNT: And we do support the incentive. We should be providing incentives for these affordable housing projects.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: So the incentives as you described would target which bracket or which level of the affordable housing category range?

MR. HUNT: It wouldn't target brackets like AMI categories. It would target percentages. So, for instance, a project that came in 60 percent affordable, we would waive 60 percent of the fees 'cause that's above the 40 or the 50 percent that's required by our law. If it went all the way up to a 100 percent, then we would waive a 100 percent of the fees, saying well, you're coming in a 100 percent affordable. That's great, we'll waive all of it.

COUNCILMEMBER MATEO: And...and that was the direct...the Department's...you have a written directive in terms of wanting to recommend that? Or was it already existing, that recommendation?

MR. HUNT: We're including it in...in the fee schedule. That's...that's our method of recommending.

COUNCILMEMBER MATEO: Okay. Thank you. Chairman, I would need time to take a look at it. It's kinda difficult for me to, at this point, to just make any kind of comment until I'm able to review it. Thank you.

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CHAIR PONTANILLA: Thank you. So what you're saying is that this didn't go to any Committee for their review other than the Budget and Finance Committee?

MR. HUNT: I believe that's correct.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No. Like...I...like Member Mateo, I mean, I haven't had time to think about it. But it certainly makes sense that you wanna reward people that are building more affordable units. And that seems like what the proposal is about. I need to think about it before we take a final vote. But I like the idea.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: I think I was the only one that voted "No" on the proposal. You know, to change it because of the very issue you're raising here because I just felt they were going to be potential problems of the implementation. So I'm open to anything that will improve the intent and not just give people a benefit who really are not seeking it and who in all likelihood can well afford the cost of a permit fee. So I...I applaud anything you can do and perhaps to address some of the issues that are being raised. Maybe just have some real life little examples of how a permit would be processed or how something...you know, so that in real life people would be able to see how you would apply the fees. And then that way, I think it makes a little bit more sense 'cause then you can see how it actually plays out in real life. Thanks.

MR. HUNT: That's a good idea.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Mr. Chairman. I think I'm like Member Mateo. I think we need to have some time to review this to really think about if there's any, you know, kind of impacts that we can't think about right now. So I...I would suggest, as Member Mateo did, to set it aside until we can look at it, you know, more in depth. Thank you.

CHAIR PONTANILLA: Thank you. And again, Members, this is the proposal by the Administration on their Fiscal Year 2009 Budget. And, you know,

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anything that we feel uncomfortable with, then, yeah, this Committee will review that. Thank you. Member Molina.

COUNCILMEMBER MOLINA: Thank you, Chair. You know I apologize for having to leave your meeting for a short time period. But I need a little bit more time like Member Mateo, Member Medeiros.

CHAIR PONTANILLA: Okay. That's fine.

COUNCILMEMBER MOLINA: I'll probably have some questions at a later point. Thank you.

CHAIR PONTANILLA: That's fine. Okay. Mr. Hunt, that's...that's all for today. Again, I wanna thank you for being here. Thank you.

MR. HUNT: Thank you.

CHAIR PONTANILLA: Okay. Water Department. Members, eight of nine on your grants handout. I hope I pronounce your name right, Ms. Kraftstow *[sic]*.

MS. KRAFTSOW: Kraftsow.

CHAIR PONTANILLA: Kraftsow. Kraftstow *[sic]*. Go ahead.

MS. KRAFTSOW: Like the company that makes...anyway. Thank you.

CHAIR PONTANILLA: If you can provide us a quick overview on your grant...grants.

MS. KRAFTSOW: Okay. Thank you, Mr. Chair. So our grant total for the Fiscal Year 2009 proposal is \$745,000. That's broken down into about \$625,000 in Watershed Protection, 70,500 for Na Wai Eha and 50,000 for Maui Nui Botanical Gardens. In terms of Watershed Protection—should I just go to the first item, yeah?

CHAIR PONTANILLA: Yeah. Can you go to East Maui Watershed Protection?

MS. KRAFTSOW: Yeah. The East Maui Watershed Protection is a \$100,000. There are two East Maui Watershed Protection elements. One is to the East Maui Watershed Partnership and the other is to the Nature Conservancy. And I'm not sure in this one which one you're showing.

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But they are to manage and protect the East Maui Watershed through measures such as fencing, ungulate and invertebrate and small mammal control, weed management, rare species protection, monitoring education, public outreach, volunteer recruitment, fence maintenance, erosion control, monitoring and mapping, those kinds of things.

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

COUNCILMEMBER MEDEIROS: No, Mr. Chairman. I think we've discussed the East Maui Watershed Protection quite in depth and...and I think it's a wonderful program that we should continue to support. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No. No questions.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Chairman, yes, thank...thank you. The two different part...the two different elements you referenced was one group was the Partnership Group and the other was Nature Conservancy. There is the increase of the 100,000. Is that because it's gonna be divided evenly between these two elements of this particular grant?

MS. KRAFTSOW: Actually, no. It isn't an increase. In fact, I'm looking at this kinda confused. Forgive me, but, we have a \$100,000 for the Nature Conservancy. And a \$100,000 for the Partnership that is funded through Tri-Isle Resource Conservation and Development Service.

COUNCILMEMBER MATEO: Okay, we've...we've taken two grants, then, just the two different lines, yeah.

MS. KRAFTSOW: Oh, and you're showing'em as one \$200,000 grant. Yeah.

COUNCILMEMBER MATEO: Thank you very much. I understand. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

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COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Thank you. East Molokai Watershed Protection.

MS. KRAFTSOW: Okay. The East Molokai Watershed Protection is to manage and protect the East Molokai Watershed--that's no surprise--also via ungulate control, weed management, fencing and fence maintenance, replanting, erosion control, monitoring and mapping.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Mr. Chairman. I just wanted to ask the Department. I know that, yeah, you're providing these grants. For the East Maui Watershed Protection grant, was that the amount they applied for through your Department?

MS. KRAFTSOW: Yes, it was.

COUNCILMEMBER MEDEIROS: For 100,000?

MS. KRAFTSOW: Yes. They each...they each asked for 100,000.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Department. Thank you, Mr. Chairman.

CHAIR PONTANILLA: No question on East Molokai?

COUNCILMEMBER MEDEIROS: No.

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CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Thank you. West Maui Watershed Protection.

MS. KRAFTSOW: Okay. That is to manage and protect the West Maui Watershed lands, also through a combination of fencing, ungulate control, weed management, planting and exclosures, strategic fencing--in this case where the cliffs are too steep--monitoring and research on biological controls of *Tibouchina herbacea*, , if that program is going.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: This is usually for the, is this directly to soil conservation, West Maui?

MS. KRAFTSOW: The West Maui is normally through the University of Hawaii. It's...yeah.

COUNCILMEMBER JOHNSON: Okay. It's separate from the Soil and Water Conservation one?

MS. KRAFTSOW: Yeah. They're thinking of going to RC&D as well.

COUNCILMEMBER JOHNSON: Okay.

MS. KRAFTSOW: But the overhead is...is much lower with the University. RC&D is ...*(end of tape 5B - 4:21 p.m.)*... The overhead's a little higher, so...

COUNCILMEMBER JOHNSON: Yeah. But I am totally supportive, you know, of this because we're...we're kind of next in line or on a par with what's happening in Central. So we're on very thin ice.

MS. KRAFTSOW: Yes.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

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COUNCILMEMBER MEDEIROS: No questions on this one. But if I may, Mr. Chairman, how does this grant work in conjunction with the Water...Watershed Protection under Economic Development?

MS. KRAFTSOW: Okay. I believe...we...we have total of \$625,000 in Watershed Management Protection. I believe that OED has 500 and some thousand so between us, it's a million and something. And honestly; even that is really not enough for the magnitude of the problems that we're facing. So I think it's mainly because the Water Department...our revenues are based on our rates and fees. And the County's revenues are based on its taxes and other collections. So it's just two separate pots of money that can contribute to this very important effort.

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

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No. No questions.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No, thank you.

CHAIR PONTANILLA: Thank you. Leeward Haleakala Forest Restoration Partnership - Dry Forest.

MS. KRAFTSOW: Yes. That's a project to restore and protect some dry forest lands on the Leeward Haleakala slopes and examine the impacts of that restoration on moisture holding in the area. It could potentially improve both recharge and water quality in the area and also possibly provide a reserve from which certain important forest species could recover. The measures include fencing, planting, broadcasting seed, biological survey, volunteer recruitment, exclosures as necessary. And I'm sure some of you are aware that there used to be a cloud that they called the "long cloud" from this region of Haleakala over to Kahoolawe. And I think it would be very interesting if they could restore that.

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CHAIR PONTANILLA: Good. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: Yeah. This is Art Medeiros' project, yeah?

MS. KRAFTSOW: Yeah.

COUNCILMEMBER JOHNSON: He's doing a great job and so are all the volunteers so thanks for working with him.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Yes. The Department, so I think the projection and the goals are to restore or recreate the watershed area in that area.

MS. KRAFTSOW: Yes, as gain dry forest watershed.

COUNCILMEMBER MEDEIROS: Right.

MS. KRAFTSOW: Yeah.

COUNCILMEMBER MEDEIROS: Thank you, Department. Thank you, Chair.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No. This is money well spent.

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. Maui...Maui Nui Botanical Gardens.

MS. KRAFTSOW: Okay. This is to support the general operations of the Maui Nui Botanical Gardens. Both for the purposes of enhancing the general availability of and expertise in propagating and maintaining a native and drought tolerant plant species, increasing the potential marketability of appropriate plants by providing attractive displays and areas where people

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can become familiar with and start to want them, and helping to promote a conservation ethic, providing a location where training on appropriate propagation, planting, irrigation and maintenance techniques can be offered, increasing the likelihood of successful, appropriate landscaping by promoting a Hawaiian sense of place and also protecting the watershed by promoting native and non-invasive plants over potentially invasive species, providing for educational opportunities on the importance of watershed and how to protect it, and serving as a major demonstration and educational facility from which we hope smaller satellite projects can also be encouraged and served. We can save costs for these functions, a lot of water utility conservation...conservation departments do create demonstration gardens and learning facilities and we can save costs by partnering with other supporters of the Garden, improve public outreach and relations through the use of the facility and developing ongoing source of native plants and education for Department outreach efforts and also help provide the community with the general economic benefits of having such a facility.

CHAIR PONTANILLA: Thank you.

MS. KRAFTSOW: Sorry, that was a mouthful but...

CHAIR PONTANILLA: Really. Member Mateo.

COUNCILMEMBER MATEO: Chairman, thank you. So...so with all of these educational components wrapped up in this support, then...then our Water Department has learned something from their...their informational instructions and demonstrations and all of this stuff?

MS. KRAFTSOW: Oh, of course.

COUNCILMEMBER MATEO: I hope so. Thank you.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: And this also is a wonderful project. I think there was some skepticism when this first started as to the economic viability, but it's turned out actually to be a great repository of all of the

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seeds now that could be saved for some of our plants that are under attack from invasive species. So I wholeheartedly support it and they're helping us to save the watershed so any...any skepticism, I think, you know, should be set aside 'cause they've done a great job. And I think that the events that I've gone to which are held there, it also provides a good opportunity for the Water Department to get out in front of the public.

MS. KRAFTSOW: Yeah. They've...they've been great. And they've also provided us with many plants for our giveaways.

COUNCILMEMBER JOHNSON: Yes. No, it's great. Thank you very much.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Yes. I support it. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Thank you. Next one is Miconia Containment and Removal.

MS. KRAFTSOW: This is to support and...efforts to remove and contain the spread of miconia through removal, repeated treatments, reconnaissance, monitoring and mapping to determine areas of concern, new or peripheral populations, regrowth, prevention of seed dispersal, education and practice of appropriate forest entry, sub-canopy survey and control, coordination and liaison with other managers. Similarly this money will go to manage other target weeds including pampas grass, fountain grass, ivy gourd, giant reed, rubber vine, Jerusalem thorn, Malabar millstone, downy rose myrtle, ruby salt bush and others. The idea is to seek, detect, identify and control potential problem weeds before they become too difficult or impossible to control.

CHAIR PONTANILLA: Thank you. Member Molina, questions.

COUNCILMEMBER MOLIINA: Yeah. Thank you, Chair. As far as the progress I think we heard the other day that they're making a lot of good progress with this. Any...were there any request to actually considering increasing the funding 'cause I note that that it's flat, same as in '07 and '08?

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MS. KRAFTSOW: Yeah. They haven't made such a request to us, not yet anyway. So 250,000 is already the biggest Watershed Protection grant that we give. Were they...were they to make such a request, we would I think discuss with the other watershed managers to see if that was, in fact, the number one priority or not at this point.

COUNCILMEMBER MOLINA: Okay. That's good to hear that. I guess they're making do with the same level funding. Thank you.

CHAIR PONTANILLA: Thank you. And I think OED covered some of their information in regards to Watershed Protection as well as Environmental Protection that they had set aside like \$1.1 million so this is something good. Mr. Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. So how's this money divided up to the different areas? Who does it go to?

MS. KRAFTSOW: You mean in MISC? For the miconia?

COUNCILMEMBER MEDEIROS: That's...that's where this money, the total fund goes to?

MS. KRAFTSOW: The 250,000 goes, yeah, to the Maui Invasive Species Committee through Tri-Isle RC&D.

COUNCILMEMBER MEDEIROS: Okay.

MS. KRAFTSOW: And they use it basically on where they see the fire's hottest, needs putting out the most.

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COUNCILMEMBER MEDEIROS: Okay. I think the greatest growth of miconia is in East Maui and hearing from the workers that actually work the lines, that due to miconia, you know, containment and control, they said they really need more people and more money to get ahead on this. So I'm surprised that whoever made the request to your Department said they were fine at staying flat because we heard otherwise from the actual workers that do the work.

MS. KRAFTSOW: Yeah. It could be that they're looking...I don't know...that they're looking at other funders or that they just know that we're pretty much giving them the most we're giving anybody already. Or, I don't...I can't answer for why we're not requesting an increase in budget at this time.

COUNCILMEMBER MEDEIROS: So is it MISC that makes the request for this funding?

MS. KRAFTSOW: MISC makes the request but we also look at, you know, how much money we have available each year and how much we anticipate...

COUNCILMEMBER MEDEIROS: My question is about who makes the request and the amount. So that's from MISC?

MS. KRAFTSOW: Usually I put in my request to the Director who puts in to the Mayor who puts it in to you, right? And in the process of me preparing my request to the Director, I talk to everybody that I've been working with. I give'em a call, I say, are we okay with this, you know what I mean? The same amount of money of whatever, or I'm not gonna...I don't expect to be able to raise money for anybody or I do expect to or, you know, whatever the situation is that year.

COUNCILMEMBER MEDEIROS: Uh-huh.

MS. KRAFTSOW: So there was no discussion with Teya or anyone else at MISC that we, oh, we really need more money this year. There wasn't anything that jumped out at me like that.

COUNCILMEMBER MEDEIROS: Okay. Because, you know, Teya brings the workers to the meetings that we go to and they all testify that they need more staff and so forth so I understand that you have, you know, so much money to work with. Thank you, Department. Thank you, Mr. Chair.

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CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: I already asked.

CHAIR PONTANILLA: Thank you. The last one is USGS for Na Wai...Na Wai Eha for stream monitoring and studies.

MS. KRAFTSOW: Yeah. That is the Na Wai Eha stream project that you're familiar with. It's to monitor stream flow, flow duration, temperatures, aquatic and ecological features of the four Central Maui streams, assess the effects of existing diversions, characterize diversion effects on recharge, surveying native fauna under diverted conditions, estimate the effects that flow restoration would have on habitat but not necessarily on species abundance or taro cultivation if flows were restored, monitor temperature of flows, frequency of dry days, species presence or absence and collect habitat and general geometry data and analyze data. And we expect to continue funding this through Fiscal Year 2010 at this point.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: Thank you, Chairman. And your continued, your projected continuance on funding, it'll be consistent with what we're seeing now?

MS. KRAFTSOW: I think that the FY '10 amount is about 40,500 or winding down.

COUNCILMEMBER MATEO: Okay. So the...the initial study then, it's more than half-way complete?

MS. KRAFTSOW: Yes.

COUNCILMEMBER MATEO: And do you know what that completion period is?

MS. KRAFTSOW: Well, if they'll be continuing the study through 2010, then probably upon completion—and their...their fiscal year runs a little bit different than ours. I would imagine that we'll have a report from them within a few months or I think the person that spoke before me said she estimated five months after completion.

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COUNCILMEMBER MATEO: Thank you. Thank you.

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Thank you. Members, that completes the grant review for the Water Department. I just wanna thank Ms. Kraftsow for being here this afternoon.

MS. KRAFTSOW: Okay.

CHAIR PONTANILLA: I...we appreciate your presence. Okay, Members, we're gonna take the rates and fees for the Finance Department. And Members, the Chair intends to take...take the rates and fees for Finance Department and then the Housing and Human Concerns. These are three fee adjustments that they're requesting and after we are through with the Housing and Human Concerns area, because of the...the handout that you got, there's a lot of changes in here. The Chair is gonna call this a day and then we'll start fresh tomorrow morning in regards to rates and fees.

COUNCILMEMBER BAISA: Chair, could we have five minutes, please?

CHAIR PONTANILLA: Sure. Chair will call for a five minute recess. We'll reconvene at 4:40. . . .(*gavel*). . .

**RECESS: 4:35 p.m.**  
**RECONVENE: 4:40 p.m.**

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CHAIR PONTANILLA: ...*(gavel)*... The Budget and Finance Committee meeting is now reconvened. We do have the Finance Department. We have Director Young and Deputy Director...I forgot your name.

UNIDENTIFIED SPEAKER: Hayashi.

CHAIR PONTANILLA: *(Laughter)* Hayashi. I didn't forget your name. *(Laughter)*. Okay, Members, on your rates and fees we're gonna start on page 29. This in regards to the weight tax, and Director Young.

MR. YOUNG: Thank you, Mr. Chair. Good afternoon, Members. There's only a few items that are proposed by the Department of Finance in the rates and fees. One of them is in the Department, the Division of Motor Vehicles and Licensing and it is related to the weight tax. It's on page 29 of the Ramsyer document and specifically it's the account for 3248 to 3297 related to motor vehicle weight tax. The proposal is to increase the minimum tax for any...motor vehicle from—currently it's \$6. The proposal is to raise it to \$12. And then also subsequently for the penalty for delinquent tax which is currently at ten percent of the tax due. The proposal is to change that to be \$8 for passenger vehicles, for \$20 for other vehicles.

I will point out, first of all, that for the minimal...the minimum tax for any...motor vehicle which you must look at is the section above that. Currently, the weight tax is one and one-fourth cent or .0125 per pound of net weight tax for any passenger vehicle that is less than 6500 pounds. So the minimum tax when we raise it from \$6 to \$12, that is only gonna affect vehicles that weight 480 pounds or less. So it's basically very small motorcycles. We currently have a few of those in the County.

It's not really a whole lot but the increase from six dollars to twelve dollars is to make it...this amount consistent to what the other Counties are charging under the City and County of Honolulu and on the island of Kauai. And the movement from the penalty for the delinquent tax from the percentage, ten percent of the tax due to a specific dollar amount is to make it more...to provide that clarity to the taxpayers so they know how much it is to pay. And actually the...Division of Motor Vehicles has done a calculation. We project that there will be effectively neutral revenue effect by moving it from a percentage base to a dollar base value at these levels. With that, Ms. Hayashi and I are available for any questions the Committee may have, Mr. Chair.

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CHAIR PONTANILLA: Thank you. Member Mateo, questions?

COUNCILMEMBER MATEO: Chairman, I will yield.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions. It seems like a rather small change. All...everything else remains the same?

MR. YOUNG: Correct. Correct, Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Chair. Director, can you explain the...the last one you explained I believe was the .0125 rate and that it would apply only to vehicles 400 pounds or less? Wait, which one was that?

MR. YOUNG: Right above on the page 29.

COUNCILMEMBER MEDEIROS: Uh-huh.

MR. YOUNG: Where that change is projected if you look right above that, under Motor Vehicle Weight Tax.

COUNCILMEMBER MEDEIROS: Okay.

MR. YOUNG: .0125 dollars or one and one-fourth cent per pound of net...net weight for passenger vehicles and trucks and non-commercial vehicles not exceeding 6500 pounds. That is the current and proposed to the unchanged weight tax that is charged for, essential vehicle registration. All vehicles weighing less than 6500 pounds are charged one and a quarter cent per pound.

COUNCILMEMBER MEDEIROS: Okay.

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MR. YOUNG: But below that, but what...what we're saying is, you will not pay any less than \$12. Regardless of what your vehicle weighs, it must...your...tax is gonna at least \$12. Well, at \$12, if you....if you apply that 1.25 cents, basically your vehicle has to weigh less than 480 pounds before...before you're actually paying up to the minimum, the \$12. Yeah, at 480 pounds is small motorcycles, essentially.

COUNCILMEMBERS MEDEIROS: Right. Yeah.

MR. YOUNG: And scooters.

COUNCILMEMBER MEDEIROS: And that would have to be those motorcycles that are licensed?

MR. YOUNG: Correct.

COUNCILMEMBER MEDEIROS: Because there's mopeds that are unlicensed but travel the roads but...you know, weight less than that.

MR. YOUNG: Correct.

COUNCILMEMBER MEDEIROS: So only for licensed vehicles?

MR. YOUNG: Yes.

COUNCILMEMBER MEDEIROS: Thank you, Director.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: Thank you, Mr. Chairman. And good afternoon, Mr. Director. You know, when I saw the doubling of the fee, it kind of, you know, opened my eyes a little bit. But thank you for that explanation as to why. Just offhand, how many 480 motorcycles do we have and below? I'm trying to realize what the revenue would be gained out of this.

MR. YOUNG: We...Mr. Lito Vila was looking into this and so he apologizes for not being here today but when asked that question, he said it's...it's a very small amount. We're talking like not more than three dozen --

COUNCILMEMBER MOLINA: Oh.

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MR. YOUNG: -- kind of thing. So it's...it's not a real substantial impact. The point of the revision is more to make it consistent with what the other Counties are charging for this fee.

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

CHAIR PONTANILLA: Thank you. Let's see. Members, page 40, bike permits.

MR. YOUNG: Okay. Thank you, Mr. Chair. This is just a—it's not really a substantive change. It's more of a formatting issue. This...these three items, the sale of bicycles tags, bicycle tags, bicycle duplicate tags, and seize or redemption penalties, these were previously and are currently reflected in another section of the ordinance where these fees go into the General Fund. On page 13 of your copy, they're already stated there in those same amounts for the fees. But as you'll see, this one's—on page 13 it says that it would previously have gone into the General Fund. But it's more appropriate and more...and I think it's legally required that it goes into the Bikeway Fund. So that's why we just moved that from...from there to the Bikeway Fund. There's no change in the amount of the fee being charged.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No comments.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No comment but while we're talking about bicycle tags. You know, I've always been interested. There's this bikes that come down the Crater that I understand they...they claim that they sell the bike to the person who's gonna take the road down, the ride down the hill so that they don't get involved (*clears throat*)—excuse me—in license, in insurance, and all that kind of stuff. And, of course, we know that they're not really selling the bike because they're gonna take it back at the end of the ride. I wish there were a way for us to collect some money on that. It seems like, you know, skirting this bicycle tag law when you sell a bike. And I don't know if you're even aware that that goes on.

MR. YOUNG: We're...we're not...we were not aware of that, that practice. This...this particular fee in here and the way bicycle tags work, it's essentially a tag on the bicycle that's only really like one time, at the time of the original sale and registration. So I'm not sure what that structure or

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strategy from bike tour companies if that what's they are employing. I'm not sure what that strategy is to get away from. I don't think it's to skirt this fee here.

COUNCILMEMBER BAISA: No, I don't think it's that. I think it's the liability factor and so, you know, if you don't own the bike, then it's not your problem if somebody's riding it and gets hurt. So I...I don't know where...how we deal with that loophole and it'd be nice if somebody could look into it. But I've heard it more than once. Let's not confuse the issue. Now, I have no problem with what you're proposing. Thank you.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: When a bike is sold, do you apply any of these fees? Like let's say, somebody goes and they actually sell the bicycle. Maybe it's not necessarily from the company to the individuals purchasing the bike and you go to register it. But let's say that I'm one person and I wanna sell my bicycle but I don't wanna have that tag, just like your license on your car. I don't wanna have that tag in my name. Do you apply, or can you or can we through ordinance make it non-transferrable that you have to buy a new tag? 'Cause there're a lot of people that get their bike stolen. There're a lot of people that remove identification off bicycles. So I don't know if...if you're applying this at the time when, you know, you're...you're actually requiring the person to have a tag on the bike.

MR. YOUNG: Yes, Ms. Johnson. Actually there is a requirement that all bicycles on State and County roads are licensed. So there is that. My recollection, though, is that...several years back the bicycle registration was removed. Previously it was very similar to vehicle registration where it was actually registered to a particular owner and every so many years, a notice of registration renewal was sent to that owner and you had to apply and pay for it. That no longer occurs. So the registration is done once on the bike whether or not it's sold, you can go and have the bicycle re-registered to your name. But it's actually a proactive...you have to proactively do it as the new owner. It's not something that you're required to do. It's purely voluntary.

COUNCILMEMBER JOHNSON: I...I guess what I'm saying is that within the context of the applicability of this fee, can you recommend or can something be changed within the ordinance that if a bicycle is sold, that they must come in and then re-register and pay this fee with the new tags?

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MR. YOUNG: Yes. And...and on that point, the bicycle registration is under the Hawaii Revised Statutes. And so the change that I mentioned earlier was a statutory change. And the DMV processes the bicycle registrations but it does so under the authorization of the Hawaii Revised Statutes. So I suspect that that change would also require a statutory amendment and not...it would not suffice with just the Maui County Code amendment.

COUNCILMEMBER JOHNSON: Okay, okay. And then by the same token, if we required anything that was, let's say, a transfer, I don't know if there's anything in the State legislation that would preempt us—you don't have to buy, you know, like a next tag, like you could do it but you actually had to come in and physically, you know, re-state who the new owner of the bicycle was. I don't know if that's possible.

MR. YOUNG: Yeah. And...and I wouldn't know that either, Ms. Johnson. If...I...I don't currently know if that can be accomplished in the Maui County Code without a statutory revision. I would leave that to --

COUNCILMEMBER JOHNSON: The State.

MR. YOUNG: --further legal advice.

COUNCILMEMBER JOHNSON: Okay. I'm just trying to find a way that, you know, the bicycles that are stolen, which is quite frequent, don't end up, you know, in somebody's possession without at least having some way for the real owner to have some kind of recourse. And...and if you're selling a bike legitimately, I don't...I don't see a problem with that. But then the other thing would be the issue that Ms. Baisa's talking about to kind of circumvent what the purpose and intent for the law is.

MR. YOUNG: Understood.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Just some clarification. So Director, you did say that the initial tags are bought and registered on the first purchase of the bicycle?

MR. YOUNG: Correct.

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COUNCILMEMBER MEDEIROS: Okay. So if you lose the tags, then you gotta pay for a duplicate tag?

MR. YOUNG: Correct.

COUNCILMEMBER MEDEIROS: Okay. And...and the fees for these, do that all go to the State?

MR. YOUNG: No. It...it...right now it's going into the Bikeway Fund.

COUNCILMEMBER MEDEIROS: Okay.

MR. YOUNG: Yes.

COUNCILMEMBER MEDEIROS: Okay. And...okay. That's all I had. Thank you for that clarification. Thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: No.

CHAIR PONTANILLA: Thank you very much.

COUNCILMEMBER BAISA: Chair, Chair.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: I just want to make one more statement because I don't want to get people upset because we do have legitimate bike operators. And I know they're not the ones that are doing this but it's those that are trying to get around the rules. Thank you.

CHAIR PONTANILLA: Thank you. There's one more on...and that one area wasn't included in the Ramsyer form. If you go back to the proposed bill, the one that was handed out when we started our Budget process on page 15. There's an entry there, E-Check, HIC. There's a convenience fee of \$2.50 and a processing fee of \$1. Oh, the page, you say? It's in the proposed Budget, page 15. Got it, Director?

MR. YOUNG: Mr. Chair, I believe...I don't have that version on me but I believe that the \$2.50 convenience...\$2.50 convenient fee for E-Check is related to a program or project that we're currently underway and that is to

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roll out online payment processing, online being internet. More specifically we are looking at online vehicle registration renewal. And part of that online servicing would be to accept payments. Well, right now the County doesn't currently accept credit card payments. Credit card payments is...would largely be the requirement to facilitate online payment processing 'cause there's not—you know, obviously you can't do cash online other than a check. So this convenience fee is gonna be related to the charge that when you accept credit cards, someone must pay the convenience fee. The convenience fee is from the bank.

We are currently under a project that is with the State of Hawaii's information...Hawaii Information Consortium that is designing . . .*(end of tape 6A - 4:56 p.m.)* . . . vehicle registration renewals. Part of that project includes a specified \$2.50 fee not to the County of Maui but to the portal management administration. So this \$2.50 that's reflected in the Budget is that same \$2.50. It's not \$2.50 to the County but we wanted to list it in the Budget because when the project comes online and that convenience fee is charged at the website, that it is specified in the Budget.

CHAIR PONTANILLA: Thank you. Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No questions.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: No questions.

CHAIR PONTANILLA: Thank you very much. And...and that completes the Finance Department for rates and fees.

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MR. YOUNG: Mr. Chair.

CHAIR PONTANILLA: Unless you have anyone?

MR. YOUNG: We have two more.

CHAIR PONTANILLA: We get plenty.

MS. HAYASHI: We have one more for the sale of license plates and that is in the General Fund, page 12, section 3250 and 3251. I'm sorry, 3250. It's the sale of license plates and the replacement of plates and that shows an increase of \$3.50 to \$5. For sale of all plates and also \$3.50, change to \$5 for the replacement of plates. And this increase reflects the cost that is imposed by the State. The State increased it in Fiscal Year '08. They control the...the plate cost and the procurement of the plate cost which has been imposed on which we are supporting.

CHAIR PONTANILLA: Thank you, Ms. Hayashi. Member Molina.

COUNCILMEMBER MOLINA: No, thank you.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: No questions.

CHAIR PONTANILLA: Member Johnson.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: No questions.

CHAIR PONTANILLA: Thank you. Department, do you have any more changes?

MS. HAYASHI: Yes, we have one more. We have one more and that's the last...this is our last one. And that is the...on page 15 which is the fees

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appeal cost, which is appeal cost to the Board of Review. That is section 3416 in the General Fund. And that's an increase of \$15 to \$50. And that is really to support the recommendation by the Board of Review in their Fiscal Year '06 and Fiscal Year '07 annual report to the Mayor. And that reflects what we feel is an appropriate cost as compared to other appeal costs within the County.

CHAIR PONTANILLA: Member Molina.

COUNCILMEMBER MOLINA: I guess I'll save my question for later. Thank you.

CHAIR PONTANILLA: Member Medeiros.

COUNCILMEMBER MEDEIROS: You said the...that fee goes to who? The State? No? To the County?

MR. YOUNG: No. That's...that's a fee that is...goes into the General Fund. It's a fee that is typically based on the cost and administrative expense to...to process and appeal filed.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that information. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Member Johnson.

COUNCILMEMBER JOHNSON: No.

CHAIR PONTANILLA: Member Baisa.

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Member Mateo.

COUNCILMEMBER MATEO: Okay. Then in your considerations, had you...had you addressed the consideration that the increase in the fees to file an appeal might be a little problematic to individuals and this could be looked at as a deterrent in people wanting to file an appeal?

CHAIR PONTANILLA: Department?

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MR. YOUNG: Yes. That was one of the considerations when looking at—first of all whether or not to increase the...the filing amount. In years past, as you mentioned, when the Board of Review had submitted this recommendation, we always kinda looked at whether or not the cost to file an appeal would be at a level prohibitive to prevent people from filing...filing a legitimate appeal. So that was one thing that we looked at. The other thing that we looked at, though, was the administrative cost and expense to process an appeal. And we didn't want to assume that the full administrative cost would be recovered in the appeal cost. And then the third thing was to look at the amount charged for appeals in other jurisdictions in the State. So the \$50 here is consistent with all three.

And we don't feel that it's at a level cost prohibitive but we leave it up to the discretion of the Council if you move it anywhere in between. We would say that the \$15 appeal amount was established not in this decade, several years ago. And the cost to process appeals has gone up.

COUNCILMEMBER MATEO: Okay. And the Department will be monitoring in terms of a comparison between the number of appeals filed, say, in '08 versus—with the...with the potential approval of this consideration—you'll be monitoring to see the numbers whether or not it had either increased or decreased?

MR. YOUNG: Yes, actually the \$15 is currently in place right now. The deadline to file an appeal for next year has already passed, this past April 9<sup>th</sup>. So those people who filed an appeal did so at the \$15 rate. This \$50 rate would apply for not the upcoming Fiscal Year but the future Fiscal Year but it will be charged in the next Fiscal Year.

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

CHAIR PONTANILLA: Thank you. Member Baisa.

COUNCILMEMBER BAISA: I just wanted to comment that recently I had a conversation with one of the members of the Appeal Board and he was saying that they had so many appeals. But because they will now be looking at property...property—building and land together rather than having separated—they feel that a lot of the appeals will disappear. And so this may not have as bad an effect as we're hope...you know, we're afraid of.

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MR. YOUNG: Yes. I...I would also mention very shortly, in fact, by the end of this week, the Council will be receiving the real property tax certification which will identify the rate of appeals. My initial look at it is that the rate of appeals has already significantly declined from last year and the year before. So you folks will be receiving that at the end of this week.

CHAIR PONTANILLA: Thank you. Member Molina.

COUNCILMEMBER MOLINA: Thank you very much, Mr. Chairman, and now I get my question. I know, 'cause when I looked at the jump from 15 to 50, it sorta made me think and I wanted to give my other colleagues a chance to ask. But the \$15 fee has been in...in effect for how long? You mentioned it's been there for a while. I'm just curious. From the last...I'm...I'm sure it was raised at a certain point to \$15 but it's been how long we've had this \$15 fee?

MR. YOUNG: I don't know for certain but my understanding is it pre-dates 1999.

COUNCILMEMBER MOLINA: I see. Okay. Thank you.

CHAIR PONTANILLA: Thank you. Member Medeiros.

COUNCILMEMBER MEDEIROS: Thank you, Mr. Chairman. I just wanted to ask something. You know, fees like these where we're considering \$50, if the person...wins their...their appeal, is there any rebate of half the amount or a portion of the amount?

MR. YOUNG: Actually, it's specified in the ordinance, too, that if they win their appeal or it's substantiated by the valuation—their position is substantiated at the Board, they actually get the fee back. So we don't recover any costs on filing those...the administrative costs for processing that appeal.

COUNCILMEMBER MEDEIROS: Okay. Thank you for that information. Mahalo, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Any more questions in regards to this matter? Okay. I'd just like to thank Director Young and Deputy Director Hayashi for being here this afternoon. We appreciate your attendance.

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Members, the last one I...I do have but there's no one from the Animal Control area with us this afternoon. But I'd like...I'd like for you folks to turn to page 17. On 34-31, Fees-Appeal. And I'd like to read the insertion, \$50 to appeal to the Animal Control Board, Rule 7-501-28, Rules of the Animal Control Board. So that's the only change in regards to the Housing and Human Services area in regards to Animal Control. Any questions?

COUNCILMEMBER BAISA: Chair, what do they appeal to the Animal Control Board about?

CHAIR PONTANILLA: I have no idea. We'll have someone from Animal Control come over and explain it to us.

COUNCILMEMBER BAISA: Okay. Thank you very much.

CHAIR PONTANILLA: Thank you. We had Ms. Bouchard over here this after...this morning and part of the afternoon and she had to leave so we'll discuss this one item at a later date. So again, Members, Member—not Member, Budget Director.

MR. PABLO: Chair, Chair Pontanilla. There's...there's actually several others from the Animal Management section and that's on page 16. There's an increase in the Quarantine Fee under account 3430 for your consideration. And there's also an increase in the Security Deposit for dog traps and cat traps so perhaps we could get the—yeah—Animal Management Control Administrator here.

CHAIR PONTANILLA: Okay. Good. So, Members, let me give you tomorrow's schedule. We're gonna take up rates and fees the whole day tomorrow and Director, if you can get a hold of Justin Bouchard and then hopefully can get her first up since hers is, you know, very...three items at least. And...and then we'll go into Parks, and then the Water Department, and then Environmental Management, both Wastewater as well as Solid Waste and the Department of Public Works. So that's on the agenda for tomorrow. And...and if we do have time, we'll take Department of Personnel, in late afternoon. So with that, Members, we'll see you tomorrow morning. This meeting is adjourned. . . .(gavel). . .

**ACTION: DEFER pending further discussion.**

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**ADJOURN:** 5:08 p.m.

APPROVED:

  
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JOSEPH PONTANILLA, Chair  
Budget and Finance Committee

bf:min:080414

Transcribed by: Reinetta L. Kutz

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CERTIFICATE

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

DATED this 9<sup>th</sup> day of May 2008, in Wailuku, Hawaii.

  
Reinette L. Kutz