

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

MINUTES

April 21, 2008

Council Chamber, 8th floor

CONVENE: 9:07 a.m.

PRESENT: VOTING MEMBERS:

Councilmember Joseph Pontanilla, Chair
Councilmember G. Riki Hokama, Vice-Chair (out 5:27 p.m.)
Councilmember Gladys C. Baisa
Councilmember Jo Anne Johnson (in 9:20 a.m.)
Councilmember Danny A. Mateo
Councilmember Bill Kauakea Medeiros
Councilmember Michael J. Molina
Councilmember Michael P. Victorino (in 9:20 a.m.)

EXCUSED: Councilmember Michelle Anderson

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
Scott Teruya, Assistant Administrator, Real Property Tax Division, Department of Finance
Traci Fujita Villarosa, First Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the gallery:

Jacob Verkerke, Information Systems Manager, Management Information Systems Division, Department of Management

OTHERS: **Item 1:** Jocelyn Bouchard, CEO, Maui Humane Society
Terryl Vencl, Executive Director, Maui Visitors Bureau
Others (5)

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

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

CHAIR PONTANILLA: . . .(*gavel*) . . . The Budget and Finance Committee meeting is now in session. Today is April 21, 2008, and the time is 9:07. Good morning, Members.

COUNCILMEMBER BAISA: Good morning.

CHAIR PONTANILLA: Nice to see you here this morning. At this time, the Chair would like to recognize the Members that are here this morning. We do have Members Mateo, Baisa, Medeiros, Molina, as well as Member Hokama. At this time, excused are Member Anderson, Johnson, and Mr. Victorino.

From the Administration we do have the Budget Director, Mr. Pablo; and our acting Real Property Administrator, Mr. Scott Teruya. Also supporting us is the First Deputy, Tracy Fujita Villarosa. And coming forward we do have our Director of Finance, Mr. Kalbert Young. Supporting the Committee this morning are Legislative Analyst, Mike Geers, Gayle Revels, as well as Lance Taguchi, and our Committee Secretary is Yvette Bantilan [*sic*].

Members, we do have a person that has signed up for public testimony this morning, but before we take our public testimony, the Chair would like to request that everyone in this Chambers, if you could put your cell phone on the silent mode or turn it off. The Chair would appreciate that. Thank you. Again, Members, we do have one person providing public testimony. For the person that's providing public testimony you do have three minutes of testimony with one minute to conclude. If you have more than three minutes of testimony, you can stop and the Chair will offer you another three minutes after everyone has signed up and provided public testimony. So with that if you can, Ms. Bouchard, come forward. State your name and organization that you represent.

. . .BEGIN PUBLIC TESTIMONY. . .

MS. BOUCHARD: Good morning, Budget Chair Pontanilla and Council Members. My name is Jocelyn Bouchard, and I am honored and privileged to be the CEO for the Maui Humane Society. Hopefully you all

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

received the responses to your questions by now. I did send them through the Department of Housing and Human Concerns as requested, and they included the amount of revenues brought in by the Humane Society, some trending information and salary comparisons.

I think the trending information will clearly demonstrate the increasing demand for our services as most of, of the trends did, did show uphill trends in almost all categories. I also wanted to address the salary survey quickly and note that we need to take into consideration the higher cost of living in Hawaii as well. Establishing salary ranges are obviously critical tools for us, but we also need to offer wages that will attract and retain qualified employees.

Let me give you an example of what I mean. A recent *Maui News* article dated February 24th, discussed gap groups. These are people who earned too much for HUD assistance, but not enough to afford Maui's, you, you guys are very familiar with this group I know, not enough to afford Maui's high rents. The young couple featured in this article was familiar to me. The young man is our employee. And, you know, when somebody, as a CEO who is responsible for employees it's quite something to read in the paper that one of your own employees was, as quoted in the article, close to living on the beach. It, it's really a sobering moment.

Lastly, I want to address a comment from one of your Members about wanting to feel comfortable with any agency that you're giving \$1.5 million. . . .(cleared throat). . . Excuse me. First let me state, as someone who sits through most of these budget sessions and public hearings, I understand that this is a significant amount of money to consider. I mean Keiki Kokua, come on, you know, who can't love those guys, right. I mean we sat through all of, I, I sat through a lot of those testimonies. But, with all due respect, I just want to clarify that, that this isn't, you're not giving this to our agency and that we have a very specific contract with the County outlining specific duties that we carry out for the County. In other words, you're paying us for a service the County would otherwise need to provide.

Additionally, I, I need you to know that we're completely transparent and not only have we provided this body with our annual budget and last year's audit, I could tell you down to the penny what we spend in any given area. I also believe that we, that we provide quality services with skilled staff, and we do it for a fraction of the cost for the County to have to pay for it themselves. In addition, we provide numerous other services

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

not billed to the County that complement the contractual duties such as the education program, the volunteer program, and most of the veterinary program.

MS. REVELS: Three minutes.

MS. BOUCHARD: So I want to give you just a small example of what a good deal this is for you. We, we do some measurable services; 10,630 calls from the public and 10,430 animals last year. From the money provided to us, less the restricted funds for Molokai Feline Foundation and spay neuter, if you look at each one of those the, the calls to the public and the animals as a unit of service, we're charging the County \$64 per unit of service. That doesn't include licenses, after hour calls, administrative fees to run those programs, et cetera. It's pretty rudimentary, but I hope this helps demonstrate that not only do we provide you with exceptional service, expertise, and professionalism, but we do so at bargain prices. We are proud of our partnership with the County, and we feel privileged to serve this beautiful island community we are all blessed to call home.

MS. REVELS: Four minutes.

MS BOUCHARD: Thank you so much for your time, your commitment to our community, and your continued support of our programs.

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

MS. BOUCHARD: Thank you.

CHAIR PONTANILLA: Is there anyone out there that want to provide public testimony that hasn't signed up to testify this morning? This is your opportunity. Seeing none coming forward, the Chair would like to, without any objections, close public testimony at this time.

COUNCIL MEMBERS: No objections.

...END OF PUBLIC TESTIMONY...

ITEM NO. 1: PROPOSED BUDGET FOR FISCAL YEAR 2009 FOR THE COUNTY OF MAUI (C.C. Nos. 08-55, 08-56, 08-80, and 08-88)

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. I see you get all your heads down. It's been a long weekend for me, by the way, just to let you know. Well, Members, we have reached our final week of budget discussions. This is perhaps the most important week as we make our decisions on how to appropriate the County dollars for Fiscal Year 2009. I want to thank the Budget staff for their long hours of work over the weekend, and they put in a lot of hours, Members.

Each of you have received a copy of the Chair's proposal. Staff and I have reviewed all of your suggestions and considered each one as we crafted the proposal before you this morning. As Chairman of the Budget and Finance Committee, I would like to thank you, Members, for your diligent work in reviewing the Mayor's proposed budget for Fiscal Year 2009. I also would like to express my sincere appreciation to the Mayor, agency representatives, and members of the public that came before the Committee to provide their insights on the information presented in the Fiscal Year 2009 Budget.

As we listened to the concerns of the community at each district meeting and at the Council's public hearing, we were also confronted with the harsh realities of the oncoming economic downturn as first Molokai Ranch, then Aloha Airlines, and ATA discontinued their operations in Hawaii. In review of the high cost of housing and transportation, County leaders must take into account the financial demands being placed on Maui's working families. At the same time, we must be mindful of the County's core responsibilities of maintaining and repairing highways, water systems, sewer systems and landfills, and providing for the public's safety. As you are aware, the County does not have an unlimited resource. We must strike the best balance we can between minimizing the tax burden on residents and maintaining the viability of the County's infrastructure.

In order to provide the starting point for our decision making, I have prepared a proposal that provides the Mayor the resources and flexibility to achieve the County's overall mission, that is to act in partnership with others to ensure Maui County's long-term social well being, economic sustainability, and economic vitality. It is my belief that we must take the conscious effort to provide the Administration much of the resources requested to accomplish its goals and program objectives.

Although I have many concerns about some of the fees and proposed expenditures requested by the Administration, I am confident that the

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

Council and the public will hold the Mayor and the departments accountable. Highlights of my proposals are as follows.

Number one, real property tax. As we enter a period of economic downturn, I believe we should refrain from increasing the tax burden on our property owners. Therefore, I propose no increase in the current real property tax rates for all property classifications. Further, I propose the homeowner's exemption be kept at the current amount of \$300,000.

Number two, water and sewer services. I believe that the Mayor's ongoing commitment toward improving the County's water and sewer systems is both physically and environmentally responsible. The proposed incremental increase in water and sewer rates will provide funding needed for infrastructural improvements that are long overdue by continuing the County's sustained...substantial subsidy of these basic needs to the community. The Council must and shall remain vigilant in its oversight responsibilities holding the Department of Water Supply and the Department of the Environmental Management accountable for improved facilities and operations through the efficient use of our taxpayer's dollars.

Number three, solid waste collection fees. Although the County has subsidized residential refuse collection for years, I cannot support the proposed fee increase prior to receiving the Integrated Solid Waste Management Plan. I believe we need to have a clear understanding of the long-term plans for addressing the County's solid waste requirements before imposing a substantial increase in residential use collection fees.

Number four, public safety is one of the most essential services provided by the County. I found the department's justification for request in the Mayor's proposed budget to be sound. As a result, my proposal supports every one of the requests made by both the Department of Police and the Department of Fire and Public Safety. In addition, in response to a request from the Department of Fire and Public Safety to this Committee, I have also included an appropriation for a Lahaina fire tanker in my proposal.

Open space. The Charter requires that a minimum of one percent of the County's real property tax revenues be used for the acquisition of open space, confirming the priority of the public has placed on land conservation. With revenues from this fund I'm honored to support the Mayor's proposal to acquire Morris Point, and Kawaikapu Ranch on Molokai, as well as Nu'u lands and wetlands, and Kanae taro lo'i on Maui. In addition, I'm proposing that the commitment made to Save

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

Honolua Coalition be continued by appropriating \$1 million for the acquisition of Lipoa Point. This acquisition totaling 280 acres at a cost of just over \$2.75 million acknowledge the importance of preserving open space in Maui County for our future generations.

South Maui Community Park. My proposed budget ensures the funding will be available to proceed with the construction of the long-awaited South Maui Community Park by providing an additional \$2.5 million of bond funding for this project. These additional funds along with \$2.565 million from park assessment may be combined with the \$4.3 million appropriated Fiscal Year 2008 to allow the Department of Parks and Recreation to expedite Phase 1 of the project in Fiscal Year 2009. When the additional \$5 million private donation becomes available, additional improvements can be constructed.

And, seven, Waiehu Golf Course. Public testimony regarding the proposed increase in residential golf fees has centered around two primary issues. The first is whether the golf course is properly maintained. I believe that this maintenance issue is the primary responsibility of that administration. The second revolves around whether the golf course should be self-sustaining or whether it is just another public facility, public park facility that should be subsidized by the General Fund. I believe that before any increase or restructuring of golf fees can be supported, the Council needs to resolve these issues. Therefore, I'm proposing that the classification and rates remain the same as they were in Fiscal Year 2008 budget.

This proposal provides a starting point for our week of decision making. I recognize that the final budget for Fiscal Year 2009 is a collaborative one and the Chair would welcome all of your comments and revisions as the Committee proceeds with its deliberation. I would ask, however, that you continue to keep the big picture and long-term needs of the County in mind rather than focusing on this year's budget requirements alone and that you view this budget as a building block to accomplish the County's overall objectives.

So, Members, you have my memo in regards to what I've just spoken in regards to the Chair's Fiscal Year 2009 proposal. At this time, I'd like to have your input in regards to, I know you need some time to review this budget. It took me a long time to review the budget myself, and if there's no objections, the Chair would like to reconvene this meeting at about

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

1 o'clock so that each of the Members can review the budget, if there's no objections.

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. At this, at this time the Chair would like to recognize the presence of Member Johnson as well as Member Victorino.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR PONTANILLA: Good morning, thank you for being here.

COUNCILMEMBER JOHNSON: Good morning.

COUNCILMEMBER VICTORINO: Thank you.

CHAIR PONTANILLA: And, Members, when we come back we'll be using Exhibit 1. I don't know if every one of you have a copy of Exhibit 1 with you. So we'll be reviewing that when we reconvene at 1:30 this afternoon. I'm sorry 1 o'clock this afternoon. You guys like come back early, yeah. So with that, Members, if there's any questions, the Chair is going to recess this meeting until 1:00 p.m. this afternoon. This meeting is in recess. . . .(gavel). . .

RECESS: 9:25 a.m.

RECONVENE: 1:06 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now reconvened. Members, I hope you had a really good chance to review Exhibit 1 in regards to the Chair's proposal for Fiscal Year 2009. Members, before we continue on I, I'd just like to say the process that we're going to take, we're going to take page by page, yeah, and then we'll make a fast pass on the, as we go along. The first pass will be looking at consensus in regards to areas that we all agree on or have majority of the Members agree on, and then the ones that we have a problem with or don't have consensus, then we'll come back and review. And I think that would keep the process going much easier and smoother.

The other thing that I'd like to add is that once we come to the first, after the first pass, then it becomes the more difficult part. Because this is a balanced budget that whatever changes that you make, you know, be sure you have your proposal and keep in mind that whatever changes that are

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

made that the balance, the budget balance is kept balanced. Okay. Members. Mr. Taguchi, any comments at this time; none?

MR. TAGUCHI: Chair Pontanilla, just for the Staff's information. So as you go through the first pass if Members have a proposed deletion or insertion, you, I'm assuming you want them to bring it up at that time. If there's consensus on that, then you're going to move on. If, you would see if there's consensus on that and move on, or are you just going straight through for consensus with no proposals coming in?

CHAIR PONTANILLA: Thank you for that question. The intentions of the Chair is to take those add-ons or deletions on the second pass, so that the first pass would be only those that we all, or have majority agreement on. Okay. Members, we don't have anybody from the Finance Department or Real Property Tax Department with us this afternoon and if we do need them, although Director Young may not be available, but Mr. Teruya can be available once we make the call to him.

So, Members, if you could turn to page number one. And I'll go line by line. Real Property Taxes, Circuit Breaker Adjustments. The real property taxes is \$221,319,000. Any questions?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Under real property taxes I'd like to bring up just quickly two comments that I believe is worthy for the Committee to consider at the appropriate time under your direction. One would be consideration of, that we make an adjustment in revenues would be to, for us to review and consider updating and increasing the minimal property tax. Currently it's \$60. It was established in 1992, \$60, and we're all aware that, you know, for the departments we don't even recapture the cost of processing at \$60. So I would ask, again under your direction, Mr. Chairman, that I believe increasing it to 120 in my consultations with the, the Finance Department would be something that we could possibly get another quarter million, \$300,000 in potential revenue.

My last one quickly, Chairman, under real property tax would be, at the appropriate time again, is the subject of agricultural dedications. I have reviewed the positive benefits that the City and County of Honolulu has had in having it reviewed and updated. And currently Maui County for

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

the 1,100 parcels that is dedicated to Ag, the difference between what we would have gotten and what is currently being paid is over \$42 million, short for the County. For those, whether we, if we go again and look at another portion of the Ag dedication law which is Ag use versus highest and best use, which impacts about 5,100 parcels, we are looking at revenues that we do not realize in, in approximately \$42.3 million.

So if this Committee should make some adjustments for next year's ability of the next Council to get some additional revenues, even at 25 percent of what we're talking about, the County may be able to realize a net revenue of 10 to \$20 million should it follow the trend of Honolulu. So at the appropriate time, Mr. Chairman, I, I believe it might be something worthy for us review. Thank you.

CHAIR PONTANILLA: Thank you. With that comment made we'll revisit the revenue side on the second pass.

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Thank you for that information. Okay. Going to Charges for Current Services, the net revenue is \$102,172,411. And, Members, we, as the Chair had indicated that we'll reduce the solid, solid waste collection fee back to Fiscal Year '08 rate. Any questions? Consensus?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Since you already have flagged out the solid waste correction fee, I, I recall in your morning comments to us regarding your approach to specific things like the Waiehu golf rates. So is that another adjustment that we would see under Current Services, although we know it's more specifically for the enterprise fund area?

CHAIR PONTANILLA: Yes. Yes.

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

CHAIR PONTANILLA: So we'll take up. . .as we come to that particular area.

VICE-CHAIR HOKAMA: Thank you, Chairman.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Questions, Members, on Charges for Current Services on the, reducing the solid waste collection fee back to Fiscal Year '08? If none, okay, we'll continue on. Transient Accommodation Tax, the total is \$21,980,000. Any questions, comments? Member Hokama?

VICE-CHAIR HOKAMA: Chairman, I am worried about this specific revenue source. I am hopeful that the marketing of Maui Visitor's Bureau in their direction to go after those areas whose currency is much stronger than our dollar, which would be the euro, the yen, the yuan, those currencies that are very strong now compared to the dollar's ability to purchase goods and services. But what worries me more regarding this component, Chairman, is the need for people to fly to get here, and we are all aware of the rising cost of airline fares. I would ask, in the next pass, that we might want to revise this slightly down as we did about six years ago when, you know, we went through various marketing influxes, and we were able to realize some additional revenues, but I would hate for us to be too optimistic, and then fall short of our mark, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. The next area is Public Service Company Tax, \$6,700,000. Members, questions? Consensus? Okay. Thank you. Licenses/Permits/Others, net revenue \$26,653,285. Questions? Consensus? Nod your head please. Thank you. I don't want to put consensus, and you guys say no, I never say anything, you know what I mean.

VICE-CHAIR HOKAMA: Sorry, Chairman.

CHAIR PONTANILLA: Fuel and Franchise Taxes, estimated revenue \$20 million. Consensus?

VICE-CHAIR HOKAMA: Concern, Chairman.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman, I have a concern of that.

CHAIR PONTANILLA: Oh, Member Hokama?

VICE-CHAIR HOKAMA: I believe people like, even all of us in this Chambers this afternoon, Chairman, are making adjustments on how we drive and

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

how much fuel we will be purchasing. I've already made my adjustments on Lanai and when I'm here. I don't think, I mean I believe people will be conserving, and I think it's going to impact our Highway Fund through our fuel revenues. So I would ask that we work with the departments and see if we need to do appropriate revisions downward. Thank you.

CHAIR PONTANILLA: Thank you. So we'll revisit. Special Assessments, net revenue \$14,547,800. And, Members, we do have reduced park assessments per the Mayor's request, project moved to the Golf Fund of \$100,000. Questions? Member Johnson?

COUNCILMEMBER JOHNSON: This doesn't have anything to do with any monies coming out of a particular park assessment fund when we're doing our budget allocations. This is just money coming in; is that correct?

CHAIR PONTANILLA: Yes. I'm sorry, it's not the Golf Fund, it's General Fund, okay.

COUNCILMEMBER JOHNSON: Oh, okay.

MR. TAGUCHI: Chair Pontanilla?

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: The Special Assessments if there's anyone that will--I believe the communication from the Director of Finance indicated there's only one community plan area where additional funds are located for park assessment funds. So if, if any Member is going to propose tapping into that monies that are available there, then it would affect this line item.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yeah, and, and that's my point, because if I, like on the skate park, for example, or I'm, I'm not sure how they expressed the monies for the CIP for the filtration system in the Lahaina Aquatic Center. So if we could just revisit this, then I'll know when we get to that.

CHAIR PONTANILLA: Yeah, we'll revisit this and the two items that you bring up is already in here. We had noted as far as the swimming pool as well as the skate park.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: Okay, and with the skate park, so you're taking, you're taking the whole 500 out...*(end of tape, Side 1A)*...park assessment.

CHAIR PONTANILLA: What you're saying is that \$250,000, correct me if I'm wrong, that would be provided through park assessment and the other one would be raised by the...

COUNCILMEMBER JOHNSON: Yeah, and that's where I, because the community is willing, you know, probably in Phase 2. There's not sufficient time. So when we get to that point I, I'm proposing an additional 250 --

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: --to come out of park assessment at least for the first phase of the skate park --

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER JOHNSON: --and then subsequent phases. But we have it in our fund in West Maui.

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: Okay. Members, any more questions in regard to Special Assessments and the reduction? Seeing none, okay, moving on. Other Intergovernmental, revenue \$2,703,000. Questions? Consensus?

VICE-CHAIR HOKAMA: Consensus.

CHAIR PONTANILLA: Thank you. Interfund Transfers, \$50,762,952. Okay. Members, we did have an increase in Interfund Transfer to the Highway Fund by \$487,451 and a decrease in the Interfund Transfer to the Solid Waste Fund by \$228,141. Questions, Members? Member Hokama?

VICE-CHAIR HOKAMA: Chairman, I would ask the Committee and your indulgence that we return and review this in the next pass since you are open to reviewing the Fuel and Franchise Tax component.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: It will impact the Interfund Transfer totals either up or down accordingly. So, yeah, at the appropriate time, Chairman.

CHAIR PONTANILLA: Thank you. Bond/Lapsed Bond, estimated revenue is \$50,834,000. And we had identified through requests by departments to reduce Haiku Fire Station by \$400,000. So now that for the fire station I believe is \$600,000. Delete Central Maui Landfill gulch crossing construction of \$2 million. And, Members, it was made known by the manager at the landfill that the \$2 million will be utilized 2010.

Add Environmental Protection Agency Consent Decree Sewer Rehabilitation of \$1 million; add South Maui Community Park, Phase 1 by \$2.5 million; decrease Environmental Protection Agency Consent Decree Sewer Rehabilitation of \$1 million to bring it up to the total of \$50,834,000. Members, questions? Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Chairman. Comments on the reduction of the Haiku Fire Station. I must admit when I first saw the reduction I had some reservations, but after talking to you, Mr. Chairman, and confirming it with Chief Cordeiro this morning, he did say the department would be fine with up to \$600,000 from the Mayor's initial appropriation of \$1 million. So I want, made sure I got assurances from the Chief that this reduction would not impact the progress of this fire station, this much needed fire station for the Haiku community from being built, because I can tell you one thing that community will, it will be a big fire out there. The alarm will be sounded and if they find out that, you know, any reductions could delay their fire station from being built, we will hear about it. So I will support your recommendation, Chair, and I will not support any further cuts on this particular appropriation, Mr. Chairman. Thank you.

CHAIR PONTANILLA: Thank you. I want to thank the Fire Department for coming forward in regards to that four, \$400,000 reduction. Okay. Members, on page two--so, Members, any more questions in regards to Bond/Lapsed Bond? Seeing none, we go to page two. We do have Carryover/Savings in a total amount of \$43,806,973. Members, questions? Consensus?

VICE-CHAIR HOKAMA: Non-agreement.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. We'll review. We go to Office of Council Services, Council Services Program, net appropriation \$5,183,930. Members, questions? Consensus?

VICE-CHAIR HOKAMA: Cut.

CHAIR PONTANILLA: Cut?

VICE-CHAIR HOKAMA: Cut.

CHAIR PONTANILLA: So we'll revisit. Office of the County Clerk, County Clerk net appropriation \$1,378,279. We have an increase Contractual Services by \$15,000, Professional Services by \$25,000, and airfare by \$5,000. Also, increases for salaries of Clerk and Deputy Clerk. So the total appropriation to the County Clerk's Program is \$1,378,279. Questions? Member Hokama?

VICE-CHAIR HOKAMA: Chairman, your recommendation for that 45,000 is this something that our Clerk has recommended as an adjustment?

CHAIR PONTANILLA: Yes, it is.

VICE-CHAIR HOKAMA: I did not see his communication.

CHAIR PONTANILLA: It's an adjustment requested by the Clerk's Office in regards to the upcoming elections.

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

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Question, Chair. I have an adjustment that I'd like to propose on that line. Do I do it now or do I do it later?

CHAIR PONTANILLA: In the County Clerk's Office?

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: We can come back and revisit.

COUNCILMEMBER BAISA: Okay.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Civil Defense, \$543,025. Questions? Consensus?

VICE-CHAIR HOKAMA: Consensus.

CHAIR PONTANILLA: Thank you. Department of Corporation Counsel, \$2,688,695. We have an increase to cover salary adjustments requested by the Mayor in her correspondence to us. Questions? Consensus?

VICE-CHAIR HOKAMA: Consensus.

CHAIR PONTANILLA: Department of Environmental Management, Administration Program - General Fund, net appropriation of \$631,913. Questions? Consensus? Thank you.

VICE-CHAIR HOKAMA: Oh, Chairman, I...

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: You, you have my proposal. I think I have about at least \$150,000 reduction in the Admin. Program.

CHAIR PONTANILLA: Okay. We'll come back to this. Administration and Engineering Program - Water, Wastewater Fund, net appropriation of \$2,096,654. Questions? Consensus? Thank you. Page number three. Contribution to the General Fund - ERS and FICA, net appropriation is \$1,359,344. Questions?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Just a recommendation that all those contributions to the various funds that we bypass it until we come up with our finalized numbers because that's the only way we'll come up with final calculations for the, these health fund areas and OPEB requirements.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: And Debt Service.

CHAIR PONTANILLA: Thank you. Similarly to the General Fund - Health Fund, which has an appropriation of 970,109. So we'll come back to that

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

one too. And then Contribution to the General Fund - OPEB, similar to that. Debt Service, Members, net appropriation is \$11,312,930. Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Administrative Overhead Charge, net appropriation of \$1,899,914. Consensus? Okay. Moving on. Wastewater Reclamation Facilities Program - Wastewater Fund, net appropriation is \$16,883,385. Consensus? Thank you. Administration Programs - Solid Waste Fund, net appropriation \$844,096. Members, we have a deletion of the Assistant Division Chief and related equipment in this area. Consensus? Consensus?

COUNCILMEMBER BAISA: I guess. I guess.

CHAIR PONTANILLA: Thank you. Contribution to the General Fund - ERS and FICA, net appropriation \$970,540. We do have a decrease for the reduced EP count. Consensus? Thank you. Contribution to the General Fund - Health Fund, net appropriation \$761,264. Consensus? Thank you. Contribution to the General Fund - OPEB, net appropriation \$498,035. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Mr. Hokama, no, yeah?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Debt Service, net appropriation \$3,844,551. Any questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Two noes. Moving on. Administrative Overhead Charges, \$1,760,377. Members, we do have a decrease for reduced EP count. Questions? Member Hokama?

VICE-CHAIR HOKAMA: Chairman, in any way in, in your recommendation for this area did you also make adjustments under premium pay?

CHAIR PONTANILLA: I don't think we did, Chairman.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Okay. Then I would say that the number may, may change again, Mr. Chairman. So I would ask we come back to this.

CHAIR PONTANILLA: Thank you. Landfill Disposal Program - Solid Waste Fund, net appropriation is \$12,190,047. Members, we have an increase for equipment in the Lanai Landfill. Again this is per Mayor's correspondence to us requesting \$500,000. Reduce for Central Maui Landfill gasoline line per department by \$277,000. Deletion of three laborer expansion positions to maintain and will maintain the Ka Lima O Maui contract. So, Members, that brings up to an appropriation, well the deletion for the three laborers are \$68,328, bringing to the net appropriation for that area to \$12,190,047. Questions, Members?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: While I appreciate your consideration and support for the equipment for the Lanai Landfill, Mr. Chairman, I think we have an opportunity to save some money, possibly 50 percent. Instead of procuring new equipment, I have contacted Castle & Cooke Lanai and, therefore, you have in my proposal a reduction of 250 for, so that we can do contract services for them to do the hauling and collection of the field, field material that they will provide free to the County. And I'm open to going at that route at this point in time in our financial state.

CHAIR PONTANILLA: Thank you. We'll revisit. Hana Landfill scrap metal clean-up, zero. Delete per the Department and Mayor's request.

COUNCILMEMBER MEDEIROS: I'm going to revisit.

CHAIR PONTANILLA: Revisit. Residential Collection Program - Solid Waste Fund, \$3,065,332. Any questions, Members? Consensus? Thank you.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Mr. Hokama followed by Mr. Victorino.

VICE-CHAIR HOKAMA: Is that geared on the Department's proposal for the full increase in their fee request?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: On the collections?

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: Then I, I'm not going to agree, Chairman, because I believe I've supported only a partial adjustment upwards of the fee, fee schedule.

CHAIR PONTANILLA: Okay. This is on residential collection?

VICE-CHAIR HOKAMA: Yes, Chairman.

CHAIR PONTANILLA: Okay. Diversion Program - Solid Waste Fund, net appropriation is \$2,504,776. We do have an increase for Recycling Program per Mayor's request of \$175,000. Questions? If not, consensus?

VICE-CHAIR HOKAMA: Agree.

CHAIR PONTANILLA: Abandoned Scrap. . . Abandoned Vehicle, Scrap Metal, and White Goods Program - Solid Waste Fund, \$1,732,469. Questions? Consensus?

COUNCILMEMBER MATEO: Return.

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MEDEIROS: He going revisit.

CHAIR PONTANILLA: Revisit?

COUNCILMEMBER MATEO: Yes, return.

CHAIR PONTANILLA: Okay. Chair failed to mention on the Diversion Program - Solid Waste, we, we do have two provisos: provided, that 250,000 shall be for Recycling Diversion Project on Molokai, and \$250,000 shall be for a Recycling Diversion Project on Lanai. That would be for the Diversion Program.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

We go into the Department of Finance, Administration/Risk Management Program/Treasury, net appropriation \$1,509,627. Questions? Consensus? Accounts Program, net appropriation \$1,387,131. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Purchasing Program, \$411,226. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Financial Services, net appropriation \$5,741,555. Questions? Member Johnson?

COUNCILMEMBER JOHNSON: This is real property tax also?

CHAIR PONTANILLA: Does it include the Real Property Tax Division? Yeah.

COUNCILMEMBER JOHNSON: Okay. Then revisit.

CHAIR PONTANILLA: Okay. Countywide Services Center - Annual Lease Costs, net appropriation \$350,000. Questions? Consensus?

VICE-CHAIR HOKAMA: Agree.

CHAIR PONTANILLA: Okay. Countywide Costs - Fringe Benefits, net appropriation \$50,248,046. And, Members, we do have a decrease for reduced EP count of \$90,064. Questions? Consensus? Thank you. Fringe Benefit Reimbursements, net appropriation. . .hang on.

MR. TAGUCHI: Chair Pontanilla, for, under Countywide Costs, items one, Fringe Benefits, Fringe Benefits Reimbursements, Bond Issuance and Debt Service, Supplemental Transfers to the Golf Fund, Solid Waste Fund, Highway Fund, those items one through six may change depending upon Council's final decisions regarding EP counts and salaries. I would suggest that we bypass numbers one through six for now and depending upon the actions taken within the various departments these numbers would be adjusted accordingly.

CHAIR PONTANILLA: Thank you. Without objections, the Chair would recommend that.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: No objections.

CHAIR PONTANILLA: Thank you. Insurance Program and Self Insurance, net appropriation \$8,157,000. Questions? Member Johnson?

COUNCILMEMBER JOHNSON: I know sometimes this is where we make some adjustments. So, again, depending on where we go and if we have to balance, if we can revisit this one at the end.

CHAIR PONTANILLA: Okay. Transfer to the Open Space, Natural Resources, Cultural Resources, and Scenic View Preservation Fund, net appropriation is \$2,205,511. We do have an adjustment to the one percent of net real property tax revenue by \$5,321. Questions? Member Johnson?

COUNCILMEMBER JOHNSON: Your item where you're earmarking or where we're doing provisos, that will come later in the CIP or the allocation and not in this as a revenue source?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Mr. Taguchi, can you go over the rest of them because my throat is itchy?

MR. TAGUCHI: Members, the, the transfers to the Open Space and Affordable Housing Funds are Charter mandated, so they will move up and down in, in regards to real property tax revenues and your decisions on real property tax revenues. General Costs is the countywide's costs in general costs. That could be taken consensus on at this time. It does not, I don't believe it changed regarding increases and decreases to salaries. You want me...

CHAIR PONTANILLA: Yeah, if you could until my --

MR. TAGUCHI: Oh, okay.

CHAIR PONTANILLA: --my itch in my throat gets, you know, is settled.

MR. TAGUCHI: For General Costs, Mayor's proposing \$1,359,210. Is there consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Which one is this?

COUNCILMEMBER VICTORINO: Which one is that?

CHAIR PONTANILLA: General Costs, number ten.

COUNCILMEMBER VICTORINO: Number ten; yeah?

COUNCILMEMBER JOHNSON: Ten, yeah.

MR. TAGUCHI: Okay. Consensus then. Overhead Reimbursements to Highway Fund, we would change according to adjustments you make to salary and wages in those funds, so we can bypass that. Transfer to Emergency Fund, the Mayor proposes \$3 million. Is there a consensus?

COUNCILMEMBER JOHNSON: I, I just want to make mention of the fact that, again, depending on where we come out there may be some minor adjustment needed to this particular fund much like the Insurance Fund. So I just look at that as one of the places where we may want to make an adjustment.

MR. TAGUCHI: Revisit?

COUNCIL MEMBERS: Revisit.

CHAIR PONTANILLA: Okay. I'll do it now. Thank you, Mr. Taguchi. Transfer to the First-Time Home Buyers' Revolving Fund, net appropriation of \$400,000. Questions?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Consensus, okay.

VICE-CHAIR HOKAMA: No, we have one. No.

CHAIR PONTANILLA: Transfer to the Post-Employment Obligation Fund.

COUNCIL MEMBERS: Revisit.

CHAIR PONTANILLA: Revisit?

COUNCILMEMBER VICTORINO: Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Department of Fire and Public Safety, Administration/Maintenance Program, net appropriation of \$1,881,402. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Who's no, Mr. Hokama?

VICE-CHAIR HOKAMA: Yes. Four noes. No. No. No. No.

CHAIR PONTANILLA: Training Program, net appropriation \$1,144,764. Questions? Consensus?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Mr. Victorino, no?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Okay. We'll revisit. Fire/Rescue Operations Program, net appropriation \$23,256,631. We have added increase for fuel costs from the Mayor's request, \$28,231; increase for the Lahaina fire tanker, additional funds to be provided by costs savings on other equipment, \$250,000; decrease uniform allowance for HazMat response team, not needed this year, funded last year, by \$32,000; bringing the net appropriation to \$23,256,631. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Fire Prevention Program, net appropriation \$848,790. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Department of Housing and Human Services, Concerns. Administrative Program, net appropriation \$578,445. We do have increase for additional rent per Mayor's request of \$10,000; delete the expansion position for the Accountant IV resulting in a negative \$32,896; bringing the total to \$578,455 *[sic]*. Questions?

COUNCIL MEMBERS: Revisit.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Revisit. Housing Program, net appropriation of \$635,678. Decrease for salary correction per Mayor's request, negative \$13,320. And, Members, again the net appropriation reflects that. Questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Thank you. Grants and disbursements for affordable housing and/or supportive living housing, net appropriation of \$400,000. Questions? Consensus? Thank you. Grants for affordable rental housing program, net appropriation \$425,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Grant to Housing and Land Enterprise of Maui dba Na Hale O Maui for community land trust, net appropriations \$150,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: We'll revisit. Grant to Hale Mahaolu for homeowners and housing counseling program, net appropriation of \$50,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Human Concerns Program, net appropriation \$4,637,718. And, Members, that reflects increase for project rental expense per Mayor Tavares' letter; increase to reinstate Volunteer Center County Grant Subsidy, again, per Mayor's letter; increase to include grants management rental expenses which was, which were omitted per Department; increase for salary corrections per Mayor's request. Questions?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Consensus? Member Hokama?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Chairman, I, I would like to revisit this. I don't know why we need to have this, this type of program specific to a department only. You know, if you notice Parks has a volunteer center component also, and I would ask the Committee to consider whether or not we should just have it under maybe one department's control whether it be Department of Management, but I cannot see the, the sense in having each department having their own little program and their own funding when we should do this, if we're going to do this and, and recognize volunteers, that it should be from one coordinated central component and we do it for all volunteers.

CHAIR PONTANILLA: But as far as the dollar amount, any issues with that?

VICE-CHAIR HOKAMA: No, not as to, not at this time, Chairman.

CHAIR PONTANILLA: So it's basically trying to create the, well a line item to reflect Volunteer Center County Grant Subsidy to that one particular area?

VICE-CHAIR HOKAMA: Well, when we get to Parks you'll see the same, same thing for this component.

CHAIR PONTANILLA: Yeah, I, I know what you're talking about.

VICE-CHAIR HOKAMA: Yeah, so, so for me it's...

CHAIR PONTANILLA: Just put it in one office rather than all three.

VICE-CHAIR HOKAMA: Operation doesn't make sense to me, Chair.

CHAIR PONTANILLA: Yeah. Okay. Fine. Thank you. Grant for Community Partnership...*(end of tape, Side 1B)*...\$1,500,000. Questions, Members? Consensus?

COUNCIL MEMBERS: Consensus. Yes.

CHAIR PONTANILLA: Thank you. Grants and disbursements for Cultural and the Arts, net appropriation \$150,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Maui...

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: Mr., Mr. Chair?

CHAIR PONTANILLA: Ms. Johnson?

COUNCILMEMBER JOHNSON: I think I had an adjustment on Community Partnership Grant because that's the one that the youth centers are under; is that correct?

CHAIR PONTANILLA: No, it's not.

COUNCILMEMBER JOHNSON: It's not. Oh, okay. Okay. Because I had an adjustment, I just wasn't sure which one it fell under.

CHAIR PONTANILLA: Yeah, we'll get to that.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Maui Choral Arts Association, net appropriation \$25,000? Questions? Consensus?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER JOHNSON: Mr. Chair, I hate to do this to you again, but--

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: --still under Community Partnership Grants, I think I saw recommendations from some of the Members, grant recipients that were under Community Partnership Grants that were lines, and ordinarily I know these are allocated by the department, but I think there were recommendations within that category. So if we could just revisit that one once I have the chance to check to see if they fall under Community Partnership?

CHAIR PONTANILLA: Yeah, I, I know when we were, we were reviewing this thing over the weekend we removed the ones that were located in here and the ones that had requested line items, we made that adjustment, but if you want us to review --

COUNCILMEMBER JOHNSON: Yeah, I just, I just --

CHAIR PONTANILLA: --revisit, we could do that.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: --want to make sure what's, you know, what's contained within that so that I can have a chance to check it against the proposals that Members have made.

CHAIR PONTANILLA: Okay. Fine. Yeah, we can do that.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: Grant and disbursements for Health, Human Services, and Education, Homelessness Program, net appropriation \$520,000. Questions? Consensus?

COUNCIL MEMBERS: Yes. Agree.

CHAIR PONTANILLA: Self Sufficiency Programs, net appropriation \$175,000. Questions? Consensus?

COUNCIL MEMBERS: Agree. Yeah.

CHAIR PONTANILLA: American Red Cross, net appropriation \$10,000. Members, we decreased the funding for that particular organization by \$20,000 as requested, not requested, but to the Mayor's request of \$30,000. So the net appropriation is 10,000. Questions? Consensus?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: No. Revisit. Member Hokama, Member Victorino. Community Work Day Program, net appropriation of \$210,000. Members, this include increase for Old Maui High School. Questions?

COUNCIL MEMBERS: Consensus. Agree.

CHAIR PONTANILLA: Okay. Disabled Services for the Frail and Elderly, net appropriation of \$720,000. Questions, Members? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Hana Human Services, net appropriation \$20,000. Questions?

COUNCILMEMBER MEDEIROS: Revisit.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Revisit?

COUNCILMEMBER MEDEIROS: Yes.

CHAIR PONTANILLA: Hui Malama Learning Center. The net appropriation is \$207,800. This is an increase of funding to make it the same as Fiscal Year '08. We increased by \$12,800 and the net appropriation \$207,800. Questions?

COUNCILMEMBER BAISA: No questions.

CHAIR PONTANILLA: Thank you. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Lanai Women's Center, net appropriation \$50,000. Questions? Consensus? Maui Adult Day Care Centers, net appropriation \$270,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Maui Community College for Cooperative Education Program, \$50,000. Questions? Consensus? Okay. Maui Food Bank, Inc., net appropriation \$200,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Consensus. Maui Economic Opportunity, Inc., for Enlace Hispano Program, \$175,000. Questions?

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Revisit. Maui Family Support Services, net appropriation \$50,000. Questions, Members? Consensus?

COUNCIL MEMBERS: Consensus. Yes.

CHAIR PONTANILLA: The Maui Farm, Inc., net appropriation \$230,000. Members, there was a reduction to prior years funding level of \$50,000. So the net appropriation at this time, \$230,000. Questions? Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

Mental Health Association Hawaii, net appropriation \$30,000. Questions?
Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: National Kidney Foundation of Hawaii, forty, net appropriation \$45,000. Questions? Consensus?

COUNCIL MEMBERS: No. Revisit.

CHAIR PONTANILLA: Revisit.

COUNCILMEMBER MATEO: Chairman?

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, if I could, I'd like to indulge the Chair and the Members to go back to the Maui Food Bank, Inc., and list that as a revisit?

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MATEO: Thank you, Chair.

CHAIR PONTANILLA: Thank you. Next page, page nine. Salvation Army, net appropriation \$150,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Women Helping Women, net appropriation \$165,000. Questions? Member Johnson?

COUNCILMEMBER JOHNSON: Revisit.

CHAIR PONTANILLA: Revisit. Arc of Maui for purchase of property in Maunaloa, Molokai. This is an insertion. New net appropriation of \$50,000. Questions? Consensus?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Can, can you give me some background on this property please?

CHAIR PONTANILLA: The \$50,000 would provide Arc of Maui to purchase a piece of property on Molokai for their program on Molokai. This is for adult disabled housing.

VICE-CHAIR HOKAMA: Is this a one-time appropriation?

CHAIR PONTANILLA: One-time appropriation, yeah. Questions, Members? Consensus? Member Molina?

COUNCILMEMBER MOLINA: Yeah, Chair, just a request from Arc of Maui if they could provide something in writing with details if they haven't already?

CHAIR PONTANILLA: We can provide you that information.

COUNCILMEMBER MOLINA: Thank you.

CHAIR PONTANILLA: Grants and disbursements for Early Childhood, Early Childhood Program, net appropriation \$95,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: E Malama I Na Keiki O Lanai for Preschool, net appropriation of \$85,000. Question? Consensus? Thank you. Kانشا Preschool, net appropriation \$25,000. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: We'll revisit. Maui Economic Opportunity, Inc. for Head Start Afterschool Program, \$219,975. Members, the net appropriation is a result of an increase per grantee request of \$10,475. Questions? Member Mateo?

COUNCILMEMBER MATEO: I just don't remember. These, those increases, are these all salary increases or program increases?

CHAIR PONTANILLA: For program.

COUNCILMEMBER MATEO: Thank you.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Consensus?

COUNCIL MEMBERS: Yes. Consensus.

CHAIR PONTANILLA: Thank you. Maui Economic Opportunity, Inc. for Head Start Summer Program, increase net appropriation of \$123,900. Again, Members, this is an increase of \$5,900 per request from the grantee for their summer program. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Maui Economic Opportunity, Inc. for Infant/Toddler Care Program, \$79,275. Again, Members, we do have an increase of \$3,775 as requested by the grantee. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Maui Economic Opportunity for Molokai Summer Program, net appropriation is \$27,300. Again, Members, upon request from the grantee we increased the appropriation as submitted by the Mayor by \$1,300. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Keiki Kokua, net appropriation \$25,000. Again, we do have a proviso, provided no additional County funds are granted to this organization. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Did I hear one no?

VICE-CHAIR HOKAMA: Yeah.

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Two? Grants and disbursements for Substance Abuse Prevention Treatment, net appropriation \$750,000. Questions? Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: No.

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: One no?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Coalition for Drug Free Lanai, net appropriation \$50,000. Questions, Members? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Ohana Makamae, Inc., net appropriation \$90,000. Questions? Consensus?

COUNCILMEMBER MEDEIROS: Revisit.

CHAIR PONTANILLA: Revisit. Grants and disbursements for Youth Centers and Programs, net appropriation of \$1.8 million.

COUNCIL MEMBERS: Revisit.

CHAIR PONTANILLA: Youth Programs, net appropriation \$155,000. Questions? Consensus?

COUNCILMEMBER MEDEIROS: Revisit.

CHAIR PONTANILLA: Alcohol-free Graduation Program for Maui County, net appropriation \$60,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Alu Like - Kahua Ola Hou - Molokai, net appropriation \$150,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Best Buddies Program, net appropriation \$75,000.
Questions? Consensus?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Big Brothers/Big Sisters of Maui, Inc., net
appropriation \$106,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Lahaina Tutoring Program, net appropriation \$6,000.
Questions? Consensus? Consensus? Okay. Good. Maui Economic
Opportunity, Inc. for Youth Bank, net appropriation \$185,000.

COUNCILMEMBER BAISA: Revisit. Chair, incidentally, I think that MEO has
changed the name of this to Youth Services.

CHAIR PONTANILLA: Oh, okay.

COUNCILMEMBER BAISA: Yeah.

CHAIR PONTANILLA: Thank you. Hawaiian Kamalii, Inc., \$22,500. This is
an add. Questions? Consensus?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Grants and disbursements for Facilities Improvements,
Cameron Center for Earthquake Repairs, net appropriation \$183,000.
Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Maui Y.M.C.A. Capital Campaign, two hundred, net
appropriation 250,000, provided that the grantee shall raise matching
funds from non-County sources. Questions.

COUNCIL MEMBERS: Revisit.

CHAIR PONTANILLA: Revisit. Animal Management Program, net
appropriation \$1,547,000. Questions? Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Are, are you recommending those two provisos, Mr. Chairman, or is this from some, someplace else?

CHAIR PONTANILLA: No, these are from last year.

VICE-CHAIR HOKAMA: And, and the Department is still requesting no funds for TASER requirements?

CHAIR PONTANILLA: None.

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Department of Liquor Control - Liquor Fund. Net appropriation for the Liquor Control Program, \$1,849,964. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Administrative Overhead Charge, net appropriation \$973,520. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Department of Management, Management Program, net appropriation \$852,180. Members, we do have a, in that net appropriation we took care of the decrease Professional Services for proposed management study which was \$50,000, but we did have an increase for Veteran's Affairs of \$6,000. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Energy Program, net appropriation \$110,514. Questions, Members? Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Management Information Systems Program, net appropriation of \$3,419,469. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Graphic Information Systems Program, net appropriation of \$530,674. Members, questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Office of the Mayor. Administration Program, net appropriation of \$2,375,001, and a proviso that \$254,301 is for a cultural study for the Manae property. The Manae property is on Molokai. Questions?

VICE-CHAIR HOKAMA: Chairman, you have more information on that Manae property please?

CHAIR PONTANILLA: Yes, we do, and I'll have Staff provide you --

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: --with that information. So we'll come back to that. Economic Development Program, net appropriation is \$875,642. We did have a decrease for salary corrections per Mayor's request of \$28,282. So again, Members, the net appropriation is \$875,642. Questions? Consensus?

COUNCIL MEMBERS: Yes. Consensus.

CHAIR PONTANILLA: Thank you. Grants and disbursements for Agriculture Promotion, net appropriation \$120,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: University of Hawaii College of Tropical Agriculture and Human Resources for Extension and Research Projects in Maui County, net appropriation \$133,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Maui County Farm Bureau, net appropriation \$435,000. Questions? Consensus?

COUNCIL MEMBERS: Yes. Consensus.

CHAIR PONTANILLA: Okay. Maui Nui Botanical Gardens, net appropriation \$125,000. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Molokai Livestock Cooperative, net appropriation \$50,000. Members, questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Okay. Grants and disbursements for Culture, Arts and Tourism, net appropriation of \$40,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Thank you. Film Industry Promotion, \$85,000. Members, the \$85,000 reflect also the decrease to matching funding from Fiscal Fear '08 of \$95,000. So the appropriation is \$85,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Maui Arts and Cultural Center, net appropriation \$300,000. Questions? Consensus? Maui Community Theater for Iao Theater Improvements, net appropriation \$490,000. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Maui Fest, net appropriation \$30,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Maui Visitor's Bureau, net appropriation \$3,850,000? Questions?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Revisit.

CHAIR PONTANILLA: Revisit. Special Events Program, page 13, Members, \$60,000. We did add a proviso that \$20,000 is for Barrio Fiesta. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Grants and disbursements for Business Development and Technology, net appropriation \$150,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Community Clinic of Maui, net appropriations \$250,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Okay. Thank you. Members, the Chair is going to take a mid afternoon break if you don't mind? This meeting is in recess and will reconvene at 2:25. This meeting is in recess. . . .(gavel). . .

RECESS: 2:15 p.m.
RECONVENE: 2:29 p.m.

CHAIR PONTANILLA: . . .(gavel). . . Okay. The Budget and Finance Committee meeting is now reconvened. Thank you, Members, for that recess. Okay. Let's see, we're on page 13. We're going to go to East Maui Cultural/Economic Development Program. Members, the net appropriation is \$105,000, but we had added, we added \$30,000 for the Ma Ka Hana Ka Ike Energy Program of \$30,000, and we also provided that \$80,000 of that particular program is for Ma Ka Hana Ka Ike Energy Program. So for that particular organization it's going to be a total of \$80,000.

COUNCILMEMBER BAISA: Revisit.

COUNCILMEMBER MEDEIROS: Revisit.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Revisit. Thank you. Friends of Old Maui High School, net appropriation \$110,000 and the 110,000 reflects \$10,000 increase per grantee request. Questions?

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Revisit. Maui Community College for Long Term Care Partnership to develop long-term care workforce, net appropriation \$275,000.

COUNCILMEMBER JOHNSON: Revisit.

CHAIR PONTANILLA: Revisit. Maui Community College for Nursing and Dental Assistant Program, net appropriation of \$500,000. Questions? Consensus?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Mr. Hokama, no?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Maui Economic Development Board, net appropriation \$500,000. Questions? Consensus? Member Johnson?

COUNCILMEMBER JOHNSON: I think this is one that I wanted to increase, so revisit.

CHAIR PONTANILLA: Thank you. Maui Economic Development Board for Maui High School program model, net appropriation of \$100,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Maui Economic Opportunity, Inc. for Microenterprise Program, net appropriation \$200,000. Questions?

COUNCILMEMBER BAISA: Revisit.

COUNCILMEMBER JOHNSON: Revisit.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Maui Food Technology Center, net appropriation \$70,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Molokai Economic Development and Cultural Programs, net appropriation \$140,000. We did increase the cultural program by \$30,000 already reflected to that net appropriation. Members, questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Small Business Promotion, net appropriation \$150,000. Question? Consensus? Grants and disbursements for Renewable Energy and Energy Efficiency, net appropriation \$70,000. Members, the request by the Administration was for \$100,000. We decreased it by \$30,000 for the Makana, Ma Ka Hana Ka Ike Energy Program which we had visited on the previous page. Members, questions?

COUNCILMEMBER VICTORINO: Revisit.

CHAIR PONTANILLA: Any other Members revisit? Thank you. Solar Water Heater Initiatives, net appropriation \$150,000. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Who else no?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Okay. We will come back to that. Grants and disbursements for Water and Environmental Resource Protection and Conservation, net appropriation is \$60,000? Questions? Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Environmental Protection, net appropriation \$1.1 million. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Kauaula Instream Flow Study, net appropriation \$25,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Maui Soil/Water Conservation District, net appropriation \$40,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Soil/Water Conservation Districts - Molokai and Lanai, net appropriation \$10,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Watershed Protection, net appropriation \$500,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Department of Parks and Recreation, Administration Program, net appropriation \$1,177,125. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Lahaina Restoration Foundation...*(end of tape, Side 2A)*...net appropriation \$178,828. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Grant to Maui Community Correctional Center for Workline Program, net appropriation \$130,000. Questions? Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Consensus.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Grants and disbursements for Skate Park Management, net appropriation \$142,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Aquatics Program, net appropriation \$6,041,945. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Park Maintenance Program, net appropriations \$3,662,248. Questions? Consensus?

COUNCILMEMBER MEDEIROS: Revisit.

CHAIR PONTANILLA: Maintenance of street trees, net appropriation \$300,000. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Planning and Development Program, net appropriation \$499,340. Questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Recreation and Support Services Program, net appropriation \$14,022,600. Questions? Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: PALS Program, net appropriation \$1,621,988. Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Waiehu Golf Course, net appropriation \$1,496,609. Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Contribution to General Fund - ERS and FICA.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Since we're going to review back the Waiehu Golf Course General Program I would ask, with no objections from me and the other Members, that we can skip to DPS.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: I think all the other funds will be, needs to be finalized once we make our final decisions on the overall operations and requests.

CHAIR PONTANILLA: Okay. We're going to skip two to six --

VICE-CHAIR HOKAMA: Six.

CHAIR PONTANILLA: --yeah. Department of Personnel Services, net appropriation \$1,744,401. Consensus? Consensus?

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Department of Planning, Administration and Planning Program, net appropriation \$4,634,709. Consensus?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Implementation of Enterprise Geodatabase, net appropriation of \$100,000. Consensus?

COUNCIL MEMBERS: Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: 3D Models of Building, net appropriation \$50,000.
Consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Cultural Resource Management HAEBS/HAER, net
appropriation \$50,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Pioneer Mill Office Rehabilitation, net
appropriation \$150,000. Consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Permit Fee Study, net appropriation \$50,000.
Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Consensus?

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER MEDEIROS: Chair, question?

CHAIR PONTANILLA: Mr. Medeiros?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MEDEIROS: Yeah, if we're going to revisit, you're going to say that, right, that we revisit? Because sometimes I hear the answers, we hear no, revisit, yes, so I'm not sure what we're going do.

CHAIR PONTANILLA: Well, whoever say no or revisit I've indicated initials to revisit for, for, for that person --

COUNCILMEMBER MEDEIROS: Okay. That's actually all I need to know if we're going revisit, yeah.

CHAIR PONTANILLA: --to provide us.

COUNCILMEMBER MEDEIROS: Yeah, if you say revisit, then I can mark it down.

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER MEDEIROS: Thank you.

CHAIR PONTANILLA: Puunene Airport Master Plan, \$100,000 net appropriation. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Consensus?

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Okay. Maui Redevelopment Agency, net appropriation \$100,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Thank you. Rent to Wailuku Main Street/Tri-Isle Main Street Resource Center, net appropriation \$235,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

COUNCILMEMBER MOLINA: Revisit.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: General Plan Update, net appropriation \$100,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Grants to University of Hawaii-Maui Sea Grant Program, net appropriation \$83,651. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Development of Mitigation Fee Study, net appropriation \$60,000. Consensus?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Development of Traffic Impact Fee Study. This is a request being made by the Public Works Department. The net appropriation \$35,000. Consensus? Member Johnson?

COUNCILMEMBER JOHNSON: I thought that we had a presentation from Public Works that said that Planning didn't want to do it, and they requested I guess for all the things including the--what was it?--our transportation or transit, for inclusion in that, that they would need about half million dollars. So, I mean I, I'm reluctant to even put in any amount under Planning, because they had indicated they didn't want to do it. So...

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Somebody got to do it. We'll revisit this.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Mr. Taguchi, you got the information regarding the \$35,000?

MR. TAGUCHI: Chair Pontanilla, the Budget Finance Committee received a letter from the Budget Director indicating that the jurisdiction would be under the Department of Planning and the amount was 35,000. However, the 35,000 was to rerun I believe the existing model. Perhaps, Budget Director could...

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Budget Director?

MR. PABLO: Thank you, Chair. The, I mean the information which, which Mr. Taguchi has presented is correct. The information I got is from Director of Planning, Jeff Hunt. He said they do have the model and study from the last programs. They can rerun the model and study for 35,000. If it's to include the other studies which were, which were provided or recommended by, by Deputy Director, Michael Miyamoto, it would be actually at a higher amount.

COUNCILMEMBER JOHNSON: Mr. Chair, if we could get a figure that we can plug in, because I'm tired of this back and forth baloney. I would like to include transit or transportation so that we don't have this expiration problem of our, I guess our fees over a five year period. Thank you.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I would just ask the Committee to consider then if the departments have reluctance to perform, the Committee may want to, you and the Committee may want to consider placing the funds under Department of Management and have the Managing Director make the appropriate assignment.

CHAIR PONTANILLA: Thank you for that suggestion. Thank you. And, Director Pablo, if you can get that information to us in regards to the funding requirements?

MR. PABLO: Yes.

CHAIR PONTANILLA: Okay, and we'll revisit this here. Okay. Department of Police, Administration Program. Members, for the Department of Police do you have any questions in regards to the different programs that they have?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Consensus that the net appropriations for each of the programs is okay?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Yes.

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Department of Prosecuting Attorney, the net appropriation is \$801,712. Do we have any consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. General Prosecution Program, net appropriation \$4,346,212. Consensus? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Department of Public Works up to the Highway Division Fund, anybody have any questions? Do we have consensus up to the Highway Fund?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Administration Program.

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: I have adjustments that I would make in the -- I believe it would be under the Special Maintenance Program. So I'd like to revisit that please.

CHAIR PONTANILLA: Okay. Okay. Contribution to General Fund - ERS and FICA, net appropriation \$1,601,507. Okay. Members, we do, the net appropriation also reflects the decrease due to EP reduction of \$13,087. Members, you have any questions?

VICE-CHAIR HOKAMA: Question, Chairman?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Consensus?

VICE-CHAIR HOKAMA: Chairman, I would ask you and your Committee's consideration of bypassing number two to number eight under admin.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: And that we'll return after we make our final decisions on EP and projects.

CHAIR PONTANILLA: Okay. Road, Bridge and Drainage Management - Highway Fund, net appropriation of \$9,520,275. Members, this is an increase to the Mayor's proposal. We have added the Iao Stream Flood Control Facility of \$75,000, this is a request from the Mayor; a trailer in Lahaina, a request from the Mayor for \$60,000; and increasing for paving equipment, Wailuku/Kahului District of \$400,000. Questions?

COUNCILMEMBER MOLINA: Mr. Chair, question?

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Regarding the increase for paving equipment in Wailuku/Kahului has the Department, have we been given any written details as to what type of equipment and the use, where this equipment will be used, or is it just specifically for this particular region or will it be used for...

CHAIR PONTANILLA: We can get that information to you, Mr. Molina, in regards to the equipment. The paving equipment will be utilized for the island of Maui.

COUNCILMEMBER MOLINA: Okay.

CHAIR PONTANILLA: It will take a year to bring in the equipment and that's the reason why you don't see EP expansion for this particular item. And again, Members, you know, as we have deliberated in regards to doing our own paving this is the first step we'll, we'll be taking.

COUNCILMEMBER MOLINA: Okay. Mr. Chair, then I'd request that in writing, and personally I think it would have been better if we had it, this item addressed in committee first, because this is a pretty large sum we're considering, and I'd like more specifics. So anyway I appreciate the

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

intent, but for me I would, before supporting something for 400,000 I think I would like to have something in writing, and maybe a more detailed discussion, but, but for now I'd just like to see the written proposal. Thank you.

CHAIR PONTANILLA: Thank you. And again, Members, through our discussion during our deliberations for I don't know how many weeks, this was brought up by several Members in regards to doing our own repaving.

COUNCILMEMBER MEDEIROS: Mr. Chair?

CHAIR PONTANILLA: Member Medeiros?

COUNCILMEMBER MEDEIROS: Yeah, Member Molina's request will be provided to all Members or just...

CHAIR PONTANILLA: Yeah. Yeah.

COUNCILMEMBER MEDEIROS: Okay. Thank you.

CHAIR PONTANILLA: So any request that is made by the, the Members would be shared to every Member on this Committee.

COUNCILMEMBER MEDEIROS: Thank you.

CHAIR PONTANILLA: Traffic Management Program - Highway Fund, net appropriation \$1,359,836. Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Consensus, okay. Garage Services - Highway Fund, net appropriation \$2,603,839. We do have a decrease for deletion of the Hana Garage Services Clerk and this is per Mayor's request, and that total is \$27,756. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Department of Transportation. Members, do you have any questions in regards to the Department of Transportation, one through ten?

COUNCILMEMBER BAISA: Yes.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MEDEIROS: Consensus.

CHAIR PONTANILLA: Okay. Administration Program, net appropriation \$493,386. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Grants and disbursement for Air Ambulance Program, net appropriation \$672,215. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Grant to Maui Economic Opportunity, Inc. for Ala Hou Program, \$428,704. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Grant to Maui Economic Opportunity, Inc. for Dialysis Transportation, net appropriation \$921,905. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Grant to Maui Economic Opportunity, Inc. for Transit Center, \$300,000 net appropriation.

COUNCIL MEMBERS: Revisit.

CHAIR PONTANILLA: Grant to Maui Economic Opportunity, Inc. for Transportation Service, net appropriation \$4,409,864.

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Revisit. Grants and disbursements for Bus Replacement Grant, \$1,181,552. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Grants and disbursement for Bus Replacement Matching Fund, net appropriation \$200,000. Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Consensus.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Public Transit Program - Bus Stop Signage, Schedules, Maps, Marketing - General Funds, net appropriation \$100,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Grants and disbursements for Public Transit Program - Highway Funds, net appropriation \$6,550,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Department of Water Supply. Members, one to six, any questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Page 21.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Again, if appropriate, I'm, I'm sure Staff will inform us of the final adjustments we may need to take on the benefits portion at the right time?

CHAIR PONTANILLA: Yeah, we'll do that. Okay, Members, on page 21 any questions to any of the grants as well as fund? You want me to go down the line?

VICE-CHAIR HOKAMA: Number six, no.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Members, any questions? In regards to number six, we have Mr. Hokama want to revisit.

COUNCILMEMBER VICTORINO: That's fine.

CHAIR PONTANILLA: Okay. Anyone else? Anyone? The rest looks okay?

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Good. Thank you. Page 22, Field Operation - Water Supply Fund as well as Plant Operations Program - Water Supply Fund, questions? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Page 23, Capital Improvement Projects. Government Facilities, Helene Hall improvements. Consensus?

COUNCILMEMBER MEDEIROS: Revisit.

CHAIR PONTANILLA: Kalepa-Alelele Rockfall Emergency Protective Measures, net appropriation of \$5.3 million. Consensus?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: Question, Chairman, please?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Does Mr. Pablo have updated information on whether or not, if I recall correctly, the ability to get reimbursements or, or, regarding this, this project? You have any additional information, Mr. Pablo, please?

CHAIR PONTANILLA: Mr. Director?

MR. PABLO: This is on Kalepa-Alelele?

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Yes.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

MR. PABLO: The, the Department will be, will be requesting reimbursement for, for these amounts. They would have to apply to the FEMA organization. There will be certain costs which FEMA will, will look as being qualified for, for reimbursement. Out of those amounts 75 percent will be reimbursed by FEMA, and the Department will be requesting the other 25 percent from the State Civil Defense.

VICE-CHAIR HOKAMA: Okay. Yeah, because I know the Legislature is not planning to give us refund for our emergency expenses we, we incurred during the December, January storms. We thought we were having a hard time, they're having a worse time than us balancing their budget. So, so this is still under review by the FEMA agency?

MR. PABLO: That's correct. The, the present proposal is to get this CIP Project completed by October so that we can timely submit it to FEMA, and at that time what would be eligible costs will be applied for under the FEMA reimbursement.

VICE-CHAIR HOKAMA: Thank you, Mr. Pablo. Chairman, thank you.

CHAIR PONTANILLA: Thank you. You want to revisit this?

VICE-CHAIR HOKAMA: I, my only, my, my, the reason for my question, Chairman, is for us to get a good sense of whether or not we're really going to get the reimbursement. That's how it's been proposed, but my sense is we're going to just have to eat the whole cost eventually, you know, the way things are going. And I just want us to view it in, in the light that it is being shown that you will not get reimbursed.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Thank you. General Fund: Paia-Haiku Community Plan Area, Government Facilities, Kaunoha Multi-Purpose Building Renovation, net appropriation \$30,000. Members, consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Pu`umahoe Radio Site, \$1,275,000. This is for the 800 mega hertz radio as, as a new site. Members, consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: General Fund: Wailuku-Kahului Community Plan Area, County Emergency Management Center, net appropriation zero. Consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Thank you. Parks and Recreation, Kanaha Beach Park Improvements, net appropriation \$100,000. Consensus?

VICE-CHAIR HOKAMA: Question please, Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: If Mr. Pablo can help refresh the Committee's memory. What is the, the primary reason to, to transfer to General Fund from Park Assessment please, Mr. Pablo?

MR. PABLO: Okay. On the Kanaha Beach Park Improvements we, we had originally projected that this would be paid out of Park Assessment Funds, and we were expecting that Park Assessment Funds would, would be coming in during Fiscal Year '09. After checking out with the Parks and Recreation Department we found that would not be the case. The \$78,000 which is presently in the Park Assessment Fund for this, for this community planned area will have been exhausted. So funding would have to come from General Funds rather than Park Assessments.

VICE-CHAIR HOKAMA: Thank you, Mr. Pablo. Mr. Chairman, does the Committee have at its access the, the current status of the Park Assessment Funds by community plan districts?

CHAIR PONTANILLA: Yes, we do. Mr. Taguchi?

MR. TAGUCHI: We received a communication on April 2 from, I believe, the Finance Director giving us the balance. Do you want me to read the balance or?

VICE-CHAIR HOKAMA: Please, Mr. Taguchi?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

MR. TAGUCHI: Estimated balance as of 6/30/2008 and, and the anticipated revenues of Fiscal Year 2009 Park Assessment Fund by community plan area: Hana, \$1,300...

VICE-CHAIR HOKAMA: Just for this one we're, we're more concerned about the Wailuku-Kahului District.

MR. TAGUCHI: Okay. Wailuku-Kahului District is 78,380.

VICE-CHAIR HOKAMA: Chairman, the only reason I ask this, is that if there are projects that we have appropriated in the past that are not ready to go that we have utilized park assessment fees, then another approach would be for us to instead of continuing to, to put the demands and stress on the General Fund, to see if it makes sense to reallocate from projects that cannot go forward to this project, and if it's ready, then reallocate park assessment to this one and let it go forward. So I was wondering if we had a--and again, I wish I brought my CIP quarterly update because we already completed quarter number three.

CHAIR PONTANILLA: Yeah, we can revisit this and take a look at what we have for, that is still pending that is requesting park assessment fees for Wailuku-Kahului area.

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Thank you. So we will revisit. Page 24, Lahaina Division of Motor Vehicle and Licensing Satellite Office, net appropriation \$69,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Lahaina Fire Station addition, \$700,000 net appropriation. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Parks and Recreation Lahaina, Civic Center Fireflow Waterline Improvements, net appropriation \$850,000. Consensus?

COUNCIL MEMBERS: Consensus.

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

April 21, 2008

CHAIR PONTANILLA: Lahaina Aquatic Center Fiberglass Pool Filter Replacement, this is new, \$300,000 net appropriation. Consensus?

COUNCILMEMBER JOHNSON: Mr. Chair?

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: This is the one where I may be moving that to park assessment, because it's a different kind of filtration system, but I'll double check it to find out if it's eligible for park assessment under CIP.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Thank you, Ms. Johnson.

CHAIR PONTANILLA: Good. General Fund: Lanai City Community Plan Area, Government Facilities, Lanai Senior Center, \$1.5 million net appropriation. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: General Fund: Molokai Community Plan Area, Parks and Recreation, Kaunakakai Gym Improvements, net appropriation \$85,000. Consensus?

COUNCILMEMBER MEDEIROS: Consensus.

CHAIR PONTANILLA: General Fund: Countywide, Government Facilities, County Building Renovation, \$125,000 net appropriation. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Countywide Facility Building Improvements, \$500,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Countywide Fire Facilities, \$150,000 net appropriation. Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Microwave Radio Link Upgrades, \$516,000.
Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Page 25, Parks and Recreation, Countywide Americans
with Disabilities Act Improvements, net appropriation \$1 million.
Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Countywide Parks Improvement, \$400,000 net
appropriation. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Maui County Fair Site Development...*(end of tape, Side
2B)*...appropriation. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Other Projects, Alert and Notification System, net
appropriation \$10,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Bus Stops and Shelters, net appropriation \$250,000.
Consensus?

COUNCILMEMBER MOLINA: Revisit.

CHAIR PONTANILLA: Revisit.

VICE-CHAIR HOKAMA: Which one, Mike?

COUNCILMEMBER JOHNSON: Which one?

CHAIR PONTANILLA: Member Hokama?

COUNCILMEMBER MEDEIROS: Number two, Bus Stops and Shelters.

VICE-CHAIR HOKAMA: Oh, okay. Thanks. Thanks.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Mr. Hokama, question?

VICE-CHAIR HOKAMA: No, thank you, Mr. Molina just gave me the specific sub, sub area. Thank you, Chairman.

CHAIR PONTANILLA: Communication Network, net appropriation \$300,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Highway Fund: Hana Community Plan Area, Road Improvement, net appropriation \$500,000. Consensus?

COUNCILMEMBER MEDEIROS: Revisit.

CHAIR PONTANILLA: Hana [*sic*] Highway: Paia-Haiku Community Plan Area, net appropriation for the Baldwin Avenue Bikeway/Greenway, \$200,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: District Road Resurfacing, net appropriation \$800,000. Consensus?

COUNCILMEMBER MOLINA: Revisit.

CHAIR PONTANILLA: Highway Fund: Makawao-Pukalani-Kula Community Plan Area, Road Improvements, District Road Resurfacing, net appropriation \$800,000.

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Revisit. Highway Fund: Wailuku-Kahului Community Plan Area, District Road Resurfacing, net appropriation \$2 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Kahekili Highway Improvements, net appropriation \$250,000. Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Kihei-Makena Community Plan Area, Drainage, Hauoli Street Drainage Improvements, net appropriation \$200,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: District Road Resurfacing, \$500,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Highway Fund: West Maui Community Plan Area, Drainage net appropriation, \$500,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Road Improvements, we have several. District Road Resurfacing, net appropriation \$300,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Front Street ADA Access Improvement, \$100,000 net appropriation. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Highway Fund: Lanai Community Plan Area, District Road Resurfacing, net appropriation \$200,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Highway Fund: Molokai Community Plan Area, net appropriation \$200,000. Consensus?

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Thank you. Highway Fund: Countywide, Drainage, net appropriation \$250,000. Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Road Improvements. Road Improvements and related improvements, beautification, sidewalks, bike paths, drainage, bridge repairs and maintenance, safety and utilities, accessibility for persons with disabilities including; net appropriation 0 of \$2,317,000. We deleted the lump, lump sum, and we line itemed the expenses. Okay.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Countywide Bridge Repair and Maintenance, net appropriation \$300,000; Countywide Road Resurfacing, net appropriation \$867,000; Countywide Safety Improvements, net appropriation \$650,000. Members, let me, on the Countywide Safety Improvements, we had showed a lump sum of \$500,000. We increased for additional projects of \$150,000 and \$100,000 will be for safety improvements on Main Street adjacent to Iao Congregational Church.

And, Members, you're going to be receiving some documentations from Public Works as well as the Iao Congregational Church Preschool in regards to the erosion that has occurred over the years, and it has become a safety issue. \$35,000 will be used for sidewalk on the portion of Kea Street between Holua Drive and South Papa, that is to take care another safety issue; and provide \$10,000 for street light on Ano Street in Kahului due to the request of the residents in regards to rash of robberies. So the net appropriation is \$650,000 for Countywide Safety Improvements.

COUNCILMEMBER MOLINA: Chair?

CHAIR PONTANILLA: Member Molina?

COUNCILMEMBER MOLINA: Thank you, Chair. Just a clarification, the 150,000 for additional projects, and you went over the three, and maybe my math is wrong, but 145,000, so the 5,000 is that for any potential cost overruns?

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER MOLINA: Okay. I just, just was curious. Thank you.

CHAIR PONTANILLA: Eh, you get good, da kine, good eyes. Members, consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Countywide Speed Hump Program, net appropriation \$250,000. We reduced \$250,000 to fund the Countywide street light retrofit, and we have communicated with the Department in regards to this item here, and the Public Works Department is satisfied. In fact, they made the recommendation of this appropriation. Member Hokama?

VICE-CHAIR HOKAMA: Chairman, I support this adjustment. I believe that what I think the Department is dealing with I believe a time schedule that the Council, you know, imposed on them when we adopted the policy regarding the retrofit. So I appreciate the consideration. Thank you.

CHAIR PONTANILLA: Thank you. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Chair. Just a request to revisit. I've got some provisos for consideration at the appropriate time. Thank you.

CHAIR PONTANILLA: Okay.

MR. TAGUCHI: Chair Pontanilla?

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: Just for Staff's information, I guess the initial item was line itemed into a total of five different items. We're unclear about the Countywide Bridge Repair and Maintenance for 300,000 and the Countywide Road Resurfacing for 867,000. Does that have consensus?

CHAIR PONTANILLA: Let's see. Can you point out to the Chairman where you're looking at?

MR. TAGUCHI: It would be on page 27 of 47, immediately following the Highway Fund: Countywide, Road Improvements. Reference is CIP 31-13.

CHAIR PONTANILLA: Oh, okay. Members, if you can look at CIP 31-13, Countywide Bridge Repair and Maintenance, increase to show line item instead of lump sum. The net appropriation to that is \$300,000. Do we have consensus on that?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MEDEIROS: Consensus.

CHAIR PONTANILLA: Thank you.

MR. TAGUCHI: And the next item...

CHAIR PONTANILLA: And the next item is 31-14, Countywide Road Resurfacing, increase to show line instead of lump sum of \$1,017,000, and we reduced from the fund the County, and then funded the Countywide Safety Improvements by 150,000. So the net appropriation is \$867,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Thank you. Countywide Street Light Retrofit, net appropriation of \$250,000. Since we're going to be revisiting 31-16, we need to revisit also this particular item. Next page 28 of 47. Bike Fund: Paia-Haiku Community Plan Area, Road Improvements, Baldwin Avenue Bikeway/Greenway, net appropriation is \$200,000. Consensus?

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Revisit. Bikeway Fund: Countywide, net appropriation \$100,000. Consensus?

COUNCILMEMBER VICTORINO: No, revisit.

CHAIR PONTANILLA: Revisit. Bond Fund: Hana Community Plan Area, Papahawahawa Bridge Replacement, net appropriation \$1.1 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Bond Fund: Paia-Haiku Community Plan Area, Government Facilities, Haiku Fire Station, net appropriation \$600,000. And again, Members, reduced per Department will be ready for construction bonds in Fiscal Year 2010, and the reduction is \$400,000, so net appropriation is 600,000. Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Bond Fund: Makawao-Pukalani-Kula Community Plan Area, Water Supply, Makawao Water Line Improvements, net appropriation \$1.1 million. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Upcountry Water Storage, \$3.75 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Bond Fund: Wailuku-Kahului Community Plan Area, Parks and Recreation, War Memorial Complex Improvements, net appropriation \$500,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Sanitation, Central Maui Landfill Gulch Crossing, net appropriation zero; delete per Department, will be ready for construction in Fiscal Year 2010. Central Maui Landfill Phase V Construction, net appropriation \$12 million. Members, consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Just so that the Members can understand my approach. In my calculations of what we can afford including debt service and the current debt levels of the County, my understanding is that the Administration had proposed approximately \$15 million in bond projects for the proposed budget. Unless I had just supported your \$2 million reduction because, again, of the Fiscal Year 2010 consideration for construction, I believe we can afford \$40 million. What I, I am proposing for you and the Committee to consider is to authorize the 40 million, but allow the Administration and departments to make the decisions which projects are ready and to use from that \$40 million pot which projects can go forward, because we are well aware, again through our annual review and experience, we do not do all of the bond projects.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

Therefore, Mr. Chairman, I would say I am now placing back to the Administration the responsibility of picking and choosing which projects can be funded within the authorization level of 18 months instead of having the Council, at this point in time in our economic situation, to try and clearly forecast what can be done two years from now. So that has been my approach and what I believe we can afford at this time, Chairman. Thank you.

CHAIR PONTANILLA: Thank you. So at this time you want to revisit this particular item? Revisit the total bond issued?

VICE-CHAIR HOKAMA: I have doubt that the 12 million can be used for this year, so I would be happy to revisit this specific Phase V construction of 12 million, Chairman.

CHAIR PONTANILLA: Thank you. And thank you for your insights in regards to priorities of projects that are bonded. Okay, and the Chair follows your train of thought. Thank you. Sewer, net appropriation \$1 million. This is an increase moved from South Maui, per Department, for change in priority after camera test. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Water Supply, net appropriation \$4,034,000. This is for Waihee Wells Backup Generator as well as Wailuku Waterline Improvements. Again the net appropriation is \$4,034,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Bond Fund: Kihei-Makena Community Plan Area, South Maui Community Park, Phase I, net appropriation \$2.5 million. This is an increase to cover donation which may not be received in the fiscal year, thereby giving the Department the opportunity to start Phase I of the district park in Kihei. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Road Improvement.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: You know, I, I really don't have a problem with the approach. My only concern, Chairman, is that if we're going to borrow money and pay interest, which the donation will not recoup for the County, is my only concern. And I just state that for the record at this time.

CHAIR PONTANILLA: Thank you. Road Improvements, Liloa and Piikea Avenue Roundabout, net appropriation is \$2.5 million. Members, consensus?

VICE-CHAIR HOKAMA: No. Chairman, just for the Members' understanding, while I think this has some very good advantages for consideration, part of this appropriation is for land acquisition. Should that not be processed in the manner that the Department had scheduled and planned, construction would not move along possibly within the fiscal year. And I am open to seeing this broken up better so that we can phase it and fund more appropriately. Thank you.

CHAIR PONTANILLA: Thank you. South Kihei Road Sidewalks, net appropriation \$250,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Sewer, Environmental Protection Agency Consent Decree Sewer Rehabilitation, net appropriation is \$1 million. And, Members, previous to that we had reappropriated the million dollars to Wailuku-Kahului District per the Department's request. So the appropriation for the Kihei-Makena Community Plan Area is \$1 million. Consensus?

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: Water Supply, Maui Meadows Booster Pump Improvements, \$1.5 million. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Bond Fund: West Maui Community Plan Area, Drainage, Lahaina Watershed Flood Control, net appropriation \$2.2 million. Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Road Improvements, Lower Honoapiilani Road Improvements, net appropriation \$1 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Page 30, Sewer, Environmental Protection Agency Consent Decree Sewer Rehabilitation, net appropriation \$1 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Again, this is for Lahaina Community, Community Plan Area. Bond Fund: Molokai Community Plan Area, Government Facilities, Molokai Baseyard, net appropriation \$2 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Bond Fund: Countywide, Sanitation, Countywide Solid Waste Water...Waste Processing, net appropriation \$500,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Sewer, Countywide Environmental Protection Agency Consent Decree Wastewater Reclamation Facility Renovation Projects, net appropriation \$3.4 million. Members, consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Countywide Pump Station Renovations, net appropriation \$8 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Lapsed Bond Proceeds.

VICE-CHAIR HOKAMA: Chairman?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Thank you. I, I'd like to, I'm sorry for the delay. I'd like to revisit CIP 31-18, Countywide Solid Waste Processing. And my main reason, Mr. Chairman, is again we spent big money to go forward and await the results of the integrated solid waste management plan. I would like to be able to get the benefit of that report before we plunge major capital and set directions without seeing the results of that study. Thank you.

CHAIR PONTANILLA: Thank you. And that was CIP 31-18?

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: Thank you. Lapsed Bond Proceeds: Hana Community Plan, CIP 23-12, Kaholopoo Bridge Replacement, net appropriation \$100,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Lapsed Bond Proceeds: Wailuku-Kahului Community Plan Area, Iao Stream Drainage, \$500,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Lapsed Bond Proceeds: Kihei-Makena Community Plan Area, Road Improvements, North-South Collector Road, net appropriation \$300,000. Consensus? Page 31. Park Assessment Fund: Paia-Haiku Community Plan Area, Baldwin Park Improvements, net appropriation \$165,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Park Assessment Funds: Wailuku-Kahului Community Plan Area, Kanaha Beach Park Improvements, net appropriation zero. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: And that's the discussion we had earlier in regards to utilizing General Fund because we don't have park assessment which we could take some from Lahaina or West Maui.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Chairman, we're going to revisit this; right?

CHAIR PONTANILLA: Yes, we are.

VICE-CHAIR HOKAMA: Thank you very much.

CHAIR PONTANILLA: We should make it like that, borrow. Park Assessment Fund: Kihei-Makena Community Plan Area, South Maui Community Park, Phase I, net appropriation \$2,565,000. Consensus? Consensus?

VICE-CHAIR HOKAMA: No objections.

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Park Assessment Funds: West Maui Community Plan Area, Lahaina Civic Center Tennis Courts, net appropriation \$1,250,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Wahikuli Beach Park Improvements, net appropriation \$80,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: West Maui Skate Park, net appropriation \$250,000.

COUNCILMEMBER JOHNSON: Revisit that one. That's, that's one to revisit.

VICE-CHAIR HOKAMA: Which one?

CHAIR PONTANILLA: Which we will. Skate park.

VICE-CHAIR HOKAMA: Thank you.

COUNCILMEMBER JOHNSON: Yeah, West Skate Park.

CHAIR PONTANILLA: Thank you. Thank you. Park Assessment Funds: Molokai Community Plan Area, Kaunakakai Gym Improvements, net appropriation \$15,000. Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Borrow from West Maui, can redo the gym. Solid Waste Funds: Hana Community Plan Area, Sanitation, Hana Landfill Interim Closure and Detention Basin Design, net appropriation \$100,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Solid Waste Fund: Wailuku-Kahului Community Plan Area, Central Maui Landfill Maintenance Facility Preliminary Engineering/Design/Permitting, net appropriation \$200,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Wastewater Funds: Wailuku-Kahului Community Plan Area, Alamaha Force Main Replacement, net appropriation \$140,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Environmental Protection Agency Consent Decree Sewer Rehabilitation, net appropriation \$1 million. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Kihei Force Main No. 2 Force Replacement, net appropriation \$190,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Kihei Wastewater Reclamation Facility Process Study, net appropriation \$300,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Wastewater Funds: West Maui Community Plan Area, Lahaina Force Main No. 3 Replacement, net appropriation \$840,000. Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Lahaina Wastewater Reclamation Facility Ultra Violet Disinfection System Expansion/Upgrade, net appropriation \$250,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Wastewater Funds: Countywide, CIP No. 31-23, net appropriation \$2 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: CIP 31-26, net appropriation \$1 million. Consensus?

COUNCILMEMBER BAISA: Yes.

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: State Revolving Fund Loan: Makawao-Pukalani-Kula Community Plan Area, Water Supply, Kamole Water Treatment Plant Improvements, net appropriation \$1,613,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: State Revolving Loan Fund: Molokai Community Plan Area, Water Supply, Molokai Source Development, net appropriation \$1 million. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Water Supply Fund (Restricted): Paia-Haiku Community Plan Area. This is for Haiku Source Development, Paia-Haiku Tank Improvements, net appropriation \$1,350,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Water Supply Fund (Restricted): Makawao-Pukalani-Kula Community Plan Area. This is for Kula Tank Improvements, Waikamoi Flume Improvements, net appropriation \$1,725,000. Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Water Supply Fund (Restricted): Wailuku-Kahului Community Plan Area, Iao Source Development, Waiale to Kihei Booster Pump, Waikapu Source Development, net appropriation \$4,925,000. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Water Supply Funds (Restricted): West Maui Community Plan Area, West Maui Source Development, net appropriation \$200,000. Consensus?

COUNCILMEMBER BAISA: Consensus.

CHAIR PONTANILLA: Water Supply Funds (Restricted): Molokai Community Plan Area, Kawela Tank Improvements, net appropriation \$600,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Molokai Source Development, net appropriation \$50,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Water Supply Funds (Restricted): Countywide, Countywide Facility Improvements, net appropriation of \$250,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Water Supply Funds (Unrestricted): Paia-Haiku Community Plan Area. We do have several projects: Haiku Waterline Improvements, Paia-Haiku Tank Improvements, Upper Ulumalu Road Repair, net appropriation \$400,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Water Supply Fund (Unrestricted): West Maui Community Plan Area. Three projects: Kanaha Valley Improvements, Mahinahina Water Treatment Plant Improvements, Napili A Well Backup Generator, net appropriation \$625,000. Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Consensus.

COUNCILMEMBER JOHNSON: Mr. Chair, I may have a proviso to add later, but I don't think it will, you know, I'll just put, put it in when the time is appropriate.

CHAIR PONTANILLA: The, the amount is okay?

COUNCILMEMBER JOHNSON: I think it's in the Kanaha Valley.

CHAIR PONTANILLA: Okay. So you'll add a proviso?

COUNCILMEMBER JOHNSON: For Hans' property. So I'll, I'll try and do a proviso.

CHAIR PONTANILLA: Okay. Good. Water Supply Funds (Unrestricted): Countywide, net appropriation is \$2,220,000. Consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: Chairman, proviso.

CHAIR PONTANILLA: Proviso. The number is okay?

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Page 35. Grants Review *[sic]*, Civil Defense. Members, you have any questions to Civil Defense grants revenues?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: No. Okay.

COUNCILMEMBER JOHNSON: Mr. Chair?

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I just ask because the revenues that are projected for the various grants are coming from the Administration, I, I...(end of tape, Side 3A)...grant revenues. I don't really have any

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

questions on any of those sources because that's what's being provided by the Administration, so...

CHAIR PONTANILLA: Yeah, I understand. Yeah.

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: So any questions or concerns regarding Department of Environmental Management? We do have your consensus on that?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Similar to Department of Finance. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

COUNCILMEMBER JOHNSON: Yeah.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Thank you. Member Hokama?

VICE-CHAIR HOKAMA: You know how I feel about us doing State jobs, State work, so I'll just state my, my reservations with the CDL Program that we continue to do work, do the State's job. Thank you.

CHAIR PONTANILLA: Thank you. Department of Fire and Public Safety, any questions to their grant revenues that they want to go get?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Okay. Consensus on every one of them?

VICE-CHAIR HOKAMA: Chairman, can you, this 100,000 for USDA Rural Community, you revised it by 100,000, Chairman?

CHAIR PONTANILLA: Okay. Let me get to that.

COUNCILMEMBER VICTORINO: Is that on the fire station, too?

VICE-CHAIR HOKAMA: Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER VICTORINO: Oh, okay.

MS. REVELS: Mr. Chair?

CHAIR PONTANILLA: Ms. Revels?

MS. REVELS: There was a letter from the Budget Director regarding I believe it's three or four grants that the Administration wanted us to revise or add. The, they were anticipating the possibility of receiving those grants.

CHAIR PONTANILLA: And they are?

MS. REVELS: They are the USDA Grant that Member Hokama just mentioned.

CHAIR PONTANILLA: Okay.

MS. REVELS: There is also a \$75,000 grant, Section 8 Housing Program, for the Family Self-Sufficiency Program; and I believe the last one was for Title V Incentive Grants for Local Delinquency Services for \$30,000.

CHAIR PONTANILLA: Thirty or ninety?

MS. REVELS: I'm sorry, \$90,000.

CHAIR PONTANILLA: Thank you. Mr. Hokama?

VICE-CHAIR HOKAMA: Thank you, Chairman, for the explanation.

CHAIR PONTANILLA: Okay. Good. So we do have consensus?

COUNCIL MEMBERS: Consensus.

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Okay. On the next page Department of Housing and Human Concerns. Ms. Revels explained a grant, 32-12, regarding increase for potential Section 8 Family Self-Sufficiency Program of \$75,000. So, Members, on that particular page do you have any questions and do I have consensus on all of the grant revenues as shown on page 37?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Page 38, Grant 32-12, for the one, two, three, the next three down you have, the next four down. . .you have any questions to that? And do I have consensus as Ms. Revels had explained Title V Incentive Grants for Local Delinquency Prevention Program that has been added for \$90,000. Consensus, on, on this, Members?

COUNCILMEMBER VICTORINO: Consensus.

VICE-CHAIR HOKAMA: Question please, Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: For Mr. Pablo. On page 38 please, Mr. Pablo. That 20,000 for the Volunteer Center Program, that pays for the total costs within this Department's operations or is this just a portion of it?

MR. PABLO: I don't have that information whether it would sufficiently cover all of the costs of that program, but I, I could, I could get it from the Department for you.

VICE-CHAIR HOKAMA: Thank you, Mr. Pablo.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Mr. Hokama. Office of the Mayor. Members, you have any questions to any of the grant revenues that the Mayor's office is trying to seek? And do I have all of your consensus to this?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. Page 39, Members, again any questions? Do I have consensus on the grants that is being proposed?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Grant revenues, actually. Page 40, Department of Parks and Recreation, the first one that we have is Play and Learn Sessions (PALS), net estimated revenue \$150,000. Members, questions to that? Consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Okay. Members, Private Donations, provided that \$5 million is for South Maui Regional Park and \$250,000 is for the West Maui Skate Park. I think we going to revisit that.

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Member Johnson had an issue in regards to \$250,000. So we'll come back to that. State of Hawaii Makena Lifeguard Services, net estimated revenue \$594,727. Consensus, Members?

VICE-CHAIR HOKAMA: Chairman, question please?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Mr. Pablo, have you, have you folks been checking and being reassured that the Legislature is including this funds in their budget for, for the coming fiscal year?

MR. PABLO: Which, which one are we referring to right now?

VICE-CHAIR HOKAMA: State of Hawaii Lifeguard Services.

CHAIR PONTANILLA: Grant 32-15.

MR. PABLO: Whether it has already been included in the Legislature?

VICE-CHAIR HOKAMA: Whether, yeah, you, you folks are still confident that those funds are still in there, because my understanding is both House Finance and Senate Ways and Means are. . .*(inaudible due to interruption)*. . .

MR. PABLO: I'm pretty certain it is, but, but I can double check on that and get, also get back with you.

VICE-CHAIR HOKAMA: Thank you so much.

MR. PABLO: Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. So we'll come back to that. Department of Planning. Members, any questions to the estimated revenues through grants from the Planning Department? If not, do I have your consensus?

VICE-CHAIR HOKAMA: No objections.

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Department of Police, any questions? If not, do I have your consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. And that includes page, part of page 40, 41, 42, and part of 43 up to Grant 32-15. Okay, Members?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Department of Prosecuting Attorney. Any questions? Consensus for the estimated revenue through grants for Prosecuting Attorney's Department? Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Department of Public Works. Members, consensus?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Again my, my concern that the Federal matching grant funds may not be all there as, as we've been informed. I would ask, again, Mr. Pablo, for the same consideration if you could please check on the status of those funds for us please? Thank you.

MR. PABLO: Okay.

CHAIR PONTANILLA: That would be Grant 32-22, Mr. Hokama?

VICE-CHAIR HOKAMA: Yes, Chairman. Thank you.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Thank you. Members, consensus to the rest of them?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Department of Transportation, similar to that, Mr. Hokama, on the first one?

VICE-CHAIR HOKAMA: Yes, under the Federal Transit.

CHAIR PONTANILLA: Okay. All three of them then?

VICE-CHAIR HOKAMA: Yes.

CHAIR PONTANILLA: Thank you. Department of Water Supply, Members, any questions to their estimated revenue through grants? And if I do have your consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. So we're on page 46 of 47.

VICE-CHAIR HOKAMA: Forty-five, Chairman?

CHAIR PONTANILLA: Oh, sorry. Oh, yeah. Page 45, let's see, Additional Revenues Received Pursuant to the Foregoing Grants, provided that a quarterly report be submitted to the Council on excess grant revenues received by the County. The net estimated revenue is \$500,000. Members, consensus to that?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: And, Chairman, please again the Leg. is, you know, the Ways and Means has supported the Upcountry water storage development. I know that, I know that's going to go Conference, so I think we need to pay attention to that grant also, that 3.75 million.

CHAIR PONTANILLA: Okay. Still going through the process?

VICE-CHAIR HOKAMA: Yes. Yes, sir.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Special Purpose Revenues - Schedule of Revolving/Special Funds for Fiscal Year 2009. Members, questions or concerns regarding the estimated revenue through the various grants?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: You want me to go down, right down the line? Okay. Housing Interim Financing and Buy-Back Revolving Fund (Chapter 3.32, Maui County Code), net estimated revenue \$2,514,020. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Thank you. Naval Air Station Kahului Airport (NASKA) Sewage Treatment, oh, Sewage Pump Station Fund (Chapter 3.52, Maui County Code), net estimated revenue \$4,420. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Fire Hazard Removal Revolving Fund (Chapter 3.68, Maui County Code), net estimated revenue \$3,390. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Plan Review, Permit Processing and Inspection Revolving Fund (Section 16.26.107.3, Maui County Code), provided that disbursements for salaries and premium pay is limited to 11 equivalent personnel; net estimated revenue \$3,518,700. Consensus?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I believe, gosh, I don't know whether I initiated it or the Department regarding that new Fire Fighter IV position. I believe that would be, was in the Fire Prevention Division of the Department. I would ask consideration that it be funded through this, from this --

CHAIR PONTANILLA: Special Revenue Fund?

VICE-CHAIR HOKAMA: --Special Revenue Fund.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. We'll revisit this.

MS. REVELS: Mr. Chair?

CHAIR PONTANILLA: Ms. Revels?

MS. REVELS: The one EP for the fire position is on the next page, at the very top of page 47 of 47 under Plan Review, Processing and Inspection Revolving Fund for Fire (Section 16.04B.050, Maui County Code).

CHAIR PONTANILLA: Okay. Thank you. Okay. Mr. Hokama?

VICE-CHAIR HOKAMA: Thank you for catching that. So this one is as in regards to the DSA, Development Services Agency, more for the, I guess Mr. Nagamine's division. Thank you for that, Chairman.

CHAIR PONTANILLA: Thank you. Okay. Highway Beautification and Disposal of Abandoned Vehicles Revolving Fund (Section 3.25.030, Maui County Code), provided that \$170,000 shall be granted for a grant to the Community Work Day Program. Net estimated revenue is \$2,312,170. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Okay. Molokai Diversified Agricultural Revolving Loan Program (Act 387, SLH 1998), net estimated revenue \$281,840. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Construction Plan Review Revolving Fund (Section 18.24.010, Maui County Code), excuse me, estimated revenue \$367,410. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Rental Housing Development Revolving Fund (Chapter 3.34, Maui County Code), net estimated revenue \$52,780. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Liquor Education Fund (H.R.S. 281-16, 281-17(2), 281-17(3)), net estimated revenue \$419,930. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Recycled Grant-Loan Revolving Fund (Section 3.36.180, Maui County Code), net estimated revenue \$130. Consensus?

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: This fund has been stagnant for a while. It's not receiving new funds into this program. So it comes to the point when we need to put it to bed.

CHAIR PONTANILLA: I agree.

VICE-CHAIR HOKAMA: So I would ask the Committee for consideration and if we move it forward, then we can have the appropriate ordinances drafted to sunset the program.

CHAIR PONTANILLA: Thank you. Animal Management Revolving Fund (Chapter 3.84, Maui County Code), net estimated revenue is \$290,050. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Okay. Planning Review, Processing and Inspection Revolving Fund (Fire) (Section 16.04B-050, Maui County Code), net estimated revenue \$1,176,440. Again, provided the disbursement for salaries and premium pay is limited to one equivalent personnel. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund (Section 9-19, Revised Charter of the County of Maui (1983) as amended; Chapter 3.88, Maui County Code), 6 million--oh, sorry.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

Number one, Land Acquisition Subject to Chapter 3.88, Maui County Code, for Morris Point (also known as Murphy's Beach, Kumimi Beach) Molokai, TMK 5-8-001, parcel 001, totaling 7.42 acres in the amount of \$700,000.

Number two, Land Acquisition Subject to Chapter 3.88, Maui County Code, for Kawaikapu Ranch, Molokai, TMK No. (2) 5-7-005, parcel 02, totaling approximately 196 acres in the amount of \$480,000.

Number three, Land Acquisition Subject to Chapter 3.88, Maui County Code, for Nu`u Lands and Wetlands, Maui, portions of TMK (2), tax map 1-8-001, totaling approximately 78 acres in the amount of \$220,776.

Number four, Land Acquisition Subject to Chapter 3.88, Maui County Code, for Keanae Taro Lo`i, Maui, TMK Nos. 1-1-03, parcel 41 and (2) 1-1-03, parcel 65, totaling approximately 6.3 acres in the amount of \$350,000.

And, number five, a grant for Land Acquisition Subject to Chapter 3.88, Maui County Code, for Lipoa Point, Honolua, Maui, Hawaii, including portions of TMK Nos. (2), TMK 4-1:01, parcel 10; (2) 4-2-04, parcel 32; and (2), TMK 4-2-01, parcel 9, totaling approximately 583.4 acres in the amount of \$1 million. So the net estimated revenue is \$6,453,235. Questions? Consensus?

MR. TAGUCHI: Chair Pontanilla?

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: Just a reminder for Members, the Charter requires a one percent of real property tax revenues that will go into the Open Space, Natural Resources, Cultural Resources, and Scenic Views Preservation Fund. So we, we will, we will be making an adjustment to that number for whatever the real property tax revenue finally becomes. We will also make an adjustment to the Affordable Housing Fund for the same purpose, that Charter authorizes two percent of real property tax to go to that fund. And if, during the course of deliberations, we make any adjustments to the amounts going into other funds, we will also be revising that.

CHAIR PONTANILLA: Thank you. Members, do we have consensus on the items that I just explained to you folks or provided?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MEDEIROS: Consensus.

COUNCILMEMBER VICTORINO: Yeah. Yup.

CHAIR PONTANILLA: Thank you. The next one is Emergency Fund (Section 9-4 [sic], Revised Charter of the County of Maui (1983), as amended; Chapter 3.96, Maui County Code), net estimated revenue is \$12,926,470. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: First-Time Home Buyers' Revolving Fund (Chapter 3.30, Maui County Code), net estimated revenue \$800,000. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Ocean Recreational Activity Fund (Section 13.04.340, Maui County Code), net estimated revenue \$113,510. Consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Affordable Housing Fund (Section 9-20, Revised Charter of the County of Maui (1983), as amended; Chapter 3.35, Maui County Code), net revenue \$8,695,549. Consensus?

COUNCILMEMBER VICTORINO: Consensus.

CHAIR PONTANILLA: Thank you. Post-employment Obligations Fund (Chapter 3.97, Maui County Code), net estimated revenue \$24,650,748. Members, Consensus?

COUNCIL MEMBERS: No. Revisit.

CHAIR PONTANILLA: Revisit. Thank you. Members, we have just reviewed on the first pass 47 pages. So, at this time, the Chair would like to call a recess, and we'll reconvene at 4:15. So this meeting is in recess. . . .(gavel). . .

RECESS: 4:00 p.m.
RECONVENE: 4:23 p.m.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: . . .(*gavel*). . . Thank you, Members, for recess. The Budget and Finance Committee meeting is now reconvened. Members, we're going to take up the estimated revenues area first and set our revenues before we go into the different areas in regards to the departments' budget requests as well as the requests for grants. Once we set the revenue, then at least we can go forward with that.

Members, the Chair would like to go up to 8 o'clock, or 9 o'clock with a lunch break in between. Oh, lunch break tomorrow. We're going to go until 9 o'clock this evening with a dinner break at about 6:30.

COUNCILMEMBER VICTORINO: Boy, slave driver today.

CHAIR PONTANILLA: . . .Well, you guys have any suggestions?

COUNCILMEMBER BAISA: I'm willing. . .one hour is enough for dinner.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER BAISA: I'd rather go home earlier.

CHAIR PONTANILLA: Okay. We'll go from instead 9 o'clock, but take a break at 6:30 and come back at 7:30.

COUNCILMEMBER VICTORINO: How about 6:00 to 7:00, Chair?

COUNCILMEMBER BAISA: 6:00 to 7:00.

CHAIR PONTANILLA: Six to 7:00 is fine with me.

COUNCILMEMBER VICTORINO: Yeah, 6:30 doesn't. . .yeah, so 6:00 to 7:00 would be better, Chair, if you don't mind?

CHAIR PONTANILLA: Okay. Fine. So we'll go up to 6 o'clock, take our one hour dinner break, and then come back.

COUNCILMEMBER VICTORINO: Thank you, Chair.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: Chairman?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I agree with your, your direction and if things go as you plan I'm sure we'll hit the marks, but I prefer we set the marks that, if you wish to complete the second round by the end of tonight that that's what we need to do. If, you know, unless you tell us be ready for Saturday, Sunday work, that's fine too.

CHAIR PONTANILLA: Again, Members, my proposal is to hit the mark that I set for you which is \$560,000,000 for revenues, \$560,711,536 for revenues. Meaning that, looking at what I said this morning in regards to no property tax increases, reduction of certain fees, and, and...

VICE-CHAIR HOKAMA: Chairman, when you say that, that's your ceiling, the 560?

CHAIR PONTANILLA: So the mark that I'm proposing, yeah, with no property tax increases.

VICE-CHAIR HOKAMA: So if we come below 560, we've hit the mark, that means we also achieved the mark?

CHAIR PONTANILLA: Exactly.

VICE-CHAIR HOKAMA: Okay. Thank you --

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: --for that clarification.

CHAIR PONTANILLA: Okay. Members, any questions to real property tax revenues at this time?

VICE-CHAIR HOKAMA: Mr. Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Since we have the presence of Mr. Young, Director of Finance as well as Mr. Teruya, our Division Head for Real Property Taxation, I'd like to ask questions regarding the comments I had made earlier in the first round regarding minimum tax as well as consideration under agricultural property tax category, whether or not the...we should

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

spend the time to review and, and make some decisions regarding agricultural dedication and whether or not the benefit is worthwhile for this Committee to utilize some of its time this evening, please.

CHAIR PONTANILLA: Thank you. Go ahead.

VICE-CHAIR HOKAMA: First, gentlemen, let's take the easier. . .well, there's nothing easy, but for me let's take the more simplistic item of my two considerations. Regarding minimum tax we are aware that the last adjustment was made in 1992, that's at the \$60, you know, tax rate. I believe it is something that can be done with this proposed budget regarding an increase consideration and that it could be made effective for the Fiscal Year '09 Budget consideration and implement in the Fiscal Year, '09 Fiscal Year. Is that your understanding too or will it need to be delayed and cannot be implemented until Fiscal Year 2010?

MR. YOUNG: Yes, Mr. Hokama, the minimum tax amount is set forth, not part of the budget ordinance, but it's part of Maui County Code in Chapter 3.48, the real property tax code section. However, since the tax bills have not been sent out and will not be sent out until after Council determines the tax rates, I would believe that if you, whatever the minimum tax is set at would be effective as billed in '09. So I think if a revision was made prior to July 1, that that would take effect. I would, of course, defer to Corporation Counsel for, if there's any conflict to my interpretation.

VICE-CHAIR HOKAMA: Mr. Chairman, if I may ask for Corporation Counsel's comment?

CHAIR PONTANILLA: Corporation Counsel?

MS. FUJITA VILLAROSA: No, I don't have any different interpretation.

VICE-CHAIR HOKAMA: Thank you for that. My very rough calculations and understanding of what would be, in my point of view, the positive adjustment is between 250,000 to \$300,000 additional revenue for the County if we consider raising it to \$120 minimum tax. Is, is my general calculations within the ballpark of what the net gain would be for the County?

MR. YOUNG: Yes, Chair Hokama. It, it's actually close. We currently have \$3,353...(end of tape, Side 3B)...if tax rolls and if it was increased--it's

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

currently \$60 for each of those parcels--if you increased it to 120 you said, 120, that would basically result in an increase of revenue of \$201,000.

VICE-CHAIR HOKAMA: Two hundred and one thousand.

MR. YOUNG: Yeah.

VICE-CHAIR HOKAMA: Okay. Thank you for that comment, Mr. Director. Is there anything else, Director, you or Mr. Teruya would have regarding minimum taxation?

MR. YOUNG: We, we did mention this last week Friday when we briefly mentioned the minimum tax, and you already pointed out that Maui's minimum tax has been such since 1992. The other counties, the highest for minimum tax is actually \$100 in the City and County of Honolulu, and \$60 for minimum tax is actually rather low across the State of Hawaii for minimum tax. So any revisions to the minimum tax roll I think is rationale or comparable, at least, to what other jurisdictions in the State are charging.

VICE-CHAIR HOKAMA: Well, thank you for that. I had shared earlier with the Committee, for my final comment in the property tax revenue area, gentlemen, that I believe that if we followed potentially the example that Honolulu, City and County of Honolulu recently went through with their rededication or dedication update, that we had the potential of realizing additional revenues, whether it be highest and best use versus ag activity or whether it be agricultural, and again we understand that if you're already in ag and you dedicate for 20 years, you have an additional benefit as a property owner, and if you're not in ag and you dedicate for a, I guess, minimum of ten years, then you can have the benefits of the agricultural rate.

I have projected, you know, the possibility that even if we get one-fourth out of the value that is not being realized either by activity or best use approach, that this County could potentially realize at one-fourth of what I had estimated in the \$40 million range, 10 to \$20 million in potential additional revenue. Can you give us some comment from your, your Department, your Division regarding this approach?

MR. YOUNG: Yes, I'll, I'll just introduce Mr. Teruya. Mr. Teruya did an academic review of that scenario that you just outlined understanding that this is, it's a very big question, would have a big affect on the overall real

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

property tax code and picture, and again this is not an issue that could likely be resolved in the, as part of the budget ordinance, because it would affect the revision in Maui County Code 3.48. But as far as an academic review goes, Mr. Teruya did finish an analysis of such a scenario. So I'll defer to him, and he can explain his review.

VICE-CHAIR HOKAMA: Thank you.

MR. TERUYA: Member Hokama, before we get into that, I mean, like, Mr. Young mentioned a lot of these things need Code revisions before something like this could be implemented. It would be either a repeal of 3.48.325 and some amended language in 3.50.

What this does is we, there was about two years of discussion under Alan Arakawa's Administration that they had a, like, this agriculture use board to define the, the definition of agriculture. And we spent a year coming all the way full circle, coming back to the start because it's very difficult to define. However, some of the recommendations was instead of some people dedicating--and if you're on ag land, you can have ag use--one of our recommendations was to just make everybody dedicate. And this way at least the division has some record as to what the owners are attesting to doing. There's no doubt that when the State had control of the taxation system, that many people who received ag from the '50s or '60s may still be receiving it after the property had transferred a couple times, and people not even realizing that they're getting these breaks.

So just by making people dedicate, I believe gives the division some authority to roll back tax savings should they not comply with what they were actually attesting to. So just initially looking at the numbers in agriculture use for the parcels that are not currently dedicated, there's a little over 5,100 parcels that are receiving this agriculture use with the potential revenue difference of about \$43 million. So, like you said, in Oahu's case when they made everybody dedicate, there's about a 50 percent drop-out just simply because people were not using it for ag. And if you were to take that ratio--I'm not saying it would, it would be similar or less--there is some room of revenue gain, yeah. So your estimation of 25 percent falling out would be approximately \$10 million.

VICE-CHAIR HOKAMA: Okay. Honolulu's approach was to create an ordinance that required dedication of agricultural.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

MR. TERUYA: Yeah, theirs is a little complicated in the sense that they have, everybody's assessed in their highest and best use value. If you are to dedicate one year, you get ten percent off your value. If you dedicate for five years, you get 25 percent. I don't know the exact percentage, but theirs is structured by years, and it's all based on your highest and best use value, and you get a deduction based on how many years you choose to dedicate.

VICE-CHAIR HOKAMA: Okay. For this component more than likely it cannot be part of the Fiscal Year '09 consideration? You would, you would think that because of potential ordinance proposals and revisions to the Maui County Code that while we may have some discussion this evening, actual potential implementation cannot take part until the following budget cycle?

MR. TERUYA: Yeah, Mr. Hokama, even if you made an ordinance change today, it still takes staff and manpower to initially go after the 5,000 applicants. I would assume that there would be a lot of applicants applying and just administratively within the division for someone to see even half of that 2,500 parcels during the remaining year, that's very, very difficult. Yeah. So even if you were to change some ordinance now for 2009, we would still have to set deadlines for these people to dedicate parcels. And usually currently it's September 1st of every year for the following assessment year, so that the appraisers have three or four months to look at all the applications, yeah. So it would be a big undertaking for the appraisal staff to implement this project, but it's not something that couldn't be started.

VICE-CHAIR HOKAMA: Okay. I, I appreciate your comments. Chairman, I thank you. For me the, the ability to potentially realize another 10 to \$20 million I think it's worthwhile for this Committee to consider whether or not we want to start the ball on it. While we may not be the beneficiaries of this budget cycle, for those that will be returning for the next Council that may be one of the, the safety nets that will be of benefit to the next sitting Council as they deal with the financial issues that will be placed before them. So I thank you for this time.

CHAIR PONTANILLA: Thank you. I just have a question in regards to the 5,100 parcels that you mentioned. Can you give me some, like, specific idea where these parcels are located? I'm sure it's like a subdivision, two acre subdivision of some kind?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

MR. TERUYA: Chair Pontanilla, it can be a range of parcels. Agriculture use is for parcels that are currently zoned County Ag. It could be Maui Land & Pine, Ulupalakua Ranch, Haleakala Ranch, Wailuku Country Estates, Kula Ag Park, you know, Kula 200. There's, it's a range of parcels, but generally it's anything that's zoned Ag can receive agriculture use without the use of that dedication process.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Chairman, one quick follow-up please?

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: But even if you don't have Ag zoning, you could dedicate, have an ag dedication? Let's say you had rural, urban land and, and it was. . .unimproved residential currently. But, you know, since I don't have a house there and I don't have. . .well, let's say maybe I just got a meter and I want to--even without a meter because that would be improved residential with a meter--and I say, I'm willing to dedicate for ten years agricultural use and activity, can I still do that and still get the benefit of the agricultural formula?

MR. TERUYA: Yes. If you don't have Ag zoning, you will have to dedicate your parcel for the use. The only thing on Residential zoning, pasture use is not allowed, but you could do, you know, anthuriums and anything else but, but pasture.

VICE-CHAIR HOKAMA: Okay. Thank you, Mr. Teruya. Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, Scott, and, you know, I know in the past, like at North Beach, all of that whole subdivision was in agricultural utilization for a long while. How were they actually paying? You know, do you, do you know what taxes they were paying? Was it just on the unimproved hotel zoned land? Because I was always told that because they were doing agricultural use it was based on the use of the land.

MR. TERUYA: Yes, I don't know the particular situation when you talk about North Beach. Is that the one...

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: It's all of the Starwood, Intrawest, you know, that whole area. It's, it's the area from Kahekili Park up to Embassy Suites, all that property in between.

MR. TERUYA: Yeah, I, I can research it. I, I don't want to say what it was, because I really don't know if it was receiving agricultural use or not.

COUNCILMEMBER JOHNSON: Yeah, I really would like to see that because then there's quite a bit of land that is, you know, for years--I, I know it's not nice to cry over spilled milk, but, you know, I would be really interested to see because it's the development potential. And I know they were doing seed cane on there for quite a long while, and I don't think they would have been doing that if there weren't some kind of benefit associated with that. Thank you.

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

COUNCILMEMBER MATEO: Chairman, thank you. Mr. Teruya, did you say pastoral lands, excuse me, pastoral lands was not in, was not considered ag? Excuse me.

MR. TERUYA: It, it would be more the grazing of animals in the residential zone would not be an allowable use for residential dedication, I mean for the agriculture dedication in residential zoning, yeah.

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions in regards to what question Mr. Hokama had presented to the Administration at this time? Okay. Members, in regards to real property tax, you know, as the comment made by the Budget Chair this morning, holding the line as far as the property tax. . .in regards to creating a balanced budget without hurting the people of this County, so I still stand with that. The other consideration that Mr. Hokama brings up is in regards to the minimum tax level. I don't know if you guys have any comments to that in regards to maybe looking at that as a means of more revenues for the County. Member Johnson?

COUNCILMEMBER JOHNSON: Yes, I'm totally in support of that, and I think that a minimum tax at least should be what it would cost to process and take care of whatever the paperwork is that was needed. To me, through

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

the years, a \$60 minimum tax probably in today's dollars you'd, it'd be probably around \$250 minimum. I mean that to me is more realistic, because I know people that are living right now in very expensive homes through their real property tax and through I guess it's the ag dedication, they're paying \$60. . .and that's something that is just not, it's not right. So I know some people can't, you know, they have a difficulty, but to me \$250 is. . .you know, while it might seem, you know, like a lot to some people, I think when you look at what the Real Property Tax Division has to go through just in even tracking and updating. If somebody also has a different figure, that's fine, but I, I mean maybe the Department has an idea of what it would cost in today's real dollars.

CHAIR PONTANILLA: Thank you. Again, Members, this morning we also had a comment by Mr. Hokama in regards to the transient accommodation tax and what was projected. And because of his knowledge in regards to, I guess, contacting people that he is very aware of, people in Washington that are looking at the transient accommodation tax as far as reducing the amount that was projected, Mr. Hokama, can you elaborate more on that? And maybe for the Finance Department in regards to, you know, what was discussed earlier since you guys weren't here to, what Member Hokama had presented the Committee in regards to maybe a reduction of accommodation tax because of the situation with the airline industry that we're faced with today. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you. For the gentlemen from the Department of Finance, my understanding of what's happening not only on prices at the gas pump which we deal with daily, but also what the airline is facing in increased jet fuel cost, that while Hawaii, and Maui in particular, is still a very safe and desirable domestic destination, people are reaching the point where fares and what they pay at the pump is, is making impacts on their decisions whether to defer doing the trip, still doing the trip, but cutting back on other discretionary spending choices, or not doing the trip at all because of the cost.

And so for, for me again, gentlemen, my understanding is that while we may still have the total seat capacity that may be flying into Maui, into the State of Hawaii, if the fares don't match what the traveler is willing to pay for, the capacity doesn't mean anything to us if they don't come because if they don't spend, again they don't stay in a visitor accommodation, we don't get the transient accommodation revenues and, and so forth.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

So two things basically, gentlemen, I believe, and it has always been my approach to be conservative and adjust downward the revenue projections and hope I'm wrong. I haven't been wrong in ten years, but I'm hoping I'm wrong because if I'm wrong Mr. Pablo and Mr. Young will be able to consider, through the Mayor, a supplemental budget consideration, which means Council can then reappropriate new revenues to things that they may not have been able to include in this consideration.

To do otherwise and go the opposite way, gentlemen, and not realize those revenues, you will have to come back with, as the Charter requires, how you're going to cut back and either eliminate positions or cut programs to balance the budget because you have not been able to realize your revenues. And we know what California did. They were very aggressive. They have an \$11 billion shortfall, in the State of California. I don't want to be in that position. I rather be in the other position and say, you were so tight Hokama, now you have an \$11 billion supplemental consideration. So for me it's a philosophical approach, gentlemen.

But I am asking if you have been given new information that makes sense for us to adjust these numbers appropriately? I rather go down. You guys know my philosophy. I've done it for ten years that way. Just as much as I am concerned about fuel and franchise tax--if people don't buy gas, because it's not the price of the gas, it's gallonage that we're concerned with, we are not going to have the amount of revenues, and we already know General Fund is continually increasing its subsidy to Highway Fund projects. So we're going to make it up again if we don't change our appropriations on Highway Fund projects, which means under Interfund Transfers we're going to adjust again. And eventually, to me, it impacts our bond and lapsed bond revenue source, because I don't think we can afford it at \$50 million.

So I'm telling you of the areas of concern under revenues for me, and as our professionals I'm asking you for your best advice in this snapshot of time, because I'm not willing to be too optimistic in, in, in all of my talks with the banks, financial institution lenders, bond people that this is the first year that we're going to need to tighten up because for the next three years it's not going to get any better. And if we don't take the first bite today, you know, instead of saving the leg, we're going to lose the leg because we didn't cut the toe off in graphic, you know, illustration.

So do you have any comments you could share with us so that we can make better decisions under this forecast? And again, gentlemen, I know

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

it's hard, you're trying, we're telling you to look down the road 18 months from now.

MR. YOUNG: Yes. Yes, Mr. Hokama, you know, your predictions are maybe just as good as mine or anyone here or anyone in this room because they're really just predictions. It's hard to gauge what's going to happen.

In terms of the transient accommodation tax and the fuel tax, those two which are very large components of the overall revenue picture for the County, admittedly those are always a concern especially in the current economic environment. As I mentioned on Friday, the current projection for TAT, the transient accommodation tax revenue, was actually projected as recent as February, which is already two or three months, you know, stale and that projection represents actually a five percent decrease in transient accommodation tax collections projected in '09 off of what we're anticipated to collect in '08. That's a five percent reduction in TAT. Whether or not that's conservative enough, given the current economic environment, is really anyone's guess, and for those, for that particular revenue stream that there's two components that I look at in the economy in terms of gauging what the revenue projections are for that.

The first one is gas prices because when the TAT amount was estimated, I believe gas prices back in February were, were still not at the \$3.90 mark and, you know, as of yesterday they've already tapped up, topped past \$4.18. The likelihood that it go, it will go up further, you know, before we even start Fiscal Year '09 is quite considerable. What all that means is, is if gas goes up, we'll anticipate that fuel prices for airline tickets will go up as well. That will affect the second part of that, that I look at which is discretionary spending in the U.S. economy. Even though the, the exchange rate for the dollar is very preferable for international travelers, we're stilling looking at, you know, the overall economy. The sentiment out there is rather constrained, a little bit more reserved. How much would discretionary spending affect the likelihood that visitors would come to Hawaii? Those two issues, the gas prices and discretionary spending, and the overall economy that's what I, you know, I, I look at for my personal self as being the high indicators of what I would predict.

You know, to tell you the truth, in both of those regards with the recent economic news...the rate of the, the recent publication from the U.S. Department of Labor on unemployment rising in the U.S., the increase of projections of inflation over the next coming year, the prospect of gasoline futures over the next 18 months, there's a very good case to be made for

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

both the fuel tax revenue and the transient accommodation tax revenue. A good case could be made that five percent reduction is actually to, not deep enough, I guess, of a cut. But again, you know, that's my personal review of it in terms of prediction, and I think, you know, some other people, maybe some Members on this Committee, may feel that other aspects of the overall economy are more indicative of what would likely happen to TAT and fuel tax. And so it's, it's really nothing more than a guess or a prediction.

VICE-CHAIR HOKAMA: So, at this point in, what I had hoped you would say is instead of five percent maybe we should look at a ten percent reduction. And not to put words in your mouth, Director, but the revenues will help, you know, once we set revenues we know what we got to spend to appropriate. And, and, and Chairman Pontanilla has made it clear that he, you know, he already has a cap. You know, if anything we have learned because we had the opportunity to observe is, of course, California's big shortfall of the billions and, and in the middle of January we heard the Governor saying that the State is already 350 million short from their projections.

And, and I've always been more conservative than the Council of Revenues. You know, for me three percent was my, my number a year ago when they were talking six, eight percent, because I had no confidence that they, we could reach those, those marks of projected revenue growth. You know, Chairman, I, I thank you for my opportunity, and I, you know, if the Members, other Members wish to question. I'm just concerned, Chairman, that we will not realize the numbers we are basing the budget on and, and that is my fear. And like I said I hope I am very, very wrong, but I don't think so.

CHAIR PONTANILLA: Thank you.

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: One of the things that I would like to find out from Finance is because I know some of the properties, like particularly in hotel classification, they were closed for a period of time or shut down for retrofitting and so revenues were not being received for those properties that were under construction or that had not yet completed construction.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

But I know the sales for those units went off the charts; Intrawest, a number of other properties that were being redeveloped.

So with regard to the revenues that would be generated from those properties, will they be in the hotel classification so that we can count on some type of revenue in that respect to offset maybe a downturn on the other side, or are those properties--I think Kapalua Bay Hotel was being redeveloped; the Ritz Carlton was closed for a while, that's being redeveloped; you've got the Royal Lahaina which is going to reopen, I guess, as condotel. So do you have any indication where we might have been short on some of the revenue, but it will boost back up once people begin to occupy those units?

CHAIR PONTANILLA: Director?

MR. YOUNG: Well, Ms. Johnson, all those, all of those properties are for FY '09, they're already in the real property tax certification, they're already classed as a particular property class. So there won't be any, we should not be anticipating increased revenue because of wherever these properties happen to fall out.

COUNCILMEMBER JOHNSON: No, I'm, I'm talking about the transient accommodations tax because the rooms obviously were not occupied. If the use is going to warrant TAT, then I would expect that if there was no one in the rooms before there would be no tax being paid. So I'm not talking I guess from the perspective of, I know they were out of the loop for a while, and so real property tax, they may have asked for some relief, but I'm looking more at would they be generating revenue even though they've been reconfigured. Like Hotel Hana Maui isn't a hotel anymore, but I'm assuming that it still pays some kind of transient accommodations tax on the guests that are there. So if, if you don't know the answer, I mean...

MR. YOUNG: Well, again for...in the, there's two parts to this because the, most of the properties that you have mentioned they're largely moving out of the hotel pool and a large segment of that is properties that were prior to 2007 were actually legitimate hotel rooms. Now, they're into either in timeshare or fractional share. They could be in a condo, hotel arrangement. All of that puts a little bit more uncertainty in terms of if they are still contributing to TAT, to the TAT portion. For real property tax, we already, we're pretty solid there, because they've already been certified. But for properties that were previously, for instance, the Bay, I

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

think you may have mentioned the Kapalua Bay Hotel, they were previously legitimately hotel, so we had TAT collection revenue on that, but now it's moving into a fractional share arrangement and fractional share arrangements are not under that TAT, they're under the transient occupancy tax. While it's still collected at the same percentage, the base of which that's calculated is different.

So TAT is based on the room rate that's charged under the daily room rate revenue that's collected. TOT is actually based on some calculation of, I think it's, like, maintenance fees or something like that which --

COUNCILMEMBER JOHNSON: Annualized maintenance fee.

MR. YOUNG: --yeah, which is typically far less. So...

COUNCILMEMBER JOHNSON: Well, Kalbert, if, okay, let's take, let's say one of those properties that's converting to fractional ownership, now it's actually operating as a timeshare. So from a real property tax perspective now the hotel rate and the timeshare rate are different.

MR. YOUNG: Yes.

COUNCILMEMBER JOHNSON: So are you going to be taxing them as timeshares as the use?

MR. YOUNG: If they are a timeshare, they will be taxed...

COUNCILMEMBER JOHNSON: Well, they're going to say they're not, but I mean if it quacks like a duck, walks like a duck, you know...

MR. YOUNG: Well, I . . .and that's the, and that's the issue because although we may be saying that they may... (*end of tape, Side 4A*)...they may be contributing more on real property tax side, but for real property tax whatever they are, whether they are a hotel or timeshare, they're certified as for '09, they're already certified. So we're pretty solid there. The one thing we don't know is how much of the TAT or TOT portion, whatever you want to call it, we will be getting in '09. And I think if I had to make a general statement, I would just say all of the properties that you're mentioning from at TAT perspective I would anticipate less TAT revenue.

COUNCILMEMBER JOHNSON: Okay. Which leads me to I guess another question about increasing, Mr. Chair, the revenue or at least increasing the

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

rate under timeshare because with a lot of these properties moving into that category and revenue dropping, if we're not collecting it on the transient accommodations tax which is, or the transient occupancy tax now, this is what our fear has been for a long while. The revenues will drop once they change the use of that property and yet all the services they demand the same, you know, services that everybody else is getting and yet they don't pay park assessment, they are not paying if they're constructing a 12-story building. They're, they're not giving us fire equipment to even fight the fire to take us 12 stories.

So we're having to subsidize, and I, I'm just not happy about that. So, you know, if we're going to have a shortfall in revenues, then, you know, in the area where people are actually returning and they're not paying their fair share which we've known that for a long while, then you know what, it's not fair to dump that on the backs of the local people. So I'm, I mean if we have to make an adjustment for any kind of downturn in revenues, then I would prefer to look at that source of revenue to bolster us in that category. Thank you.

CHAIR PONTANILLA: Thank you. Members, any more questions for the Department at this time? Seeing none, let's see, the other one I think, Mr., Mr. Director, you already touched on in regards to fuel and franchise tax. Mr. Hokama, you got any more comments in regards to the revenue side other than what was pointed out this morning?

VICE-CHAIR HOKAMA: Thank you, Chairman, for that, the consideration. No, I, I just wish to share something that my colleague to the left of me, Mr. Victorino, experienced yesterday and verified. You know, the price of gas makes no sense in this State. You know, the fuel barge passes Maui, goes to the Big Island, and Mr. Victorino just shared with me that Big Island, Hilo for the same gallon of regular unleaded gas they pay 50 cents less per gallon. Go figure.

And, again, I wish the price of the gas has some relationship to the amount of revenues we collect in our Highway Fund. Unfortunately, the County does not get any more revenues as the price goes up because we set it --

CHAIR PONTANILLA: By the gallon.

VICE-CHAIR HOKAMA: --by the gallon, and it's an X percent, so many cents per gallon. So even if the price goes up double, we don't get double the money at all, which is unfortunate, Chairman, because we've made

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

attempts to try and mitigate by reducing our fuel tax cents per gallon and now the General Fund bears the burden of making up the shortfalls. So I thank you for letting me speak.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Yeah, I wanted to chime in on this fuel tax thing. You know, years ago when we were fighting gas prices actively a while back and trying to pass the gas cap law, I asked the Chair of the State Transportation Committee, I said why is it that we're paying more gas on Maui. And he said, well, because it's transportation. And I said, you know, I don't believe that because Kula, Ching Store, has cheap gas and Kahului charges more. Now, what is farther? Is it farther to Kula or farther to Kahului? So I, for one, do not understand gas prices. I don't know how they're computed; I don't know what they do. All I know it's a mystery and when I pull up to pump now with my small car, it's costing me over 50 bucks to fill the tank. God bless those who have those big trucks, I don't know what they're doing. Their probably not eating in order to buy gas.

And I don't know what we can do about it, but I will say this, somebody's going to pay for this gas whether the County pays because we're going to have to have more buses on the road for people to get where they're going, or whether individuals continue to pay because they have to have their cars, we're going to sell gas. And we may save a little bit by economizing but, you know, there is going to be gas sold. Unfortunately it's one of those things like food that you have to buy unless we're all going to stay home and commute from home with our computers so none of us comes to the office. I don't know how we're going to get away from buying gas. So I, I don't see, you know, a huge loss in the amount of gas sold is going to cost us a lot more.

You know, I remember, I remember a few years ago when they were trying to get people to give up smoking and every year they add more tax and more tax, and they were still smoking. You know, maybe less of them, but I still see people smoking everywhere. If it was \$2 a pack, they bought it. Now its \$5 a pack, they still buy it. You know, it becomes a thing that you just go with it. So the, the fuel part doesn't bother me so much. But I've been trying to tinker with and everybody saw what I submitted was I felt there were things under, that are very important to our community and that we need to have them, and they certainly mean a lot to us.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

So I was willing to submit some very small increases in the property tax rates, no more than ten cents in the hotel classification and in the other business classes like commercial, industrial, and in the timeshares. And now in second thought, I probably should have put more, increase timeshares more. But it did give me the money to balance the budget and pay for the things that I felt were important to our community that I didn't want to see left out of the budget. You know, I think reality is going to set in here and, you know, when I looked at the chart that was given to us this morning to compare the County's and who pays what, we don't pay that much. In fact, we pay a lot less than a lot of people. You know, and so if we have to raise our taxes a little bit so that we can provide the infrastructure and have the services, and programs, and things that we like to have, then I think that's something that we have to look at because if we don't do it this year, we, we know we're going to do it next year.

Also, in regards to the TAT, I think we have somebody who's a relative expert here in the audience with us. In fact, she probably knows more about this than most of us and that's Ms. Vencl from the Maui Visitors Bureau. And I would really like the opportunity to ask her that question again. When she spoke earlier she kind of alluded to it, but nobody asked her the direct question, what is your take on what's going to happen with the TAT revenues this year. Could we please do that, Chair?

CHAIR PONTANILLA: Members, if there's no objections and Ms. Vencl has no objections to do that. I, I heard something like we were ahead from last year's take as of February but, Members, if you have no objections to having Ms. Vencl come forward, the Chair will call on Ms. Vencl at this time.

COUNCILMEMBER BAISA: Thank you, Chair.

CHAIR PONTANILLA: Members, any objection?

COUNCIL MEMBERS: No objection.

CHAIR PONTANILLA: Thank you.

MS. VENCL: Aloha, Mr. Chairman and Council Members. Do you want me to just take off here or do you have a specific question?

COUNCILMEMBER BAISA: Chair? Chair?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: I'm sorry. Ms. Vencl, go ahead.

MS. VENCL: Sure. When I was here on Friday, I don't have that paper in front of me unfortunately, but I believe that we were, as of February we were something like \$800,000 ahead of last year in TAT collection. Our projections for this year were, as has been stated by Mr. Young, closer to 23 million, and he's put a conservative number in the budget and I think he said that is five percent. I basically can only agree with what he said. He can give you a prediction, I can give you a prediction. I can only go out there and work to make sure that we keep it as high as we can, but I don't know exactly what that will be.

I might be able to add just a little bit of clarification to Ms. Johnson's question if you would like. I think what she was trying to get at is that there was a period of time last year where both the Royal Lahaina Tower as well as the Ritz Carlton was down for about six months. And so, yes, there was a lack of TAT brought in during that time that we, you know, that we didn't get. Now that they are back up, the Tower is still back up as full hotel rooms. They are going to change their cottage areas to, to be some sort of a fractional thing, but the Ritz is back up and is a little bit of both. Nevertheless, we will see some TAT for a period of months in those two properties that we didn't see for a period of about six months in this last year.

Having said that, I still can't tell you what our TAT number is going to be other than in the past we have always tried to be conservative as I believe Mr. Young has, and I certainly know that Mr. Hokama tries to make sure that we're never on the short end, but it really is, it really is a crystal ball, and we can only do our best to keep up.

CHAIR PONTANILLA: Thank you. Member Baisa?

COUNCILMEMBER BAISA: Thank you, Chair. Ms. Vencl, if you could, and again, you know, I'm not trying to put you on the spot, but you know more about this than all of us, you're living it every day. Have you seen mass cancellations or higher vacancies since this airline thing?

MS. VENCL: No, I've had very minimal reports of any cancellations thus far. We all do know, as all of you do, I'm sure you've all checked prices, the prices are going up but, you know, to some degree I think it will be similar to the gas. We've never paid what it takes to actually fly in some of these

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

places. So what it will do? I think certainly there's going to be people who will not be able to fly. I think that there will be people who will come and have less discretionary spending across the island possibly. But I haven't seen any mass cancellations at this point. I do see concern as we all do.

COUNCILMEMBER BAISA: Yes. Thank you very much. I certainly understand, you know, the situation. It may take a little more time for us to really see but, you know, usually people begin cancelling conventions, and meetings, and whatever pretty quick because they know it's coming. But, and nobody wants to make a plane reservation nowadays unless you're going because now you're married to that ticket. So, you know, I appreciate your insights, because I know you're close to it and all of us need a crystal ball, nobody can guess. But all I ask you then is to please work hard--thank you--harder. Thank you.

MS. VENCL: Will do. Thank you.

CHAIR PONTANILLA: Members, any more questions for Ms. Vencl? Member Medeiros?

COUNCILMEMBER MEDEIROS: Mahalo, Mr. Chairman. Yes, Ms. Vencl, and I asked some of these questions before, but I still wasn't clear on it. You said we're 800,000 ahead of last year and that's TAT taxes collected for Maui County, Statewide?

MS. VENCL: That's Maui County's share of the TAT.

COUNCILMEMBER MEDEIROS: Oh, share.

MS. VENCL: Our share.

COUNCILMEMBER MEDEIROS: Not, not what we collected?

MS. VENCL: No.

COUNCILMEMBER MEDEIROS: Okay.

MS. VENCL: We don't know what we collected.

COUNCILMEMBER MEDEIROS: Okay. So it's just the share of what we got currently or previously?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

MS. VENCL: It's our revenues that come to Maui County.

COUNCILMEMBER MEDEIROS: Maui County, right.

MS. VENCL: Correct.

COUNCILMEMBER MEDEIROS: Okay. Because we still don't know how to get the numbers of what Maui County contributes; right?

MS. VENCL: No, we don't.

COUNCILMEMBER MEDEIROS: That, that's someplace in a deep dark hole.

MS. VENCL: State Legislature.

COUNCILMEMBER MEDEIROS: Right. Okay. Thank you.

MS. VENCL: You're welcome.

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

COUNCILMEMBER VICTORINO: And, and I'm not sure if Ms. Vencl is the best one to ask this question or Mr. Young, but the question falls along the timeshare. I would, I'm wanting to know approximately how many more rooms are being added by Intrawest, Starwood. I know Kapalua is putting, I think, two or 300, I'm not sure. There's lots of numbers out there. And grant you even if we were tomorrow to say, enough, no more, these rooms are not in the, in the pipeline right now. Intrawest hasn't opened up or have they? Does anybody know?

CHAIR PONTANILLA: Department?

MR. YOUNG: We don't, the Department doesn't know about that particular property if they're opened up or included in certification.

COUNCILMEMBER VICTORINO: Okay. Okay. You don't know if they're included in certification or not? Probably not.

MR. YOUNG: We would have to look to. . .if you really wanted to know, we would have to look into the rule books.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER VICTORINO: Because that's important because here we're saying, first of all, we're talking about hotel rooms and that's one issue, but timeshare has become a big part of this whole equation as far as direct taxes. They don't even, TAT is not part of the issue; right? We're just talking direct taxes which is another source that, if not inclusive, if we get 15--well, I heard 2,500 more rooms times whatever what, I mean we can start adding up.

Now, I'm not putting what Chair Hokama is saying that he's never been right, but I've also always never been wrong either if you understand what I just said. We can guess as best we can and that's all we're doing at this juncture. But I, I, you know, because I want to make sure whatever we decide on now is going to be as accurate as possible for next year. I can't worry five years from now. I can't worry the year after next. Got to worry right now to make sure we do the best we can and set the precedence for the next five years as far as tax reform, all the other things we've talked about, whether it's B&Bs, TVRs, that's all issues that we need to address as soon as we're done with this as far as classification.

I just want to get a better feel of all these rooms that are out there that are being constructed, and I pass out there and it still looks like a lot of construction going on, which in my estimation is not something that's in the pipe. When that gets in the pipe, that's going to add a lot of revenue that we don't realize right now, and it's not part of the certification; am I correct in saying that, Mr. Young?

MR. YOUNG: That, that is true, Mr. Victorino. Yeah.

COUNCILMEMBER VICTORINO: Okay. And, and again you cannot, but it's, that's not an intangible because the tangible building is there, so you know that's going to be online in the not too distant future. This is not something that we're creating and hoping for. It is there and it will be a part of. And I agree with Ms. Johnson, that maybe we should have made them pay more fire protection or whatever, whatever. But that's another issue, I don't want to cover it at this point.

I just want to get a better grasp on real property tax versus TAT. You know, TAT is, like Member Medeiros asked, is really our portion of the sum total. Maui can go, like, crazy, and we have in the past done very well. Big Island falls off, other areas fall off. The total revenue, the total

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

pot shrinks; right? And so we get a smaller part; is that not correct, Ms. Vencl?

MS. VENCL: That is correct.

COUNCILMEMBER VICTORINO: Okay. So I just want the public to understand that this TAT is based on the entire State. It's just not what Maui does. Timeshare and the taxes we put on hotels and all the other things is what we keep here on Maui for Maui County.

MR. YOUNG: Yeah. Yes.

COUNCILMEMBER VICTORINO: Okay. Just so long as everybody understands, because I think we get mixed up sometimes with all of these different equations. I thank you, Ms. Vencl, for your, your, your, your answers and maybe other Members have questions, but I wanted to get that perfectly clear that we have a segment of our economy, and we have a segment of our visitor industry that is growing, and we may limit down the road, but right now it's growing and we have potential income that's not even certified, Chair.

And so, I don't know what that will realize in actual dollars. Nobody can tell me that and unfortunately that's the crystal ball we don't have. We may lose here, we may gain there, the net result, maybe you're right, Chair, maybe keep everything the same and hopefully we'll come out smelling like a rose and maybe Chair Hokama is right that we may not, and we may hurt for it. Thank you, Chair.

MR. YOUNG: Mr. Chair? Mr. Chair?

CHAIR PONTANILLA: Thank you. Mr. Young?

MR. YOUNG: Yeah, that's a really good point that Mr. Victorino brings up because the comparison between TAT and real property tax, when we try and project on TAT the issues that I mentioned are largely on a Statewide macroeconomic scale and that's large, that is because you can't predict TAT based on what Maui is going to do, right. We have to look at it as what is Hawaii going to do as a State. TAT, for every dollar that's collected in the State of Hawaii towards TAT, wherever that may be, Big Island, Oahu, Waikiki, or on Maui, Maui ends up only getting 10.2 cents of every dollar. So if you think about it, and the majority of the rooms are largely contributing from, say, Waikiki, right, even though Maui has the

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

highest room rates in the State. So it, it's a, that's a really bigger picture to kind of predict and why it's a little bit more difficult to predict.

The real property tax picture, when we're looking at timeshare versus hotel versus improved residential, the picture is a little bit more clearer. The property that Mr. Victorino mentioned, those properties, like Intrawest for instance, whatever it was previously it was not a hotel. It was a lower value property. So if it was ag, as Ms. Johnson points out, and it's going to move to whether it be timeshare or hotel, you know, we can count on additional revenues beyond what we collected previously. So that picture's a little bit more clear. But that distinction is a very good one when we, when you're, when you're getting into this discussion of real property tax versus TAT, one making up the other or one supplementing the other.

CHAIR PONTANILLA: Thank you, Mr. Young, for that information in regards to TATs based on the State total hotel room for the State of Hawaii. Members, any more questions for Ms. Venci? If not, thank you very much. Okay. Members, any more questions for the Finance Director at this time? Member Hokama?

VICE-CHAIR HOKAMA: Director Young, one thing I had, you, you and I both pay attention to, and we, we, we chat with some of the similar financial people, but from your perspective in the very next, near future, so I'm talking the one to three year window, what do you see happening with interest rates and with our ability to borrow? Do you believe that the Feds are going to hold the line and maintain interest so that, to help show some government confidence in our economy during hard times that by, if they keep interest low, then of course they're going to try and stimulate borrowing and reinvestment, or do you see the Feds taking this recession issue very seriously and even looking at to, to balance off the cost of living increases needing to adjust and also increase interest?

Do you have, do you have, you have some inside you could share with us? Because for us, you know, bond revenue is a big component of this CIP request. Its \$50 million of borrowing and, and that's a concern for me. So do you have a perspective you could share with us as far as, you know, you deal with this regular, because you deal with our short-term investments also, with your investment policy committee.

MR. YOUNG: Well, I think Mr. Hokama, if I knew that answer I, I wouldn't be working here.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Neither would we.

MR. YOUNG: But I think from my perspective what I see going out three years, I think interest rates will likely go up, cost of bond will likely go up. I don't think the Feds can afford to continue to lower interest rates because the two biggest factors right there is that the rates have been slashed so far down that it's actually driven the country towards recession. And when you see the devaluation of the U.S. dollar against other currencies for a large part it is due to the fact that the Feds have lowered interest rates, because lowering interest rates literally means that the government prints more money to lower interest rates. And when that happens, that's what stimulates inflation and they're trying to stimulate spending.

I don't see that the Feds can continue doing that in looking at the three year picture. There is some discussion that in the one year going out that they may continue to cut interest rates a little bit. There might be still some more room. But at some point and beyond that 12 months looking forward, they're going to have to start increasing interest rates. And the best you could maybe hope for is that they hold interest rates level.

What that, on the other side of it, though, is what does it mean to the County of Maui? Other than the interest rate market for the U.S. currency issues, we should anticipate that the cost of borrowing money through bonds will likely increase and that has more to do with the fact that the credit markets are in such turmoil largely due to, again, the devaluation of the dollar, but also due to some pretty shaky investments that the credit markets had to deal with, you're seeing bond rating agencies or bond insurers are actually, are actually getting downgraded. When bond insurers are getting downgraded we, the municipalities, rely very heavily on bond insurers because very few jurisdictions, including the County of Maui, do not have triple A credit. We're close to it, but we rely on bond insurers to make up that difference to get us to triple A. If you can't get to triple A, you're faced with higher rates of borrowing, and if bond insurers can't even get to the triple A, you're pretty much left out on your own and that's where the County of Maui is.

So I would anticipate, and the Mayor has been advised, that in future year, as early as the '09 Budget we need to consider that cost of borrowing will go up for the County and if you look forward two or three years forward, the '010 and the '011 budget, the cost of us borrowing at that time will, as

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

we stand right now, will likely be more. We should be anticipating paying more for that future debt.

VICE-CHAIR HOKAMA: Thank you for that candid remarks, Mr. Young. It's much appreciated by the Committee. I'm sure it will help our decision making. Thank you, Mr. Chairman.

CHAIR PONTANILLA: Thank you. Members, any more questions in regards to--Member Victorino?

COUNCILMEMBER VICTORINO: Yeah, on, on, on that, along that same line of, of thought if you, say in a few years it will cost us more to borrow the same monies, no matter what we do here, right, would it be prudent, and I throw this out, that we should be borrowing more now because the interest rates are lower or the bond rates are lower? Because is the bond rate fixed for an X amount of years or does it change every year? That would be my first question.

MR. YOUNG: Well, any, any bonds that, all the bonds that we've sold previously --

COUNCILMEMBER VICTORINO: Yes.

MR. YOUNG: --we're set on those.

COUNCILMEMBER VICTORINO: Okay.

MR. YOUNG: So we don't have to worry, the County of Maui has not issued any debt that is say adjustable.

COUNCILMEMBER VICTORINO: Okay.

MR. YOUNG: So we don't, you know, we know what the rate of interest that we're paying on all debt that has already been issued. The one that we're concerned about is if you asked me should I be selling bonds today or should I sell bonds tomorrow? Would interest rates be more tomorrow or would they be more on Wednesday versus today? That kind of question is the question that we, in Finance, do worry about when we, when is the next time we're going to go out to sell and is it better to sell it in April of '08 or is it better to sell it in November of '08? So that's what we kind of worry about.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

What I'm saying is looking forward for the next 15 months, the months to conclude this fiscal year and to get us through '09, we should anticipate that, that interest rates for our bonds will likely be more than what they are or what they were and that we sold in '08.

COUNCILMEMBER VICTORINO: So in, in just simplistic terms, and I'm just trying to make sure I understand it, if we sell bonds this year, and they were five percent--I just throw a number out, five percent--next year that same bond issuance in all likelihood would be five and a half or six percent, just, just taking a number out of the sky; right? So that means we, or the people of Maui County end up paying more for that, that bond issuance?

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: Interesting dilemma. You know, because we've always had this thing of let's not borrow too much and, you know, I can remember when I financed my house a number of years ago, since then the interest rates have gone up and down, but at the five and a quarter percent that I'm at, no matter when it went down or no matter when it went up, it stayed the same, it stayed level, and I've come out way ahead over the years because of that bouncing up and down. And when it went down, it was never low enough for me to make it worth to, to change.

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: But when it went up, obviously you're not going to touch it, but I'm just saying from the people of Maui County's perspective, if we're going to do projects, and we know there's things out there that we want to, and we've heard certain, certain Members saying that maybe we should spend less, not take so much debt. But what I'm hearing from you is now may be the time to do what we want to do or we need to do--not want to do, need to do--or may be even want to do now and borrow the money now or do the issuance now and not wait until next year, or the year after, or the year after. Now that's one train of thought. Obviously there's a number of other trains, but do you agree with what I'm just saying as far the borrowing part?

MR. YOUNG: To, to some extent if you only look at the interest rate market and what it's going to be, yes. You know, it, just purely on that basis it may look like it's smarter to borrow as much as you can now. There are other factors that, you know, obviously the County of Maui has to take into

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

consideration, one of which is there is a limit that credit markets will look at in terms of how much we are borrowing each year.

So we couldn't say double the rate of, of borrowing for next year, because what credit markets will look at is how fast does that increase your debt, and what might ultimately happen is they will jump your interest rate for that, for, if you wanted, typically let's say we, we borrow 30 to 40 million a year. If we wanted to say because we think interest rates are going to be so advantageous to us now rather than later, we're going to double that to borrow 60 to 80 million. What likely might happen, though, is that that ramp up basically overall increases the overall debt load, and then we will step up, interest rate markets will step up on that anyway.

So we kind of have to look at it and, and balance. Maybe you couldn't double it but, you know, could you increase it by 20 percent, 30 percent without, before you start getting into this where the . . . starts raising the interest rates on you. So it's, it's a very big complex picture as, as you know, Mr. Victorino. So, yeah, just purely on the interest rates it might seem like, you know, you want to borrow as much as you can now, but we would have to take a look at other issues in terms of how big you're talking about or what projects could be accommodated under that...*(end of tape, Side 4B)*...

COUNCILMEMBER VICTORINO: And, and I thank you because I think that makes a little more clearer for the general public who's listening to us, that they have a better understanding that just borrowing when it's cheaper may cost us more.

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: But waiting may cost us more. It's a real finite balance that we got to find in all of this, and, and again the other side of the coin is right now construction is still fairly strong, but slowly slowing down, so if you go out and get a contract now you may still pay a higher price if you wait six months, a year.

MR. YOUNG: Right. Right.

COUNCILMEMBER VICTORINO: Maybe people are little more hungry, things are less. You know, so --

MR. YOUNG: Right. Exactly.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER VICTORINO: --again it's like half a dozen, flip the coin, and you hope for the best.

MR. YOUNG: Yes.

COUNCILMEMBER VICTORINO: But thank you for that explanation. I think that really helps clear a lot of people's mind, especially mine. Thank you, sir. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Members, any more questions? Seeing none, thank you again, Mr. Young, Mr. Teruya, for being here in regards to questions and concerns that we had earlier this morning regarding revenue. Members, the Chair is ready to move on in regards to the revenue part. The Chair. . .having Mr. Young provide us estimates for the estimated revenues, and I, I do trust Mr. Young, by the way, in regards to his estimation. Member Baisa?

COUNCILMEMBER BAISA: Thank you, Chair. I have one quick question.

CHAIR PONTANILLA: Go ahead.

COUNCILMEMBER BAISA: When will we decide on what rates we're going to set?

CHAIR PONTANILLA: What I want to do is I want to go through the process, because I know there's people that want to add, but before we do the add what I want to do, I want to keep the budget balanced. And if there's any concerns at the end in regards to things that want, you know, people want to add, you know, and we'll take a vote in regards to if we should add it in or not. And if the consensus is, if the majority is that we add it in, because really if we set a, I'm looking at if we start setting numbers here and there's--well, coming back again.

What I want to do is before we do the real property tax issue, I want to make sure that, you know, we look at all of the ones that we didn't have consensus on and if there's disagreements, we'll take a vote on that and, and, you know, I know, we're going to still have some disagreements and some debate in regards to some of the issues that you may have, you know, in regards to this budget. But for me, you know, what I presented this morning is the proposal from the, the Chair based on your recommendations, although some of you may have recommended other,

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

you know, certain things, you all have your paper here. When you look at it, there's no consensus to any of them, really there's no consensus.

COUNCILMEMBER BAISA: There's some.

CHAIR PONTANILLA: So, you know, I did the best what I could in regards to putting in the numbers. If you guys disagree, fine, you know, we'll vote on them.

COUNCILMEMBER BAISA: Thank you, Chair, we're just trying to figure out the process and would we have an opportunity at some point to discuss this? I mean I don't, I was trying to determine if this is not a closed issue at this time.

CHAIR PONTANILLA: Oh, no, it's not.

COUNCILMEMBER BAISA: Okay. Thank you very much.

CHAIR PONTANILLA: What I want to do is if the Members are comfortable with the estimated revenues as presented by the Chairman, based on the discussion we just had, we all know that, you know, a budget is a budget. On the real property tax, you know, we, we know we got the certification, but as far as some of the other things like transient accommodation taxes, Mr. Young provided us with his best educated guess based on five percent decrease from previous, previous estimated revenues. Along with the fuel and franchise taxes, we really don't know how much gasoline, how many gallons of gasoline we'll be using. Again, you know, what you had said earlier, you know, people still will travel and what is noted down here is the best estimate that we can get from Mr. Young at this time. So, Members, I'm comfortable with the estimated revenues if you want to move on.

COUNCILMEMBER VICTORINO: Yes, let's move on.

COUNCILMEMBER BAISA: Yes, move on.

CHAIR PONTANILLA: So we do have consensus?

COUNCIL MEMBERS: Yes.

COUNCILMEMBER BAISA: Yes, move on.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Mr. Taguchi?

MR. TAGUCHI: Chair Pontanilla, so is Staff to understand that we have consensus on our, on the, on the rates of the real property tax or --

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: No, not at this time.

MR. TAGUCHI: --at this time?

CHAIR PONTANILLA: See, Member Baisa had presented that question to me earlier. And if we were to set real property tax revenues at this time, you know, I'm not ready for that.

COUNCILMEMBER JOHNSON: No. No.

CHAIR PONTANILLA: We're not ready for that.

COUNCILMEMBER BAISA: No, it, it make sense you want to know what we need first before we set rates.

CHAIR PONTANILLA: Exactly.

COUNCILMEMBER BAISA: Makes sense. Thank you.

CHAIR PONTANILLA: Okay. Members, we're going to go on the items that we disagreed on. Office of Council Services, there was some disagreement in the net appropriation of 5,183,930. Member Victorino, you have any questions to that?

COUNCILMEMBER VICTORINO: No, it was actually Chair Hokama that had brought, you know, I don't know what his concerns were.

CHAIR PONTANILLA: So I'm going to move on based on your consensus.

COUNCILMEMBER VICTORINO: Yeah, consensus for now.

CHAIR PONTANILLA: Okay. Office of the County Clerk, net appropriation of \$1,378,279. Consensus?

COUNCIL MEMBERS: Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Department of Environmental Management, net appropriation of \$631,913. Consensus?

COUNCILMEMBER VICTORINO: Consensus. Yeah, consensus.

COUNCILMEMBER JOHNSON: Mr. Chair?

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: I, I just had a question because I wasn't here on the day that I guess that presentation was made. That is reflecting some of the changes in positions, too? Is that, is that part of what the adjustment is?

CHAIR PONTANILLA: In regards to?

COUNCILMEMBER JOHNSON: Environmental Management. Because I know, I know Ms. Okuma was concerned, I guess, about the elimination of one of the positions in their budget.

CHAIR PONTANILLA: Oh, we're going to get to that.

COUNCILMEMBER JOHNSON: Oh, okay, that's not in this part.

CHAIR PONTANILLA: It's not in this part, yeah.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Okay. Administration Engineering Program, we had consensus earlier. So based on that, okay, we didn't have, because we didn't have consensus on the first few items, of course, it affected items two to six, two to five; am I right, Mr. Taguchi?

MR. TAGUCHI: Yes, items two to five would change if there's any change to salaries and wages.

CHAIR PONTANILLA: Okay. There's no change, so everything remains the same. Okay. Members, we do have consensus?

COUNCILMEMBER VICTORINO: Yeah, consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Contribution to the General OPEB, Debt Service, Administrative Overhead Charges. Members, we do have consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Thank you. On page four, Landfill Disposal Program - Solid Waste, net appropriation \$12,190,047. Member Johnson, this is the area that we removed three labor expansion positions, and we would maintain the Ka Lima O Maui contract.

COUNCILMEMBER JOHNSON: Okay. I, was there a deletion of the Assistant Division Chief, though?

MR. TAGUCHI: Chair?

CHAIR PONTANILLA: Member, Mr. Taguchi?

MR. TAGUCHI: The deletion of the Assistant Division Chief occurred in the Administration Program of Solid Waste Fund on page three. Prior to, in our first round that number had consensus.

CHAIR PONTANILLA: Yes. Members, please realize that the areas that I'm looking at is the areas that we didn't have consensus.

COUNCILMEMBER JOHNSON: Oh, okay. I'm, I'm, Mr. Chair, I just want to apologize because not all of the things when we were going through, there were some people saying yes, some people saying no. I didn't write them all down. But because I received a contact from Ms. Okuma too, she was a little bit concerned about the deletion, I guess, of that particular position because that would be the support person who is able to assist Mr. Takamine and that's the only, you know, information I have to relay, and I was not in attendance at the presentation.

So if majority of Members feel that they have enough information, and they wish to delete, that it's not something that's critical to them, I can only defer to the presentation that was made then.

CHAIR PONTANILLA: Thank you, Member Johnson. Okay. Page four, Landfill Disposal Program - Solid Waste, \$12,190,047. Do we have consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Yeah.

CHAIR PONTANILLA: Thank you. Hana Landfill Scrap metal clean-up, we have an issue with Mr. Medeiros.

COUNCILMEMBER MEDEIROS: We're on page four?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: Yeah, we're on Hana land.

CHAIR PONTANILLA: And, Mr. Medeiros, if you can recall the Mayor's letter to us regarding that landfill.

COUNCILMEMBER MEDEIROS: Okay. Right. Excuse me. Right, Mr. Chairman. This is the amount that was provided on that letter from the Mayor and the Budget Director, I believe. And if we wanted to insert something for the Hana Landfill, we would do it at that, at this portion or another place?

CHAIR PONTANILLA: Your insertion would be for?

COUNCILMEMBER MEDEIROS: Well, we wanted to plan a recycle center in the Hana town area.

CHAIR PONTANILLA: And you have an estimated cost to that?

COUNCILMEMBER MEDEIROS: Yeah, we have 100,000.

CHAIR PONTANILLA: Who's going to do the work?

COUNCILMEMBER MEDEIROS: Well, we presented this in I believe, unless you didn't get it, in, in our proposal. And this, this is not for the entire project. This is to plan and design.

CHAIR PONTANILLA: Okay. We'll come back to that.

COUNCILMEMBER MEDEIROS: Okay.

MR. TAGUCHI: Chair?

CHAIR PONTANILLA: Member Taguchi. Mr. Taguchi.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

MR. TAGUCHI: If it's for a recycle center, then the, the, if it's money for planning, it could possibly go into the Solid Waste Diversion Program. If it's relating to a CIP project, whether it's planning, design, purchase of property or actual construction, then it would be a CIP project. But I do not believe it would fall under Hana Landfill scrap metal under the Landfill Disposal Program at this point.

CHAIR PONTANILLA: Thank you. So it could go into the Diversion Program - Solid Waste, Mr. Taguchi?

MR. TAGUCHI: That is correct. However, we have consensus on the Diversion Program.

CHAIR PONTANILLA: Okay. I guess we need to come back to that too.

COUNCILMEMBER MEDEIROS: Okay. Thank you, Chair.

CHAIR PONTANILLA: Thank you. Okay. Residential Collection Program, \$3,065,332. Consensus?

COUNCILMEMBER JOHNSON: Yes, we have that.

CHAIR PONTANILLA: Abandoned Vehicles, Scrap Metal, and White Goods Program - Solid Waste Fund, net appropriation \$1,732,469. Consensus?

COUNCILMEMBER MATEO: Chairman?

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, I had an, I had an issue with this particular item because currently that one, 1.7 does not include a program for the island of Molokai. And because this Department does not allow our residents to dispose of vehicles, white waste, and tires, et cetera, at the landfill, they're currently being stored in private properties along the island. So I need to be sure that a proviso be added to include Molokai in the total expenditures of these funds.

CHAIR PONTANILLA: Yeah, we can add that. As far as the removal of the derelicts, the money that you, you're going to be requesting is for storage as well as removal?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MATEO: Well, right now, Chairman, until, until the Department complies with Department of Health requirements, we have not been able to dispose for many months now. So the storage is on people's properties, and other people's properties, and secondary roads. So we will need to be sure that we proviso some of these funds. So no storage funds just some, some proviso that they establish agreement with one of our providers on Molokai to actually pick up these things and, and deliver it to the landfill.

CHAIR PONTANILLA: Thank you. I know you had an amount of \$600,000.

COUNCILMEMBER MATEO: Chairman, that was, that was a, an amount that we initiated. Yeah, 630 was what we used, but there is no particular magic to that number, Chairman.

CHAIR PONTANILLA: Thank you. Okay. We'll work with you on the number for abandoned vehicles for Molokai. Staff?

COUNCILMEMBER MATEO: Thank you.

CHAIR PONTANILLA: Okay. We'll come back to that. Department of Finance everything looks--Financial Services, net appropriation \$5,741,555. Members, consensus?

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Page five. With that, Mr. Taguchi, that will take care of items two --

COUNCILMEMBER JOHNSON: Mr. Chair?

CHAIR PONTANILLA: --no, it doesn't. Thank you.

COUNCILMEMBER JOHNSON: I just had a question because under the Financial Services under Department of Finance, was that the real property tax? Was that the area that I had requested a change and Mr. Hokama had requested a change?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER JOHNSON: Yeah, I, I just, I'd like an opportunity to, you know, and Mr. Hokama isn't here, but those areas where I had indicated I

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

wanted some changes, those were for positions that I believe are going to help produce additional revenues, both the clerk and I believe an additional position for compliance officer. So can we come back to that one?

CHAIR PONTANILLA: Okay. We'll come back to Financial Services.

COUNCILMEMBER JOHNSON: Yeah, Finance 8-11, I guess.

CHAIR PONTANILLA: Yeah. Okay.

COUNCILMEMBER JOHNSON: And then I can better explain it when I have all my data in front of me.

CHAIR PONTANILLA: Okay. We go down to...

MR. TAGUCHI: Chair Pontanilla?

CHAIR PONTANILLA: Mr. Taguchi?

MR. TAGUCHI: I believe the rest of Countywide Costs will still be affected with all that, if there are any changes in salary and wages, and other things within the different Solid Waste Funds, Highway Funds. One thing that we have a revisit for which you could possibly address now is the Insurance Programs for Self Insurance. I believe the Finance Director in his appearance indicated that there's a significant reduction in the amount being appropriated for this. . .and the amount presented was based upon his estimation of, I guess, cases and possible events that may occur during the fiscal year, and he discussed I believe with the Corporation Counsel.

CHAIR PONTANILLA: That would be number seven?

MR. TAGUCHI: Yes.

CHAIR PONTANILLA: Okay. Mr. Young, Insurance Program and Self Insurance we had a question. And who asked the question?

MR. TAGUCHI: Member Johnson.

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: Member Johnson?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: And, and the only reason, Mr. Chair, that I wanted to keep this open is because what we've used this is a parking lot before, that when we get to the end of the budget if we need to move money, sometimes we've moved a little bit less into Self Insurance. . .

CHAIR PONTANILLA: Uh-huh.

COUNCILMEMBER JOHNSON: . . .and, you know, I mean it's, it's kind of like, I guess some of the other funds where we're just not sure and if we need an extra 250,000 to balance or whatever. That's why I wanted to keep this open, and we won't know until we get towards the end. That's the only reason why.

CHAIR PONTANILLA: Okay. Okay. Members, we go to item number eight, Transfer to Open Space, Natural Resources, Cultural Resources, and Scenic View Preservation Fund.

MR. TAGUCHI: Chair Pontanilla?

CHAIR PONTANILLA: Yes.

MR. TAGUCHI: Number eight and nine will, is...

CHAIR PONTANILLA: Automatic.

MR. TAGUCHI: Yeah. Yeah.

CHAIR PONTANILLA: But we did have some people that had questions on them. If there's no questions at this time, and we have consensus, then the Chair will just mark it off.

COUNCIL MEMBERS: Consensus.

CHAIR PONTANILLA: Okay. As far as the General Costs, consensus?

COUNCIL MEMBERS: Yeah.

CHAIR PONTANILLA: Okay. Overhead Reimbursements, net appropriations. Consensus?

COUNCIL MEMBERS: Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Do we have consensus on the Supplemental Transfer to the Golf Fund, number four? We're still on page five. Miss some on the top. Number four.

COUNCILMEMBER JOHNSON: Mr. Chair, that's all part of that whole bank from one to six--

CHAIR PONTANILLA: Oh, okay.

COUNCILMEMBER JOHNSON: --where we just kept it out pending, I guess, whatever we resolve on the other issues with Staff.

CHAIR PONTANILLA: Oh, we haven't gone to Golf Fund yet. Okay. Department of Fire and Public Safety - Administration Maintenance Program, net appropriation \$1,881,402.

COUNCILMEMBER JOHNSON: Mr. Chair, did you skip number 12 and number 14?

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER JOHNSON: Okay.

COUNCILMEMBER VICTORINO: We had consensus already.

COUNCILMEMBER JOHNSON: No, we didn't. It was revisit.

CHAIR PONTANILLA: Yeah, number 12 and 14, we need to come back to that.

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: Administration Maintenance Program, Department of Fire and Public Safety, net appropriation \$1,881,402. Consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Training Program, net appropriation \$1,144,764. Consensus?

COUNCIL MEMBERS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Department of Housing and Human Concerns, Administration Program, net appropriation \$578,445. Consensus at this time?

COUNCILMEMBER MATEO: Chairman?

CHAIR PONTANILLA: Member Mateo?

COUNCILMEMBER MATEO: Chairman, I think it's time for dinner at this point. So before you call for a dinner, I would like to make, address this particular item, and I'd like to have the Members consider the deletion of 93,000, \$95,300 off of the Administrative Program directly from the Director's salary. And I would need to ask Corporation Counsel to advise on the status of removal of funds from the Director's position. The Charter indicates there is a need to establish the position, and you will have to fill me in on whether that need to establish the position is also indicative of the necessity of funding it, because we now have a Deputy and that is also engaged in this Department as well.

CHAIR PONTANILLA: Corporation Counsel?

MS. FUJITA VILLAROSA: Mr. Chair, to my knowledge, the salary of the, of the Department head is set by the Salary Commission.

COUNCILMEMBER MATEO: It's set by the Commission, so it's automatic that it, it has to be funded. As long as they say it's got to be funded, we're stuck?

MS. FUJITA VILLAROSA: Well, the funds that are authorized, well, the funds that are authorized for the Department are to be used for the salaries of the Department head and the Deputy, the Director and the Deputy Director.

COUNCILMEMBER MATEO: No, the Commission approves the amount of the salary --

MS. FUJITA VILLAROSA: Right.

COUNCILMEMBER MATEO: --not the requirement to fund it.

MS. FUJITA VILLAROSA: Right.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MATEO: So is, is it something by law we can consider or we cannot consider to remove the Director's...

MS. FUJITA VILLAROSA: I, I guess what I'm saying is, is that, for example, there's six hundred, or let's say 578,000 currently being considered. And if you delete the 95,000, that money, most likely, would come out of something else. I mean something else wouldn't get funded because the, the Director's salaries are, the jurisdiction over the salaries is, is with the Salary Commission and the funds would be, you know, the funds would come out of that appropriation, the five hundred or if it went down to \$400,000.

COUNCILMEMBER MATEO: Well, because the 93, 95,300 is indicative of benefits and the wage base itself, what else would come out of this?

MS. FUJITA VILLAROSA: You mean what else makes up that appropriation?

COUNCILMEMBER MATEO: Yeah, that, you know, you're saying there's, there's other components that comes with it. It's not just removing that, what, the 90, 95,300. There's other components attached to it that will affect the, the net amount.

MS. FUJITA VILLAROSA: Well, there's other salaries, and I don't know what, I don't what exactly is, makes up this appropriation.

COUNCILMEMBER MATEO: Chairman, perhaps we can come back later, and I can, and I can talk with Corp. Counsel, because I don't think we're understanding each other. And, you know, I, I am very ready to justify my request. I would prefer being able to discuss with Corp. Counsel first and see if we can get an understanding of whether or not we're able to do this or not.

CHAIR PONTANILLA: Okay. We'll come back to that again.

COUNCILMEMBER MATEO: Thank you, Chairman.

CHAIR PONTANILLA: Thank you. Page seven, Grant to Housing and Land Enterprise of Maui dba Na Hale O Maui for community land trust. The net appropriation is \$150,000. Do we have consensus?

COUNCILMEMBER BAISA: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thank you. Human Concerns Program, net appropriation for \$4,637,718. Again, Members, we do have a letter from the Mayor regarding increase for project rental expenses, increase to reinstate Volunteer County Grant Subsidy, increase to include grants management rental expense, and increase for salary correction per request from the Mayor. So the total net appropriation is \$4,637,718. And one of the questions that Mr. Hokama had was the volunteer center which the County grants a subsidy, because we had several for the County, that it should be placed in one area. But in regards to this net appropriation for that particular Department, the appropriation again, Members, is \$4,637,718. Do we have consensus?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER MATEO: Chairman?

CHAIR PONTANILLA: Mr. Mateo?

COUNCILMEMBER MATEO: Chairman, thank you very much. I, I believe, I'd like to, I'd like to have Mr. Hokama explain his, his rationale in the proposed consolidation of like or similar position...*(end of tape, Side 5A)*... we could have, come back to this one here and hopefully he will be here to share his rationale in some of these items that he had requested reconsideration.

CHAIR PONTANILLA: Thank you. The Chair notes the time. It's five after 6:00. And this is a fast question for Mr. Young. You do have a volunteer at the DMVL right now, no, that greet people?

MR. YOUNG: Not, not quite, Mr. Chair. We, we have a, I don't want to call it a greeter. It's actually, yeah, it's a, it's a person who distributes the numbers when you walk in, answers any questions. But that person is actually on paid staff. It's a customer service representative.

CHAIR PONTANILLA: That person is staff?

MR. YOUNG: Yes.

CHAIR PONTANILLA: Okay. Fine. Thank you. Okay. Members, its 6:05 right now. We'll come back at 7:05. This meeting is in recess. ...*(gavel)*...

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

RECESS: 6:05 p.m.
RECONVENE: 7:07 p.m.

CHAIR PONTANILLA: ...*(gavel)*... The Budget and Finance Committee meeting is now reconvened. Members, we're on page number seven. Yeah, and, and we were, Mr. Mateo told us to have Mr. Hokama explain increase to the Volunteer Center County Grant Subsidy because the question was that because we have several of those volunteer centers, that it should be combined as one item. I don't know, how many areas we got? Probably two or three.

VICE-CHAIR HOKAMA: Chairman, if I may please? I do know that we have a budget request in the Department of Parks and Recreation. We are currently with the request in the Department of Housing and Human Concerns. You know, I'm sure we have a lot of people who provide volunteer service. I'm sure there's, there's some people that also provide to the Department of Planning some voluntary service such as the, some of the members of the key community association and others. If we are going to do this, and, and I have no problem recognizing the volunteer service of our community members that provide service to any County department or agency, I would ask Mr. Pablo if he could maybe get back from the Mayor and Managing Director whether or not this should be a Countywide type of program instead of just a specific departmental, department approach so that maybe we can offer anyone who provides service. I mean we've heard comments from, I think Ms. Johnson raised brings by Mr. Hans Michel who has given service to Water Department area programs and others.

So for me, Mr. Chairman, I rather, I rather have a, a well thought out approach to this so that if we can get efficiencies and just place a certain amount of money than appropriating here and there. And we do know that, I believe when we went through Grant Revenues, we did see a Grant Revenue of \$20,000 for this Volunteer Service Center. So if that's the case, then maybe we can make the application for even a greater number to take care of the whole County's needs and that was just my approach to this subject. Thank you.

CHAIR PONTANILLA: Okay. Thank you. Mr. Pablo, if you can get back to us in regards to Member Hokama's request? Thank you.

MR. PABLO: Thank you. Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Members, we're to Grants for Committee Partnership Grants on page number seven. We had a question in regards to the community partnership plans.

COUNCILMEMBER JOHNSON: I, I think that was my question, Mr. Chair, and I still didn't. . .because we haven't had any, you know, substantial break, but then just to have a meal. The question that I basically had was that some of the adjustments that were made in our individual recommendations may have been within that block, and I just, I wanted a little bit of time. I'll hopefully have a chance to look at that by tomorrow.

CHAIR PONTANILLA: Okay. We'll come back to that tomorrow.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR PONTANILLA: Maui Corral...Maui Corral Arts Association.

COUNCILMEMBER JOHNSON: Choral. Choral Arts.

CHAIR PONTANILLA: Choral Arts Association. Net appropriation \$25,000. Mr. Hokama, you had a question on that?

VICE-CHAIR HOKAMA: No, Chairman, from a, I rather not start grantees off and, and when I'm trying to reduce, you know, my, my approach has been to try and reduce the budget to a level that I think is appropriate from my perspective, and I know each Member has their own perspective of how they've approached the budget. So for me, I rather have not added additional grantees at this time. My focus was to try and take care of the needs of the departments as required to us by the Charter, and then if there are additional funds available, to look at the non-County agencies and operations that are requesting our support.

At this time, if we do have additional monies, Mr. Chairman, my intent is to beef up Police and Fire, protecting the area of the gas and utilities, and in the areas of Public, Public Works. I believe I would rather, that's where I would rather put the money in proper maintenance of our drainage systems and the increased opportunities, if possible, to expand the repaving program of our County. Thank you.

CHAIR PONTANILLA: Thank you. Members, do we have consensus?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER BAISA: Which way?

COUNCILMEMBER JOHNSON: Which way?

CHAIR PONTANILLA: Moving forward.

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER MATEO: Yes.

COUNCILMEMBER BAISA: Yes.

COUNCILMEMBER MOLINA: Yeah.

CHAIR PONTANILLA: Moving forward on this grant application.

COUNCILMEMBER JOHNSON: You mean leaving it in?

CHAIR PONTANILLA: Yeah. Okay.

COUNCILMEMBER JOHNSON: Yeah, just leave it.

CHAIR PONTANILLA: Okay. Thank you, Mr. Hokama, for your comments --

VICE-CHAIR HOKAMA: Thank you, Chairman.

CHAIR PONTANILLA: --and we'll take this. Okay. Grants and Disbursements, American Red Cross, \$10,000 net appropriation. We did have some questions, Mr. Victorino as well as Mr. Hokama, regarding the appropriation and I would gather the same as the previous one that we, you spoke about, Mr. Hokama.

VICE-CHAIR HOKAMA: For me, Chairman, again if the American Red Cross needs it--and again, they, they support our communities in times of need--for me that is why we have the Emergency Fund and by a super majority vote of the Council we may make appropriations out of that fund, and that is where I would look for the resources to support either reimbursement or expand the services that the Red Cross provides us during those specific times. Other than that, I have other priorities for General Fund appropriations.

CHAIR PONTANILLA: Thank you. Mr. Victorino, you have any comments?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER VICTORINO: Basically that was my same sentiment that, I think that, actually I would give, I would have really given them zero because, again, if needed they can then turn to our Emergency Funds, and that's what that is set up for, for those kinds of emergencies, yeah. I know they have many fantastic fundraisers and other things. They do a lot of training out there for which they get paid for their materials and other things. Yeah, maybe not enough to, I'm not saying they're making money, but enough to cover their expenses. And so, even though I believe the Red Cross, and I've been trained from first responder on down under the Red Cross auspices, I just feel like, you know, I can support what you want to do if with the ten, if that's what the Committee decides. So thank you, Mr. Chair.

CHAIR PONTANILLA: Thank you. Yes, the net appropriation as provided to you is \$10,000. So do we have consensus?

COUNCILMEMBER JOHNSON: Yes.

COUNCILMEMBER MATEO: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Thank you. Mr. Hokama, no. Page number eight, Hana Human Services, net appropriation \$20,000. Community Work Day, I thought we agreed on that?

COUNCILMEMBER JOHNSON: Community Work Day.

COUNCILMEMBER VICTORINO: Yeah, I thought we did, too.

COUNCILMEMBER MEDEIROS: No, it says revisit.

COUNCILMEMBER JOHNSON: I have revisit on that one, too.

CHAIR PONTANILLA: Okay. Fine. We'll revisit then. Who wanted revisit? Okay. Thank you. I have it okay over here as consensus.

COUNCILMEMBER JOHNSON: Just go consensus, approved.

CHAIR PONTANILLA: Thank you. Hana Human Services, \$20,000. We have questions over here.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MEDEIROS: Yes. Thank you, Mr. Chairman. We wanted to insert here, if it's the proper program or area where we should do it, for a feasibility study for the, for Hana affordable housing. And I'm not sure if it would go here. And also we wanted to continue our support of starting up the Hana dialysis. And this would be for the dialysis service and improvements that we're learning we need to make in order to make that a success. So I need your guidance, Mr. Chairman, if this is where we should put it. And we will put a proviso on asking for 100,000; 50,000 for feasibility study for Hana affordable housing and that's the housing that Hana Ranch is providing the land free to the community, and then the other 50,000 was for Hana dialysis as we continue to pursue the service and improvements that are being required.

CHAIR PONTANILLA: We'll come back to that.

COUNCILMEMBER MEDEIROS: All right.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: Could you ask Staff maybe if they could check, I know we made an appropriation --

CHAIR PONTANILLA: In '08.

VICE-CHAIR HOKAMA: --under, with Mr. Carroll to do an assessment for this project, and I believe it was for another non-profit housing agency...

CHAIR PONTANILLA: On the affordable housing study.

VICE-CHAIR HOKAMA: So again, it might be outdated, but I just wanted to check out when we took up that matter, and if we could share that information with Mr. Medeiros please.

CHAIR PONTANILLA: Okay. Thank you. Staff, if you could? And we'll come back to that one particular item.

COUNCILMEMBER MEDEIROS: Okay. Thank you.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Maui Food Bank, net appropriation \$200,000. Questions? Consensus?

COUNCILMEMBER MATEO: Chairman?

COUNCILMEMBER JOHNSON: Consensus.

CHAIR PONTANILLA: Mr. Mateo?

COUNCILMEMBER MATEO: Chairman, for the, the prior round I just wanted to, I don't have a question with the 200,000 for this specific organization. I just wanted to be real sure that we all know just how actually the food is distributed, because if you think you can go to this organization directly and get food from them, that's not the case. The case is you must be referred to the Maui Food Bank by either a faith-based agency or a social service agency. And, myself, I was not aware that there was this kind of requirement. I thought we give them the money, and they just make it available for distribution themselves, but that, that is not what, that's not what happens here. So I just wanted to be sure we all understood that particular component of their services. Thank you, Chairman.

CHAIR PONTANILLA: Thank you, Member Mateo, for that piece of information. I also had the same impression that people would go to the Food Bank and, and ask for support. Okay. Members, Maui Economic Opportunity for Enlace Program, net appropriation is \$175,000.

COUNCILMEMBER BAISA: Chair?

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Chair, I would like to insert the \$8,750 that MEO asked for in addition to this to cover their cost increases like we did in the other programs. You know, everybody's dealing with inflation, so I just want to bring it up if possible.

CHAIR PONTANILLA: Okay. We're going to come back to this then.

COUNCILMEMBER BAISA: Okay.

CHAIR PONTANILLA: Thank you. National Kidney Foundation of Hawaii, net appropriation \$45,000. Members, consensus? Member Johnson?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: I think several of us had reduced the amount because I believe when they made their first proposal, they were only going to come back for a limited period of time. And so, I cut it to 25,000 and that's what I would prefer to have that, so at least they have something to transition out, but that was my recommendation, and I think some others may have cut it out entirely, but I felt that wasn't quite fair, so I reduced mine to 25.

CHAIR PONTANILLA: Thank you. Members, consensus or no consensus?

COUNCILMEMBER MATEO: On your number or?

CHAIR PONTANILLA: Forty-five. Net appropriation 45.

COUNCILMEMBER MATEO: Forty-five. No.

COUNCIL MEMBERS: No.

COUNCILMEMBER JOHNSON: No, not 45.

CHAIR PONTANILLA: Okay. Noes. How many noes, raise up your hand?

COUNCILMEMBER JOHNSON: Are we saying no on 45 or...

CHAIR PONTANILLA: Okay. The net appropriation to National Kidney Foundation of Hawaii, \$45,000?

COUNCILMEMBER JOHNSON: No.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Member Mateo?

COUNCILMEMBER BAISA: Yes.

MR. TAGUCHI: Chair Pontanilla?

CHAIR PONTANILLA: Yes.

MR. TAGUCHI: Are you seeking consensus or are we taking a vote?

COUNCILMEMBER BAISA: He's trying to get--

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: I'm trying to get consensus here, but I don't know who is saying yes or no. If there's more yes, then I consider that as consensus.

MR. TAGUCHI: Could we have a short recess?

CHAIR PONTANILLA: Okay. Short recess. . . .(gavel). . .

RECESS: 7:22 p.m.
RECONVENE: 7:27 p.m.

CHAIR PONTANILLA: . . .(gavel). . . The Budget and Finance Committee meeting is now in session. Members, I was advised by Corporation Counsel as well as our Staff that if there's one person that don't agree, we'll revisit, we'll revisit, and we'll take formal votes tomorrow or Wednesday.

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: Okay. So National Kidney Foundation we'll revisit. Salvation Army, net appropriation \$150,000. Everybody agree?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Women Helping Women, net appropriation \$165,000. Member Johnson?

COUNCILMEMBER JOHNSON: That's the one I had proposed adding in 25,000 additional to actually keep the center open in Lahaina --

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: --because they were not able to keep it open.

CHAIR PONTANILLA: We'll revisit. Arc of Maui for purchase of property in Maunaloa, Molokai. This is a new insertion. Net appropriation \$50,000. Everybody agree to this one?

COUNCIL MEMBERS: Yes.

COUNCILMEMBER MEDEIROS: Consensus.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Not consensus. I'm looking for agreement.

COUNCILMEMBER JOHNSON: Yeah, I guess.

COUNCILMEMBER MEDEIROS: That's the word you want, agree?

COUNCILMEMBER JOHNSON: Agree.

COUNCILMEMBER MEDEIROS: What word do you want to use?

CHAIR PONTANILLA: Anybody opposed to this?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Thank you.

COUNCILMEMBER VICTORINO: This is getting confusing now.

COUNCILMEMBER BAISA: Just say yes or no.

CHAIR PONTANILLA: The Chairman is getting short of temper here.
...*(chuckle)*...

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

COUNCILMEMBER VICTORINO: We got that picture.

CHAIR PONTANILLA: ...*(chuckle)*... Okay. Kانشا Preschool, net appropriation \$25,000. Agree?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. No agree, we'll revisit.

COUNCILMEMBER MOLINA: Revisit.

CHAIR PONTANILLA: Maui Economic Opportunity...

COUNCILMEMBER JOHNSON: We've already gone through all these.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Oh, yeah. I'm sorry.

COUNCILMEMBER JOHNSON: Keiki Kokua is the next one.

CHAIR PONTANILLA: Keiki Kokua, net appropriation \$25,000. Agreement?

COUNCILMEMBER MOLINA: Agree.

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER MATEO: No.

CHAIR PONTANILLA: Okay. Grants and Disbursements for Substance Abuse Prevention and Treatment, net appropriation \$750,000. We had disagreement this morning. Any agreement this evening?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Again, Members, we'll take formal voting on the next round.

COUNCILMEMBER BAISA: Chair? Chair?

CHAIR PONTANILLA: Yes.

COUNCILMEMBER BAISA: If I might? Are we not rehashing what we did earlier, because if we are, is it a good use of our time?

CHAIR PONTANILLA: Well, I'm going to go through this process again. We, we may have consensus somewhere, and if we don't--or agreement somewhere. And if we don't, we're going to take formal votes so that we can get this thing identified and down pat.

COUNCILMEMBER JOHNSON: Mr. Chair?

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: May we ask any of the Members if they have had a change of heart--

COUNCILMEMBER BAISA: Yeah.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: --on any of the issues that we're going down the line on, because if they have not had a change of heart and some vision has transpired from the first time that we went through this, this is not meaningful.

CHAIR PONTANILLA: We, we had change of hearts earlier. Okay. And, and by me going through this second round if you still don't agree, then we'll take the formal vote. And formal vote would set it into concrete. Okay. Ohana Makamae, page ten, net appropriation \$90,000. Do we have agreement?

COUNCIL MEMBERS: Yes.

CHAIR PONTANILLA: Anybody say no? Agreed. Okay. See, that's one of them. Grants and Disbursement for Youth Centers and Programs, \$1.8 million net appropriation. Do we have agreement?

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER JOHNSON: That's the one, Mr. Chair, I wanted to add in an extra 50,000.

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: We'll revisit.

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Youth Programs, net appropriation \$155,000. Agreement?

COUNCILMEMBER JOHNSON: Yeah, we had that this morning.

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Yeah, we had a Member disagree.

COUNCILMEMBER JOHNSON: We had agreement this morning.

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER BAISA: No, I have revisit. I don't know who...

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: You guys all agree?

COUNCIL MEMBERS: Yes.

COUNCILMEMBER JOHNSON: Yeah, we did this morning.

COUNCILMEMBER BAISA: Yes.

CHAIR PONTANILLA: No, you didn't.

COUNCILMEMBER BAISA: No, we didn't. We had revisit.

COUNCILMEMBER JOHNSON: Oh, I had revisit on Alcohol Free.

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Okay. Alcohol Free Graduation Program for Maui County, net appropriation \$60,000. Do we have agreement?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. We'll revisit. Best Buddies Program, net appropriation \$75,000. Do we have agreement?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Revisit. Maui Economic Opportunity, Inc. for Youth Services, net appropriation \$185,000. Do we have agreement?

COUNCIL MEMBERS: Yes.

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Okay, one. Hawaiian Kamalii, net appropriation \$22,500. Do we have agreement?

VICE-CHAIR HOKAMA: No.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Grants and disbursements for facilities--no, not that one. Maui Y.M.C.A. Capital Campaign, net appropriation \$250,000. Agreement?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: Management.

CHAIR PONTANILLA: Department of Management net appropriation, \$852,180 net appropriation. Do we have agreement?

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Management Information Systems Program...

VICE-CHAIR HOKAMA: Chairman, excuse me?

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Do you want us to tell, explain why we may not be agreeing or, or you rather prefer to deal with it tomorrow, Chairman?

CHAIR PONTANILLA: I think you explained this morning. We had lot of explanation this morning, Members, okay, in regards to some of the disagreements. But you can explain it if you want to at this time, Mr. Hokama.

VICE-CHAIR HOKAMA: Okay. I, I'm just adjusting the, I don't agree with the request for the total amount of professional services and that's why I would, I would make adjustment, Chairman. Thank you.

CHAIR PONTANILLA: Okay. It's already been decreased by \$50,000.

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: Okay. Management Information Systems Program, net appropriation \$3,419,469. Do we have agreement?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCIL MEMBERS: Yes.

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Mr. Hokama?

VICE-CHAIR HOKAMA: I am. . .my. . .I would prefer to delete all of the expansion positions and their equipment, Chairman.

CHAIR PONTANILLA: Thank you. Moving on GIS Systems or GIS Program.

COUNCILMEMBER JOHNSON: That was okay.

CHAIR PONTANILLA: That was okay. Office of the Mayor, Administration Program, net appropriation \$2,375,001. Do we have agreement?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Mr. Hokama. Okay. University of Hawaii Tropical Agriculture and Human Resources, net appropriation 133,000. Agreement?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Maui Nui Botanical Garden, net appropriation \$125,000. Agreement?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Okay. Maui Community Theater for Iao Theater Improvements, \$490,000. Any agreement?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Maui Visitors Bureau, \$3,850,000. Any agreement?

COUNCILMEMBER BAISA: Yes.

VICE-CHAIR HOKAMA: No.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. East Maui Cultural/Economic Development Program, net appropriation \$105,000. Agreement?

COUNCIL MEMBERS: Yes.

COUNCILMEMBER MEDEIROS: No.

COUNCILMEMBER BAISA: Oh, no. I'm sorry, no.

CHAIR PONTANILLA: Okay. Increase per grantees request for Friends of Old Maui High School, net appropriation of \$110, \$110,000; adding \$10,000 to the \$100,000. Agreement?

COUNCILMEMBER MOLINA: No.

COUNCILMEMBER JOHNSON: Yes.

CHAIR PONTANILLA: Mr. Molina, no?

COUNCILMEMBER MOLINA: No.

CHAIR PONTANILLA: Okay. Maui Community College Long Term Care Partnership, net appropriation \$275,000. Agreement?

COUNCILMEMBER JOHNSON: No, I wanted to add 25 more.

CHAIR PONTANILLA: Maui Community College for Nursing and Dental Assistant Program, net appropriation \$500,000. Any agreement?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Maui Economic Development Board, Inc., net appropriation \$500,000. Any agreement?

COUNCILMEMBER BAISA: No.

CHAIR PONTANILLA: Okay. Maui Economic Opportunity for Microenterprise Program, net appropriation \$200,000. Any agreement?

COUNCILMEMBER MATEO: Yes.

COUNCILMEMBER BAISA: No.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: No, I want more.

CHAIR PONTANILLA: Let's see, Grants and Disbursements for Renewable Energy and Energy Efficiency, net appropriation \$70,000. Any agreement? Any agreement?

COUNCILMEMBER VICTORINO: Oh, I said no to this because--

COUNCILMEMBER JOHNSON: Number five.

COUNCILMEMBER VICTORINO: --because of what the other one said, you had said no or they had not decided on the other one yet. So I'm going to still say no to that.

CHAIR PONTANILLA: Which is?

COUNCILMEMBER VICTORINO: Which is the one, number, the East Maui Cultural/Economic Development Program. That 30,000 was moved from one to the other and until that's been decided, I'll still say no.

CHAIR PONTANILLA: Yeah, the \$30,000 was moved to the East Maui Cultural/Economic Development Program to accommodate Maui, Ma Ka Hana Ka Ike Energy Program.

COUNCILMEMBER VICTORINO: That's correct.

CHAIR PONTANILLA: So we moved \$30,000 to support the energy program in Hana.

COUNCILMEMBER VICTORINO: But we have not come to a consensus on that one either. So you cannot move something if you're not sure if that's going to be in that or in the budget or not. So I'm going to say no until that is resolved.

CHAIR PONTANILLA: Okay. We'll come to this. You can work it out with Mr. Medeiros. . . .(chuckle). . .

COUNCILMEMBER VICTORINO: . . .(chuckle). . .

CHAIR PONTANILLA: Solar Water Heating Initiatives, net appropriation \$150,000. Agreement?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Agreement?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER JOHNSON: Mr. Chair, could, could I ask a question? Is it that they want to eliminate the whole amount, is it a reduced amount, what is the objection?

CHAIR PONTANILLA: Okay. Mr. Hokama and Mr. Victorino?

VICE-CHAIR HOKAMA: Chairman, for me, yeah, the rationale that they want to reach \$1 million and that's their target amount is fine, and I wish, in my perspective, we had the money to give them, but they still have monies, and it's a revolving fund. And, and for me if we got money down the road, fine, I'll be happy to consider it but, you know, it's not like this fund does not have money to assist those that would like to enter the solar water program. So, you know, for me it's, I, I got other places for the \$150,000, Chairman.

CHAIR PONTANILLA: Okay. Member Victorino?

COUNCILMEMBER VICTORINO: And I share that same sentiment, Mr. Chair.

CHAIR PONTANILLA: Okay. We'll revisit.

COUNCILMEMBER VICTORINO: Yeah.

COUNCILMEMBER BAISA: Chair?

CHAIR PONTANILLA: Member Baisa?

COUNCILMEMBER BAISA: Listening to the rationale, I could live with that.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: Uh-huh. Zero.

COUNCILMEMBER BAISA: Try, try vote again.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: We'll take a formal vote at the end, and we'll come back.

COUNCILMEMBER BAISA: But ask again. Maybe we'll make it.

COUNCILMEMBER JOHNSON: But, but ask again if you have it at zero.

CHAIR PONTANILLA: Okay. Solar Water Heater Initiatives, net appropriation \$150,000. Agreement?

COUNCIL MEMBERS: No.

CHAIR PONTANILLA: Everybody disagree?

COUNCILMEMBER JOHNSON: Everybody disagrees.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER VICTORINO: We can move the money somewhere else, but let's, let's--

COUNCILMEMBER BAISA: Yeah.

CHAIR PONTANILLA: No, not yet.

COUNCILMEMBER VICTORINO: Yeah, not yet. No, no and I realize that. Continue, Chair.

CHAIR PONTANILLA: Okay. So this is out. Administra..., Department of Parks and Recreation, Administration Program, net appropriation \$1,177,125. Agreement?

COUNCILMEMBER JOHNSON: Yeah, we had that this morning.

CHAIR PONTANILLA: Yeah, we had one disagreement. Mr. Hokama?

COUNCILMEMBER JOHNSON: Oh.

COUNCILMEMBER BAISA: Where was that?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Yeah, Chairman, I would prefer to delete the expansion clerk's position and equipment for those...*(end of tape, Side 5B)*...expansion.

CHAIR PONTANILLA: Okay. We'll revisit. Park Maintenance Program, provided. . .net appropriation \$3,662,248. Mr. Medeiros, you had a disagreement on this? Still disagree?

COUNCILMEMBER MEDEIROS: Yes.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER MEDEIROS: Yes, I disagree.

CHAIR PONTANILLA: Okay. Recreation and Support Services, net appropriation \$14,022,600. Agreement? Disagreement?

VICE-CHAIR HOKAMA: No.

CHAIR PONTANILLA: Agreement? Disagreement?

VICE-CHAIR HOKAMA: Disagreement.

CHAIR PONTANILLA: PALS Program, net appropriation \$1,621,988. Agree? Disagree?

VICE-CHAIR HOKAMA: Disagree. Chairman, it's one of my few adds. I had intended to increase the operations for PALS in my proposal.

CHAIR PONTANILLA: Oh, thank you. We'll come back to that. Let's see, Waiehu Golf Fund, net appropriation \$1,496,609. Agree? Disagree? Agree?

VICE-CHAIR HOKAMA: Disagree.

CHAIR PONTANILLA: Okay. We'll skip the rest. We go to Department of Personnel Services, net appropriation \$1,744,401. Agree?

COUNCILMEMBER VICTORINO: No.

CHAIR PONTANILLA: Disagree?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Why?

COUNCILMEMBER VICTORINO: Well, first of all, for their, the number of personnel I, I'm not, I'm not very keen as far as the expansion that they are talking and as well as the personnel numbers that they, they brought forth.

CHAIR PONTANILLA: Okay. We'll revisit.

COUNCILMEMBER VICTORINO: Yup.

CHAIR PONTANILLA: Department of Planning, Administration and Planning Program, net appropriation \$4,634,709. Agree? Disagree?

VICE-CHAIR HOKAMA: I disagree on the expansion, Chairman.

COUNCILMEMBER VICTORINO: Yeah.

CHAIR PONTANILLA: Okay. 3D Models of Buildings, net appropriation \$50,000. Disagree?

COUNCILMEMBER BAISA: We agreed.

COUNCILMEMBER MOLINA: Disagree.

CHAIR PONTANILLA: Disagree?

COUNCILMEMBER VICTORINO: Disagree.

COUNCILMEMBER BAISA: Disagree. . . .(chuckle). . .

COUNCILMEMBER VICTORINO: . . .(chuckle). . .

CHAIR PONTANILLA: Cultural Resource--wait, no. Pioneer Mill Office Rehabilitation, net appropriation \$150,000. Agree?

COUNCILMEMBER BAISA: Yes.

VICE-CHAIR HOKAMA: No.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: No, Mr. Hokama?

VICE-CHAIR HOKAMA: No. . . .Chairman, I think if we're going to consider this type of request, then the Administration should revise the agreement they have with the lessee, because the agreement that was asked of us to support had indicated that, and Mr. Mateo went through an arduous and long, thorough process of having everyone understand what was the situation and whose burden of responsibility it would be for improvements of that facility. And if the Administration would like us to have a different perspective, then take care of the legal agreement that we currently have executed and are bound by. Thank you.

CHAIR PONTANILLA: Grant to Main Street/Tri Isle Main Street Resource Center, net appropriation \$235,000. Agree?

COUNCILMEMBER MOLINA: Disagree.

CHAIR PONTANILLA: Disagree. Development of Mitigation Fee Study, \$60,000 net appropriation. Agree? Disagree?

VICE-CHAIR HOKAMA: Disagree.

CHAIR PONTANILLA: Development of Traffic Impact Fee Study, \$35,000. This is the one that Mr. Pablo will be coming back to us. Okay. Department of Prosecuting Attorney, Administration Program, net appropriation \$801,712. Agree? Disagree?

VICE-CHAIR HOKAMA: Disagree.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: Mine is in the area of expansion, Chairman. Thank you.

CHAIR PONTANILLA: Next page, page 18. Special Maintenance Program - General Fund, net appropriation \$3,680,800 and this is in the Public Works area. Agree? Disagree?

VICE-CHAIR HOKAMA: Disagree, Chairman.

CHAIR PONTANILLA: Okay. To the next page. Road, Bridges, and Drainage Maintenance - Highway Fund, net appropriation \$9,520,275. And,

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

Members, we do have increase for Iao Stream Flood Control Facility; for a trailer in Lahaina; and paving equipment, although it says Wailuku-Kahului District, it's going to be for Maui island. Net appropriation \$9,520,275. Agree? Disagree?

COUNCIL MEMBERS: Agree.

COUNCILMEMBER MOLINA: Agree. Chair, if I can speak?

CHAIR PONTANILLA: Sure.

COUNCILMEMBER MOLINA: I believe the request that was made was just to get a written detail of the proposal, but for me I had no problem with the initial consent.

CHAIR PONTANILLA: Okay. So all you need is a written confirmation --

COUNCILMEMBER MOLINA: Yeah.

CHAIR PONTANILLA: --regarding the equipment?

COUNCILMEMBER MOLINA: Yeah.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: Chairman, question please?

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Thank you. For Mr. Pablo. The increase for the Iao Stream Flood Control Facility, is that anyway tied into that CIP request, Mr. Pablo, on page 26-7, the Iao Stream Drainage CIP Project? And, and the one that I refer to on 26-7 is the one with Corps, Army Corps of Engineers.

MR. PABLO: I'm not certain whether it is part of the CIP Project. There, there is a correspondence from, from the Department regarding this. I believe it's ongoing work right now which is being conducted with the Army Corps of Engineers. The correspondence from the Department is in one of the binders. I'll try to locate it.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Chairman, if we can allow the Director, Director Pablo to provide us with a response please.

CHAIR PONTANILLA: Okay. Thank you. Okay. And for Mr. Molina would be just the equipment documentation.

COUNCILMEMBER MOLINA: Oh, for the paving?

CHAIR PONTANILLA: Yeah.

COUNCILMEMBER MOLINA: Yeah. Yeah.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: Consensus.

CHAIR PONTANILLA: We all agree?

VICE-CHAIR HOKAMA: I agree for everything, but that 75,000 at this point, Chairman.

CHAIR PONTANILLA: Okay. Okay. The last one on that page, Grant to Maui Economic Opportunity for Transit Center, \$300,000 net appropriation? Agree?

COUNCILMEMBER BAISA: Disagree.

CHAIR PONTANILLA: Okay. Grant to Maui Economic for Transportation Services net appropriation \$4,409,864. Agree? Disagree?

COUNCILMEMBER BAISA: Disagree.

CHAIR PONTANILLA: Grant to Maui Nui Botanical Gardens, Inc., net appropriation \$50,000 on page 21, Members, number six. Agree? Disagree?

VICE-CHAIR HOKAMA: Disagree.

CHAIR PONTANILLA: Page 23, Government Facilities, Helene Hall Improvements, net appropriation \$100,000. Agree? Disagree?

COUNCILMEMBER JOHNSON: Agree.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: This is CIP 23-8.

VICE-CHAIR HOKAMA: That's Mr. Medeiros.

COUNCILMEMBER BAISA: Mr. Medeiros.

CHAIR PONTANILLA: Air conditioning, fixing the windows, enclosing off the kitchen.

COUNCILMEMBER MEDEIROS: Mr. Chairman, thank you. We wanted to know under Government Facilities if we could insert an amount here.

CHAIR PONTANILLA: Okay. We'll revisit this then.

COUNCILMEMBER MEDEIROS: Okay. Thank you.

CHAIR PONTANILLA: Okay. Let's see. Parks and Recreation Kanaha Beach Park Improvements, net appropriation \$100,000 from, moved from Park Assessment to General Fund. Agree? Disagree?

COUNCILMEMBER JOHNSON: We didn't know the reason why.

CHAIR PONTANILLA: I don't think we get enough money in the park assessments for Kahului.

COUNCILMEMBER JOHNSON: That's what it was, yeah.

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: Yeah. So, so, Chairman? Excuse me. I'm sorry, Ms. Johnson.

CHAIR PONTANILLA: Member Johnson, any more?

COUNCILMEMBER JOHNSON: You know, the, the only thing was I think that we weren't sure, and we were waiting for an answer.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: That was my understanding. I mean I don't care. I have no problem with it, but...

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Mr. Hokama?

VICE-CHAIR HOKAMA: Chairman, thank you. We, we did receive the --

CHAIR PONTANILLA: Parks assessments.

VICE-CHAIR HOKAMA: --breakdown of the park assessments from Mr. Young, and I would, I would be supportive of splitting the project in half, with half from the General Fund and the other amount from the Park Assessment consider, for consideration by the Committee.

COUNCILMEMBER JOHNSON: That's fine.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: So at the appropriate time, Chairman, for your consideration.

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

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: We'll take some money from West Maui.

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

CHAIR PONTANILLA: Okay. Next page 24.

COUNCILMEMBER JOHNSON: Get your mitts off my money.
. . .(*chuckle*). . .

CHAIR PONTANILLA: Okay, 24 is okay, 25, okay, Hana--oh wait. Other Projects, CIP 31-29, Bus Stops and Shelters, net appropriation \$250,000. Agree? Disagree?

COUNCILMEMBER MOLINA: Disagree. Chair, it's, it's a proviso, so I don't know if the Members want to take action on it tonight. It seems relatively simple. There's no funding issue.

CHAIR PONTANILLA: No funding issue?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MOLINA: Yeah.

COUNCILMEMBER JOHNSON: Then just do the proviso later on.

CHAIR PONTANILLA: Yeah, we can do the proviso --

COUNCILMEMBER MOLINA: Okay.

CHAIR PONTANILLA: --when we come to the decision making.

COUNCILMEMBER MOLINA: Okay. I just thought since--

CHAIR PONTANILLA: Okay. Maybe tomorrow or Wednesday.

COUNCILMEMBER MOLINA: All right. Thank you. No problem.

CHAIR PONTANILLA: So I'll just make a note, proviso from you. So, Members, agree?

COUNCILMEMBER JOHNSON: Yes.

COUNCILMEMBER VICTORINO: Agree.

CHAIR PONTANILLA: Go down to Road Improvements, Hana Community Plan Area, District Road Resurfacing, net appropriation \$500,000. Agree? Disagree?

COUNCILMEMBER MEDEIROS: Disagree.

CHAIR PONTANILLA: Okay. Mr. Taguchi, if you could, find out from the Department on road resurfacing if there are any resurfacing projects that haven't been done for Fiscal Year 2005, 2006, 2007, and 2008? I want to make sure that if we add or delete, that the roads that have been budgeted for is taken care of because, you know, I hate to add in, and then later on find out that we already budgeted monies for those projects. Okay. Continuing on, Members. Highway Fund again, Paia-Haiku Community Plan Area, District Road Resurfacing, net appropriation \$800,000. Agree? Disagree?

COUNCILMEMBER MOLINA: Disagree. Proviso.

CHAIR PONTANILLA: Oh, just a proviso you want to include in here.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER MOLINA: Yes. For, for district road resurfacing.

CHAIR PONTANILLA: And that \$800,000, are you okay with that number?

COUNCILMEMBER MOLINA: Yeah.

CHAIR PONTANILLA: Okay. And, Members, we do have from the Department the projects that are covered, I guess, in some of these road resurfacing projects. Okay. Moving on, Makawao-Pukalani-Kula Community Plan Area, Road Improvements, net appropriation \$800,000. Agree? Disagree?

COUNCILMEMBER BAISA: Revisit.

CHAIR PONTANILLA: Okay. Page 27, CIP 31-16, on the bottom almost, Countywide Speed Hump Program, net appropriation \$250,000. And, Members, you see the increase to show line item instead of lump sum and reduce to move funds to Countywide Street Light Retrofitting. You guys agree to this?

COUNCILMEMBER MOLINA: No, proviso.

COUNCILMEMBER JOHNSON: Yeah.

COUNCILMEMBER BAISA: Agree.

CHAIR PONTANILLA: So the number is okay?

COUNCILMEMBER JOHNSON: Uh-huh.

CHAIR PONTANILLA: Okay. Again, Countywide Street Light Retrofit. This is an insert from the, the one that we removed previous to this of \$250,000 net appropriation. Agree? Disagree?

COUNCIL MEMBERS: Agree.

CHAIR PONTANILLA: Okay. Members, like Member Hokama had indicated earlier, street light retrofit, Public Works have. . .I think, what, three years to complete all the retrofit within the County of Maui. It's a lot of work. Okay. Bike Fund: Paia-Haiku Community Plan Area, Baldwin Avenue Bikeway/Greenway, net appropriation of \$200,000. Agree? Disagree?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER BAISA: Revisit. I'd like --

COUNCILMEMBER JOHNSON: Agree.

CHAIR PONTANILLA: Revisit.

COUNCILMEMBER BAISA: --like a chance to check something first.

CHAIR PONTANILLA: Okay. Bikeway Fund: Countywide, Countywide Bikeway Program, net appropriation \$100,000. Agree?

COUNCILMEMBER JOHNSON: Yes.

CHAIR PONTANILLA: Mr. Victorino, agree?

COUNCILMEMBER VICTORINO: Agreed.

CHAIR PONTANILLA: Okay. Okay. The Bond on the bottom, Central Maui Landfill Phase V Construction, \$12 million net appropriation. This is to purchase land for expansion. Agree? Disagree?

VICE-CHAIR HOKAMA: Disagree.

CHAIR PONTANILLA: Okay. Page 30, Sanitation, Countywide Solid Waste Processing, net appropriation \$500,000. Agree? Disagree?

VICE-CHAIR HOKAMA: Solid Waste. Oh, disagree.

CHAIR PONTANILLA: Disagree. Okay. Page 31, Park Assessment: Wailuku-Kahului Community Plan Area, Kanaha Beach Park Improvements, net appropriation zero. I think we resolved this issue. We're going to take a recommendation to take 50,000 from the General Fund and 50,000 from the Park Assessment from Wailuku-Kahului Community Plan Area. So, Members, are you going to agree to the zero?

VICE-CHAIR HOKAMA: No.

COUNCILMEMBER VICTORINO: No.

COUNCILMEMBER BAISA: No.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay.

COUNCILMEMBER MEDEIROS: Where were, are we?

COUNCILMEMBER JOHNSON: We're on 26-26.

COUNCILMEMBER BAISA: No.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Yes.

VICE-CHAIR HOKAMA: My apologies. On page 30 of 47 under drainage, Iao Stream Drainage, I just wanted to advise you and the Members I am following up on this project, because how I, how I understand the histories of this project, once the Corps did the original design and then has the oversight jurisdiction and responsibility of all projects they do, just like the harbor projects, I am double checking to see whether or not the County really needs to put in our share for this project, because my understanding is that we may be able to make a point that it be totally funded by non-County funds.

CHAIR PONTANILLA: Okay. Thank you. Okay. Moving down West Maui Skate Park, net appropriation 250,000. Okay. Member Johnson?

COUNCILMEMBER JOHNSON: Yeah, that's the one I wanted to add.

CHAIR PONTANILLA: You want to add --

COUNCILMEMBER JOHNSON: Yeah.

CHAIR PONTANILLA: --250,000 for park assessment.

COUNCILMEMBER JOHNSON: For park assessment, yes.

CHAIR PONTANILLA: Okay. Page 35.

COUNCILMEMBER BAISA: Thirty-three. Thirty-three.

CHAIR PONTANILLA: Thirty-three. Thirty-three.

COUNCILMEMBER JOHNSON: Thirty-three. Oh, that's me.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Thirty-three. What's going on 33?

COUNCILMEMBER JOHNSON: Mr. Chair, that's just the proviso.

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: The amount is okay, but I want to put in a proviso, yeah, 28-3.

CHAIR PONTANILLA: Oh, yeah. Right. Yeah.

COUNCILMEMBER JOHNSON: So I'll work on that.

CHAIR PONTANILLA: Mr. Hokama?

VICE-CHAIR HOKAMA: Yeah, mine is on project 31-27, the bottom of the page, Chairman.

CHAIR PONTANILLA: Yeah.

VICE-CHAIR HOKAMA: Again, mine is a proviso on how the reporting should be since this would be for Countywide projects that they had not specifically identified as yet. Thank you.

CHAIR PONTANILLA: Okay, but the dollar amount is okay with both of you? Member Johnson, on yours?

COUNCILMEMBER JOHNSON: Uh-huh.

VICE-CHAIR HOKAMA: Thank you.

CHAIR PONTANILLA: Okay. Page 40, Private Donation. Again, for the South Maui Regional Park, \$5 million and \$250,000 is for West Maui Skate Park. So the donation, Member Johnson, will still be \$250,000?

COUNCILMEMBER JOHNSON: No, I, I would be taking that out entirely --

CHAIR PONTANILLA: Okay.

COUNCILMEMBER JOHNSON: --because I would ask them for that with Phase 2. There's not enough time to --

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Raise the funds.

COUNCILMEMBER JOHNSON: --raise the money. No. No.

CHAIR PONTANILLA: Okay. Okay. State of Hawaii Makena Lifeguard Services, net estimated revenue \$594,727. You guys agree or disagree?

COUNCILMEMBER JOHNSON: What page are you on?

CHAIR PONTANILLA: I'm sorry, page 40.

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: I, I'm, I . . .my, my question was more not about the figure, but about the reality of whether or not the State Legislature is going to appropriate the money.

CHAIR PONTANILLA: The monies, yeah.

VICE-CHAIR HOKAMA: So if it's . . .well, in their drafts or it goes to Conference, and again my concern would be, it's more about whether or not we are going to receive the funds, because I would hate to be stuck with a \$600,000 bill and not be reimbursed.

CHAIR PONTANILLA: When will we know? . . .*(chuckle)*. . . I know they're working on their budget. We're working on ours.

VICE-CHAIR HOKAMA: They're entering Conference, like we're going through budget, budget finalization, Chairman.

CHAIR PONTANILLA: Okay.

VICE-CHAIR HOKAMA: So we should be able to get, I've asked Mr. Kane to see if he can get an update for us --

CHAIR PONTANILLA: Okay. Good.

VICE-CHAIR HOKAMA: --and I believe Mr. Pablo will ask his administrative people also if they have a status available.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CHAIR PONTANILLA: Okay. Thank you.

COUNCILMEMBER JOHNSON: Mr. Chair?

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: You know, if we can't get an answer, can we put a proviso in there that the Administration is required to come back to us so that we can at least address this particular issue so, you know, we don't have to have them make a budget amendment, so through some type of proviso.

CHAIR PONTANILLA: Okay. We'll await Mr. Kane's status.

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: And if we need to make some adjustments. Page 44, again Department of Public Works, the Grant 32-22, probably would be in a similar situation. Net estimated revenue \$7,600,000.

VICE-CHAIR HOKAMA: Mr. Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: For you and your, the Committee's information, first thing in the morning or maybe tonight, depends on what time we get through, I'll be putting in the calls to the East Coast to the NACo transportation staff to, to see if we can get an update status on Congress' movement either toward full funding or, or not. I know they are doing a review, because we already know that the current authorization is \$10 million short of full fundings. So, hopefully I'll be able to get back to the Committee by sometime tomorrow. Thank you.

CHAIR PONTANILLA: Thank you. So, Members, Grant 32-22, Grant. . .I guess it's all 32-22. Department of Transportation, we do have a Federal grant in that particular area. In fact from Department of Transportation heading, the first three. . .Mr. Hokama is going to get back to us. Let's see, page 45, State of Hawaii for Upcountry Raw Water Storage Development, net estimated revenue was estimated to \$3,750,000. And I think this is one that we're still waiting for status, Mr. Hokama?

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

VICE-CHAIR HOKAMA: Yes, Chairman.

CHAIR PONTANILLA: Okay. And Mr. Kane is following up on this one, too?

VICE-CHAIR HOKAMA: Yeah, I do know that I believe that Senator Tsutsui had included in his list of CIP considerations from the Senate, and I know there's disagreements with the House, and I'm not sure where this will fall. So I'll be happy to get a report back for the Committee. Thank you.

CHAIR PONTANILLA: Thank you. Page 46, let's see, this is for Special Purpose Revenues, Schedule of Revolving Special Funds. Item one, two, three, the fourth one down.

COUNCILMEMBER JOHNSON: The \$130 one?

CHAIR PONTANILLA: This is the Plan Review Permitting Process and Inspection Revolving Fund (Section 16.26.107.3, Maui County Code), provided the disbursement for salaries and premium pay is limited to 11 equivalent personnel. Estimated revenue is \$3,518,700. And the question was in regards to the Firefighter IV which is on the following page. So, Members, Member Hokama, is this okay? I think Ms. Revels provided that information to us.

VICE-CHAIR HOKAMA: Yes, Chairman, thank you very much.

CHAIR PONTANILLA: Okay. Good. And the last one that I have, and we'll just have to wait, this is in regards to the Post Obligation Fund, Post Employment Obligation Fund that we may have to deal with.

COUNCILMEMBER JOHNSON: Mr. Chair?

CHAIR PONTANILLA: Member Johnson?

COUNCILMEMBER JOHNSON: Wasn't there another one on page 46, which was the Recycling Grant Loan Revolving Fund, which has \$130 in it? Wasn't that the--

CHAIR PONTANILLA: Oh, yeah we're going to make a PAF--

COUNCILMEMBER JOHNSON; --one we were going to sunset?

CHAIR PONTANILLA: --yeah, we're going to make a PAF --

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

COUNCILMEMBER JOHNSON: Okay.

CHAIR PONTANILLA: --to take care of that.

COUNCILMEMBER JOHNSON: Okay. Thank you.

CHAIR PONTANILLA: Thank you. Members, that's the second pass, and then...

VICE-CHAIR HOKAMA: Chairman?

CHAIR PONTANILLA: Member Hokama?

VICE-CHAIR HOKAMA: If I may please just so Members can understand. For me what I'm looking at, Members, is to reduce Emergency Fund. I think this year's proposal is for 3 million, and then I was going to use what I deducted from this consideration and place it into the OPEB or Post Employment Obligation Fund. Chairman, as we are aware of last week's communication from Director Young, if we are able to take care of our total annual arc as required, we are able to take that deduction off the total amount, and we have the benefit. So let's say we have a \$20 million bill, we can get that 7 million squared away. The net we need to ensure we get for, for...be on a pace of funding would be 13 million, and I would rather we get that ability to do the deduction of the 7 million than place another million in Emergency Fund, and then have to deal with the additional costs for next year's appropriation to make OPEB whole.

So I, I think the Committee will be able to see the advantages as also indicated in Director Young's letter to the Council for last week Friday's meeting. Thank you.

CHAIR PONTANILLA: Thank you. Okay. Members, that concludes our second pass. And tomorrow we'll go to, again, decision making...*(end of tape, Side 6A)*...the ones that we don't have agreements on and take hard stance, and provide explanation in regards to whatever you want to add or whatever you want to take out to this particular budget. Members, again if you're going to add, make sure that something is deleted. If you're going to remove, fine with the Chair, just as long as we continue to keep this budget balanced. Thank you.

BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

The meeting for the Budget and Finance Committee for April 21st is now adjourned. . . .(gavel). . .

ACTION: DEFER pending further discussion.

ADJOURN: 8:14 p.m.

APPROVED:



JOSEPH PONTANILLA, Chair
Budget and Finance Committee

bf:min:080421

Transcribed by: Jessica Cahill

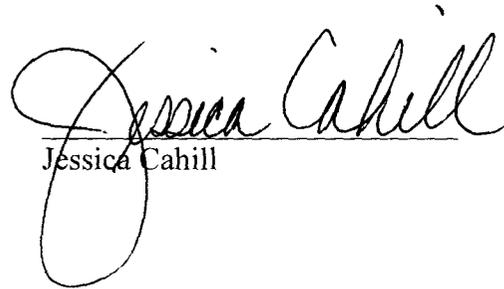
BUDGET AND FINANCE COMMITTEE
Council of the County of Maui

April 21, 2008

CERTIFICATE

I, Jessica Cahill, 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 19th day of May, 2008, in Wailuku, Hawaii


Jessica Cahill