

**BUDGET & FINANCE COMMITTEE
DELIBERATION AND PRELIMINARY DECISION-MAKING
FY 2015-2016 ANNUAL BUDGET**

MAY 14, 2015

A Deliberation and Preliminary Decision-Making Meeting on the FY 2015-2016 Annual Budget of the County of Kaua'i was called to order by Arryl Kaneshiro, Chair, Budget & Finance Committee, on Thursday, May 14, 2015, at 9:03 a.m. at the Council Chambers, 4396 Rice Street, Room 201 Līhu'e, Kaua'i, Hawai'i and the presence of the following was noted:

Honorable Mason K. Chock (*excused at 11:04 a.m.*)
Honorable Gary L. Hooser
Honorable Ross Kagawa
Honorable KipuKai Kualī'i
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Arryl Kaneshiro

The meeting proceeded as follows:

Committee Chair Kaneshiro: Good morning. I would like to call to order the Budget & Finance Committee and the Fiscal Year 2015-2016 Budget Decision-Making session. Let the record reflect that all members are present. Today we will be addressing decision-making for Fiscal Year 2015-2016 Operating and Capital Improvement Projects (CIP) Budgets and Real Property Tax (RPT) rates. We have had nearly three (3) weeks of budget reviews and a lot of discussion with the Administration on their proposed budget, as well as received lengthy responses to questions and answers. We also had numerous follow-ups. With that, I will not be requesting the Administration to come up today, but I will encourage discussion. Again, if we can keep the discussion to the particular line item on the budget and not go back into policy discussions. I think today we will be talking about specific line items and whether we are going to add it or cut it. I know in preparation, I gave everybody fair warning to be prepared for the meeting. Now is our opportunity to offer our proposals to the budget. I would like to remind the committee that any proposal to reduce or remove an item requires four (4) votes and any proposal to increase or add an item requires five (5) votes. Once we vote on an item today, we will not revisit that item unless it is deemed absolutely necessary. Additionally, once a proposal is introduced, I respectfully ask that members be concise and considerate with their time during the discussion period, as our time will be limited. It is my recommendation as the Budget and Finance Committee Chair to preserve the Unassigned Fund Balance and to contribute any unappropriated funds resulting from the committee's decision-making actions to the Unassigned Fund Balance. Please keep in mind that any additions that you may be proposing should have a corresponding reduction or identification of funding or revenue source. On the screen above here, you will see all the proposals in real time projected by staff with the running total of additions and cuts. I am hopeful that we do not have to tap further into the Unassigned Fund Balance to balance the budget. Lastly, I want to remind you all that if the committee does not come to an agreement within the allotted time for decision-making, the Mayor's proposed Operating and CIP Budgets that were transmitted on March 13, 2015 will go into effect. For members of the public, I will be opening today's session with public testimony. Following public testimony, I will allow time for Mayor Carvalho to briefly address the committee before we get into our session. I respectfully ask that Councilmembers make their final commentary on the budget during

the second and final reading, which is scheduled for June 3, 2015, if all goes according to schedule during this decision-making session. With that, I would like to suspend the rules. Do we have anyone registered to speak?

Councilmember Yukimura: I have a question about what you just said.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: You said that all cuts will go to the reserve, but you do not mean the cuts that are being proposed to offset some adds, which you are requesting that we make, right?

Committee Chair Kaneshiro: At the end of the day, if there is money leftover in cuts, the money will go into the Unassigned Fund Balance.

Councilmember Yukimura: I see. You are talking about the net or whatever is left.

Committee Chair Kaneshiro: Yes.

Councilmember Yukimura: I agree. Thank you.

Committee Chair Kaneshiro: Anybody in the public wishing to testify? Seeing none, I would like to suspend the rules and have Mayor Carvalho come up and make his presentation for the supplemental budget. Thank you, Mayor.

There being no objections, the rules were suspended.

BERNARD P. CARVALHO, JR., Mayor: Good morning, Chair Kaneshiro. Thank you for the opportunity, Councilmembers and Council Chair Rapozo. Well, we are here at this point in time and a lot of hard work has been put into this entire budget process by both sides. I really appreciate that partnership and us working together. Our department heads and finance team have done a tremendous job in trying to address things quickly, being responsive as quickly as we can, and fielding any of the questions that came our way. I think we did a great job doing that. We are pleased to be here with all of you today to present the brief overview of our supplemental budget proposal, and I say "we" because everything that we do is a team effort and I truly believe that. Our budget team and department heads have worked hard to make sacrifices—yes, we have—and have been very creative in finding ways to get the job done with fewer resources. Our team extends to all of you, we appreciate the discussions regarding the budget that we have had with you over the past several weeks and we are ready to provide any additional information you need to finalize your decisions. I would like to point out that while we have made some modifications to our March 13th submittal, keeping expenses in line, and reducing costs wherever possible; our top of mind for us in all the decisions that we have to make, and I wanted to be clear on that. The result is a slight increase of a point three percent (0.3%) to our proposed Operating Budget, not including Collective Bargaining Agreements with Units 2, 3, 4 and 14 of the Hawai'i Government Employees Association (HGEA). Let me provide with you a little more detail. By funding two (2) previously dollar-funded firefighter positions, we will remain in compliance with the Staffing for Adequate Fire and Emergency Response (SAFER) grant and provide some organizational flexibility to the department, should additional unanticipated attrition occur. Another adjustment to our proposal includes the costs associated with a Memorandum Of Understanding (MOU) recently made with the United Public Workers (UPW) Union. This agreement will increase worker productivity, as employees will be assigned to a wide variety of duties that enhance

the operations of the Solid Waste Management Division. In addition, the MOU delineates the responsibilities between the Solid Waste and Roads Divisions, so they can focus on their respective areas of responsibilities. With the completion of the Līhu'e Civic Center improvements and the additional maintenance obligations at the outlying County complex, the Department of Parks and Recreation will require an additional staff person to maintain these areas. Thus, we are proposing to utilize a previously dollar-funded position to hire a groundskeeper to tend to these areas surrounding this wonderful, beautiful place.

In our Capital Budget proposal, we plan to move forward with our biogas project at the Kekaha Landfill. We have already completed a feasibility analysis and are preparing for the next phase: the construction of the gas collection facility. This project must be completed by December 2016 to meet federal compliance requirements. By investing in our future, we can look forward to utilizing the biogas from our landfill to fuel our buses and refuse hauling fleet. That was a big effort on our part to work closely with you. We will be the first in the State to do this.

Let us examine the County's financial outlook. Over the last year, The County's finances have improved due to the increase in real property valuations and prior rate adjustments. That coupled with the nearly \$5 million in personnel and operating budget reductions, the State of the County's finances continued to move in a very positive direction. While this may be a reason for optimism, we must acknowledge that many fiscal challenges lie ahead. We cannot be lulled into the thinking that the existence of the projected General Fund Unassigned Fund Balance of nearly \$12 million provides a strong financial cushion. The reality is that we will be faced with several obligations in Fiscal Year 2017, including \$8 million in additional negotiated contracts, \$670,000 in Community Oriented Policing Services (COPS) grants, as well as the Puhi Metals Recycling Center cleanup. We are clearly not out of the woods yet. Last year, the Other Post-Employment Benefits (OPEB) budget was reduced by \$1.5 million, which we later learned after actuarial analysis would have cost the County \$3.3 million in future years. This again is attributed to that. So following the Comprehensive Annual Financial Report (CAFR), the Council wisely restored the OPEB budget to one hundred percent (100%) funding via money bill. Therefore, it is essential that we collectively exercise financial due diligence to ensure responsible fiscal management. We appreciated the open dialogue so far and our doors remain open as always, as we move towards final decision-making. I am confident that together we will move forward for the future years and create a budget that is sustainable. Again, I want to thank all of you for working together and all of our team members doing what they have to do to really come to a good, good solid delivery and results for the people that we serve. Chair Kaneshiro, thank you. Members, thank you. We look forward to a collaboration, coordination, and cooperation amongst all of us as we continue to wrap up this year and this budget session. *Mahalo.*

Committee Chair Kaneshiro: Thank you, Mayor. I will open it up for a few questions. I want the questions to be related to any changes that happened within the supplemental budget. I know we have had time to ask questions and I know I have seen questions regarding those changes already, so if you have any new questions, feel free to ask. Councilmember Yukimura.

Councilmember Yukimura: Thank you, Mayor. I want to first thank you for the general direction that you have been taking us in over the past three (3) years where we were really looking like we were going to go off a cliff. I think because of the fine work of your Finance Department and all of your departments, and also the support on this side from present and past Councilmembers for some of the more difficult decisions, we are moving in the right direction. I want to ask about the Caretaker. I asked that question, but I do not recall your answer. The Caretaker position in the park that you are adding...

there are additional responsibilities from the Police, Transportation, and Civil Defense area. Can you explain that?

NADINE K. NAKAMURA, Managing Director: Nadine Nakamura,
Managing Director. Does anyone else from the budget team want to join me?

Committee Chair Kaneshiro: I know that this is a Park's question, so we will be going through the budget again also...

Mr. Carvalho: Can I just say this? This is just in general terms that we added more responsibility to managing the Transportation area. We had to make some tough decisions. There is additional maintenance of the cleaning and the maintenance of the greenery and all that stuff around this area, along with Transportation and the Police Civic Center area.

Ms. Nakamura: I think this also became more apparent after the maintenance contract for the Lihu'e Civic Center ended, and then Parks and Recreation groundskeepers had to pick up...as you can see, there is a lot more landscaping in the parking lot, which beautifies this area and makes it a greener campus, but it also adds to the maintenance requirements. There is also additional transportation at the Transportation Agency that that work was picked up.

JANINE M. Z. RAPOZO, Director of Human Resources: Regarding the areas for Transportation and this Civil Defense police area, for Transportation, if you recall from our budget presentation, the utility worker position—I cannot remember if it was eliminated or dollar-funded, so they do not have that position anymore, so that is what Parks will be picking up as part of their grounds crew. They will be doing the Transportation area, as well as every other facility in the County. As far as the area around the Police Department and the Civil Defense area, we are looking to try to gain some area there, so that we can try to improve the parking situation for those facilities. We will be up keeping some of the grounds, I believe, kind of adjacent to that building.

Councilmember Yukimura: In order to make more parking?

Ms. Rapozo: Yes.

Councilmember Yukimura: Okay. Thank you. I have some questions that are not included in your message, but are included in the supplemental budget. Should I ask them now or later?

Committee Chair Kaneshiro: With that question, I was thinking if it may be better to ask these questions when we are actually in the section, like this one may have been a Parks question when we are at Parks. I am not really sure what your questions are, but if you think about them and if it may be better addressed when we are going through the actual budget section, then maybe try and put them there. Did anybody else have any questions?

Councilmember Yukimura: When do we hit CIP? Upfront?

Committee Chair Kaneshiro: CIP is in the cuts. The plan for today is we are going to do operating budgeting cuts first, then CIP, and then just any overall cuts that are going to affect everything broadly. After, we will do adds. We will do Real Property Tax...I have to check my thing...either Provisos or Real Property Tax.

Councilmember Yukimura: So I have, per your instructions, prepared proposals of adds that have cuts, in order to support them. When do I do that?

Committee Chair Kaneshiro: We will do the cuts first, and then we will do the adds later.

Councilmember Yukimura: But I am going to speak on why I am doing the cut and what it is for.

Committee Chair Kaneshiro: You can say that, but we will save the adds for the bottom. I do not want to get it confused.

Councilmember Yukimura: I know, but you have instructed that wherever we are doing adds, we have to come up with cuts and that is what I have tried to do.

Committee Chair Kaneshiro: Yes, that is exactly what I asked for. We will do the cuts first, so that we can see what our cuts are, and then we can do the adds. It will be hard to say—I know some people may do a cut without the add or they may try to do an add without the cut, but we really need to see all the cuts first before we can really see what we can add. You can mention that you are cutting this to add that and we can all take that into consideration when we are going through the budget.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I have a process question and it rides upon what Councilmember Yukimura said, “What if your cuts do not have the votes, then do you not have the ability to add?” My answer to that would probably be, “Yes, you still can add because it was not you who killed your cut.” You propose your cut and you deserve an add in that amount at least. That is my belief, if you have the votes. Everything will come down to the votes. It is four (4) votes to cut and five (5) votes to add. We will see how it lines up. Hopefully, we will end up with more savings than spending. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: The only other process thing I would say is that as we get to all the departments, we should not ask questions just to get more information. It should have to do with a proposed cut or add that we are focused on.

Committee Chair Kaneshiro: Yes. Council Chair Rapozo.

Council Chair Rapozo: I do not have a process question. I have a clarification question. I thought your memo was pretty clear as far as process.

Committee Chair Kaneshiro: Okay. Process question? Councilmember Hooser.

Councilmember Hooser: If the purpose is to retain the balance if we are going to be offering adds, I think there should been an offset. Otherwise, where is it going to come from? Unless we identify an offset and all agree to it, I do not see how we can agree to an add if the intention is to preserve the Fund Balance. I could have addressed this to the Mayor, but I think it is better to address it to the body that the context—eighty percent (80%) of taxpayers will have their property taxes increased as a result of this budget.

Eighty percent (80%) of homeowners, people who live in their home, that get the homestead exemption will have a tax increase. I think that is important to put out there. We can talk about how valuations went up, but the reality is that people's taxes are going up. We should make our decisions with that in mind and I would like to see those taxes not go up, but the budget is based on that. We need to know that and we need to talk publically about that when we are making our decisions. Thank you.

Committee Chair Kaneshiro: Yes. I see a situation where someone proposes a cut and they have an add, and the cut does not make it, but I am still open to them proposing the add later because that is what they came with, a cut and an add. I think if someone proposes a cut and it does not make it, it does not mean that they cannot still put the add that they tried to cut. I am just trying to be fair in the end. Councilmember Yukimura.

Councilmember Yukimura: I just want to say that the supplemental budget process is impossible. To get a supplemental budget on Friday, like four (4) days before we make decisions, and to understand all of the cuts and adds, is a very difficult thing. I need to ask questions to see if the Administration is able to justify to our satisfaction the proposals, the plusses, because if they are not, then I am going cut it. If they are justified, I will not cut it. That is why I have to ask questions before I even know whether I want to cut it or not. This whole budget needs to be justified. As Councilmember Hooser said, it is using money from our taxpayers, so we need to make sure we use it well. We need to know that it is well-justified whatever the Mayor proposes. If it is not, then we propose to cut. If it is, then we support it.

Committee Chair Kaneshiro: Again, let me just say this. It is a short time period that we had the supplemental budget, but there really were not that many changes to the supplemental budget. CIP had some changes and I saw some answers on justifications on why the CIP changed. As far as the Operating Budget goes, there were not very many changes, so I do not think it should effect the whole conversation of where we are going today. We had a lot of time to look at the original budget. There were very few changes in the supplemental. I just want to be able to continue to move forward. Councilmember Kagawa.

Councilmember Kagawa: I just wanted to agree that the supplemental changes were pretty minor. If we are going to go in the direction of philosophy and, "If I was the Mayor, I would do this," then it is not worth my time. I want to get down to the nitty-gritty. The Legislature works way more on a time barrier than we do. Let us do our job and see if we have the votes. I think we all have done our due diligence to our satisfaction. Like I said, the supplemental budget changes were very minor. The explanations provided are clear to me.

Mr. Carvalho: There was a lot of dialogue going back and forth and a lot of your questions were posed.

Councilmember Yukimura: The public saw none of it. The public does not know this at all. What I want to say is \$392,000, right? Is that not the General Fund increase...I mean the Operating Budget increase in the supplemental?

Mr. Carvalho: Yes.

Councilmember Yukimura: Do you think that is small?

Committee Chair Kaneshiro: Council member Yukimura, we saw the changes...some had salaries...we looked through the changes. If you have a cut or an add, we can do it at this time. This is my first budget. Let us see how it goes. If you need to ask questions, we can ask questions. I really do not want to talk too much about how we are going to move forward now. I think we should just ask the Mayor whatever questions we have, try to move forward, try to get into this, and then let me try and get a feel of how it is going. Council Chair Rapozo.

Council Chair Rapozo: Thank you, Mr. Chair. Thank you, Mayor, for being here today and thank you to your staff also. You have been very responsive to our questions. The turnaround compared to years ago is just incredible. So thank you for that. While we are talking about process and all of that, I think Mr. Hooser talked about the property tax increases. Every year, and honestly I do not like the supplemental budget process. I think we are the only County that does it. Mayor, you are lucky because you have two (2) shots at the apple. I do not necessarily agree with that, but that is what we have. It has been that way forever. It is not a new process. But we are going to see more money collected in real property taxes than we estimate. That happens every year. That is the trend. The OPEB actuarials at the end of the year are going to tell us that we overfunded OPEB. That happens every year. That is a trend. I think that there is a built-in safety net as far as fund balances that we just have to accept. That is just the way it works. Having said that, I do have a couple of clarifying questions on your message. It is more of a clarification to the general public because it says, "The increase in the General Fund CIP Budget can be attributed to the inclusion of \$5 million for the gas collection facility." But that is not new money, correct? That is money that is being moved from the Solid Waste Fund into the General Fund CIP. I just want to make that clear because the way it is written, it seems like the increase is attributed, but it really is a wash because we are taking the money from one account and moving it into the CIP, so we can proceed on this required activity that needs to be done.

Mr. Carvalho: Yes.

Council Chair Rapozo: That was the first thing. The second part is that you mentioned...this may be for Public Works, but it came right out of your message. You talked about the methane gases or the biofuels, or using it for fuel for our buses. In the discussion that I had with Public Works, we are not pursuing that right now. We are doing a flare. We are going to burn this methane gas.

Mr. Carvalho: That is correct.

Council Chair Rapozo: I just want to make sure that the public understands that we are moving down this road: number one, because it is required. If you saw the news last week, Honolulu is getting nailed because they did not take care of their methane gases and the Environmental Protection Agency (EPA) is now fining them over \$1 million. We are proactive and I commend you for that. The fact is that right now in the phase that we are in or in the direction that we are headed, we are going to flare this; we are going to burn it.

Mr. Carvalho: We want to get to the flare, yes.

Council Chair Rapozo: At some point down the road, we may consider...

Mr. Carvalho: Yes.

Council Chair Rapozo:
much. Thank you, Mr. Chair.

I just wanted that clarification. Thank you very

Committee Chair Kaneshiro:

Councilmember Chock.

(Councilmember Yukimura is noted as having left the meeting at 9:27 a.m.)

Councilmember Chock: Thank you for the message, Mayor. I think that we have seen a lot of hard work, so I would like to echo what I have heard earlier from Councilmembers, in terms of where we are with the budget. I just have a clarifying question on the firefighter SAFER grant. I know that there is an increase. I just wanted to understand. One (1) position is being vacated. In order for us to fulfill the need of the grant, we are hiring one more and the second one is because of a potential retirement? I guess my question is, is it because of a potential retirement and do we have a good understanding? Are we being proactive, in terms of foreseeing what our retirement count will be in the next coming years so we are not in this situation?

Ms. Rapozo: Prior to the retirement, the Fire Department had every line staff filled per the SAFER grant that they needed to keep on board. With the one (1) retirement, we do drop below the SAFER grant requirements. Because of that, we are in the situation where we will need to bring in a recruit class and rather than just bringing in just one (1) person, we are funding two (2), as well as the other vacancies they have, to start a class of at least a minimum of five (5). That is why we are funding two (2) more positions. This will allow them to have a little bit of flexibilities, should other people retire along the way. I believe the SAFER grant will end in April. But until that point, we still need to maintain that minimum level of service on the line. The Fire Department did everything that they could. They moved people from the administrative side, the inspections, and training, in order to meet that requirement, but this was an unanticipated retirement that they just now are below the level.

Councilmember Chock:

Okay. Thank you.

Committee Chair Kaneshiro: Any further questions for the Mayor? If not, thank you, Mayor, for your presentation. I will call the meeting back to order, so we can begin our order of business for the day. First, I would like to ask for a motion or agreement from the committee to accept the supplemental budget communication changes that were submitted on May 7, 2015 and use the supplemental budget as our starting point for decision-making.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Chock moved to accept the supplement budget communication changes that were submitted on May 7, 2015 and to use the supplemental budget as their starting point for decision-making, seconded by Councilmember Kualii.

(Councilmember Yukimura is noted as back in the meeting at 9:31 a.m.)

Committee Chair Kaneshiro: Next, I would like to entertain proposed reductions by department or agency. I would like to take the reductions in the following order: Operating Budget, CIP Budget, by fund; proposals affecting numerous or all agencies. Councilmember Yukimura, maybe we will do the combination proposals at the end so we can see your cuts and adds at the same time. With that, I think we will go through each department. Everyone has had time to organize their cuts based on

departments. The very first department we have is Office of the Mayor, including the Youth Work Program, Americans With Disabilities Act (ADA) Office, and the Office of Boards and Commissions. Let me also mention that Councilmember Chock has to leave early, so I am going to try to keep the meeting moving. Before he leaves, I will let him have a chance to speak about the budget before he leaves, so he has a chance to address everyone. Again, are there any cuts for the Office of the Mayor? We are not going to come back to these.

Council Chair Rapozo: Let me start.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Let me just say that I think a lot of the cuts were duplicative from other Councilmembers. I just got the short-end of the straw, so it is all on my list. Let me just say, Mr. Chair, that these are tough times. I appreciate the Mayor cutting pretty drastically the budget from last year and I think that was after a lot of discussions here at the Council. All year long, we hear from the community, "Hey, you have to cut spending." The Mayor hears from the Council, "You have to cut spending. You have to balance the budget." With the attempts to raise taxes or fees, the public says, "No, we do not want you to raise taxes. Do not raise fees, but we want you to cut the budget." Then when you try to cut a program, the public comes up and says, "Do not cut this. Do not cut that. We want it all." That is their right. We, on this table, have to figure out...for me anyway... "what is a necessity" versus "what is a luxury or a convenience?" That is how I look at it. In past budgets, I remember saying that one question you have to ask yourself is, "Can this be put off to a later date?" It is no different than you running your household budget or your business budget. I ask that no one takes this personal. As I look at where I have to cut, the Mayor did a great job, so there was not much left to cut, but I still believe that we needed to reduce. My first cut today is the \$30,000...this would be Account Number...I am just going to use the last set of numbers, 512.35-00, which is the Kaua'i Planning and Action Alliance (KPAA). We appreciate what that organization does for the County, but at some point, nonprofits, we have to wean off. We can offer them some subsidy, but at some point, unless there is a direct service that the taxpayer can benefit from, it is very difficult to sustain that over and over, and over. We have a lot of nonprofits on the island that get by with fundraising, donations, and so forth, but there comes a time where the tough decisions have to be made. We all said that when we ran for office. We have to make the tough decisions and today is that day.

Council Chair Rapozo moved to remove the funding of \$30,000 for Kaua'i Planning & Action Alliance, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: We can have quick discussion. Councilmember Kagawa.

Councilmember Kagawa: My reason for supporting this cut is as I went to the Legislature, I really pushed hard our legislators...I think I have a good relationship with our new Senate President and our other (3) representatives and I pushed hard for this because I feel like when I listen to what KPAA does and who they serve, it seems to me like it is more of a Department of Education (DOE) type of funding. We have received letters of support and giving examples from our District Superintendent Bill Arakaki, as far as all of the principles at the high schools. They do some funding to outside organizations like Leadership Kaua'i with Councilmember Chock. DOE has way more money than the County of Kaua'i. If it is important to them and serves their need of educating and fostering young children, then I think it is a State function. I am very pleased that KPAA is receiving \$123,000 this year in a Grant-in-Aid. They did not have State funding in the

past. This is \$90,000 more than they had last year from a State or County grant. I think KPAA is very comfortable in my estimation. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I actually need, and maybe even Councilmember Chock, too, to confer with the County Attorney. I have recused myself with respect to one program of KPAA, Keiki to Career, but that is later on in the budget. This is not related to that, so I just need to be clear on whether or not I can vote or have a conflict of interest.

Committee Chair Kaneshiro: For me, I think you guys are okay, but maybe Mauna Kea can say something real briefly about that.

Committee Chair Chock: Chair, if I can just add, I think the \$30,000 specifically is to a special project and not to the Keiki to Career program. There needs to be a clarification, so that we can make a determination.

Committee Chair Kaneshiro: That is my understanding, too. I know you are recused from Keiki to Career and this line item does not have anything to do with Keiki to Career. I know that Council Chair has mentioned in the past that it is up to us on whether we want to sit on it or not sit on it and use our own judgment. To me, I think you guys are safe, but with Mauna Kea here, I guess we can hear him.

Councilmember Yukimura: Do we know what these moneys are for?

MAUNA KEA TRASK, County Attorney: *Aloha.* For the record, Mauna Kea Trask, County Attorney.

Councilmember Yukimura: There is an Indicators Report that is very important to the community. I do not know if that is what it funds.

Ms. Nakamura: Nadine Nakamura, Managing Director. Just to clarify that this line item is for the Indicators Report that Keiki to Career produces every other year. This is the indicators in various categories that is used to...it is a dashboard to see how we are doing in various areas in the economy.

Committee Chair Kaneshiro: I have a clarifying question. I know we have a line item for \$50,000 for Keiki to Career.

Ms. Nakamura: That is separate.

Committee Chair Kaneshiro: But this line item also involves Keiki to Career?

Ms. Nakamura: No. This is separate.

Committee Chair Kaneshiro: Okay.

Councilmember Yukimura: Okay.

Mr. Trask: Under Article 20 of the Code of Ethics and the Kaua'i County Charter Section 20.02(E), "No officer of which Councilmembers are of the County shall use his or her official position to secure a special benefit, privilege, or exemption for himself or others." Furthermore, under Charter...this is pursuant to the 2006 amendments, Section 20.04(B), "Any elected official, appointed officer, employee et

cetera who possesses or requires such interests might reasonably tend to create a conflict with his or her duties or authority, or who is an owner, officer, executive director, or director of an organization, or whose member of his immediate family, including parent, sibling, spouses, or children is an owner, officer, executive director of an organization, any matter pending before him or her shall make full disclosure of the conflict of interest and shall not participate in said matter.” The arbiter of the Code of Ethics is the Board of Ethics. Also, under Section 20.04(E), “The Mayor, the Council, and the Board of Ethics shall be responsible for the enforcement of provisions of this article.” Any opinion from me will not protect you from any violation of the Code of Ethics. If you want to be protected, ask an advisory, and you conduct yourself accordance to that advisory opinion, then you will be okay. The choice really is up to you to decide. I have spoken to this body before and made recommendations, but as this body has stated, it is really up to you. It is for your degree of comfort.

Councilmember Yukimura: I am not a board director or employee and I do not have any formal relationship. I sit on one of the committees of Keiki to Career.

Mr. Trask: In that, it is up to you. I am not going to be able to provide you with any kind of cover or blessing today. If a complaint is filed, you will be asked to answer to it. That is all.

Committee Chair Kaneshiro: For clarity purposes, does this \$30,000 line item affect Keiki to Career in any way?

Ms. Nakamura: I want to clarify if I misspoke earlier. The \$30,000 is not related to Keiki to Career. Keiki to Career is in the Office of Economic Development Budget for the amount of \$50,000. I just wanted to make that distinction in the Mayor’s Office that this line item is related to the Indicators project.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Keiki to Career is led by Diane Zachary at KPAA and they have a staff of two (2). I kind of find it hard to think that...

Ms. Nakamura: Three (3).

Councilmember Kagawa: It is hard to think that a small organization like that that there is no mix of the \$30,000, if it goes to salaries, or if the \$30,000 and the \$50,000 goes to salaries. Where do you say that it does not affect Keiki to Career? Of course, all three (3) of them work on everything at times. That is how a small business works, right? I am finding difficultly in separating the two (2) actually.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: So the Indicator Report is done every two (2) years and this funds that? It was done two (2) years ago? So has it been done a number of times already?

Ms. Nakamura: Yes.

Councilmember Hooser: And the County has supported that in the past?

Ms. Nakamura: Yes.

Councilmember Hooser: Do they use that information to guide their effectiveness of their work and to help give them direction moving forward?

Ms. Nakamura: Yes.

Councilmember Hooser: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I am sure that they submit some grant proposal in terms of the outline of how their expenses are outlined. It sounds like a staffing issue where there could be some overlap. Do we know if this is for a specific outcome, which is this Indicators Report? Do we know that information?

Ms. Nakamura: It is probably in the grant application that is submitted. We can definitely provide the Council with that information. Part of it is also getting survey information to gather the data, to compile the information, and then present it in a way that is readable and understandable. I know they also use some of that \$30,000 to hire outside consultants to do different portions of gathering the data and the analyses.

Committee Chair Kaneshiro: Any further discussion?

Councilmember Hooser: I do not have any questions, but I do have some discussion on the issue. Do you want to go with discussion or are we still doing questions?

Councilmember Yukimura: Before the discussion occurs, I have to make a choice of whether to sit in the discussion or not. This is a switch of position from the last County Attorney who often advised on cases that were fairly clear. If it is the County Attorney's advice that we cannot really know unless the Board of Ethics opines, then I have to recuse myself until I get a decision.

Committee Chair Kaneshiro: Councilmember Yukimura, it is up to you if you want to recuse yourself or not. I do not think we will be able to put this line item on hold or anything. We need to get through it today. It is up to you. I will take any further discussion regarding this line item.

Councilmember Chock: I will err on the side of safety and recuse myself. There is more to it. I think it is real clear where this vote will probably go anyway, so I can step out for it.

(Councilmember Chock is noted as recused at 9:45 a.m.)

(Councilmember Yukimura is noted as recused at 9:45 a.m.)

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I want to speak against the motion to delete the funds. I think this County chooses its priorities and this Council chooses its priority and we get involved every week in issues that are outside of what some would argue is our natural scope. We talk about school lunches and marijuana dispensaries, we fund invasive species and we fund domestic violence, and we do all kinds of stuff that is not a core County responsibility. But we do it because we believe it is important to our community and because it is valuable. This is a very, very valuable program. I do not know if anyone had an opportunity to read the testimony that has been submitted. The principal of Waimea

High School offered very compelling testimony saying how important Keiki to Career is to their program.

Committee Chair Kaneshiro: I want to make a clarification. This is not the Keiki to Career line item.

Councilmember Hooser: This is a fundamental aspect of the Keiki to Career program. The Keiki to Career program uses this data to determine how they move forward or not move forward, so it is relevant to the strength of the work that they do. If you cannot measure, then it does not exist. They are measuring the data that affects children in learning in our community. This is fundamental to that, so this will weaken the Keiki to Career program in my opinion. There has been lots of testimony in support of it. This is about partnerships and supporting education and supporting people in our community that are working hard on this. We funded it in the past and to pull it out from underneath them at this point will weaken their program. It is a valuable program and I am strongly opposed to cutting it. If we want to move forward to cut all of our programs, our grant-in-aids or whatever you want to call it, the Young Women's Christian Association (YWCA), and everything else, then that is a different policy decision. I think this is an important program. We should honor and support the nonprofits that have worked so hard on this and the people in the community that worked hard on this. I urge my colleagues not to cut such an important program. Thank you.

Committee Chair Kaneshiro: I just want to clarify that there is another line item in Economic Development, \$50,000 for KPAA Keiki to Career. Right now, we are voting on the KPAA line item in the Mayor's budget for \$30,000.

Councilmember Hooser: I will just repeat that I believe that this item that we are voting on is directly related to the work that is done in the Keiki to Career program.

Committee Chair Kaneshiro: Okay. Councilmember Kagawa.

Councilmember Kagawa: I think it is important to repeat myself again. The State Legislature never funded KPAA. I think Councilmembers, myself, and Diane Zachary lobbied hard and the State Legislature gave them \$123,000 this year in a grant-in-aid. She was elated. I was talking to her yesterday. They are set. It is more than the \$50,000 plus \$30,000, so they will survive, Councilmember Hooser. They will do fine and they will still serve the community with the State money, instead of the County money.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I also want to add that for me, I want this to be a message to the Administration that we should not be using a grant program to fund a report that we think is important. If it is an important report to the Office of Economic Development, then you should either have that report done by your staff or hire a consultant to do that report. But to fund it to a nonprofit—I do not think that is the way to go. It does not line up with some of the other grants, and for me in the long run, I want to review how we are giving out grants from Economic Development, the Mayor's Office, and Parks & Recreation. It is all over the place and I want to see what the process is, who is it available to, and if it is put out publically. That whole thing. For me, the support of this is also because of what Chair Rapozo says, unless there is a direct service to the taxpayers. This is a report for the County to do a better job in the community and to work with partners like the State and the DOE. It is important and it is good, but we have to make

tough decisions, even down to the \$10,000 level. My decision here on this is to support the Chair's cut.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Just a real quick follow-up to my original comment about where we have to facilitate the weaning off of these. If it is a State function, as Mr. Kagawa has said, then the State has to take an active role. The fact that we have suggested the reduction of this amount does not mean that we do not support the program. It means that we support the funding from where it belongs, which is the State. We hear it all year long— Councilmembers talk about, "It is the State's function. They are responsible. It is our Transient Accommodations Tax (TAT). Blah, blah, blah." At the end of the day, we have to let them know. It may not happen on this table on television. It is not that we do not discuss these issues with our legislators off the record, informally, asking them, "Hey, you guys have to pick up some of the slack. That is your function; not ours." Our taxpayers are asked to foot the bill on a lot of these State functions. I do not have a problem. I supported this all the way, all these years. As Mr. Kagawa stated, the State has now stepped up to the plate and provided more funding than this County has provided. Now is the time that we hand the baton off to the State and say, "Thank you, State. The programs will continue with your funding and we ease the burden of our taxpayers a little bit." That is the rationale. These cuts will not affect the indicator study or the later discussion that we will have on Keiki to Career. Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: Just to respond briefly, the State budget was just passed. I understand how the budget works. I have worked on the budget for eight (8) years in the Senate and they are a long way from getting any money at all. There is no guarantee whatsoever that this program will be funded by the State. Just because it is in the budget, it does not mean that the money is released and it does not mean that the money gets spent. To argue that they have the money, so they do not need our money is not a valid argument at this point. We fund many, many things that one could argue are outside of our scope. There are lots of stuff in the budget. We are doing cultural renovations, lifeguards on beaches, transportation, domestic abuse, and all kinds of stuff. To argue that this is not our responsibility and that it is the State's responsibility, therefore we are not going to fund it; I do not believe that is a valid argument. If members do not support the program and do not want to fund it, I respect it. We do lots of things here that are funded by the State otherwise. Thank you.

Committee Chair Kaneshiro: I think we can go back and forth on this all day, but it is our first item. I would like to keep moving along. The motion is to remove funding of \$30,000 for Kaua'i Planning and Action Alliance. Can I get a roll call vote, please?

The motion to remove the funding of \$30,000 for Kaua'i Planning & Action Alliance, was then put, and carried by the following vote:

FOR REMOVAL:	Kagawa, Kualii, Rapozo, Kaneshiro	TOTAL – 4,
AGAINST REMOVAL:	Hooser	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	Chock, Yukimura	TOTAL – 2,
SILENT:	None	TOTAL – 0.

(Councilmember Chock was noted as present in the meeting at 9:54 a.m.)

(Councilmember Yukimura was noted as present in the meeting at 9:54 a.m.)

Council Chair Rapozo: Chair, are you going to go around the table or do you just want me to go through all of mine?

Committee Chair Kaneshiro: I will see if somebody has another add for the Mayor's Office. If not, we will go back to you.

Council Chair Rapozo: Okay.

Committee Chair Kaneshiro: Again, we are on the Operating Budget in the Mayor's Office. Does anyone else have a cut for the Mayor's Office? If not, I will go back and let Council Chair Rapozo go through all of his cuts. Council Chair Rapozo.

Council Chair Rapozo: Thank you. Next is a position cut. I think it is no secret of my disappointment of the services. I think throughout the budget, I have made it clear that I think the Human Resources (HR) Department is overstaffed and there are too many positions.

Committee Chair Kaneshiro: Council Chair, I just want to say that I think we are in the Mayor's section now. If you do not have any more questions from the Mayor, then we will keep moving on.

Council Chair Rapozo: That is all I have. I am sorry.

Committee Chair Kaneshiro: We will keep moving on. Any further cuts in the Mayor's Office? With no further cuts, we will move on. The next department is the Office of the County Clerk, including Council Services, Elections, and the Office of the County Auditor. Do we have any cuts in this department? Councilmember Kualii.

Councilmember Kualii: The cut I am proposing is in the Office of the County Auditor.

Councilmember Kualii moved to reduce Position No. E-73 (Audit Manager) and associated benefits by \$36,076, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Just an explanation, if you would, about the three (3) months.

Councilmember Kualii: I did a thorough analysis of the vacancy reports and have been working on it for the last six (6) months or so because they bring these reports forward to us every three (3) months. I see in my estimation that by the time they would recruit and fill this position, it would very unlikely happen July 1st. So there is a funding lapse and this is my proposal, three (3) months.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: So the presumption, because we are in the process of hiring, is...

Councilmember Kualii: Yes. There are three (3) openings.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Yes. I think you were answering my question. It presumes that we will get an auditor in place, and then we are not taking away the position, but recognizing the time where it is likely to be vacant.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: And very conservatively, I would guess.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any further discussion on this line item?

Council Chair Rapozo: I just want to add that when we submitted the budget this year, obviously we did not have an auditor in place, so Council Services, thanks to Jade and Scott, assisted the office with the budget. We did dollar fund the Auditor II position in the attempt to reduce the spending as well. So that has been dollar-funded and I do not think anyway that we should fund that at this point. I just wanted to say for the public that the Council did, in fact, reduce that office budget when we submitted the budget.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I have a short comment about this cut. I find it a little hard to imagine that we would hire an Audit Manager prior to hiring the auditor. If that happens, it happens; however, we could run into the same problems that we did in the past. Thank you.

Committee Chair Kaneshiro: Any further discussion? If not, the motion on the floor is to reduce Position No. E-73 and associated benefits by \$36,076. Can I have a roll call vote, please?

The motion to reduce Position No. E-73 (Audit Manager) and associated benefits by \$36,076 was then put, and carried by the following vote:

FOR REDUCTION:	Chock, Hooser, Kagawa, Kualii, Rapozo, Yukimura, Kaneshiro	TOTAL – 7,
AGAINST REDUCTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Thank you. Any further cuts for the Office of the County Clerk, including Council Services, Elections, and Office of the County Auditor? Seeing none, we are going to move on to the Office of the County Attorney. Any cuts for the Office of the County Attorney? If not, we will move on to the Office of the Prosecuting Attorney. Any cuts for the Office of the Prosecuting Attorney? We will move on. Any cuts for the Department of Finance? Councilmember Kualii.

Councilmember Kualii: It is a similar kind of cut in the three (3) months of the position. The Department of Finance - Real Property Assessment reduce by three (3) months funding for Position No. 219 GIS Analyst for total reduction of \$16,600. In my analysis and in getting descriptive justifications from Human Resources, the position is

being redescribed for succession planning involving technologies. Again in my estimation, they will not be able to fill and start this position on July 1st, so I am forecasting it for three (3) months.

Councilmember Kualii moved to reduce Position No. 219 (GIS Analyst) and associated benefits by \$16,600, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: It has been moved and seconded. Any discussion? Councilmember Yukimura.

Councilmember Yukimura: I would like to hear from Real Property Tax if they are being adversely affected?

Committee Chair Kaneshiro: I do not think we have Real Property Tax here. Ken is here.

KEN M. Shimonishi, Director of Finance: Ken Shimonishi, Director of Finance. I think we find that reduction acceptable. Thank you.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further discussion from the members? If not, the motion is to reduce the Position No. 219 (GIS Analyst) and associated benefits by \$16,600. Can I get a roll call vote, please?

The motion to reduce position No. 219 (GIS Analyst) and associated benefits by \$16,600 was then put, and carried by the following vote:

FOR REDUCTION:	Chock, Hooser, Kagawa, Kualii, Rapozo, Yukimura, Kaneshiro	TOTAL - 7,
AGAINST REDUCTION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0,
SILENT:	None	TOTAL - 0.

Committee Chair Kaneshiro: Any further cuts in the Department of Finance? Next, we have the Department of Human Resources. Councilmember Kualii.

Councilmember Kualii: Again, I have a similar situation.

Councilmember Kualii moved to reduce by three (3) months of funding for Position No. 212 (HR Specialist I) and associated benefits by \$17,526, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Any questions or discussion?

Councilmember Yukimura: I have the same question to the Administration.

Ms. Rapozo: That cut of three (3) months is acceptable to the department.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any further discussion on this? If not, the motion on the floor is to reduce Position No. 212 (HR Specialist I) and associated benefits by \$17,526. May I have a roll call vote, please?

The motion to reduce by three (3) months of funding for Position No. 212 (HR Specialist I) and associated benefits by \$17,526

FOR REDUCTION:	Chock, Hooser, Kagawa, Kualii, Rapozo, Yukimura, Kaneshiro	TOTAL – 7,
AGAINST REDUCTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Any further cuts? Council Chair Rapozo.

Council Chair Rapozo: I apologize for starting this on the Mayor’s budget, but anyway, as I was saying, I have done some extensive research over the last several months regarding the HR Department and HR departments in general, including ones in the public and private sector. I have spoken to numerous colleagues and other jurisdictions throughout the country. HR, although a very important function—as you look at the budget here, there are twenty (20) positions in the Human Resources Department. That does not include the positions in the various departments that as we heard throughout the budget process that still does personnel and HR functions. The total count of people that are involved in HR and personnel obviously are much greater than twenty (20). If you look at the positions and pay, and I appreciate the Administration for eliminating one of the HR Managers and dollar-funding another, but as I have spoken to HR directors, it is very hard for me to accept the fact that we need eighteen (18) people or twenty (20) people, or even ten (10) people for that matter for the role of HR in a business of this size. We do not want to cut warm bodies, but I do not know what we do with all of these positions. If you look at the pay too, a lot of them are very high positions, yet we still rely on departments...we heard this numerous times...we still rely on our departments to do HR work. I am troubled by that. The dollar-funded position, which is Position No. 800, I am suggesting that we remove that position.

Council Chair Rapozo moved to remove funding and Position No. 800 HR Manager II, seconded by Councilmember Kualii.

Council Chair Rapozo: As I was saying, one of the things that we have seen over time is when we dollar fund positions, there is an opportunity to utilize the position number throughout the budget for different positions or contract positions and I know that sometimes it is vital that we do that, but at the end of the day, I think the Council has to have a more active role and the public, in the spirit of transparency, should have a better understanding of when these things occur. Right now with the current system, and I know Councilmember Kualii in the past has tried through provisos to require Council approval when we take positions and change them and manipulate them throughout the year—I do not think that is right. When we pass the budget, that is the budget that the public is aware of, and then we take dollar-funded positions and we move it around. We try to do it through a proviso and the Council still does not have an understanding of what happens of the people that have been hired and positions that have been used for different purposes. If there is a time that the Administration believes that this position is needed, then they can come back to the County Council and justify it. I believe that is the only way the Council will have an opportunity to determine whether or not these positions are really required. Again, twenty (20) positions—again, even with the

dollar-funded position or the eliminated position, that takes it down to eighteen (18) positions. I believe that is still sufficient to run the function of this cooperation, as I have not found the cooperation of this size anywhere that has an HR department of this magnitude. Thank you.

Committee Chair Kaneshiro: Any discussion? Councilmember Yukimura.

Councilmember Yukimura: I would like to hear from the department, if possible.

There being no objections, the rules were suspended.

ERNEST W. BARREIRA, Budget and Purchasing Chief: Good morning, Councilmembers, Ernie Barreira, Budget and Purchasing Chief. I will speak to one issue, in regards to the position that is being proposed to be eliminated. Under the County Rules and Policies and Procedures (A), a civil service employee can be appointed to a directorship or a deputy directorship and enjoy the benefit of return rights for four (4) years from that date of appointment. This position is actually the former position of our current Director Janine Rapozo and that establishes her return rights by being established within the budget, even though dollar-funded. So the Council should be aware of that.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Thank you. Do we have the Administration's commitment or perhaps by law that the Administration is required to keep that position open, and a commitment not to use it in other departments or for other purposes except to comply with the civil service laws?

Mr. Barreira: I can speak to you, as managing the budget and preparing this budget presentation, that we dollar-funded that position because we have no intent to fill it in the course of this fiscal year. That is why it is dollar-funded.

Councilmember Yukimura: Right. But are you required to keep it?

Mr. Barreira: In terms of the return rights?

Councilmember Yukimura: Yes.

Mr. Barreira: If we do not keep it, we would still have to facilitate, create the position by collective bargaining laws to establish a return if Janine decides to return any time within the four (4) year period or any time within the four (4) day period. If she decided tomorrow that she wanted to return, we would have to establish that position or be in violation of the Collective Bargaining Agreement.

Councilmember Yukimura: Okay. I think I want to hear from the Mayor. Mayor, is it your commitment that this position will be in place only for the purposes of assuring a place of return and will not be used for anything else in any other department or even within Human Resources?

Mr. Carvalho: That is correct.

Councilmember Yukimura: Thank you.

Mr. Carvalho: Just to share my side, I had the opportunity and I think it is good that we can look internally at some our own employees who have the opportunity to step to the plate, if you will. I had that chance back as the former Director of Parks and Recreation and being able to step up to the department head level, knowing that if the opportunity arose, I could go back or make the decision. There are opportunities there if we look at that. I just wanted to mention that as well.

Councilmember Yukimura: Okay, but we have your commitment to keep that position only for the purpose for which you have said you need?

Mr. Carvalho: Yes.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: I have a question, but I do not know if it is for the Mayor or I do not know who answers this question. I think the fear is that if Janine steps down in that position, we need to hire someone for her position and we end up with another warm body in the department, which I think we are trying to prevent. By getting rid of this position, we are trying to prevent a warm body from going in, so I think the fear is that we are adding another body by having this dollar-funded position. If Janine steps down, we need to hire somebody for her position and we have all the slots filled. Right now, it is a dollar-funded position that does not have a warm body. So I guess if there is a commitment not to...how do we address that? If Janine wants to step down, are we going to hire another body?

Councilmember Yukimura: We need a director.

Mr. Carvalho: That has happened in other departments, in fact, right here at the Council where you dollar-funded the former clerk's position for years because he could have return rights. So it is no different. We did that for the Finance Director as well. We kept the Tax Manager position dollar-funded while he was the Finance Director. It is no different, but that is the rights of a civil service employee to be able to come back.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Can I just say that I disagree with that. I think if you take the head job, you should lose your rights. I think that is something we should battle with the unions because you cannot have it both ways in my opinion.

Committee Chair Kaneshiro: Councilmember Kualii'i.

Councilmember Kualii'i: I just had a question because you said "for years," so this right is entitled for how long?

Ms. Rapozo: For four (4) years.

Councilmember Kualii'i: Four (4) years. Oh my goodness. Wow.

Ms. Rapozo: It could be longer. You can go back to a comparable position if you stay longer than four (4) years in the appointed position.

Councilmember Kualii'i: So civil service or whatever...the system or the law...gives the individual the right even after they leave the position to come back?

Ms. Rapozo: That is correct.

Councilmember Kualii: They go up into a big promotion and four (4) years...wow. The real question and maybe Ernie...you too probably, Janine, because of the process, so process wise, if this position was eliminated and the person decided that they wanted to come back, how quickly must they be instituted and what is the different processes available for doing that? That would allow the Administration to come to the Council and recreate that position if it needed to be because a person chose to return?

Ms. Rapozo: The rights of the incumbent are immediate, so I can go back like tomorrow, so the position would have to be available. I am not sure how long it takes for a Council to establish a new position, which I am assuming it would have to go through a money bill, which takes a couple of months at least.

Councilmember Kualii: I wonder if as a part of getting that nice, big promotion that the individual could not sign a waiver saying that they would not invoke that right because you have the right, but you can waive it away maybe?

Ms. Rapozo: I am not sure when you say a "nice, big promotion" because for most of us who take department head level, it is actually less money, so that is why a lot of people return back to their original positons.

Councilmember Kualii: The HR Manager II is \$75,000 and Director of Human Resources is \$103,000, so I consider \$28,000 a really nice promotion. I wish I had that.

Ms. Rapozo: That is if I just started as an HR Manager, but I was not. That is why people return to their regular civil service positions. We just had that with three (3) people.

Councilmember Kualii: Salary inversions and that whole thing.

Ms. Rapozo: Yes.

Councilmember Kualii: Which is a problem.

Ms. Rapozo: Absolutely.

Councilmember Kualii: That we created.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just a quick follow-up, I think Police and Fire might be in the same arena for this budget. Are there any other?

Ms. Rapozo: They have returned now, so they are in their civil service positions. Ken Shimonishi's position will be temporarily filled, but he can return as well.

Councilmember Chock: Thank you.

Ms. Rapozo: We have decided not to fill it in the meantime by dollar-funding, versus funding it for someone temporarily.

Councilmember Chock: Understood.

Council Chair Rapozo: I have a question.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Janine, your prior position was HR Manager.

Ms. Rapozo: Correct.

Council Chair Rapozo: Is that civil service or is that appointed?

Ms. Rapozo: Civil service.

Council Chair Rapozo: That is a civil service position.

Ms. Rapozo: Correct.

Council Chair Rapozo: That is an "EM."

Ms. Rapozo: Yes.

Council Chair Rapozo: Are you covered by the Collective Bargaining Agreement?

Ms. Rapozo: I am covered by Executive Order.

Council Chair Rapozo: No, the Collective Bargaining Agreement.

Ms. Rapozo: No.

Council Chair Rapozo: Right. So when you left HR Manager, that was not a Collective Bargaining...

Ms. Rapozo: It is a civil service position that is covered by the Executive Order, which is similar to the collective bargaining agreements.

Council Chair Rapozo: Okay. Where do we find that Executive Order?

Ms. Rapozo: In our office. I believe whenever Executive Orders are done, we send one over to the Council.

Council Chair Rapozo: Okay. We can take a look at that. Thank you.

Committee Chair Kaneshiro: Any further discussion or questions? I have a question again regarding the legal ramifications. If we were to cut this position and Janine needed to fill it, what are the repercussions?

Council Chair Rapozo: The ramification is real simple. Janine lets the Administration know that she wants to leave, they come to Council and we create the position. That is what we do. We do not have a choice. As much as I trust and love the Mayor, we have been down this road so many times with all the mayors. At some point throughout the year, they need a position number to create a position, whatever the case is.

Today I understand and unless we do a proviso that the Mayor and the Administration can accept and agree to...like I said, we have done provisos. We have a new County Attorney now, but this separation of power argument is always made and I do not know how else to get around that. In the last budget session, I read the E-mail saying that the Administration just did not agree with the proviso and did not comply with it because they thought it was a separation of power issue. Fine. Then we used our legislative authority and we said, "Fine, let us just remove the position." Whether it is Ricky Watanabe, Jade, or whatever it is, we will honor whatever process that we have in place. We will honor it. Until that happens, I just do not see why we have to maintain all of these dollar-funded positions. Some of them have not been filled for years.

Mr. Carvalho: Again, for me, having the chance, after seventeen (17) years of civil service, having to move into a department head level is a great opportunity. I did that and then I continued on. I had the chance to come back and with this particular discussion, I am telling you folks that I am committed to keeping that position there, period.

Committee Chair Kaneshiro: Mauna Kea.

Mr. Trask: I am sorry. Could you repeat the question?

Committee Chair Kaneshiro: I guess I am a little more comfortable with it unless somebody else wants to hear Mauna Kea's answer. I am comfortable with what we have to go through if we do cut it and what we need to do. Are there any more questions? If not, we can go into discussion.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Yukimura: The Chair said that we trust the Mayor. If we trust him, we have heard his comments on this commitment on record, in front of the public, so I do not believe that we need to remove this. This does not have any budgetary consequences right now. It is going to be there only for the purpose of return rights, which I believe is justified. I want to say that the budget presentation was stellar in my mind. The work that is being done in that department is saving us from potential liability in so many ways and is also administering good training and providing the kind of services we have needed for years and the absence of which we have paid for through our teeth. I want to honor that. This is a department that has shown really good performance over the past year.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I just wanted to chime in and say that this has nothing to do with whether we trust the Mayor or not. We are an elected body of seven (7) individuals with diverse backgrounds and diverse experiences that have this very important duty at this time, which is to do this budget. If it was all about trusting the Mayor and we trusted him completely, we would not even go through this process. We would just vote "yes" right at the top and not waste our time. We have a fiduciary responsibility to the citizens. We have to look at every line item as much as possible between the seven (7) of us and make tough decisions. This is our only opportunity to make those decisions with regards to the budget. Once we appropriate any line item, we do not get to come back to that until next year. The Administration has all the rights and abilities to transfer funds and change positions. Do we want to give more than the flexibility that they need or do we want to be supportive and responsible and give them just the flexibility

that they need to get the job done and to serve the citizens? All we can do for every line item is put zero in there, put \$1 in there, put the appropriate amount that the Mayor has asked for or some amount less or some amount more, or delete the position or line item. Those are the four (4) decisions we have and now is the time that we can do that and it has nothing to do with whether we trust the Mayor, Janine, or Nadine. We appreciate...I am sure I can speak for all of us that we are all doing the best that we can; the seven (7) of us here on the Council and the Mayor and his departments. We are trying to serve the citizens the best that we can and this is our responsibility today. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I guess my point is really not about return rights or collective bargaining. Those are issues that we deal with when the matter arises. I think my point—and ask yourselves this question and I do not know how many of you did any research with HR on other departments or other corporations. Just to put things into perspective, Council Services has seven (7) Councilmembers. In essence, it is seven (7) bosses. Obviously, we are not paid like department heads, but in our own right, we are department heads. Much like what the Mayor does at a different level; he is the Executive Branch and we are the Legislative Branch. Our duties, responsibilities, and constituent services—everything is pretty much the same. We have seven (7) Councilmembers that our staff has to address. In our Council Services Office, we have assigned twenty-five (25) people and you take out the three (3) positions that we are not funding, which takes it down to twenty-two (22). There are twenty-two (22) people in this office that has to deal with the public, the attorneys, the Administration, and the Councilmembers. Then you look at an HR department who has twenty (20). Yes, we are different, but I still cannot find an HR department anywhere that for this size has that many positions and that level of pay. I shared this with the Mayor early on when he asked, “Mel, do you have any concerns?” This was one of my biggest concerns. I appreciate the termination of a position, but it still takes it down to what I believe is a lot of people. When we talk about making the tough decisions—tell me someone here, the six (6) of you; where do we find an HR department with this many people? Of course they do a fabulous job. With that many people, they should. As we have instructed our staff to do more with less and that we are not going to fill new positions, you guys need to do more with less, then I expect the same from all the departments. If Janine decides, Jade decides, or whoever it is, we will deal with it when the time comes. I would expect the courtesy from our department head as well that they would give us enough advance warning that we would do what needs to be done, but it is not about that. It is not about collective bargaining. I am not going to be bound by this fear that we have to...of course we have to abide by collective bargaining. We do not have a choice. There is a reasonable response and there is a reasonable action that we will do, should that need arise. That is my point. Until this body starts to take a much more proactive role on reducing the size and without taking our warm bodies—I can tell you right now that if we did a staffing audit of HR and our departments, I think we would find that we may have duplication of service and maybe we have too many people for the task that is assigned. I do not know that, but I am just assuming. That is a lot of people to carry out the function that is required. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think Council Chair has some good points to look at. I would like a clarification of what he means by “overpaid” or “too much salary.” Do you mean the head is getting too much money?

Council Chair Rapozo: JoAnn, I never said “overpaid” or “too much salary.” I said many of these positions...

Councilmember Yukimura: Well, I am sorry for misunderstanding. Can you clarify?

Council Chair Rapozo: I did not say that, so there is nothing to clarify.

Councilmember Yukimura: I heard you say that there was too much money or the salaries were too high.

Council Chair Rapozo: I never said that.

Councilmember Yukimura: Okay. You are just saying that the number of positions is too many?

Council Chair Rapozo: Correct.

Councilmember Yukimura: I would like to see some examples of how that is the case and also then a more deliberate way of how to reduce it, not just taking out a position that does not even save money and has a commitment to just be for a very narrow purpose.

Committee Chair Kaneshiro: Any further discussion? Councilmember Chock.

Councilmember Chock: Thank you. I appreciate where Council Chair is going with this and I do agree with some of his requests, which is to look at the positions a bit more. I know we have a Vacancy Review Committee and I think there is more that can be done. With regards to this proposal, just for me, I think it is about flexibility. I am just putting into perspective if any one of these positions wants to move immediately, which is there right, then we would not be setup for that. We would have to go through the process, which would not be too long, but nonetheless would cause another process that we are already setup for. If there is a way that we can track these in the future, I think, is where I would like to move. I think there is more to be done in the request that Council Chair is talking about. I am not clear if this is the right avenue for me at this time. Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I agree. We heard a lot of discussion about this topic and it saves a dollar. I understand and respect the need to limit expansion unnecessarily on hiring new employees. I understand the principle of that, but I understand also the value of respecting collective bargaining and respecting the employees that want to move up, but are entitled to move back to their position. I want to respect that contractual obligation that we are obligated to support, both in the spirit, as well as the actual, tangible keeping that position open. I disagree that this is the only time we can deal with this. We deal with it all year long. We can add positions, take away positions, and amend the budget any time that we want. This is the most important time. I agree with that. If the Mayor or Human Resources somehow makes the decision contrary to what their commitment was today, we can certainly deal with that later. I honor and believe that the Mayor is going to do what he says he is going to do; therefore, the fear that we have, which is a valid fear, but given the context which it is presented, I do not believe it is necessary to eliminate this position. I will not be supporting this measure.

Committee Chair Kaneshiro: Any further discussion? Councilmember Yukimura.

Councilmember Yukimura: If this is required by law, why would we make ourselves do extra work? We have to do it anyway if Janine does wants to go back. We have to go through two (2) readings and a lot of paperwork and time for our Council Staff, which we do not need to do if we just keep this in place.

Committee Chair Kaneshiro: I will make a comment, too. I completely understand where Council Chair is going as far as the staffing of the HR Department, but as I look at this particular line item, I think in the overall picture, I think there is not going to be any difference between if we dollar fund it today or if we remove the position because either way, we are going to be obligated to have to put the position in. I think the fear was that somebody else would fill that position, and then we would be fully staffed and have another warm body, but I think with the Mayor's commitment—I guess you can say that I am naïve or that I trust the Mayor a lot, but I think I am comfortable leaving the position in. We will see how it goes. If overstaffing is a problem, I think this particular item is not going to resolve it, but I think looking at the department at a later time would probably be a better avenue. Councilmember Kualii.

Councilmember Kualii: I heard you use the word “trust” again and I just want to say again that this has nothing to do with trusting the Mayor. I am fully prepared to support the Chair. This is not about a dollar. This is about fully funding another position in the department. Even if the law requires it, let us deal with that with a future Council approval when we have to because it will be putting a full position, \$75,000 entry-level—I do not know if she would even go back to that. She would probably have to go back to the highest level with full benefits, so it is probably a \$150,000 to \$175,000 price tag to it. So let us not be fooled that it is \$1 and let us maintain our authority as the Council to make these budgetary decisions; tough as they may be, this is the only time that we have to do this: zero dollar versus fully funded. I support the Chair's motion.

Council Chair Rapozo: Thank you. Councilmember Yukimura said it is a waste of staff time. If Janine decides to come back, we have to do a money bill. A dollar cannot pay her salary, so we would have to do a money bill to fund that. It would take the same two (2) readings, a public hearing, and a committee meeting. As far as some examples...let me give you some examples in my research. These are local examples here, but the closest one I could find to the County of Kaua'i was the Grand Hyatt. They have about one thousand (1,000) employees and we have about one thousand two hundred (1,200). They have collective bargaining, a public works department, an HR department, and pretty much all that we have. Including the Director, they have eight (8) in their HR department. That is the closest I could find. Wilcox Hospital has over six hundred (600) employees and they have three (3); Manu Kai, which is a large contractor out at the Pacific Missile Range Facility (PMRF), has five hundred fifty (550) employees and they have four (4); St. Regis Princeville Resort has about five hundred (500) employees and they have four (4); and Sheraton Kaua'i has three (3). Again, it is not about the dollar. This Council is going to have to start doing its role in the checks and balances. We have not done that over the years. It is not about trusting the Mayor. It is about, “What is this Council's direction?” That is the check and balance. The Mayor and the Council may not always agree, but at the end of the day, this body has that opportunity and a right to set its direction, and this is where you do it; at the budget. That is when you do it. We can argue all day long. Is twenty (20) too much? You asked me for my research and I gave you my research. I am sorry if it does not come out to what you think, but that is the reality of it. That is the fact. When you get a hotel like the Grand Hyatt that has one thousand (1,000) employees with eight (8) HR employees, how do you justify twenty (20)? How do you do that? I cannot. Again, it has nothing to do about the dollar fund. It has nothing to do about coming back and doing a money bill. That is not the issue. The issue is a message saying, “Administration, we talked about reducing the size of government.” That is how we have to

do it. I did not get fat overnight. This happens slowly. One day you wake up and it is like, "Damn, I was not like this twenty (20) years ago." It happens so gradual that one day you wake up and you are fat. That is what has happened to this County. The little steps; the little "yes, 'yes, and,'" and then, "Holy moly. We are fat." Then it is very hard to lose. It is very hard. We have to take the opportunities when it comes, so that nobody gets hurt and we do not send somebody home and give them a pink slip. That is how we do it, but that has to be done all year long. The Mayor has talked about attrition and, "We are going to reduce when people retire." This is our opportunity. We will find every reason on this table not to do it. Again, I respect everybody's position. After the vote is taken, I move on. It is my opportunity today to practice what I have been preaching and saying to all of the constituents, "We have to cut. We have to reduce." That is my solution. Thanks.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Yes. I think there are valid points to both sides of this one. I see Councilmember Yukimura raising her hand again for a third time to talk about the same thing. Sometimes, we are going to have a difference of philosophies and we just need to call for the vote. She will not convince Council Chair that it is the right way and neither will he. I think at some point, let us hear our arguments one time. If you have to go two times, then fine. But when you are trying to talk for a third time, I think that is a little too much. Thank you, Chair.

Councilmember Yukimura: When I talked, I said two (2) sentences. What I want to say, Chair, is that I agree with Councilmember Rapozo. I think we all do, but we just disagree that this thing he is trying to do is related to his main concern and that there must be another way to do it. I also want to say that it does not take another appropriation if they time it to happen at the next budget session or some other way. Thank you.

Committee Chair Kaneshiro: I know we can go back and forth on this all day. I think everybody knows what position they have and everyone has a valid reason for why they are voting the way they do and they have had a chance to voice, so I would like to try to get to the vote. Councilmember Hooser.

Councilmember Hooser: Just real briefly, for the record, my remarks are primarily aimed at the public and the employees that are impacted by this. I understand that we hear each other's remarks and that is valuable, and I do not expect to change anyone's vote, but I think it is important that the public understands our position on these issues and the basis upon which we base our decisions. I think it is especially important that government employees, County employees, understand this because this is a direct impact on the contract that a County employee has. I believe that we need to honor that employee and honor that contract and the spirit of it. Otherwise, there a chilling effect on employees moving up into the ranks. If we are going let somebody move up and we are going to pull the position away from them, then, "Whoa, wait a second. Maybe I will just keep the position that I have if the Council is going to play this kind of..." They might think "games," and I know that is not the intent of the Chair's proposal, but that is certainly the way it could be perceived. I believe that we have a contract with the employees and this is not going to impact the budget in any significant way. It is a message. The Mayor has made his commitment to us and I think we need to look at that. Thank you.

Committee Chair Kaneshiro: Councilmember Kualifi.

Councilmember Kualii: I just wanted to state that there is probably nobody here with a stronger labor background than myself, who has worked on collective bargaining agreements. For me, as a principle and listening to the taxpayers, I see that there is a big difference between the top level, appointed positions, and then all the positions below that are covered by the collective bargaining agreements with HGEA and UPW. At some point, you have to draw the line, make the principle, and that is what it is for me. In no way am I not supporting collective bargaining members.

Committee Chair Kaneshiro: I appreciate everybody's comments. I know we can go back and forth on this all day long, so I may eventually request only two turns to talk eventually, so that we can keep moving because I know we can probably talk about this all day and nobody is going to change their position. I appreciate the discussion, but eventually we need to move on. Councilmember Chock.

Councilmember Chock: I am real close to changing, but let me just say that again, I totally agree. I just think that for me, right now, I would not mind having a better look at this. If I had to vote on this, I still would vote the same way, but I agree that this is the direction that we need to look at. If I had an opportunity to look at this more comprehensively and broadly in the whole system that we are talking about here, then I would probably move in a different direction the next time around.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I just want to say if you are thinking of limiting it down the road, you should limit by time rather than by back and forth because that is what we need. We need this back and forth dialogue.

Committee Chair Kaneshiro: I think I have only spoken once, so I will just say one last comment. Again, I understand where the Chair is going on this and I do not necessarily think eliminating this position...I think it is going to do the same thing as if we keep it dollar-funded, but I think the solution would be to look at all of the positions in HR, try to get people sharing responsibilities, learning what each other is doing, and maybe that way you might get a reduction in staff because right now I think they pulled people from every department because they had the expertise in that certain department and now we are left with the same position, only thing they are in HR, rather than consolidating responsibilities. I think we have hammered this one out enough, so the motion is to remove funding and Position No. 800 (HR Manager II). Can I have a roll call vote, please?

The motion to remove funding and Position No. 800 (HR Manager II) was then put, and failed by the following vote:

FOR REMOVAL:	Kagawa, Kualii, Rapozo	TOTAL – 3,
AGAINST REMOVAL:	Chock, Hooser, Yukimura, Kaneshiro	TOTAL – 4,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: We are still on the Department of Human Resources. Any further cuts in the Department of Human Resources? No further cuts. We will move on to the Department of Planning. Are there any cuts for the Department of Planning? Councilmember Kualii.

Councilmember Kualii: This is similar to the three (3) month cut of a position, but it is only one (1) month. This is Position No. 2004, which is the Planner VII, for a total reduction of \$11,301.

Committee Chair Kaneshiro: Any discussion or questions?

Councilmember Yukimura: Can we just hear from Planning?

Councilmember Kualii: I would just add that the position is being reclassified, so it is my estimation that the person would not start before August 1st and if that is different, then he can tell me.

Councilmember Yukimura: Chair, maybe if we have more of these position cuts, which I think is very great, the department head can start walking up, so we can just get it fast.

MICHAEL A. DAHILIG, Director of Planning: I could stand to lose a little weight.

Committee Chair Kaneshiro: I was not sure if you were answering the question.

Councilmember Yukimura: He is a poet.

Committee Chair Kaneshiro: You are making a stink up here. Any further questions or discussion on this item?

Councilmember Kualii moved to reduce Position No. 2004 (Planner VII) and associated benefits by \$11,301, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: There is a motion on the floor. Can I have a roll call vote, please?

The motion to reduce Position No. 2004 (Planner VII) and associated benefits by \$11,301 was then put, and carried by the following vote:

FOR REDUCTION:	Chock, Hooser, Kagawa, Kualii, Rapozo, Yukimura, Kaneshiro	TOTAL – 7,
AGAINST REDUCTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:		TOTAL – 0.

Committee Chair Kaneshiro: Are there any further cuts for the Department of Planning? Now we are in the Office of Economic Development. Are there any cuts for the Office of Economic Development?

Council Chair Rapozo: Chair, can we take a recess and caption break now? I know we are about fifteen (15) minutes away.

Committee Chair Kaneshiro: Okay. We will take a few minutes because I know that Councilmember Chock has to leave and if we take a caption break now, he may be gone. Actually, we will also take a caption break now. Thank you.

There being no objections, the meeting recessed at 10:43 a.m.

The meeting reconvened at 10:56 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are on the Office of Economic Development, but out of consideration for Councilmember Chock, who has to leave very shortly, I will let him have a little bit of time to talk about the budget or anything that he wanted to say before he leaves.

Councilmember Chock: There is no great epiphany here, but I want to thank you, Chair, for giving me a few minutes. I will be traveling to Washington in a few minutes to attend my son's graduation from Washington, so I will be missing today's deliberations. I am sorry about that, but family is first and I need to be there for his achievement. As you probably heard, I have not introduced any cuts today. While I really appreciate where Councilmember Kualii is going and when I heard that there was some work being done in looking at tightening up wherever we can, I really trusted that that is the direction that we are headed and I think it really will make a difference. But ultimately when I look at where the cuts are that we are looking at, it is grants, needed services, and small pieces in comparison to where I believe the majority of our income is spent. I think that we could probably do a lot better in managing our resources, but that does not mean that we should stop service. I would like to be proficient in other areas and unless we intend to not pay our OPEB, which is an option, I am not convinced that we can make significant ground up in our budget. I know that we need about \$20 million more and based on where we are going and where we are headed with collective bargaining needs and negotiations for next year, we will not be starting the budget in the right direction and for the following year in meeting the needs. What I did do was just take a step back and collectively, when I looked broadly at the budget, I wanted to look at what the root causes of the direction that we are currently on that has caused some of our economic woes. Obviously, the TAT is something that will be needed to be looked at again and we have talked about that significantly. I think that we have a team working really hard on trying to make sure that we are connecting are expenses with our visitor industry, so that we can make a good argument for what is necessary.

We have talked a lot about waste in different areas and the need for some audits perhaps and looking at ways that we can decrease some of our liabilities, in terms of lawsuits. Definitely, we have talked about interagency needs and holding the State accountable for some of the services that we provide and I think that we have some work happening in that direction. These are all valid areas, but when I looked at the overall budget, it is really clear to me where we spend most of our money and it was already brought up today. The highest opportunity is within our wage and salaries. I do not know if you have that slide of the overall budget. Our budget looked like 65.5% of our salaries and wages. That is way more than half of what our budget is. If I look at what we have spent since 2014, \$3.5 million; Fiscal Year 2015, \$7 million; Fiscal Year 2016, \$8.5 million; and now we are projected at \$8 million. That is \$27 million in last four (4) years; 14% of our budget...an increase over the past four (4) years. What that amounts to when I just take an average in what we are creating raises for, that is about an average of three point five (3.5) annual raises for everyone across the board, if we are just taking an average or compounded. Really, when I looked at the annual averages across the board, typically in the private industry, which maybe we cannot compare to, but in average is about two (2) to two point five (2.5). I am all for competitive wages and equal rights here, and I think that we really have to take a look back and see what we can do collectively in order to address this issue. Often times, and we have heard it this morning today, that it is not in our power and we do not have a say. We are kind of subject to it and my request is really to ask our Council, ask our mayors, and our council chairs, "Can we at least get to have a discussion about how it is that we are being more active on this need?" This is the biggest expense that

we have. Also, how we can at least get more of a voice in that process. I think that what we are doing well in terms of moving us in the vacancy review, as I stated earlier, and I think we can do more. I think that every position needs to be evaluated and that is where I kind of see and hear Council Chair moving towards, which is, "Let us look at every position, not just the ones that are being freed up." Again, I think that if we are going to address some of the inversions that we are seeing and if we are going to address some of the additional waste, I think we are going to have to really be collective in this approach. I do not want to see us move towards furloughs or high-end freezes, but honestly, on the track that we are on, even though the taxes have managed to pull us out this year, we are going to be in the same position next year. There is not much good news, I guess, is what I am saying, even though we might be thinking that we have a head up. Again, my request is maybe, Council Chair, if you would be willing to look into it deeper. I think the comprehensive look at it and what we can do internally, but also with the rest of our counties, is going to be paramount. That is all I have to say. I am sorry I am missing you folks for the rest of the day, but I know you will do very well.

Committee Chair Kaneshiro: Thank you, Councilmember Chock and please send your regards to your son and tell him congratulations from us. You get to miss this fun and entertaining day over here.

Council Chair Rapozo: I had to do that once, which is leave during decision-making and it is tough. It will be a long flight, but at least you will land with the excitement of seeing your son graduate. Congratulations. I could not agree with you more. I think we have the obligation to take a look at what we can do. You are right. If we do not do things differently, we are going to get the same result. Unfortunately, you will not be here, so I will not be able to solicit your vote, but later in the adds, I will be asking for some funds for some staffing audits for various departments. Like I said, talk is cheap. We can talk all that we want to, but we need to do what we should do. This is an opportunity for this body to do its function as far as exactly what you are talking about. Thank you.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Thank you, Councilmember Chock. Safe travels. Now we will get back. We are on the Office of Economic Development. Any cuts for the Office of Economic Development?

(Councilmember Chock is noted as excused at 11:04 a.m.)

Council Chair Rapozo: Unless Councilmember Yukimura has one because I am assuming she is going to leave for Keiki to Career.

(Councilmember Yukimura is noted as recused at 11:05 a.m.)

Committee Chair Kaneshiro: Council Chair Rapozo, you may introduce your proposal.

Council Chair Rapozo: Okay. Again, for the reason stated earlier, I am moving that we reduce the Keiki to Career budget, basically eliminating the funding for \$50,000.

Council Chair Rapozo moved to remove funding of \$50,000 for Comprehensive Economic Development Strategy (CEDS) – Keiki to Career – KPAA, seconded by Councilmember Kuali'i.

Committee Chair Kaneshiro: Any questions or discussions? Councilmember Kagawa.

Councilmember Kagawa: Yes. Again, I will be supporting this cut because of the fact that Keiki to Career...they did not ever get State funds according to Diane Zachary, and this year she worked really hard. She must have lobbied well because even Representative Morikawa was surprised that it survived getting their grant request for \$123,000. Again, I heard a comment that just because they got funded by the Legislature does not mean they will get it, but I think that statement is highly inaccurate. I think if we are talking about one percent (1%) or two percent (2%), we cannot make a statement like that, that it does not get funded. George, you know that when you get grants approved by the Council, they come to you, and they say, "What do I do to get my money?" You do not hold them back because you know that the Council gave you that money. We have the power to authorize spending and it is your job to dish it out as department head and I think it is the same way with those types of grants. I do not think they will be withheld from their \$123,000, which if you combine the \$30,000 and the \$50,000, KPAA would be getting \$80,000 from the County, but they are not getting it if this \$50,000 passes for a cut, but they are getting \$123,000, which is \$43,000 more. So I think KPAA has sufficient funds. Of course they are not going to drop their request, being that they just got notified that they got approval last week Wednesday. Obviously, they were not going to drop their request. They want more money. Everybody wants more money, especially a nonprofit that can do so many good things. But in this case, I think it is a very easy cut for us, especially in these tough times. Thank you, Chair.

Committee Chair Kaneshiro: Thank you. Councilmember Hooser.

Councilmember Hooser: As I spoke earlier, I am supporting the Keiki to Career program one hundred percent (100%) and not supporting this move to defund them. The Legislature works a little differently from the Kaua'i County Council and I spent eight (8) years there and I know from firsthand experience that a large number of grants are never released at all. Legislators tend to overfund and the Governor's job is to restrict that funding to preserve those funds. Not only are they often not funded, but it takes sometimes a year or more to have those funds released if they are funded. To say they have gotten these funds is not an accurate statement. They have not gotten the funds and there is no guarantee that they have the funds. It is a good first step, but there is no guarantee that they will get the funds. I have worked in that environment for eight (8) years. The Keiki to Career program is an invaluable program. There is momentum going now and an infrastructure in place and the risk is dismantling that entire infrastructure for the County's lack of support. If the funding comes through and they are stronger, then maybe next year we can relook at it, but at this point, I cannot support it. This is the principal of Waimea High School. It says, "I am writing this E-mail to convey my support of \$50,000 funding for the Keiki to Career program. For the past two (2) years, Keiki to Career has been a huge partner for me in restructuring Waimea High School and developing our strategic plan. They have been a strong supporter in helping me develop community and business partnerships. I depend heavily upon them and their antic to help me get my work done and to leverage my limited financial resources." Then it goes on to say, "I urge you to please find a way to continue supporting the Keiki to Career initiative. It is a worthwhile investment in our island community." I think that is really the bottom line. It is an investment in our island community and to cut them off, as we already did an hour or two ago of \$30,000, and to take the rest of it away in one fail swoop. With others, sometimes we wean them off. For other programs, we might cut them a little bit and overtime wean them off. But here to take their money away completely and to leave this program possibly stranded, I think, is a wrong move and I cannot support it. Thank you.

Committee Chair Kaneshiro: Any further discussion? Councilmember Kualii.

Councilmember Kualii: I just wanted to add that for some of the same reasons, our Chair's point earlier about direct services to our public, and then my further point to the Administration again is if there is a program that is important enough for us to facilitate, then we should facilitate it with our staff or with consultants; however, and this is a wonderful program—I have gotten a full report and have met with the Director, but like Vice Chair Kagawa was talking about, the more logical leader on something like this is the DOE and the State, because it is a collaboration of a lot of wonderful volunteers. However, I am a community organizer and I volunteer many hours outside of Council, working in my community as a homesteader. This type of thing happens—facilitation at least, because of the group and what they put into it. We do not necessarily have to hold their hands and provide funding for somebody to hold those meetings for them. It is a nice luxury to be able to do that, but we are not at that point as a county. We need to be cutting. We need to move. Yes, positions are the biggest area, but all of these small things add up too. Like I said, even the smallest \$10,000—we are talking about \$50,000 here. I know some of the people involved with this. They are wonderful people. They put a lot of time and energy into that. I am confident that their work will continue because it is that important. I do not believe that the County should be playing the role of funding that facilitation to make sure that it continues to happen. If Economic Development or the Mayor does think it is that important, then build it into your work plan with your staffing or come back with a line item specifically for the consulting because it is part of your program; not that you are supporting the facilitation in the community. There are a lot of good things happening in the community that would be great if we could support it, but we cannot do it all. I am supporting the Chair's proposal.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: There are many organizations on Kauai, nonprofits throughout the State that do really good work for our community that have a direct impact on our kids. Many of them are sporting programs and many of them are arts like acting, singing, and dancing, and they rely on their own funding. Like I said, we, as a County, to pilot a program or to assist to get started—I think it deserves some consideration but to be a constant form or source of revenue for these nonprofits, I think, is wrong. The other thing is that we have a State procurement code. One of the troubling things I am battling with right now, and I spoke with the Procurement Office the day before yesterday with one of their procurement specialists— if we are going to go out, granted the grant process is exempt from procurement, but we should not be circumventing procurement by granting. In other words, if we want to go out and do a Keiki to Career or whatever the case may be, then let us require the procurement code to be followed, so everyone has an equal opportunity to compete for that funding. It troubles me when we grant the money and they are exempt, so we get to choose who we want. I am not saying that KPAA is not a great organization. I am not saying that at all. Think they have done a lot, but we do not follow procurement. We just give it to who we want. I think that needs to change. I have had some discussion and it will continue with the State office because he had suggested some things that we probably should be doing here in the County, so I will definitely get with the Mayor and the Administration. We cannot continue to fund everybody every year. We have to stop. Like I said, to get them off the ground is one thing, but for them to rely on the County funding every year, especially when we have tough financial times—again, these are the tough decisions that need to be made. It is so easy to say throughout the year that we are going to make tough decisions, and then when the tough decisions are here, we cannot make the tough decision. The people watch and they know; they hear. If this is not the cut, then what? Do we just say we are going to cut and

come to the budget and not cut? I appreciate the work that KPAA has done; however, I think the time for the County to subsidize has come to an end. Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I appreciate the comments of the Chair and understand the needs to cut. I think the reality of the way the budget works is that the County Office of Economic Development and others...we fund lots of programs that we do not procure. We fund cultural programs, community groups, and all kinds of things every day that are not procured in a conventional sense because the County deems them as "important" and deem the entity that is carrying them out as the only one that can provide that service. If we want to cut, and I think we should cut, then let us cut all of those programs. Let us cut across the board all those programs that are not part of our core services that get grants from us. Let us take a five percent (5%) or ten percent (10%). If the objective is to gain \$50,000, we can take a little bit of each because the same arguments apply to each one of those programs. They are not in our core responsibility and they are discretionary, if you would. I think that the discretion in this case should be given to children, Keiki to Career. I think it is an important program. I think if you look at the numbers, our children and the students greatly need our support. Those speeches have been given around this table on many occasions on how important the *keiki* are, and here we are cutting them completely. I can count. I know there are four (4) votes that are voting in support of this cut. I would ask the introducer of the cut to consider perhaps phasing in this elimination of funding. Rather than taking away all of their money, let us do what we do to other programs sometimes and give them less money perhaps, but not limiting their total funding. Thank you.

Committee Chair Kaneshiro: Any further comments on this? Council Chair Rapozo.

Council Chair Rapozo: The program is not going to go away. They have received money from the State, which I believe is where it should come from. They are getting more than they got last year and they got more than they thought they would get this year. Mr. Hooser, you can propose any cuts if you believe it should be across the board. You have that opportunity to propose as well. I definitely have an open mind. If you have something that you want to entertain, I will definitely consider it. This reduction in funding should not interfere with the program. Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I just got a text from our Senate President and he said that the Governor has to release and he said we should lobby the Governor to make sure that that happens. Mayor, can I ask you and all of our principals, if you are watching. You have a better power to lobby the Governor, then lobby the County if it is really helping the schools. So please make sure that happens because I want this and my intention from the beginning...my first talks with Diane was that, "Let us work on that State funding. If we get that funded, I am probably not going to support Keiki to Career." I made that perfectly clear to her in the early proceedings of the budget. Thank you, Chair.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I just wanted to clarify some of the statements that were made. The statement was made that they received the funding from the State, but they have not received funding from the State. As Councilmember Kagawa just said two things just now—he said that the Senate President said that the Governor has to

release it, and then he said that we need to lobby him. The Governor does not have to release it at all. That is a fact. Yes, lobby; yes, push and hopefully it gets released, but the Governor does not have to release the money. That is the law. Thank you.

Committee Chair Kaneshiro: I think we made it clear on both sides where everybody's argument is. For me, my comments are simple. We received a lot of testimony on this and it is not easy, but we all promised to make cuts. I think when I look at a cut, I look at, "Is this a core function?" If it is not a core function, then I look at, "What is it for?" I was able to meet with Diane and we talked about Keiki to Career. It is a great program, but it is a State function. It has everything to do with education. If we had the money, I would love to fund education programs. I would love to fund as many programs as we could, but we are here to make the tough decisions and we really do need to focus on, "What is our core functions?" For me to say that if we cut this \$50,000 then that program is going to go away—I do not think that is true. I think there is a lot of people that are involved in this program and if they want to make it work, I believe they can make it work because right now, this \$50,000 was going to a facilitator, so it does not prevent them from looking for another facilitator or maybe having someone volunteer to be a facilitator and what they want to accomplish together. We are not the only sole source of income for this. I know they are able to use other money and they are able to get other grants, so there is a will and there is a way for them to continue the program. That is all I can say. Councilmember Hooser.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I appreciate the discretion of allowing me to speak since other Councilmembers are not here for various reasons to defend the program. I agree that this is not a core program, but looking at the Economic Development budget, we have the Kaua'i Electronic Benefit Transfer (EBT) program and ditch/irrigation projects. These are all things we are funding. We have the tourism/sports marketing, airport greetings, Hawaiian cultural natural resources, World Conservation Congress, and a whole slew of things that are now in our core responsibility. I just wanted to make that clear that the argument that we should not fund this because this is not our core responsibility is not a valid argument. If you do not support the program, then you do not support the program. To stand and say that we are not doing this because this is not a core program is not a valid argument, given the degree of things—I can go on. There is sexual assault treatment, family violence center, science/technology, and a whole bunch of stuff that are not core programs. I just want to make that point. If the members do not support the program, that is a valid reason. But to say that it is not a core program is not in my opinion. Thank you.

Committee Chair Kaneshiro: Again, I know we can go back and forth, so I think I will take final comments from everyone, so that we can get moving on this. Councilmember Kualii.

Councilmember Kualii: I just want to say that we do not agree on what the reasons are and somebody might say something, and that is fine. Core program, not core program, or how you define "core program." For me, it was Councilmembers and I thought of it myself too, "direct services to our citizens," so our citizens are actually directly receiving something, not indirectly—facilitation, a report for Economic Development on indicators—well, for all of us because it is about our community. For me, it is different from the Chair. It is less about what the State's responsibility is, what the County's responsibility is, or what a shared responsibility is. To me, I feel like I have an obligation to all of our citizens, even when it is primarily a State responsibility, but they are failing. Their failure to take care of something that is primarily a State responsibility, which involves direct services to our citizens, affects our citizens. I feel like sometimes we have to

fill in. That is why in the past, I have supported, even a small line item of \$35,000, for the Food Bank. Economic Development, for whatever reason—that is not a line item even for consideration this year. Yes, that is primarily a State function and we have two (2) nonprofits here on island working on that, but they struggle. It directly impacts our citizens, so State, County; versus shared—we all have different on how we come to the reason that we do, so do not make it be about one particular thing. Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I just wanted to say that I believe the EBT program is our responsibility. We have the sunshine market that is our program. We oversee the sunshine market. The EBT program allows people to use their EBT cards to buy fresh produce from the sunshine market, so it allows not only people with cash, but others as well to purchase produce. It is a marvelous program that is our function. The sexual assault treatment is part of the Prosecuting Attorney’s function, so a lot of those are. If we can pull out the ones that are not, I would be happy, but it is not going to be my proposal to cut. If you can find any of those, I will be supporting your cuts, Councilmember Hooser.

Committee Chair Kaneshiro: Again, there are a lot of grants that we do provide and I think if we are going to propose to cut another grant, that is when we will talk about it. I think every time we talk about a grant, I think we could bring up every single grant again, but I do not want to go there. I want to stick to the grant we are talking about. If somebody wants to make a cut to another grant or an add to another grant, we will talk about it at that time. Again, I just wanted to reiterate what Councilmember Kualii said. My decision is based on a lot of stuff. What is the impact of our money? What is it going for? If this was \$50,000 for say ten (10) students to get a \$5,000 grant every year then you can see the direct impact. There are a lot of factors to it. It is not as simple as just saying, “We do not need this, so we will cut it.” With that, I think we had a lot of discussion on it. The motion is to remove funding of \$50,000 for CEDS – Keiki to Career – KPAA. Can I have a roll call vote, please?

The motion to remove funding of \$50,000 for CEDS – Keiki to Career – KPAA was then put, and carried by the following vote:

FOR REMOVAL:	Kagawa, Kualii, Rapozo, Kaneshiro	TOTAL – 4,
AGAINST REMOVAL:	Hooser	TOTAL – 1,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	Yukimura	TOTAL – 1,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Can you call Councilmember Yukimura back in, please?

(Councilmember Yukimura was noted as present at 11:26 a.m.)

Committee Chair Kaneshiro: Any further cuts for the Office of Economic Development?

Council Chair Rapozo: Am I the only one?

Committee Chair Kaneshiro: I think so. Council Chair Rapozo.

Council Chair Rapozo: My next cut is the “Other Services – Tourism-OPD-Princeville to Kē‘ē Shuttle,” \$180,000. We had the public hearing last night and we heard testimony from obviously the owner, hotel workers, an employee, and a woman who used the service and thought it was a great service. We also have received numerous testimonies from people. Last night’s testimony, to me, even validated more why we need to remove this funding. Number one, first of all, this was a pilot program last year where we funded it. We were told last year that we may need to provide some funding this year, and in essence, it is a much larger allocation—\$180,000 is a lot of money. Number two, the owner himself sat here last night and told us, after Councilmember Chock asked what I thought was a brilliant question, “When will you be self-sustainable?” He said we will never be self-sustainable. In essence, he is relying on the County to fund his private business going forward. We heard testimony from hotel employees saying, “This is a fabulous program. It helps our reviews from our guests.” Great, then have your hotel pay for it. I spoke earlier about the procurement process. This is a for-profit private business. This is not a nonprofit. This is a for-profit business that competes on a daily basis with taxis, tour buses, and other transportation companies. It is a competitive business. It is not like the YWCA, who is very limited to whom it can provide those kinds of services. Again, we are using the grant process to be exempt from procurement and letting the nonprofit pick somebody without going through a procurement process. I have a huge problem with that. I still believe it is not right. At the end of the day, if in fact, the County wants to contract out a vendor or a contractor to provide this service, then we should do it by going through the procurement process and putting out a Request For Proposal (RFP). That is how we do it. Otherwise, we do it in-house and do what we need to do to get the appropriate bus to go to Hanalei. I am shocked that we have...and maybe people do not know, but I am surprised that we have not heard from the taxi community or tour bus community, “How dare you pay for my competitor to run shuttles.” I am troubled by that. As I said earlier, we look at what is a convenience, what is a necessity, and what can wait, as we have convinced the community that we are struggling financially. Again, Kē‘ē Beach is a State park, beach, and parking lot. It is their issue and we keep babying the State by saying—that shuttle does not...that place is still a mess. This shuttle is not going to take care of the parking problem at Kē‘ē Beach. It is not and it will not, and for us to think that it will is ridiculous. We know what goes down to Kē‘ē Beach. The comment last night...Ross asked the perfect question, “What do your guests do if they want to go to Kōke‘e?” He said, “Our guests are shocked to find out that we do not have a shuttle.” So Ross asked the question, “Do your guests only stay on the north shore?” He said, “No.” “Do they go to Kōke‘e?” He said, “Yes.” “How do they go to Kōke‘e?” He said, “Well, they usually take a tour bus.” That is what they do. Economic development means economic development for all. We want to support all of the businesses. We do not want to take \$180,000 and give it to one business. That is not economic development. Economic development is letting the business community compete for that tourists business. That is how it should be. That is just my opinion. I would love to be a grantee for my business because you like me, but even myself had to compete with other competitors for County work. Everybody should have to do that. Again, this is not a nonprofit. This is a for-profit business that is getting the benefit from taxpayer money to provide a service that can be provided by numerous other businesses. I think we are threading on very, very thin ice when we do things like this. This needs to be done in another way. Thank you.

Council Chair Rapozo moved to remove funding of \$180,000 for Princeville to Kē‘ē Shuttle, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Any discussions or questions? Councilmember Yukimura.

Councilmember Yukimura: The Council Chair raises a lot of legitimate issues that could have been avoided if we had done good planning first before just launching something. That is why I have been so intent on proposing a shuttle study or operational study, so we know exactly how to implement it on the south shore, the north shore, and in Wailua-Kapa'a. For me, this is an example of "ready-fire-aim." However, I think there is a huge need for public transportation services on the north shore and islandwide, which is why I have been working so hard to find some public funding for it. It is not the kind of service that taxis are providing. The fact is that people cannot afford taxi fares, so they are not going to use it, although there is an overlap, and that is the kind of issue that has to be addressed in the planning for this kind of route. You noticed that we have not started a shuttle system in the Po'ipū area, even though there is a need and there has been a wonderful husband and wife couple who has wanted to go there for years and we have told them to wait until we know what the parameters are for a public solicitation. That is the same thing that we have to do for the north shore and for Wailua-Kapa'a. The testimony was heart-wrenching to me. An elderly woman, who lives on Kaua'i and who needs to get to the store and to other places; yet, she also raised the issue that if we do provide this shuttle service, we are obligated by law to provide house-to-house service for people with disabilities. We may be able to get away with it in a pilot project, but there is no way that we can do it as a formal service and we have not figured that out yet. So there are so many things that we have not figured out that worries me. But it is so hard now as people begin to rely on the service to stop it, which is why you should not start it in the first place unless you really know how to put it in place. I have questions later on in the CIP about why we are going to spend so little money to do a feasibility study—no, that is not what we need. We need an operational plan. I am not sure I am going to vote on this because I want transit service. I know we need a transit service on the north shore. We have already started it, but we have not set it up in the right way. To pull back now is difficult. I want to hear the rest of the discussion.

Committee Chair Kaneshiro: Any further discussion? Councilmember Kualii'i.

Councilmember Kualii'i: I would just say that the Chair has articulated most of my concerns very clearly. Now Councilmember Yukimura is talking about the feasibility and knowing what you are doing before you go ahead and do it. For me, first and foremost, we have a bus system and have we looked at the feasibility of even a seasonal, part-time route expansion to begin addressing something of the concerns? Maybe even just doing the rush hour, so tourists who want to go to the beach go in the morning and come home in the afternoon and you serve the citizens and the workers; not all, just the ones on the day shift, if you will. But to do some small fix towards this working with the community and doing the feasibility study before we just jump into something like this that just seems a little bit crazy to use taxpayer money for an individual's private business. That was troubling to me to hear the owner himself sitting here before us and saying, "Yes, it is my business and I do drive the shuttle myself about two (2) or three (3) times a month, so I know what it is like. A lot of people want it." Sure, of course. We know that. People need help with transportation. That is why we have our bus system. That is why we have our paratransit. We need more funding, but where are the priorities and how are we even respecting our own services that we would just, "Oh, it is too expensive, so we are just going to slide off to the side and go after this privatization type effort," and to think that the Executive on Transportation is playing a role on this advisory committee to compete with our own bus system and use taxpayer moneys to pay a private individual. It is just wrong and we need to correct this immediately. If it means a \$180,000 cut so that we get action, then that is what it has to be. That is why I am supporting the Chair.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I think the Chair and Councilmember Yukimura bring up some good issues and valid points. I had some concerns when this was first discussed before us a week or two ago, but after giving it much thought and hearing the testimony of how important the service is from people like Maka'ala and the head of the Hawai'i Visitors Bureau and the people that actually used it, I came to a conclusion that we need to support it. Could it have been implemented and planned better? Absolutely. How many years are we going to talk about the problems on the north shore? Everyone recognizes that ultimately you need a shuttle service because those roads are not designed or built to carry the amount of traffic, let alone Kē'ē Beach. Just a couple of other points—these are public funds for public transportation. Public transportation never pays for itself. So I think we all should just acknowledge that upfront. It is always subsidized by the government. It is a public service. A public service like lifeguards do not pay for themselves; Police do not pay for themselves; and roads do not pay for themselves. This is a public service to provide public benefits and those benefits are a reduction in traffic, alleviation of the Kē'ē Beach parking situation, and providing support to people who need transportation in the area, whether it is young children or whether it is disabled people. It is a public service. Hiring private companies to provide public service is nothing new. We do that every day. We have private contractors like Garden Isle Disposal, who hauls away all of our recycling stuff, right? We pay them. Those are not County workers. Garden Isle Disposal is a private business. They compete or they work hand-in-hand with the transfer station. Those are public business. There is nothing new or unusual about giving public money to private businesses. Not at all. I do not think that is debatable because we do that every day. Again, could it have been implemented better? Could it have been planned better? Yes, absolutely. I think this is a valuable service and I think we need to support it and acknowledge that maybe it could have been started better, but it started and it is running. Let us learn from that and keep it in place and move forward. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. Like always, I respect the comments of everyone at this table. However, with police, fire, and lifeguards, you are comparing apples to oranges. This is not a public safety issue. This is a convenience. What are we going to do when Po'ipū and the hotels come up and say, "Hey, we want \$180,000 because we want to do a Po'ipū shuttle from the hotels." If it is so important to the hotels on the north shore, then they should fund it. They should fund it, not the taxpayer. For Garden Isle Disposal, we do RFPs for that. They go out for competitive bids. That is the difference here. This is a clear circumvention of the procurement law. It is a legal circumvention, so do not get me wrong. I am not saying it is illegal, but it is a circumvention. We give the money to "x," "y," and "z," a nonprofit, and they can give it to someone else. That is the difference between Garden Isle Disposal, who has to competitively bid for a contract with County, as everyone else does. So I think to compare this to police, fire, and lifeguards—that is not a very good argument because we are not protecting life, property, and safety of our people with this shuttle. We heard that the traffic is bad and there are little kids, but whether it is a rental car, shuttle, or whatever; one shuttle is not going to take that many cars off the road. It is not an impact like what we want it to be. I would not have as big of a problem if, in fact, this money went out and it was properly procured, so that other people had an opportunity to bid. Maybe it would not cost \$180,000. Maybe it would be \$50,000 or \$60,000. We do not know that because we never went out. We picked a vendor, paid a vendor, and that is how it works. Thank you. That was my second time.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: There are public services like the Office of Elderly Affairs, Parks, et cetera, that are not public safety *per se*, but are still public

services, and so is transportation. Councilmember Hooser is right—public transportation does not make money or pay for itself. We do charge fees, but it can never pay for itself and most services cannot. If we want our community to grow and function, we need public transportation that works well. So we need to figure out how to support it. On the other hand, the complexities are such that that is why you have to do a really good operational plan before you start something. I have talked to Mr. Charlier, our transportation consultant, and in visitor areas, there is a combination of public and private moneys that pay for these systems that service resort areas and they have public and private benefits. It is a logical way to do it, but you have to think this through before you start it. When you do, you do not have all the objections to it. I would suggest or I would like to suggest, Chair, that we postpone the decision on this until after lunch and I would like some chance to speak to the Administration about some compromise that maybe we can come to because we have to act based on where we are. This service has been started. But we cannot just keep funding it. We need to have some assurance about a well-done operational plan that thinks through fees and whether we are going to do it with the Kaua'i Bus or with a private contractor that is going to interface with the bus. What will the routes be? Will it be Kīlauea to Hā'ena or will it be Princeville to Hā'ena? There are all these things and I need some assurance from the Administration that we are going to have an operational plan by the time we finish these so-called studies and that we are going to fund it sufficiently so that we get it in order because we need a public transportation system on the north shore, south shore, and in Kapa'a-Wailua. This is critical to our economic growth and to the functioning of the community. You heard that kids need it, elderly need it, and workers need it. We have to figure out a system. I believe it is our responsibility, but we have to figure out some kind of way besides just funding this.

Committee Chair Kaneshiro: Councilmember Yukimura, I am not willing to postpone this decision because there are going to be a lot of decisions that maybe we are not comfortable with that we are going to want to postpone.

Councilmember Yukimura: Just until after lunch?

Committee Chair Kaneshiro: No, we are go take the decision now and continue to move on. Councilmember Kagawa.

Councilmember Kagawa: This is more like a process question. I think what we need to do is be allowed just five (5) minutes max of discussion and whether you do it in one time, two times, or three times even, I think let us set the limit at five (5) minutes because it is getting out of hand.

Committee Chair Kaneshiro: I have not been watching the time, but I might start watching the time. I am open to the discussion, but again, we can debate every single one of these back and forth, but I think our job now is to make the decision on what we have. We had a lot of time to ask about these things and think about it. I think that is our job now and that is our job today. It may be a difficult one, but that is what we are going to do. Councilmember Yukimura.

Councilmember Yukimura: We have three (3) days set aside for budget decision-making. These decisions are hugely important to our community and to individuals who are impacted. We owe it to take the time we need and I am not asking to delay forever. I am just asking for one lunch hour.

Committee Chair Kaneshiro: Again, I am going to stick to what I said. We are not going to delay it. Councilmember Hooser.

Councilmember Hooser: We have had time to review the budget and talk about these programs, but until today, we did not know that this program and the other programs were going to be cut. This program is more than a convenience. There are people who count on this program to get to work. You saw a woman yesterday who cannot get around period without transportation like this. These are programs that impact people's lives. This is the first opportunity we have had to know that they were going to be cut or attempted to be cut. So I think that we deserve to have the conversation about these programs and have a full and robust discussion. Whether it takes three (3) days or four (4) days, we should take the time we need to make our decisions. I do not think we should be on the clock when we are looking at these kinds of things. If you want to time everybody, that is fine. As long as it is fair treatment, but I think we need to take the time that we need.

Committee Chair Kaneshiro: Again, I just want to say that we can postpone every single decision if we wanted to, but I think our job now is to make a difficult decision. These decisions are not easy; it is difficult. But I would rather go through them, take the votes, and let the votes fall where they are. Any further discussion on this?

Council Chair Rapozo: I do. I just want to say that so much has been said about the woman that testified, who is disabled or what have you, and the County has the obligation to provide the paratransit services, and we do. If they elect not to entertain the suggestions of this Council over the last...I do not know...ten (10) years or however long I have been here...to get a contract with a cab service to go take care of these disabled people who need—that is their issue. The solutions are there, but we choose not to exercise them. To say that this shuttle is the only solution is erroneous. The other thing is that...it is almost entertaining when Councilmembers say, "I agree with the Council Chair and this is the prime example of 'ready-fire-aim,' but I am going to allow it to continue." That is quite entertaining. Until this body says, "Enough is enough," then do not complain about "ready-fire-aim." I do not want to hear that term because today is the day that we have an opportunity to stop it. Today is the day we have the opportunity to send the message to the Administration saying, "We are not going to put up with this anymore." But if we are not willing to do that, then fine. Do not say "ready-fire-aim" and support it. Do not say, "This was poorly planned," but support it. I do not know if you hear yourself, but if it is wrong, then we stop it, get it right, and come back. That is what our function is. It is not to argue and tell you how bad you are doing and how bad this program is, but then allow it to continue. What do you expect is going to happen out of that? Poof—the magic dust is going to drop from heaven and say, "It is all good." That is not going to happen. It is going to continue and we will be here next year with the same discussion. Until this body says, "Timeout. We support what the intent is. We do not necessarily agree with how it is being done. Come back to us with a better plan," we can entertain this anytime. It does not have to be today. Until we send the message, do not argue and do not complain. Just suck it up. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I just wanted to say as far as timing, knowledge, and having the information, this \$180,000 line item was in the original submittal of the Mayor and the Planning Department, and as a part of budget, it is our responsibility to cut or add. Everybody knows that, whether it will be a full cut, partial cut, or no cut at all. So we should have anticipated it and not say, "Only today I knew that there is going to be a cut." Yes, this procurement may be legal. But in my opinion, it is just not appropriate and not good public policy. I think we, as a County, should never be the lead funder of a private business that does not go through procurement in any kind of attempt to address any public purpose, even though it is a good purpose. That is a problem of the collective. We see some

of the attempts. This problem has to be solved not primarily by the County; with the lead of the County, and if we believe that, then we need to go back to our bus system. We have one. Otherwise, we should let this group bring the hotels and private businesses, and yes, maybe we can play a small role in it, but it needs to be a small role. We should not be the lead funder or the primary funder for \$180,000 when we are squabbling over \$10,000 and \$20,000 to legitimate nonprofits; not for-profits and not somebody who is making a profit. That is their personal business. It is nice that it has a public purpose, but it is still a private for-profit business. The last point about taking the cars off the road—it was brought to my attention by a constituent that the same individual that owns this private company that is doing the shuttle either has a separate private company or same private company that actually rents cars out. So we are defeating ourselves and shooting ourselves in the foot if we are having a shuttle to get people off the roads, but the same entity or individual private business is renting cars to people. Let us support our own bus system.

Committee Chair Kaneshiro: I know we have had two times again. I did not set the rules. Councilmember Yukimura, I will let you speak again. Again, I know we can debate this back and forth. There are pros and cons on both sides and I think we can debate this all day if we wanted to on this one line item. Again, I do not think the debate is going to get us anywhere. We are going to have to eventually make a decision and move on. Moving forward, we will start using the clock. We will have two turns each to talk, so try to make your discussion precise on your reasons why you want or do not want to cut this item and we can still ask questions and still have the discussion. I am not trying to kill any discussion.

Councilmember Yukimura: You do when you limit it to two because there has to be this back and forth, the ability to respond. I want to respond to the Chair's attack on me, which said do not say "ready-fire-aim" or "ready-aim-fire" because I am not saying just go and support this. I am looking for another solution. It may not be his solution, but there is not only one solution. There might be others. I have been asking for a chance to look for other ways to solve this dilemma, which might achieve his concerns, as well as the concerns of keeping a service going that people need.

Committee Chair Kaneshiro: I understand, but again, we can continue to go back and forth on the pros and cons. He said this and you said that, but in the end, we need to make a decision. We state our stance and state why we are voting for it and we vote for it. The back and forth—maybe it might change someone's mind and maybe it will not, but we can do it all day again. My intention is not to do it all day. My intention is to get to a decision.

Councilmember Yukimura: It is none of our intentions to do it all day. I am okay with a certain limit, as long as it is relevant and it allows robust discussion of different points of view. When you start cutting off the different points of view...that is not democratic, in my mind.

Committee Chair Kaneshiro: I do not think I have cut off anybody's point of view up to this meeting.

Councilmember Yukimura: No, you have not.

Committee Chair Kaneshiro: I am trying to run a fair meeting and I am trying to allow open discussion, but I am just saying that as we are going, I can see the discussion is getting longer and longer, and going back and forth. I just want to let you know that I understand that we can go back and forth all day, but that is not what I want to do. I want

us to be able to state our positions, why we are voting a certain way, and we vote on it. Councilmember Kualii.

Councilmember Kualii: Chair, I just wanted to make this point clearly: number one, you have been very fair and even going beyond, as far as I can see it. As the Chair, you have every right to make the tough decisions and if any of us do not like it, we can challenge your ruling. Please move us along.

Committee Chair Kaneshiro: I think with that, we have had a lot of discussion back and forth. The motion on the floor right now is to remove funding of \$180,000 from Princeville to Kē'e shuttle. May I have a roll call vote, please?

The motion to remove funding of \$180,000 for Princeville to Kē'e Shuttle was then put, and carried by the following vote:

FOR REMOVAL:	Kagawa, Kualii, Rapozo, Kaneshiro	TOTAL – 4,
AGAINST REMOVAL:	Hooser, Yukimura	TOTAL – 2,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: So we are still on the Office of Economic Development. Are there any further cuts to the Office of Economic Development? If there are no further cuts for the Office of Economic Development, we will move on to the Police Department. Are there any cuts for the Police Department? No cuts for Police. Any cuts for the Fire Department? Let me know if I need to slow down. I see everybody rustling through their papers. No cuts for Fire. We will move on to Civil Defense. Any cuts for Civil Defense?

Council Chair Rapozo: I have one.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. We had a lot of discussion regarding the Civil Air Patrol (CAP). They had some issues. I think from the last budget session, we were informed by the Civil Air Patrol that they had sufficient funds and they did not really utilize the County funds, and then they had a shake-up a few months ago that caused some problems statewide for the Civil Air Patrol. The Mayor did reduce the amount of the allocation, but left \$10,000 in there. Again, it is just something that I do not believe they need right now. They are restructuring and trying to get back on their feet. If, in fact, they do require some funding from the County, they have the ability to come to us as well. As I think KipuKai mentioned earlier, we cannot just look at the big amounts; we have to look at the little amounts. As these little amounts add up, and I do not believe that this \$10,000 is necessary for their function right now, so I would make a motion that we remove the \$10,000 from the Civil Air Patrol.

Council Chair Rapozo moved to remove the funding of \$10,000 for Civil Air Patrol, seconded by Councilmember Kualii.

Committee Chair Kaneshiro: Any discussion or questions? Councilmember Yukimura.

Councilmember Yukimura: Can we just hear from the department?

There being no objections, the rules were suspended.

ELTON USHIO, Civil Defense Manager: *Aloha*, Elton Ushio. As far as that line item, there has been a recent develop within the past two (2) weeks or so. They have again reshuffled their local leadership, so I am happy to say that we have some of the people who are previously in CAP back in place. We have Mr. Roger Caires and Ron Victorino back in charge of the Kaua'i unit. As of last week Tuesday, they had a meeting with a lot of the members who had previously gone inactive and a lot of them have signed back up and they are reorganizing and rebuilding at this time.

Councilmember Yukimura: So are you thinking that this \$10,000 will be needed this year to support that newly organized group or do you think that you can manage with this cut?

Mr. Ushio: In discussion with them last week, they had stated that they do need some funding; not the previous amount that we had funded before. My recommendation is that we keep that \$10,000 line item.

Council Chair Rapozo: I have a question.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: How much has the Civil Air Patrol over last three (3) years utilized out of the County funding?

Mr. Ushio: I would have to check back on the prior years. This current year with the reorganization, they thus far have not submitted for any expenses.

Council Chair Rapozo: Correct. What about last year?

Mr. Ushio: Last year—if I can go and grab my notes, perhaps I have it in there.

Council Chair Rapozo: I guess I can help you because that is when they were in leadership. They had told me that the funding from the State or the Feds had come through and they were not really in need of the County funding. You can check your notes, but my memory serves me that they did not need the money because the funding was available. I understand that they are restructuring now and understand that...and I will publicly disclose that Roger is my cousin and Ron is my uncle, but there is no conflict because there is no direct benefit, but I will say that this is a tough position to be in. As we go through the cuts, I am looking at what people did not use the last time. Why would you give them again? Then they had all of the issues. I understand that they are trying to restructure now, but I think if there is an opportunity for them or if there is a need for them to come for County funding, then they can, and \$10,000 is not a big issue. I think if you go back to KipuKai's philosophy, the \$10,000 throughout the budget equates to a large amount and we are trying to do our best to figure out if it is needed or if it can wait. I do not know if you can check your notes and find out, but I just believe that until they are back and the structure is restored and if they need additional funding in addition to what they are already getting from the Federal government and the State, they can come back. That is just my position and I think that is fair.

Committee Chair Kaneshiro: Any further questions for Civil Defense?
Councilmember Yukimura.

Councilmember Yukimura: Not for Civil Defense.

Committee Chair Kaneshiro: We can open up for discussion. Do you have a question? Councilmember Hooser.

Councilmember Hooser: I just want to be clear. For Civil Defense's Civil Air Patrol, they fly and do warnings when there are tidal waves, disasters, and that kind of thing. Correct?

Mr. Ushio: Yes. Our Civil Air Patrol is used to do a notification of outlying, remote areas by aircraft, including our entire costal area, the secluded Nā Pali Coast, and Ni'ihau.

Councilmember Hooser: Okay. My fundamental question is, is this \$10,000 needed for them to fulfill that mission?

Mr. Ushio: As Council Chair Rapozo has indicated, they do have access to other funds; however, they utilize the County funding for certain training and operational items. It is best if I had them here to answer because they could provide more information, but our understanding is that they do utilize it to maintain their level of readiness.

Councilmember Hooser: So whether it is essential to the mission or not, we are not real clear.

Mr. Ushio: Per my discussion with the leadership last week, they indicated an interest in maintaining a funding level, although reduced, would be sufficient.

Councilmember Hooser: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I have a question for the Chair. When did you talk to them? Was it specifically about removing the \$10,000 here?

Council Chair Rapozo: I have never spoken to them about the removal of the \$10,000. I have not spoken to them since the restructure. I spoke to them last budget. What happened was there was a reduction in funding for training from the State and Federal government. Probably about three (3) or four (4) years ago, I went to see the Mayor and said, "Is there any way we can put some money in there for training," because although the Federal government or the State pays for their missions when they go and do the warning, the moneys to train was removed. They did not have that. To keep the pilots trained and proficient, they needed access to some funds, so that was when the County stepped in. In the last year, they did not use any money because they did not need to because the training funds were reinstated. I am not going to dispute Elton here. In fact, if you spoke to them a week ago and they said they need the \$10,000, then obviously I withdraw my motion, if that is what they said. I have not spoken to them for a while now. Again, I would just trust that you make sure that these funds are needed for them to operate and if there are no State and Federal funds, then I can see that it is a vital component of our public health and safety. I just want to make sure.

Mr. Ushio: Council Chair, I cannot say that there are no other funds, but what I can say is that in my discussion with them, they had an interest in maintaining funding level, although reduced.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: In the interest of maintaining the funding level, it sounds to me like it would be nice to also have an additional \$10,000. Can you answer the question that said the lack of this \$10,000 would limit their ability to provide emergency services to our citizens? Because you just said "an interest" and that does not sound like it is an absolute need. They never really said that is what you are saying.

Mr. Ushio: I do not have the specifics. Again, I mentioned to Councilmember Yukimura that it would be ideal or was it Councilmember Hooser, but that it would be ideal if they were here today because they could provide more specifics. But the scope of our discussion was in regards to the current year and the fact that they had not utilized it. Also our intent, as far as what was on the table for funding in the upcoming year, and they had indicated in our discussion that maintaining a lower amount should be sufficient.

Councilmember Kualii: If we were to eliminate this \$10,000, would you, as the Manager of Civil Defense and in working with them, be able to determine at some future point if it is critical to have this \$10,000 or not? If it was, could you come back to us and ask in a money bill for that \$10,000?

Mr. Ushio: That would be a possibility.

Councilmember Kualii: Yes. That is what I think.

Committee Chair Kaneshiro: Right now, we have a motion to withdraw. Council Chair, you mentioned that you wanted to withdraw.

Council Chair Rapozo: I heard Elton and I do not have any information after what he got, so if they need \$10,000, they need \$10,000. I do not know.

Committee Chair Kaneshiro: We could withdraw the motion. KipuKai, you would have to withdraw your second. If somebody wants to bring it back up, we could bring it back up.

Council Chair Rapozo: Yes. We will just do that.

Council Chair Rapozo withdrew his motion to remove funding of \$10,000 for Civil Air Patrol, Councilmember Kualii withdrew his second.

Committee Chair Kaneshiro: Unless somebody wants to bring this back up, we are going to move on to the next item. We are still in Civil Defense.

Councilmember Kualii: My proposal would be to eliminate the dollar-funded 2501 Emergency Management Administrative Officer and I believe that the former incumbent in this position has left. There is no reinstatement of civil service executive order rights and this is two (2) of the same positions, as it looks in here: 2500 and 2501.

Mr. Ushio: Position No. 2501 is my prior position.

Councilmember Kualii: Okay. What is your current position?

Mr. Ushio: Excuse me?

Councilmember Kualii: My current position is the Civil Defense
Manager.

Councilmember Kualii: What?

Mr. Ushio: Civil Defense Manager.

Councilmember Kualii: Okay, so it is not 2500, the same position.

Mr. Ushio: No.

Councilmember Kualii: So you do have that same reinstatement right.

Mr. Ushio: My situation is different and the reason why
would best be explained by HR. I am not well-versed in the collective bargaining issues.

Councilmember Kualii: I would want to hear how it is different and can
you eliminate this position?

Ms. Rapozo: Elton moved to a contract position, not a
department head level. At that point, there are no return rights to a contract position.

Councilmember Kualii: There is an incumbent in the same position. You
have two (2) positions, right? One is dollar-funded, 2501, and the other is funded, 2500.
The 2500 has an incumbent.

Ms. Rapozo: The incumbent retired on April 30th.

Councilmember Kualii: Right, so that is vacant. Even if he has no right
to return, if we needed him to for operational needs, there is that other position.

Ms. Rapozo: If they are going to fill that, correct.

Councilmember Kualii: Yes, if they will fill. The position is budgeted.

Ms. Rapozo: Yes.

Councilmember Kualii: So is there no intention to fill?

Ms. Rapozo: It still has to go to a Vacancy Review Committee,
I believe.

Councilmember Kualii: Do you know how long that will take?

Ms. Rapozo: I am sorry. It should be done by next week,
right? Okay.

Councilmember Kualii: Okay, because it is funded for July 1st.

Ms. Rapozo: Correct.

Councilmember Kualii: We can eliminate this dollar-funded position. There is no operational need.

Ms. Rapozo: That would be a question for Elton.

Councilmember Kualii: Okay. Thank you. In the next twelve (12) months.

Mr. Ushio: Yes. In the upcoming fiscal year, we had offered to dollar fund it and achieve salary savings; however, there is going to be a need for a position within Civil Defense by July 1, 2016 because when the emergency management legislation passed last year, and this would be Chapter 127(a), part of that required by July 1, 2016 is that the head position of all Civil Defense or emergency management agencies be civil servant. Right now, our structure does not have the head as a civil servant, so we will need a position in which to...

Councilmember Kualii: When you say "needing a position," do you mean this position?

Mr. Ushio: "A position."

Councilmember Kualii: Yes, and when you become aware of it, as far as when it needs to be created and started, would we not have time to create that new position, which may have a different title and different salary at that time and not necessarily need this different position, which we have now one vacant and one dollar-funded?

Mr. Ushio: I am not sure how long that process would take, but if it can be done within the necessary timeframe, it would be possible.

Councilmember Kualii: I might have missed what you said, but does it involve future expected funds from a Federal grant or State grant? Or is this just a legal requirement that we have to meet so we have to fund it?

Mr. Ushio: It is a requirement that was in the State law that passed last Legislative Session...I mean not this year, but last year. As far as the funding, we do not have funding earmarked specifically for that position. We do have options, however.

Councilmember Kualii: If the law was passed, when does it state that we would need to begin this new position that is required by law?

Mr. Ushio: It is not necessarily a new position, but it is just that the head position of Civil Defense or emergency management needs to be a civil servant position by July 1 2016.

Councilmember Kualii: You are saying that if we let this ride we are going to be opening ourselves up to that return thing. Right now, we do not have the return rights. Is that true?

Mr. Ushio: My understanding is that I do not have return rights for my old position, so I was willing to take the risk.

Councilmember Kualif'i: So there is a future need for a position for a position. It is not necessarily this position and you cannot necessarily tell us when you will need it. I think the best answer to that is when you know all of what you know, then you come to us with the new position and we consider funding it.

Mr. Ushio: What I can say is that it needs to be...something needs to be in place by July 1, 2016. In order to have that process for hiring to take place, we need to have a position in which to do it.

Councilmember Kualif'i: I do not think it takes a year to create a position. Thank you.

Councilmember Kualif'i moved to remove funding for Position No. 2501 Emergency Management Administrative Officer, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Help me understand this, Elton. Your position does not show up in our budget.

Mr. Ushio: My current position is grant-funded.

Council Chair Rapozo: Is that an "EM" position?

Mr. Ushio: It is an EM-5 position.

Council Chair Rapozo: Okay. Position No. 2500, which is budgeted for \$67,692—is that vacant right now?

Mr. Ushio: Yes.

Council Chair Rapozo: Then 2501 is obviously dollar-funded, so that is vacant. I guess for the information for the newer Councilmembers, there was a time where Civil Defense had one manager, right?

Mr. Ushio: Yes.

Council Chair Rapozo: There was a lot of discussion on this Council years ago when the Mayor at the time, not the current Mayor, created another position. So we had two (2) high level managers for an office of four (4). In fact, at one budget year, I believe we did cut that position because we felt that was way too much for that office. Now you are telling me that we have you as an EM-5 and two (2) EM-3s. It went up. So now we have three (3) high level manager positions for an office of...and one is a Grant Coordinator, one is a Telecommunications Officer, and one is a Secretary. I think that is substantial. I think that went up even more than when we were really concerned about it. Is there an intent to fill 2500?

Mr. Ushio: We intend to fill 2500 as soon as feasible. That is why we have asked to be able to fill it to go before the Vacancy Review Committee.

Council Chair Rapozo: And your grant is how long?

Mr. Ushio: My grant is a year-to-year grant passed down through State Emergency Management.

Council Chair Rapozo: What happens to you in a year?

Mr. Ushio: We are anticipating renewal of the grant in the sufficient amount of funding to continue the position.

Council Chair Rapozo: And if not?

Mr. Ushio: If not, then my employment is in question. Right now, the grant has been received consistently for over ten (10) years.

Council Chair Rapozo: The civil service position that you are talking about that we have to have in place by July 1, 2016, that would be next year's budget. So that position could be put in there in the next budget cycle. Obviously, we would not have a choice. If the Legislature said that...

Mr. Ushio: It could be, but if you wanted to start the process to fill it before July 1st, you would need to have a position, is my understanding.

Council Chair Rapozo: No, the position has to be in place by July 1, 2016, which is the next budget cycle.

Mr. Ushio: Yes.

Council Chair Rapozo: That would be in the budget presentation next year, right? That budget presentation would come with, I am sure, a PowerPoint slide that says this is a requirement under State law.

Ms. Nakamura: It would be in next year's budget, if not sooner, if we need to have that person in place.

Council Chair Rapozo: I guess my point is that it does not have to be in this year's budget.

Ms. Nakamura: That is correct.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: It sounded like there has to be a person in a civil service position that heads the agency by the first of July next year. You cannot just have a position that is going to be filled through the year. You are going to have to fill that position, from what I understand, prior to the 1st, so you have a person in the position by that year. What is the plan of the Administration to have that law abided by? I think the Mayor's Office should respond to that. I am expecting that Elton might want to be a candidate for that civil service position.

Ms. Nakamura: I do not think we should talk about specifics on personnel issues and if we could stay with the general conversation.

Councilmember Yukimura: But then you have to have a selection process, in order to have a person in place as of July 1st.

Ms. Nakamura: I wanted to just clarify that Elton's old position, 2501, is currently dollar-funded in the budget. It is not the intent of the Administration to fill that position; however, the recently vacated position, the 2500 position, is one that is very important to fill because now that there were two (2) positions there: one moved to the top and one retired, so there are two (2) openings. We are not going to fill one, but it is important that we fill this 2500 position because of the needs that arise during emergencies, and to prepare for those emergencies, we just need to have the staff coverage and the preparations in place. That is two (2) major highly skilled positions that are currently vacant.

Councilmember Yukimura: So I guess could you explain...I am not clear why you need this position.

Councilmember Kualii: She already said she was fine with it next year.

Ms. Nakamura: So really, keeping the dollar-funded position is important to ensure that when we move to that civil service position and go through that process, that there is a position that we can use.

Councilmember Yukimura: Instead of 2500, why would you not use the contract position and have the head of Civil Defense be a civil service position right away?

Ms. Rapozo: I am sorry. Can you repeat the question?

Councilmember Yukimura: Why would you not put this new hire funded by contract and put the head of Civil Defense into a civil service position?

Ms. Rapozo: I believe we will be looking at how we can utilize...now that 2500 has vacated, that gives Civil Defense a little bit more options as far as how to meet the law requirement of that position being civil service. We cannot use Elton's current position number that he is in to start the recruitment because he is currently in it. If you can use the dollar-funded position to start the recruitment process, then that is the way we could do it, so that number is what is needed.

Councilmember Yukimura: So you could free up the contract position to put somebody new in there?

Ms. Rapozo: Are you talking about his position?

Councilmember Yukimura: Yes.

Ms. Rapozo: Yes, so while it is being recruited for, we cannot use the number because an incumbent is in the position. You can use the dollar-funded position in anticipation of the position needing to be civil service.

Councilmember Yukimura: I think what we need to know is what your vision for the final organization is. After all of this movement, where do you want to be next year with the civil service person, and then what is your staffing going to look like or what do you think your staffing should look like for the optimum operation of Civil Defense? Why is that light going on? We are asking questions.

Mr. Ushio: The structure that we currently have with our vacancies if it were fully funded, we would be well staffed, but I am in discussion with the Administration about whether or not we should have those two (2) EM-3 positions under the EM-5 or if we will be able to make due with just one. It is something that we are looking at very carefully. We have not reached a final agreement or consensus on that.

Ms. Rapozo: I think part of the process is going to be to look at now that that position has vacated, whether to keep it at that level or have something lower, and that way you would have the manager that is necessary per the Hawai'i Revised Statutes (HRS) law now, as well as you will have the Grant Coordinator and maybe a lower level position and the Telecommunications Specialist. That is all part of the process when a position vacates, as far as how the restructuring will take place, keeping in mind that we also have to meet that HRS Law as of July 2016.

Committee Chair Kaneshiro: I have a pretty specific question, and I do not know if it will help clear things up, but this July 1, 2016 civil servant position...this 2500 position that is currently funded and vacant; that cannot serve as this July 1, 2016 civil servant position?

Ms. Rapozo: That is one of the discussions I think we were having. It just vacated on April 30th, so we were looking at that as a possibility as well.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think the concern is that you are going to end up with two (2) high level EMs, a contract position, and whether that is really justified, I believe.

Council Chair Rapozo: Yes, you are right.

Councilmember Yukimura: There is a worry that you will do that without Council concurrence with the existing configuration of positions as they are open.

Ms. Rapozo: I totally understand what you are saying and that is why part of the Vacancy Review Committee is trying to look at restructuring and reengineering to see what is necessary for the department. That is the time when there is a vacancy, when we can start to look at those reorganizational structures.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I need some help. Tell me why that if this proposal passes, it is going to hurt the mission or if you can live with it or cannot live with it. I heard a little bit about if an emergency happens, we need the bodies, but all I have heard is this kind of inside baseball discussion about positions moving from here to there. What tangible impact does that have on the mission if these funds and the positions are deleted?

Mr. Ushio: Because we are willing to dollar fund it for the year anyway, operationally we are prepared to function with 2501 being vacant. So with our current staffing, looking at everyone's duties, responsibilities, and what we are supposed to do; when we had put in our proposed budget, we felt we could operate with no negative impact; however, to be honest, Position No. 2500 was one that we did not anticipate would be vacant. We were given about a month's prior notice that the incumbent

would be retiring. That was not taken into consideration with our budget cycle, so that is why we still have it there and we are intending to fill it as soon as possible.

Councilmember Hooser: So without 2500, does it put the County at risk? I need some tangibles.

Committee Chair Kaneshiro: I think 2501.

Councilmember Hooser: For 2501, you were anticipating that being vacant the whole time, so there is no operational impact on 2501, is what I heard.

Mr. Ushio: It would have been the same because it would have been vacant and dollar-funded. For 2500 however, we had anticipated...sorry, we anticipated having that position and an incumbent in place, and having short notice of retirement in that position now being vacant, we most definitely want to fill 2500. Position No. 2500 serves certain key roles and responsibilities. For example, the Emergency Management Administrative Officer position classification works on operations, planning, training, exercises, fiscal administration, and all sorts of other duties split out. Effectively with one (1) of the two (2) EM-3s filled, that would become my *de facto* deputy or primary backup, so 2500 is an essential position for us to fill.

Councilmember Hooser: Okay.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I think maybe some of the confusion is that we are kind of talking about two things at once. Let us make it clear. There are two (2) positions. The dollar-funded position is not needed. If you were to use that dollar-funded position at some point in the future, it would not be until the next budget year, and I thought I heard you say, Nadine, "Yes, the creation of the newly needed position, according to this law, could be done as part of the budget process or with a money bill or whatever, if it was needed." However, I am now also hearing that it could also be that 2500 is re-described or reallocated to include some of the duties that might cover, which is what I prefer, instead of creating a new position next year. But if you have to, you have that ability. It is two (2) separate positions. The dollar-funded position can be eliminated because you do not have a need for it at all in this coming year and it is really a different position from what might take form for the State law requirement. My only question now is that with that position 2500, since it is currently vacant and it just went vacant April 30th and the Vacancy Review Committee is working on it, and I did hear that it will only take a week, but that is hard to believe because nothing moves in a week; when do you really believe that 2500 will be recruited and filled? Typically, recruitments take anywhere from two (2) to three (3) months. Maybe I just confused it more because I talked about both things, but I know you get it.

Ms. Rapozo: So because it just recently vacated, I think there are a lot of options now because we possibly could say, "Let us just take care of the law and fill it with the head." We could look at doing something like that, so that would be what the Vacancy Review Committee would be in discussion with Elton, to see what would be the best way now to structure your organization, given that you know this is coming and you have a vacant position, which you did not have, so you did not have that option, but now you do, so maybe we can look at that. I think depending on which way they go, we still can put out the recruitment, depending which way we go.

Councilmember Kualii: So that does mean that you are not opposed to the elimination of that second position that is dollar-funded, correct? I know you would have your, "It would be nice to have this position there in case there is something we need," but you can always come back to the Council if you have operational needs that change or if you go after a grant. You come to us to get approval to apply for, receive, and expend grants. So if that apply for, receive, and expend grants includes the luxury of having a new position to provide more services, you can also come to us to create the resulting position, correct?

Mr. Ushio: I do not see it as a "luxury" *per se*, but...

Councilmember Kualii: I am sorry for using that word.

Mr. Ushio: Again, we still have to have that discussion between Civil Defense and the Administration as far as our strategy with Position No. 2500 and how we are going to do it. I will say that without 2501, at least temporarily it takes away one of our options, which is to fund...

Councilmember Kualii: I heard Nadine say that there is always the option that you can come back to the Council to create that new position or you can be part of the new year budget because it is for July 2016.

Mr. Ushio: Yes.

Councilmember Kualii: The option that you have to fill, also which our Human Resources Director has stated.

Mr. Ushio: Again, while we can always come back to Council, at least temporarily it takes away one of our options, which is, "Should we fill 2500 immediately, so that we can go into the hurricane season with a little better staffing?" Then at some point during the year, decide to recruit for the top position at civil service using 2501. Without the position there, we would not be able to do it without coming back.

Ms. Nakamura: I think having the flexibility would be helpful to the Administration with a commitment that whichever way we decide to move the positions, we would always be minus one filled.

Councilmember Kualii: Do you understand that this is our only opportunity to either make that decision or no? Once we do not make that decision, then it is your full right until the next budget to fill both positions. You have so many options. Can you let go of this one? You sound like you said it earlier, but after she made certain questions, you are changing because it would be nice to have it all, but we are making tough decisions.

Ms. Nakamura: Right. I think what we could work toward, and this is something that if we use 2501, let us say to fill the civil service position, then Elton's current position could then be the one dollar-funded or eliminated should he be the one.

Councilmember Kualii: Then he would return to 2500?

Ms. Nakamura: Potentially. When I was on the Council, I think that was the intent that we wanted to do, which was to see if there was a way to reduce the numbers and that would be another way to do that.

Councilmember Kualifi: The other only thing is that if that is where you wanted to end up, you could also come back to the Council and I would be more than willing to lead that effort and help you with that.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I was just going to ask the Managing Director to think back a few years when she was sitting here and her argument because I think she was the motivator and the mover in that direction and it is amazing what happens when you go across the street. I understand. The question we have to ask ourselves...

Ms. Nakamura: We are going to end up there. It is just the way we get there, Council Chair.

Council Chair Rapozo: This is the question—I do not care what the law says one (1) year from now, but today, does this Council believe that we need an EM-5 and two (2) EM-3 positions for that department. That is the question for us, not for you. A department this small, where it used to be run by one (1) manager, now we are being asked to approve a budget—this is what I am talking about when...if you look at this budget sheet, Elton, the general public does not see you on this. In their mind, they are looking at two (2) managers; two (2) EMs. But in essence, there are three (3); yes, granted that the money comes from somewhere else, but at the end of the day, as three (3) EM positions assigned to that department. The public does not see that; they only see two (2). That is the problem and that is why I have asked that all grant positions be included in the budget, so we understand. If this question was not asked...if he did not ask, I thought you was in one of these. If the question was not asked, I would have not known. Now I am even more disturbed because there is an EM-5 and two (2) EM-3s. The question for us here, us seven (7), is do we believe today that that department needs one (1) EM-5 and two (2) EM-3s? That is the question. Whatever happens down the road if State law changes or what not, then you come to us and say, "According to State law, by this date, we need to have a civil servant," or whatever the case is. You come up three (3) months before because it takes about six (6) weeks to do it, then we do it.

Ms. Nakamura: I just wanted to state that the 2500 position that was an EM-5, the intent is not to hire at that level. The intent is because it is vacant, this is an opportunity to bring it down to a lower level, so that there is one (1) EM-5.

Council Chair Rapozo: That is what I said: one (1) EM-5 and two (2) EM-3s. One (1) EM-5, Elton today; and two (2) EM-3s, granted one of them is dollar-funded, but this body is saying that that department should have one (1) EM-5 and two (2) EM-3s, and I do not think that is right.

Ms. Nakamura: Just to let you know, from the Administration's side, the intent is to not hire at that level.

Council Chair Rapozo: Okay.

Committee Chair Kaneshiro: We have been hammering this out for a while, so I want to try and get to a discussion between us and a vote on it. If there are any more pressing questions, Councilmember Yukimura.

Councilmember Yukimura: It seems that we agree on the end goal and it also seems that if we remove the dollar-funded position, you can still achieve that end goal by upgrading the EM-3 2500 to an EM-5, putting the head of the Civil Defense Agency into

that position and by contract, funding the second in command. Am I wrong that that could work that way?

Ms. Rapozo: It is an option.

Committee Chair Kaneshiro: Councilmember Kagawa.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: She said that before the first time and on my turn, I just wanted to say that I totally agreed with her comment. So fasten your seatbelt, we agree now. Anyway, that is an administrative function, to determine how to best fit it, but I was thinking why Elton is not covered under Civil Defense, and he should be, and we should put that contract person, the year-to-year, under that condition that we have that additional worker because we want to make sure that Elton has stability there and feel comfortable that it will be your job as long as you want it. So I take Councilmember Yukimura's suggestion and ask you to consider that we put the EM-3 permanently under the Civil Defense and like she said. I am just repeating what she said, but I want to take a vote if possible. I think removing the dollar-funding is proper at this time and when Human Resources is ready, they can come back with a lower position and full explanation. Thank you.

Committee Chair Kaneshiro: Any further discussion on this between the members? I agree also. I think they made it clear that we need to fill this civil servant position, but we currently have two (2) vacant positions and that can be filled by one of the vacant positions, and one of the vacant positions is funded right now, so there is leverage and not necessarily a need for this additional 2501 Emergency Management Administrative Officer. If there is a need for it in the future, then they will be able to come forward. Any last discussion before we take the vote on this?

Councilmember Kualii: Procedurally, I just want to say that I am ready to vote, but before we let them go and go to lunch, I have one more quick question about a potential amendment that I will work on over lunch regarding the second part of our discussion.

Committee Chair Kaneshiro: We are ready to take the vote.

The motion to remove funding for Position No. 2501 (Emergency Management Administrative Officer) was then put, and carried by the following vote:

FOR REMOVAL:	Hooser, Kagawa, Kualii, Rapozo, Yukimura, Kaneshiro	TOTAL – 6,
AGAINST REMOVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Back to Councilmember Kualii.

Councilmember Kualii: Just a quick question because I wanted to have clarity on how to draft up the next amendment for after lunch. We asked about the filling of the remaining position that just was vacated on April 30th and that the Vacancy Review Committee is working on. Realistically, the Vacancy Review Committee has to work on it,

potentially you will have to work on re-describing or reallocating possibly, and then you would have to put it out for recruitment. Did you not realistically say this will take two (2) to three (3) months, maybe even longer? Conservatively, it will take two (2) to three (3) months.

Ms. Rapozo: It could. Just to let you know, we did decrease the funding for that position in the May 8th submittal back to the entry for EM-3. If we need the flexibility to go up to an EM-5, it is not covered in there. I am just trying to anticipate what you are thinking.

Councilmember Kualii: I accept that, so I will not make that amendment.

Ms. Nakamura: Can I just add one point here?

Councilmember Kualii: Sure.

Ms. Nakamura: We consider this a health and security concern and that the Mayor has taken a look at this and it is one of those that we believe is not required to go through the Vacancy Review Committee to short circuit the process.

Councilmember Kualii: I am not going to be proposing that amendment to reduce it even \$1. Thank you.

Committee Chair Kaneshiro: Any further questions for Civil Defense? No further questions. Any questions for Public Works? Any proposals for cuts for Public Works? Okay. We will take a lunch break now and be back at 1:45 p.m. and we will be on cuts for the Department of Public Works.

There being no objections, the meeting recessed at 12:43 p.m.

The meeting reconvened at 1:50 p.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are going to get started on where we left off. We left off on the Department of Public Works. Do we have any cuts in the Department of Public Works? Councilmember Kagawa.

Councilmember Kagawa: I am proposing to remove \$15,000 for Security Services for Lihue Civic Center on behalf of your request, Chair.

Councilmember Kagawa moved to remove \$15,000 for Security Services for Lihue Civic Center Monday through Friday evenings, seconded by Councilmember Kualii.

Councilmember Kagawa: I will defer to the Committee Chair.

Committee Chair Kaneshiro: Thank you. I put in this request, the \$15,000, for security at the Civic Center. For me, I think it is a cost that may not be necessary. We are paying a police force to be around. I think there have been a few instances where workers coming early in the morning have felt threatened because people were there and homeless are around in the area, but I do not think we should set the precedent to have to start funding a security company to be there every single morning when it may be an isolated incident and we should probably ask the Police force to maybe make some runs there. If they put some pressure on it, I do not think that we will have people there in the morning. For me, it is just a cost-savings measure. I am all for the safety of our employees, but I do

not think we should have to pay a separate security company to monitor the area when maybe we can have the Police force do a run-through. Any questions or discussion? Councilmember Kagawa.

Councilmember Kagawa: I would like to support your resolution. I remember when I talked to Millicent Agena, who heads the janitorial, she said that workers have been threatened there by homeless people. My thinking was that the security company does not have the arrest powers and what have you as a police officer. If they are threatening or what have you to our employees who are trying to come in very early to clean the restrooms and the facilities prior to our workers coming to work, I think, is a serious problem. I do not think a security officer at \$15,000 cuts it. I think we need our police officer in the Lihue area to address those concerns. So I think surely homelessness around the whole State is growing, but I do not believe that the security officer is going to deter and is wise spending of County money when we have a well-staffed Police Department. Thank you.

Committee Chair Kaneshiro: Any further questions or discussion? Council Chair Rapozo.

Council Chair Rapozo: I guess I have a question. What was the result of that incident? Was the police called and was the arrest made?

Committee Chair Kaneshiro: I do not know if the Mayor's Office might have an answer for that.

Council Chair Rapozo: I do not expect the Assistant Chief to have that answers, but maybe you spoke to the workers.

Councilmember Kagawa: After speaking to Millicent about it, she said ever since we hired the security, they are not threatened anymore, but I think it is something that we can do in-house with our Police force.

Council Chair Rapozo: Do we have security there now? Are we paying security now?

Councilmember Kagawa: Yes, just to do morning checks around the area prior to any...because when we have a lot of workers come to work, of course, they are not going act up, but it is in these one-on-one instances when you just have a worker by themselves, which can be very scary for the employee without anyone to witness or help out.

Council Chair Rapozo: I do have a question for Public Works.

Committee Chair Kaneshiro: Public Works, can you come up? We can confirm if we have security now and I think there may be a few questions.

There being no objections, the rules were suspended.

LARRY DILL, P.E., County Engineer: Good afternoon. For the record, Larry Dill, County Engineer. In response to the question, yes, we do have security now. The issue is a very real one; the safety of our employees. Our custodians who report to work early in the morning—it is still dark when they show up to work. The majority of them are ladies and we have had instances where they have been accosted by people, probably homeless folks, who have been on the site. I appreciate the comment that since we have

had the security, we have not had these issues. When there is an issue, the security officer calls KPD, but their mere presence on the site is really a deterrent to making this happen. We have had KPD come around and they have been able to respond to us, but they have also informed us that they cannot be there doing a regular morning sweep of the Līhu'e Civic Center. They just do not have the resources for that. We really feel that this is a necessary item for the safety of our employees.

Council Chair Rapozo: How do we pay the security company? Is it per hour?

Mr. Dill: It is based on an hourly rate and they are there for a few hours a day, in the morning, when they arrive at work. It is four (4) days a week that we are doing this.

Council Chair Rapozo: What are we paying now? How much do we currently pay?

Mr. Dill: Well, it would be the equivalent of a \$50,000 per year contract, so the \$50,000 you see in the budget...

Committee Chair Kaneshiro: It is \$15,000.

Mr. Dill: Whatever that number is in the budget. I apologize. Do you know what the hourly rate is?

Council Chair Rapozo: I am not so concerned about the hourly rate, but I am just trying to figure it out.

Mr. Dill: We put an annual amount in the budget.

Council Chair Rapozo: Is that in the current budget?

Mr. Dill: Yes, but not in Public Works. I believe it is in Parks.

Councilmember Kagawa: It is in "Building Inspection."

Mr. Dill: In Fiscal Year 2015, it is in Parks. In Fiscal Year 2016, we are proposing it in Public Works in Building.

Council Chair Rapozo: So you are moving it from Parks over to Public Works?

Mr. Dill: Yes.

Council Chair Rapozo: You guys go out for procurement as well?

Mr. Dill: Correct.

Council Chair Rapozo: Okay. How many incidents over prior to us retaining security?

LYLE TABATA, Deputy County Engineer: Prior to security coming on, we had one physical altercation, and prior to that, weekly; we would have to have the male

custodians escort the females and they would come in the morning, meet altogether in the parking lot and walk into the building. They start work at 5:00 a.m. and many of them would start arriving 4:30 a.m. or 4:45 a.m., before they start work at 5:00 a.m. Until we had the security come, it was almost daily...their concerns were daily. We had one physical altercation.

Council Chair Rapozo: Was that person arrested?

Mr. Tabata: We called Police and they followed up. I do not know if the person was arrested.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Just one quick question. The workers work alone? Do they not work in teams? Is that not an option?

Mr. Tabata: They work their stations alone, but they had prior to us bringing security on-board, then meeting, like I said, in the parking lot, and I believe we have now...back then we had two (2) males, but now we have three (3) males and they escort the other three (3) ladies.

Councilmember Kualii: I kind of think it is less about male/female, but more about being alone.

Mr. Tabata: They work in their own stations.

Mr. Dill: Generally speaking, they work alone on the job. We just do not have the resources to have teams of those.

Councilmember Kualii: I know I have also heard a concern about being understaffed and having to run from one building to the next and the short-term hires, so maybe we really need to revisit the staffing level. The cleaning just needs to get done, but teams might work. Just to relook at that.

Committee Chair Kaneshiro: I have a question. Did the County look at other options, rather than hiring a security company, as far as having the Police come and make a sweep or if going together as a team was effective enough?

Mr. Dill: We did speak to the Police, and as I mentioned, they are willing to respond to incidents and they can do to occasional sweeps, but I will let them speak for themselves actually.

MICHAEL CONTRADES, Assistant Chief of Police: Michael Contrades, Assistant Chief of the Kaua'i Police Department. The reality of it is that you have one (1) Patrol Officer assigned from Rice Street, all the way out to South Leho and that is their entire area. We have worked closely with Public Works to deal with some of the issues. When there are situations like this, we ask our Patrol Officers to go in and do sweeps, but this is not something that they can do every single day to make sure that everything is okay. That is the problem that we have. We have one (1) officer in that area.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: When are the janitors coming to work? What time of the day? Is that like 4:00 a.m. or 5:00 a.m.?

Mr. Tabata: They start arriving about 4:30 a.m. and they start work at 5:00 a.m.

Councilmember Kagawa: I would think that at 4:30 a.m. or 5:00 a.m. on a normal day is a relatively light incident time, right?

Mr. Contrades: The reality of it is that nowadays, it is hard to say. The officer could be called to a domestic argument or there could be a traffic collision at that time. There is no continuity in terms of what they do daily. It all depends upon what is going on at the moment. It is hard to say that we could be there Monday through Friday for them. That would be difficult to do.

Committee Chair Kaneshiro: Any further questions or discussion? Council Chair Rapozo.

Council Chair Rapozo: Scott just handed me this budget and it is showing \$10,000. Scott, is this for the current fiscal year? It is currently at \$10,000 and you are going to \$15,000.

Mr. Tabata: That was the partial funding previously and now we are going for full.

Council Chair Rapozo: The security officer just hangs out there for a few hours a day?

Mr. Tabata: They come in and do the sweep for us.

Mr. Dill: They do a patrol of the Civic Center and they are here for a couple of hours, patrolling around the Civic Center.

Committee Chair Kaneshiro: Any further discussion between the members?
Councilmember Kagawa.

Councilmember Kagawa: You disagreed with me one time, so I am going to disagree with you this time. The safety of our janitors, I think for me...I am not going to support this cut.

Committee Chair Kaneshiro: Any further discussion? Councilmember Yukimura.

Councilmember Yukimura: Just based on what has been said and what I know, it does seem like a cost-effective solution right now; certainly much less than if you were to start pairing up our janitors two (2) by two (2). If there is a shortage or a lack of coverage for the janitorial job, we need to address that. But as a solution to the security issue, it does not make sense to...I think the security guard is cheaper.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I would be inclined to support your proposal, Committee Chair. I do not see why two (2) by two (2) would not work. Housekeepers work two (2) by two (2) and the job gets done faster and they move on. We are talking about this

Civic Center, so it is really geographically all-in-one location and I would imagine there are probably two (2) or three (3) people doing this job anyway. I am not sure who is all assigned, but maybe it could be four (4) people in two (2) teams of two (2) and they could get it done in the two (2) hours we are talking about in the morning, working as a team and moving quickly. I do think it is possible.

Committee Chair Kaneshiro: I just want to reiterate that to bring this proposal forward is not saying that I do not care about the safety of our employees. I am just thinking that it may have been an isolated incident or it may have been an incident that was happening for a while, but yet the security comes through and the people were not there. I could see this happening anywhere at a County facility and I do not necessarily think the answer is to put a security guard all over our property to make sure that everybody is safe. That is where I am at. I am just thinking that it was probably isolated. Is there another way we can do it without having to spend money. It has nothing to do with not wanting our employees safe. I want our employees safe, but if we have an incident that happens at a baseyard or somewhere else, are we going to put a security guard out there? I do not know. The justification may be the same where we have one incident of people there making trouble, so we have to put a security guard or we move our security guard. I do not know what the answer is. Councilmember Yukimura.

Councilmember Yukimura: Your points are well-taken. The question is do we just do that everywhere we have a problem? It sounds like the problem was more than just one incident, that it was somewhat ongoing, so it makes sense to have an ongoing solution. I did not think of reconfiguring, not adding janitors, but reconfiguring the way they do the work, so that there might be two (2), rather than one (1). That has some possibilities too, I think. I think I am going vote against this today, but I am hoping that Public Works will keep looking to make sure that that is an effective solution...a cost-effective solution. If you think about root causes and the real solution, it is to solve the problem of the homelessness around this area, which if we leave it unchecked, could really get to be a real problem and also real expensive to address. I hope maybe we can begin to address that issue, too, before it gets to be too much. I think it may need some time and thought.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. I think there are a couple of root problems here, as Councilmember Yukimura talked about: one is the homeless issue. We have that issue here. I have come in here early in the morning, prior to catching a flight and seeing our custodian. I agree with Councilmember Kualii that whether it is a male or a female is irrelevant. Either one of them are vulnerable to problems, but I think the root problem is what I have heard from some custodians, which is that we are not staffed properly. I think what is happening, and correct me if I am wrong, Larry, but when we have people who call in sick, there is no real backup. So what happens is the custodians end up having to cover much more ground by themselves and I think that is the root problem that needs to be addressed. I know you cannot predict who is going to be sick and what, but I think that there has to be a solution to providing the backup to the custodians. They provide a valuable service. Everywhere else in the department, any department; you get somebody that calls in sick and there is some sort of backup. You get temporary assignment or whatever, but these people here, as I am told, end up going from one (1) or two (2) buildings to four (4) buildings that they have to do in the same period of time, which means that rather than doing a complete cleaning of the building, they end up with having to do only the bathrooms and so forth. I think that is a bigger problem. I cannot imagine that we would staff only one (1) person for the Civic Center. Again, I am not sure because I

do not know what the staffing guide is, but I cannot believe that we would only assign one (1) custodian to the entire Civic Center. Is that the case?

Mr. Dill: We have more than one (1) custodian at the Civic Center. I have to disagree again with the Council when they say that they do not think it is a male or female issue. I think that a single woman feels much more vulnerable showing up in the early hours of the morning in the dark and whether it is one (1) or two (2) of them—now that we have had an incident, every single one of them have that fear in their heart when they show up to work and there is nobody there like a security officer to help them get to their place of work safely. I really think that this is something that the Council needs to consider.

Council Chair Rapozo: I was just curious as to what the staffing is for the Civic Center, as far as custodians.

Mr. Dill: I cannot tell you what the number is. I do not know what the number is off the top of my head. I would guess that we probably have three (3) at any given time.

Council Chair Rapozo: Do they all start at the same time?

Mr. Dill: Yes.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Any further discussion on this? Councilmember Hooser.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Hooser: I am not able to support removing this money. If the people in charge feel that it is important for the protection of the personal safety of the employees, then I do not want to second-guess them. It is a relatively small amount of money for a whole lot of peace of mind.

Committee Chair Kaneshiro: Any further discussion? I will make my last comments. Again, it has nothing to do with not wanting the workers safe. Again, I see this cost as a recurring cost and it could potentially be another recurring cost at another location and another recurring cost at another location. By me proposing to cut it was to say, "Let us try and find a solution that is not going to cost us any money," because I do not want it to end up being that we have to staff a security guy here and staff a security guy there. Once we start staffing them, I do not think there is any way we are going to be able to cut the costs back, unless we come up with a more cost-effective solution. The motion is to remove \$15,000 for Security Services for Līhu'e Civic Center on Monday through Friday evenings. Can I get a roll call vote, please?

The motion to remove \$15,000 for Security Services for Līhu'e Civic Center Monday through Friday evenings was then put, and failed by the following vote:

FOR REMOVAL:	Kuali'i, Kaneshiro	TOTAL – 2,
AGAINST REMOVAL:	Hooser, Kagawa, Rapozo, Yukimura	TOTAL – 4,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,

SILENT: None TOTAL – 0.

Committee Chair Kaneshiro: Okay. Councilmember Kagawa.

Councilmember Kagawa: The next cut is to the Department of Public Works / Building Inspection for the dollar funded Position No. 1527, Code Enforcement Officer, for a savings of \$94,314. The reason for this cut is that during the budget proceedings, we heard that they are having no success in finding somebody with the experience who wants to take that type of job at that pay level. So being that I hear there is troubling filling that position, I think that we should remove the funding.

Councilmember Kagawa moved to Dollar Fund Position No. 1527 (Code Enforcement Officer), seconded by Councilmember Kualii.

Committee Chair Kaneshiro: I think I know what the question is going to be. Is this position necessary?

There being no objections, the rules were suspended.

Mr. Dill: Yes, this position is very necessary. I will acknowledge what Councilmember Kagawa said that we are having a difficult time filling this position, but this position has authority to supervise the entire code enforcement position. Until the most recent person left, I do not know when this County has not had this position. They oversee all of the plan reviewers and all of the inspectors in the Building Division. Also, a very significant role that they have these days is the e-Plan implementation process, and unfortunately, that process has suffered a little bit due to the lack of a person in that position. I would support perhaps partial funding, as the Council has done with other positions in recognition of the fact that it would be difficult to fill. I would anticipate that we would need three (3) months of funding for this particular position, so we keep nine (9) months and cut three (3) months perhaps.

Councilmember Kagawa: Larry, I think what I would like is for you to fill the position, but when you anticipate filling it, if you would come to the Council for the money, then I would be totally supportive of whatever funds is needed. This is not a statement that we do not want the position. We know it is important. I heard the testimony that we are having trouble finding applicants with the capabilities to do the position and who are willing to take that kind of pay for that position. That is why I am highly doubtful that it will be filled. I am just trying to save money wherever we can based on the budget proceedings, but I hear your recommendation.

Mr. Dill: Thank you. I would like to ask maybe HR—I do not know what the requirements are for us to be able to pose the position. I think we need some funding just to post it.

Councilmember Kagawa: There is \$1 in there.

Mr. Dill: Is that sufficient?

Ms. Rapozo: That is correct.

Mr. Dill: Okay.

Committee Chair Kaneshiro: Let me clarify that as long as there is \$1 funding in there, you can post the position.

Ms. Rapozo: That is correct. What Public Works is going to have to do though without any funding is that they will have to wait to either fill it once they post and come back to you for a money bill or they will have to look at other vacancies to try to move that money, but still come back to you so that it does not delay them filling it.

Mr. Dill: That is an option, but I would request that we do not have to go through that process in order to fill that position. Like I said, I would be comfortable with removing some of the funding from the position in anticipation of the fact that it may take us a while to fill that position.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I do not have a question. I have discussion for later. Thank you.

Committee Chair Kaneshiro: Okay. We will wait. Any further questions?

Council Chair Rapozo: Real quick, where are we on the process? Is it posted?

Mr. Dill: It was just posted.

Council Chair Rapozo: Have we had any responses?

Mr. Dill: I do not think we have had.

Mr. Tabata: We do not know because it goes out for a number of days, and then after it gets taken down, then HR handles it. I cannot answer that.

Ms. Rapozo: It was recently posted. I do not have the report with me, but it was recently posted. It has not closed yet, so they would not have gotten any list yet.

Council Chair Rapozo: How long was it open for?

Councilmember Kualii: It closes tomorrow, May 15th.

Ms. Rapozo: Yes, the recruitment will close on May 15th, so our normal is ten (10) days, so I am assuming it was open on May 5th, but this is not the first recruitment.

Council Chair Rapozo: For this position?

Ms. Rapozo: Yes.

Council Chair Rapozo: So it has been reposted basically?

Ms. Rapozo: We have tried looking at re-describing it a different way and reposting it, so this is a new posting right now as we speak.

Council Chair Rapozo: How many postings have we had? It has been vacant for almost six (6) months.

Mr. Tabata: I believe this is the second, so the first time we posted, we got no qualified applicants, then as Janine mentioned, we tried to re-describe the position and we could not get it. It was not approved, so then we went back with the original posting, so this is the second.

Council Chair Rapozo: Okay. You will not know until it closes to see if you had any, right?

Mr. Tabata: Right.

Mr. Dill: Yes.

Council Chair Rapozo: Okay.

Committee Chair Kaneshiro: Any further questions for the department? Any discussion? Councilmember Hooser.

Councilmember Hooser: Yes. I would like to hear what the Managing Director has to say.

Ms. Nakamura: Thank you. Nadine Nakamura, Managing Director. I just wanted to say that we have been having conversations internally with the private sector about the e-Plan review process and some of the challenges that they are confronting: the time that it takes, the fact that it is not totally automated, and the disconnect between the building and the planning permit processes. A lot of it stems from not having someone at the helm of this position to help lead the changes that are needed. Some of it is training within the departments about the e-Plan review process. There are a lot of fixes to the system and coordination between departments; between the County and the State and the Department of Water and so forth that needs to happen, and this position is very critical to it. The good thing is that we have learned some good lessons from Bend, Oregon. Deputy Engineer Lyle Tabata, Planning Director Michael Dahilig, and Keith Suga recently went to Bend, Oregon, and learned a lot because they are using the same AS400 system, the same e-Plan review software, and they have come back with some very straightforward and doable solutions to fix the problem. We are working closely with the private sector, we know what the issues are, and we need this position to help solve the problem and fix this, so we can increase...reduce the time it takes to get a building permit and get the development built, so that we can bring in our tax revenues. It is really tied to our financial sustainability to have a strong functioning building permit review process.

Councilmember Hooser: Thank you very much for that and shedding some light on the value of this position. So the position, if I heard correctly, has been vacant for six (6) months or so. Is that right? Approximately. Is six (6) months' worth of funding that you had that was not spent and were those funds spent on something else or did they just stay in the budget?

Mr. Dill: They would just lapse.

Mr. Tabata: We have used some of that money for overtime to cover some of the additional, so we have spread some of the responsibilities around and we have had employees use some extra overtime to cover for some of the duties that are not being done. But primarily between Doug Haigh and myself, I have been troubleshooting and pinch-hitting in there with that group in that section of the division.

Councilmember Hooser: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Just to have a basic understanding—so as a County in Planning—well, I think of it as Planning, but you are saying that this is Public Works. So we are addressing the whole code enforcement issue singularly for building issues, not codes?

Mr. Dill: This is for building codes, so the uniform building codes, electrical code, and plumbing code. This position has oversight of all of those issues as far as plan review for building permits that get submitted to the County, as well as inspections in the field.

Councilmember Kualii: So the other code enforcement is in Planning?

Mr. Dill: That would be zoning issues.

Councilmember Kualii: Yes. Okay. Got it.

Committee Chair Kaneshiro: Any more questions? We will now open up for discussion. Any discussion? Councilmember Yukimura.

Councilmember Yukimura: I am not in favor of removing this position. It seems like a critical position for not only our Public Works Department, but for the customers and consumers of our permitting system. If it oversees plan reviews, E-plan implementation, inspectors, and code enforcement, then that is too critical a position to remove. Even though it is hard to find, I will recall that we had similar problems in our Information Technology (IT) Division, where we had difficulty filling some high-level positions, but we eventually filled them and we need to hold out for that because...if anything, rather than removing the position, we need to be more aggressive in seeking out potential individuals. There are some highly talented and skilled retirees and others who are coming to this island, or even new, young people who might have a high-level of skill. At any rate, I think we need to keep it open, keep it in place, and work hard to fill it.

Committee Chair Kaneshiro: Any further discussion? Councilmember Kualii.

Councilmember Kualii: I am just going to say that I am willing to support the motion and it is because I am having a principle in this budget process, where I can cut, I will cut. If there is the option, should the recruitment work out to our favor and we can get to the place where you are actually able to hire somebody; if you need the funding, you can up the dollar. There is that process that is a little more difficult, but it remains in the purview of this public policy-making body, the seven (7) members here. I think as much as possible, I think I am going to stick to that and support Vice Chair Kagawa at this time. For some reason, if we do not have enough votes, then I will follow-up with a further amendment.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Can I ask a question of Larry? What is the requirement of this position? It is over \$60,000 a year, right? It is not a bad-paying job, but what are the requirements? Why is it such a difficult position to fill?

Mr. Dill: I wish I had the position description in front of me. I think the main thing is that it does require a fair amount of experience and knowledge of the building codes, which they are very technical in nature.

Council Chair Rapozo: Is a degree required? Is there certification required?

Mr. Dill: No. Actually, we looked at upgrading because we wanted to have a licensed professional in there; either a licensed engineer or licensed architect. But for the pay, we thought we would not be able to get somebody for that.

Council Chair Rapozo: Correct, for \$60,000. So right now, it does not require any of those certifications?

Mr. Dill: Correct.

Council Chair Rapozo: And we have no applicants at all?

Mr. Dill: Correct.

Council Chair Rapozo: Interesting.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Well, the explanation was just given. We do not have applicants because the salary is not high enough for the skill-level required. So rather than eliminate the position, you may want to explore how to raise the salary. That might solve your problem. You will start getting applicants.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I think I explained once, and I think Larry nodded, that this is not saying we do not want the position and that we do not think it is important. What we are saying is that maybe we have to look at the reasons why we cannot find that applicant that we really need that will help the business sector and help our own department process permits faster and more efficiently. I think while you work on whatever method you need to fill that position with somebody that can really help us, we will dollar fund it, you can proceed with your hiring, and I assure you that I will support as fast as we can. I think our total process is probably a month and a half to get those moneys into the Building Division. It is just that what I heard was that same thing, like we are having difficulty and it is probably because all of these reasons that Councilmembers have brought up. I feel like I do not foresee at this pay and at the interest level that has been garnered at this point—I feel like I do not have confidence that we will be hiring somebody. I wish we are, but at that point, I am happy to support any funding that is required, even if it is higher than currently listed. I support you folks in doing whatever you need to find somebody that fits and can help.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Larry, do you know about how much it would be if we raised the salary and looked for or requested a licensed engineer or architect? Would it be like about \$75,000 to \$80,000?

Mr. Dill: That would probably be reasonable, yes.

Councilmember Yukimura: Why do we not say that we fund it at half a year at \$80,000, so put in a \$40,000 figure, but have that position and see what you can do if you can hire somebody within six (6) months? Then you come back to us next year for the full amount, because then you will have the position and people have said that if you get the position, we will fund it. If you get the person or body, we will fund it.

Mr. Dill: That may be one thing to pursue. There are job descriptions that have certain structured pay ranges. We cannot arbitrarily choose how much we want to pay somebody, in order to hire them.

Councilmember Yukimura: Yes, so what if we get some professional advice about where we should peg it at and cut that in half, and see what you can do.

Ms. Rapozo: I believe the position is currently rated at an SR-26 and that is without the license. We have civil engineer positions that are even lower than that and those require licenses. The position classification is based mostly on the duties of the position, what they are doing; the complexity of it, not necessarily what the requirements are. Right now, unless they can show us that this Code Enforcement Officer will be doing more complex duties, it will continue to remain at an SR-26. After this recruitment, if we are still having difficulty to fill, the department can request of the Director to hire above the minimum. That would be their next step, but we do not do that until we make sure that we have exhausted all possibilities that there is no one interested where we cannot get anyone because of the low salary.

Councilmember Yukimura: So you are saying that we can effectively recruit with the position dollar-funded?

Ms. Rapozo: They will have to show that they have funding elsewhere in order to proceed, but the dollar-funding gives them the authorization number in order to proceed.

Councilmember Yukimura: Okay, but they have to have the funds.

Ms. Rapozo: Somewhere else, within their budget.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Any further discussion? I think no matter which way you cut the pie, the end result will be the same. If they need the position, they will probably get it. Councilmember Hooser.

Councilmember Hooser: When I asked the question about what happens to the money because it has not been filled, we were told that some of that money is needed for overtime and other expenses to cover the lack of having this position filled, so other people can do this person's job. I believe that is part of what I heard. Is that correct?

Mr. Tabata: That is what we have done this past year, but we put the full funding into the budget with the intent of trying to fill the position. If we do not, we would still have to continue our strategy that we are employing right now.

Councilmember Hooser: That is my point. If there is no funding at all, then there is no support for the overtime that they need to get the work done.

Mr. Tabata: Yes.

Councilmember Hooser: Even at a minimum level? Yes?

Mr. Dill: I also want to point out that my understanding is that in order to recruit for this position, we need to show funding elsewhere, and that funding would be shown out of savings. Come July 1st, we will not have savings yet, so we will have to wait until some point in the fiscal year when we generate enough savings so that we can post this position. I do not know when that would happen. Again, my request would be that we show some amount of funding in the position.

Committee Chair Kaneshiro: Okay. Any further discussion? I would like to get to a decision sooner than later on this. Councilmember Hooser.

Councilmember Hooser: If it is possible that we could offer some funding like fifty percent (50%) or something, then...

Councilmember Kagawa: I am good with fifty percent (50%). Let us move on.

Committee Chair Kaneshiro: I think we will take a vote. If it does not make it, there is probably going to be an amendment to partial fund or something, so let us just take the vote on it. The motion is to Dollar Fund Code Enforcement Officer Position No. 1527. Can I get a roll call vote, please?

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion to Dollar Fund Position No. 1527 (Code Enforcement Officer), was then put, and failed by the following vote:

FOR MOTION:	Kagawa, Kualii	TOTAL – 2,
AGAINST MOTION:	Hooser, Rapozo, Yukimura, Kaneshiro	TOTAL – 4,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Councilmember Kualii: I actually have another amendment, Chair. Do you have one?

Committee Chair Kaneshiro: Let us stay on this one.

Councilmember Kualii: It is the same issue.

Councilmember Kagawa: Okay.

Committee Chair Kaneshiro: Your amendment is probably going to be towards this line item, so let us take that first before we move on.

Councilmember Kualii: I would say that I appreciate your comment earlier about no matter how you cut the pie, but that was a custard pie and now we are dealing with a pumpkin pie. We voted on that position. I am proposing, as Mr. Dill said he would be supportive of, is a reduction of a three (3) month funding, so there is a position, as

I did earlier. Position No. 1527, Code Enforcement Officer, reducing the funding by three (3) months, so it is a total of \$23,579.

Councilmember Kualii moved to Reduce Position No. 1527 (Code Enforcement Officer) and associated benefits by \$23,579, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I voted against the measure because I heard the introducer say he was okay with fifty percent (50%), so I would support the fifty percent (50%). I think that six (6) months' funding is sufficient. I would ask that we go with the fifty percent (50%). Hearing what I heard, it is unlikely that even if you get a qualified candidate, the length of time it takes to process—I do not believe it will be done in three (3) months. Again, if Councilmember Kagawa had not said he was okay with the fifty percent (50%), I would have supported the dollar funding. I would go with the fifty percent (50%).

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I just want to kind of move this along because I have some really big cuts in the end, so I want to spend more time on the whale instead of the little *manini*. So either way, fifty percent (50%) or twenty-five percent (25%).

Councilmember Yukimura: Chair, there a motion pending on the floor. I think we need to vote on that first.

Councilmember Kagawa removed his second to reduce Position No. 1527 (Code Enforcement Officer) and associated benefits by \$23,579.

Councilmember Kualii: I still have my motion.

Councilmember Yukimura moved to second the motion to reduce Position No. 1527 (Code Enforcement Officer) and associated benefits by \$23,579.

Committee Chair Kaneshiro: Okay. Right now, the vote is to reduce the funding for three (3) months for Code Enforcement Officer, Position No. 1527.

Councilmember Kualii: I have a question.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Mr. Dill, I heard you earlier say that you would be supportive of a three (3) month reduction to the funding removal. Is that as far as you are willing to go?

There being no objections, the rules were suspended.

Mr. Dill: Yes.

Councilmember Kualii: Thank you, not that you have the final say.

Mr. Dill: I appreciate you asking for my input.

Committee Chair Kaneshiro: Any further discussion? Councilmember Yukimura. Do you have a question or discussion?

Councilmember Yukimura: No, I am ready to vote.

Committee Chair Kaneshiro: Okay. The motion on the floor is to reduce three (3) months funding for Code Enforcement Officer, Position No. 1527. Can I get a roll call vote, please?

There being no objections, the meeting was called back to order, and proceeded as follows:

The motion to reduce Position No. 1527 (Code Enforcement Officer) and associated benefits by \$23,579 was then put, and carried by the following vote:

FOR REDUCTION:	Hooser, Kagawa, Kualii, Rapozo, Yukimura, Kaneshiro	TOTAL – 6,
AGAINST REDUCTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Okay. We can move on.

Councilmember Kagawa: I have another one. This is to dollar fund Public Works – Building Division, Building Repair & Maintenance Plumber, Position No. 0142, for a total cut of \$80,602. As we heard during the budget from the Building Division, they were having a difficult time filling the plumber positions. They filled one of them. We were also told that a lot of the Building requests to Parks were being solved by newly trained Park Caretakers who are unclogging toilets as part of their duties. For the majority of those calls, calls come out because of the lack of toilet paper and that simple plunger solves the problem. Again, the toilet paper issue is a tough one. No matter what we do, we put the big rolls in the case and they break it or we leave extra rolls out and they use it for napkins. It is very difficult to solve the toilet paper issue. I wish we could work on that more. Anyway, I think I would like to thank our Parks and Recreation Director Lenny Rapozo. When we had only one (1) plumber out there, they made do with what they had and really helped out and solved the problem. I almost heard it come out of their mouth that although we are having difficulty finding plumbers who are willing to take that kind of pay when they can make a lot more in the private sector, that with their own staff, they are solving the problem. I would just like to ask for Councilmembers' support. We will dollar fund it for now, and like I say, if we do find the applicant—that is the reason for the dollar fund, which is to encourage Public Works to fill it, of course, because there are never enough plumbers for our County due to the fact that we have a lot of restrooms and facilities. Thank you.

Committee Chair Kaneshiro: Questions? Councilmember Yukimura.

Councilmember Yukimura: I want to hear what the department has to say about this.

There being no objections, the rules were suspended.

Mr. Tabata: Lyle Tabata, Deputy County Engineer. Since our March presentation, we have become very creative. We have hired another plumber, as

was mentioned earlier, and we have taken that vacant position and used it as a way to train another employee. So part of why some of the times we have kept dollar-funded or vacant positions is to use them for training opportunities, and I believe for the past several years, former Council Chair Furfaro had mentioned that was our way to be able to use positions to prepare for succession planning. So that, in fact, is what we are doing. We are using this position, so we cannot lose it, to do training. We have a position in training right now with this as a temporary measure.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: So you are using it right now? You will need it into the new budget.

Mr. Tabata: Yes, I will need it into the new budget, until the person who is being trained becomes fully trained to then fill in for the permanent position.

Councilmember Yukimura: This is a way for us to allow some of our in-house employees to step up and better themselves and learn new skills.

Mr. Tabata: Yes, and be provided with the training opportunity to advance.

Councilmember Yukimura: Okay. Excellent.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Just to clarify, the position was vacant since February 11th and it is currently being recruited for, but...

Mr. Tabata: It is being used in temporary position to provide training.

Councilmember Kualii: When did that start because effective February 18th, Human Resources reported that they are recruiting to fill that position.

Mr. Tabata: I do not have the exact date. I am sorry.

Councilmember Kualii: I mean, it is a noble cause for training. This is our *kuleana* with the positions.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. I guess I got lost. Position No. 0142 right now, which is funded or is being asked to be funded for \$51,000—what is that position number being used for?

Mr. Tabata: For our training of another employee to be upgraded for another position.

Council Chair Rapozo: Pardon my ignorance, but Position No. 0142 right now is listed as a plumber position.

Mr. Tabata: Right.

Council Chair Rapozo: But it is not being used as a plumber position?

Mr. Tabata: It is being used for training for a plumbing inspector position.

Council Chair Rapozo: So planning inspector position?

Mr. Tabata: Plumbing.

Council Chair Rapozo: Okay. Which position would that be? Where are we training this person to go to?

Mr. Tabata: I believe 1849, Supervising Plumbing Inspector.

Council Chair Rapozo: 1849—hold on.

Mr. Tabata: It is under the enforcement.

Council Chair Rapozo: In a different...1849, Supervising Plumbing Inspector. That position is filled? Is 1849 currently filled? This goes back to my thing about the fact that we do not know what the heck is going on.

Mr. Tabata: There are reallocation techniques that we have learned to use so that you can train people to step up in the organization, which we could not do before if you did not have a vacant position. So using a vacant position allows us to, in essence, “double-man.”

Council Chair Rapozo: So is 1849 vacant?

Mr. Tabata: Yes, but in order to fill the position, we have to go through this process to use another position to do the training.

Council Chair Rapozo: So why could you not use 1849?

Mr. Barreira: Council Chair, if I could help...Ernie Barreira, Budget and Purchasing Chief. This was a strategy that was recommended to the Vacancy Review Committee to help with succession, as well as continuity. Position No. 1849 is where the individual employee is being trained to be able to meet the minimal qualifications to then occupy that position, but because he enjoys civil service status, he still retains the position from which he came and it is almost like a two-for-one at the present time, but that is the only vehicle we have complying with the collective bargaining agreements while still trying to create a broader pool of better trained and qualified employees.

Council Chair Rapozo: So for 1849, we did not go out and post for that or we did not go out and solicit?

Mr. Barreira: My understanding is that there were numerous efforts.

Mr. Tabata: Yes, we have. There were no qualified applicants, so we created this process to training in-house to allow internal personnel to move up.

Committee Chair Kaneshiro: I just want to interfere real quickly. Section 3 in the provisos says, "Appropriations for salaries and premium pay, as well as benefits as appropriate may be dispersed within the pertinent office, department, agency, or program for the following," where number 3 says, "Training or successor positions for which there is an existing or anticipated vacancy for which hiring and replacing is critical to continue the operations, provided that the funds are available." So I am a little confused on this whole thing. I do not know if that is what you guys are getting at.

Mr. Tabata: In order to train, as Mr. Barreira stated, if he did not end up qualifying for the Supervising Plumbing Inspector position, he had the right to return to his civil service position, so we needed to keep that funded also.

Council Chair Rapozo: Where do we post these jobs? Is it in the newspaper?

Mr. Barreira: Yes.

Council Chair Rapozo: I do not understand how come we are not getting applicants.

Mr. Barreira: Well, the economic recovery means that the private sector is much busier than it used to be and as a result, the competition within construction and related positions are far more pervasive than it was during the recession, at the peak of the recession. Chair, we do advertise electronically, on print media, and they are posted for ten (10) days and we do expect...we are hopeful for applicants to come in. But we have found, especially in the skilled positions within Public Works and elsewhere in the County that we are having trouble finding qualified employees and applicants who are interested in working for the County.

Council Chair Rapozo: For me, it is very hard to support something that I do not understand. We have two (2) positions and we are basically using the two (2) positions to train one (1) person to move up to another position. I guess I just do not understand that.

Mr. Dill: Chair, I understand and I apologize for the confusion. I would ask that maybe we hold off on this and I will ask the HR Director to come back. She was very involved in this in setting it up for us. So if we could hold off on this one and come back to it, I will see if we can get her over here.

Council Chair Rapozo: Let me ask the Chair.

Committee Chair Kaneshiro: Where is the HR Director?

Mr. Barreira: She had another commitment. She will be back shortly.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I just want to make one simple point for clarification, because basically both positions are fully funded and both positions are showing up on the vacancy report. Position No. 1849, which you said was being recruited for in the most recent report from Human Resources says specifically "not recruiting, temporarily assigned to current employee." So what you are saying makes sense, which the person in the Plumber I position is temporarily assigned up to this Supervising Plumbing

Inspector. However, you are using the funds from his original position to pay him or her the majority of their salary, and then you are paying the difference for the temporary assignment, I assume, which is some small amount more; not a full salary. I do not know how long this has been going or how much longer it will go, but it impacts the bottom line on what is funded in each of these positions. So more so I feel good that at least Vice Chair Kagawa is trying to get at least one of those positions dollar-funded. When you get to the point where the person is fully trained, you have recruitment, you hire a Supervising Plumbing Inspector—I would imagine that the person would have to apply, but then they will have the best shot because they will have the real experience. Then you would have to go back and back fill in the Plumber I position and recruit for that. This all takes time and I am sure when our Human Resources Manager is here, she will tell us. Whether it is dollar-funded or some other reduction, that to me would be the appropriate decision as far as appropriations.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I would like to support delaying, but I heard at the budget...I asked, "How are we doing? We only have one (1) plumber. This should be a crisis right now." Lenny honestly told us that they are doing okay with one. They trained the Parks guys and they are filling in. The Park Caretakers are doing a lot of those emergency calls that the plumbers used to get called out to do. To me, if we were succeeding then by utilizing our current staff, then I feel more so that we have hired the additional one and he is on board. We should even be more comfortable where we are at if we were succeeding with only one and their primary duty is unclogging and what have you on these callouts and we are solving the problem with our Parks staff. I just feel like when you guys are ready to bring on that plumber, just come to the Council and do it. While we were are in the process of trying to train that person for the higher positon, let us just keep it dollar-funded. That is my feeling right now.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Is it the core function of this second plumber just to unplug toilets?

Mr. Tabata: No. We do not only service parks. We have all of the other County facilities like Fire, Police, the Public Works baseyards, and the Līhu'e Civic Center.

Mr. Dill: All County facilities.

Mr. Tabata: Yes. We have three (3) right now.

Councilmember Yukimura: Some of them are actual plumbing jobs that could not be done by noncertified plumbers.

Mr. Dill: What Councilmember Kagawa may be referring to is that Parks has stepped up to fill that gap a little bit, so often on a weekend when an emergency call would happen, it is a backed up toilet in a County restroom at a park. The Park Caretakers are taking the first step of trying to clear it with a plunger, but if it goes beyond that at all, they need a plumber. That is I think what Lenny was talking about, that Parks has stepped up a little bit in order to help out with the situation when we were done to one (1) plumber. As Lyle says, I think we have three (3) plumbers now, so we filled a couple of positions.

Councilmember Yukimura: I am sorry. What do we have now?

Mr. Dill: I think we have three (3) filled positions now, right? Three (3) plumbers.

Councilmember Yukimura: Three (3) plumbers and you are asking for one more? No, with this trainee, that is the third one? While they are not fully skilled yet, you are moving them towards being fully qualified as a plumber.

Mr. Dill: It is important to get the HR Director here because part of the confusion is that we have plumbers and we have plumbing inspectors. This situation overlaps.

Council Chair Rapozo: When is she coming back?

Mr. Dill: In about thirty (30) minutes she says.

Council Chair Rapozo: Thirty (30) minutes?

Mr. Dill: Yes.

Mr. Barreira: Committee Chair, if I may, I understand where the Council is going in terms of trying to find a vehicle to save some money in terms of this operation, but what I think we need to be certain of is that dollar-funding a position that apparently is not vacant is not going to bring any harm in terms of that individual's collective bargaining rights with regard to the position that he currently holds permanently. Maybe the dollar fund is the acceptable vehicle, but I would ask if we could possibly defer until I can get clarification. I can make a call, even without the HR Director here, elsewhere and find the information.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: In order to train him, you need this other position because you give us some extra money for being trained or not? Do you get him temporary assignment? Can you manage with just dollar-funded, but no additional moneys? That is my question, I guess.

Mr. Barreira: This initiative is something relatively new, not in the literature, but for us. I have been learning of it from our HR Director as part of our vacancy review protocol, so I would prefer that we get the specific information. In the meantime, Budget Chair, I will get the information and see if we can step up to this.

Committee Chair Kaneshiro: We will hold the HR questions because I am also confused on this whole thing. Council Chair Rapozo.

Council Chair Rapozo: I have to visually write this thing down. Help me understand this. Do you guys need a recess? I do not need Janine right now. I do not understand that and I will get to that later. I have a question and I am going to use "John Doe." This is the trainee. I am a visual guy and I need to write this down because I am totally lost. John Doe is the trainee. Where did John Doe come from? What position was he in before he was trained or entered into training?

DOUGLAS HAIGH, Chief of Buildings: Supervising Plumber Maintenance Worker.

Council Chair Rapozo: Supervising Plumber Maintenance Worker.
What position?

Mr. Haigh: 1849...

Council Chair Rapozo: No, you said 1849 was the position that you were
training this guy into.

Mr. Haigh: It was 1539, the position that John Doe is coming
from.

Council Chair Rapozo: 1539...

Mr. Haigh: Is the position the trainee is coming from.

Council Chair Rapozo: Where is 1539?

Mr. Haigh: It is in the maintenance side.

Council Chair Rapozo: Okay, so he was a Plumber II.

Mr. Haigh: Yes.

Council Chair Rapozo: So you took a Plumber II and you are training
him to be the 1849.

Mr. Haigh: Yes, that is correct.

Council Chair Rapozo: Okay. So what happens to the funding in the
Plumber II 1539? What happens to that funding?

Mr. Haigh: That funding stays there, and then we will be...I
believe we already made the transition...once we formally make this move, which we are
still in the process of, the person who is...

Council Chair Rapozo: What move are you talking about?

Mr. Haigh: Okay. The training...it is a little more complex
than just what we said, but he is going to...what we have done is we are moving into a
temporary Plumber I position because the Plumber II in maintenance can qualify for the
plumber inspector position. Okay, so we are creating a plumber inspector position with the
Revolving Fund, and he will move into that position, and then—actually, we downgraded
the Supervising Plumbing Inspector to a Plumber Inspector. We are going to move the
current Plumber II into the Plumbing Inspector. Then in the training program, we will be
creating the Supervising Plumber with the Building Revolving Fund, and then he can
temporary assign into that position and train to that position. It is kind of complex and
very creative, but I think it is really a big benefit for the Building Division. Once we do
that, then back on the plumbing maintenance side, we can move up one of our plumbers to
be then the Supervising Plumber.

Council Chair Rapozo: Thank you. I am ready to vote.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I think that the clarity to me...there are three (3) different positions and they are all fully funded. Is there only one (1) body or are there two (2) bodies?

Mr. Haigh: Currently, there is one (1) body moving.

Councilmember Kualii: Okay.

Committee Chair Kaneshiro: Any further questions? I think we are ready to call for the vote. If the members want to ask HR to try and describe this confusing process, I am open to holding off, but we will keep moving on. Do any of the members have a question for HR?

Council Chair Rapozo: I do not think HR can make it any clearer. It is real clear. I think Councilmember Kualii summed it up. We are fully funding three (3) positions to train one (1) person. That is how I read it.

There being no objections, the meeting was called back to order, and proceeded as follows:

Committee Chair Kaneshiro: I actually need a motion and a second.

Council Chair Rapozo moved to Dollar Fund Position No. 0142 (Plumber), seconded by Councilmember Kualii.

Committee Chair Kaneshiro: Thank you. Can I get a roll call vote, please?

The motion to Dollar Fund Plumber Position No. 0142 (Plumber) was then put, and carried by the following vote:

FOR MOTION:	Kagawa, Kualii, Rapozo, Kaneshiro	TOTAL – 4,
AGAINST MOTION:	Hooser, Yukimura	TOTAL – 2,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Any further questions for the Department of Public Works? Any further cuts for the Department of Public Works?

Mr. Haigh: I would just like to make a statement.

Councilmember Kagawa: You cannot.

Committee Chair Kaneshiro: We are moving on.

Mr. Haigh: Okay. That is okay.

Committee Chair Kaneshiro: Any further cuts to the Department of Public Works?

Council Chair Rapozo: I have a real quick comment.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: If the Administration is going to create a training program, then let us do that and let us create training positions if that is what we are going to do. I honestly do not understand a word that you said or a word that you said. I just do not. Janine is not here to explain, which really does not matter. I think for me, that is why the provisos were put in years ago because it is this unknown...it is these...whatever is legitimate, legal, or whatever. At the end of the day, the Council has no idea. We get presented a budget and within six (6) months, it is all different. We never know. The public does not know. You can call it "creative" or whatever you want, but at the end of the day, we have the same discussion every year. If you want to do training programs within the County, then that is fine and I support that. But then that means that you do not really need the positions that you are asking for. You are using the positions to tell us that we need a Plumbing III or II or whatever, but we really do not need it; we just need the position number to train. I think that is where I am struggling with. That was really meant for us here, not the Administration.

Committee Chair Kaneshiro: After Councilmember Yukimura, I want to move on.

Councilmember Yukimura: The Public Works Division is trying to get a job done and they are trying to do it with whatever parameters they are dealt with. An in-house training program, on-the-job training, is a wonderful thing for our employees to be able to better themselves and move up internally. I see them trying to provide that and solve their problem of not being able to fill positions from the outside. This is work that we should be rewarding supporting...this is what we want. We want them to get the job done. We are supporting employees moving up. I am astounded that we cannot support this.

Committee Chair Kaneshiro: If there are no other questions for the Department of Public Works, we are going to move on to the Department of Parks and Recreation. Any cuts for the Department of Parks and Recreation? Councilmember Kualii.

Councilmember Kualii: I will start with Position No. 1985, Tree Trimmer Helper. It is for a reduction of one (1) month of funding of a total reduction of \$5,290. In my analysis of the vacancy report, the positions are being classified, and then they will be recruited. The recruitment could go quite quickly because there is potential for promotion from in-house so that is why I am only asking for a one (1) month reduction, instead of a three (3) month reduction.

Committee Chair Kaneshiro: Are there any discussion or questions on this line item?

Councilmember Yukimura: May we hear from the department?

There being no objections, the rules were suspended.

IAN K. COSTA, Deputy Director of Parks and Recreation: Ian Costa, Deputy Director of Parks and Recreation. The one (1) month reduction is fine. It will take at least that long.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Do we have any further discussion on this? Can we get a motion and a second?

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Kualif'i moved to reduce Position No. 1985 (Tree Trimmer Helper) and associated benefits by \$5,290, seconded by Councilmember Yukimura.

Committee Chair Kaneshiro: Thank you. The motion on the floor is to reduce Position No. 1985, Tree Trimmer Helper, and associated benefits by \$5,290. Can I get a roll call vote, please?

The motion to reduce Position No. 1985 (Tree Trimmer Helper), and associated benefits by \$5,290 was then put, and carried by the following vote:

FOR REDUCTION:	Hooser, Kagawa, Kualif'i, Rapozo, Yukimura, Kaneshiro	TOTAL – 6,
AGAINST REDUCTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Councilmember Kualif'i.

Councilmember Kualif'i: The next one of the two (2) positions is very similar, which is to reduce one (1) month funding of Position No. 1986, which is the Aerial Truck Operator, for a total reduction of \$5,882 and it is the same situation where it is being classified, and then it would be recruited, and it could go quickly with a promotion. That is why it is only for one (1) month.

Committee Chair Kaneshiro: Any questions from the members?
Councilmember Yukimura.

Councilmember Yukimura: I am thinking that there are no objections.

Mr. Costa: Yes, it is acceptable for the same reason.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further discussion? Can I get a motion and a second?

Councilmember Kualif'i moved to reduce Position No. 1986 (Aerial Truck Operator) and associated benefits by \$5,882, seconded by Council Chair Rapozo.

Committee Chair Kaneshiro: The motion is to reduce Position No. 1986, Aerial Truck Operator, and associated benefits by \$5,882. Can I get a roll call vote, please?

The motion to reduce Position No. 1986 (Aerial Truck Operator) and associated benefits by \$5,882 was then put, and carried by the following vote:

FOR REDUCTION:	Hooser, Kagawa, Kualif'i, Rapozo, Yukimura, Kaneshiro	TOTAL – 6,
AGAINST REDUCTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,

SILENT: None

TOTAL – 0.

Committee Chair Kaneshiro: Are there any further cuts for the Department of Parks and Recreation? Councilmember Yukimura.

Councilmember Yukimura: I have a combination of cuts from the General Fund—no, it is kind of complicated. If it is okay, I would like to do it all at once at the end.

Committee Chair Kaneshiro: We will go through all of the cuts for the Operating Budget. If it is an Operating Budget cut, then we can do it at the end of the Operating Budget cut. If it is a combination of Bond Fund or General Fund CIP Projects, then maybe we will go through the CIP projects first, and then you can do your combination cuts.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: We will see how it goes as we get there.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further questions? No more cuts for the Department of Parks and Recreation. Any cuts for the Agency on Elderly Affairs? Any cuts for the Housing Agency? Any cuts for the Transportation Agency? No cuts? Any cuts for Public Works – Roads, including the baseyards? No cuts. Let me know if I am going too fast. Any cuts for Auto Maintenance? Councilmember Kualii.

Councilmember Kualii: I am not finding my notes right now, but my proposal is to reduce three (3) months of funding for Position No. 1332, Construction Equipment Mechanic II, for a total reduction of \$22,000. I am going to assume that in my thorough analysis of the vacancy report, it is along the same lines that it is currently vacant and it either has not or will only soon be starting recruitment and will more than likely not be hired by July 1st. I will keep trying to look for my notes. You can help us Lyle.

Committee Chair Kaneshiro: Lyle, I think the question is do you feel that you are going to fill this position prior to three (3) months of the next fiscal year?

There being no objections, the rules were suspended.

Mr. Tabata: Lyle Tabata, Deputy County Engineer. Let me check my calendar over here. I believe we can live with that. If we need to fully fund, we can come back.

Councilmember Kualii: I did find my notes. It says, “Difficult to fill; re-describing to Heavy Construction Equipment Mechanic; currently not recruiting.” Even if we got the re-description reallocation done within the next several weeks, and then open the recruitment—you said it was okay.

Mr. Tabata: Yes.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Any further discussion on this item?

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Kualii moved to reduce Position No. 1332 (Construction Equipment Mechanic II) and associated benefits by \$22,000, seconded by Councilmember Yukimura.

Committee Chair Kaneshiro: The motion is to reduce Position No. 1332, Construction Equipment Mechanic II, and associated benefits by \$22,000. Can I get a roll call vote, please?

The motion to reduce Position No. 1332 (Construction Equipment Mechanic II) and associated benefits by \$22,000 was then put, and carried by the following vote:

FOR REDUCTION:	Hooser, Kagawa, Kualii, Rapozo, Yukimura, Kaneshiro	TOTAL – 6,
AGAINST REDUCTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: Any further cuts for the Auto Maintenance Division? Next, we have the Department of Liquor Control. Any cuts for the Department of Liquor Control? Any cuts for Solid Waste? Any cuts for Wastewater? Any cuts for the Wailua Golf Course? This is our last item for the Operating Budget.

Councilmember Kagawa: I have an overall cut, if I can present it. Councilmember Yukimura can go first if she wants to. My amendment is being prepared.

Committee Chair Kaneshiro: Are there no cuts for Wailua Golf Course? No. Okay. We can either move on to the CIP Budget...if we have operating costs...

Councilmember Kagawa: The staff is printing it right now.

Committee Chair Kaneshiro: Okay. Councilmember Yukimura, do you have Operating Budget cuts or should we go into the CIP Budget?

Councilmember Yukimura: I have one that increases revenues in order to free-up General Fund moneys.

Councilmember Kagawa: I am ready.

Committee Chair Kaneshiro: I will come back to you.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: This is a big one; hold your seats. I have a cut for \$1,000,643, all from the General Fund departments, agencies, and everybody, who is up for a cut, including our own Council Services. This is an eight percent (8%) cut to the OPEB Budget. Let me start by saying, "This is not a cut that will short fund our OPEB account. I expect every department to pay one hundred percent (100%) out of their current funds and the question is, "How do I expect that?" Well, if I am looking at just the

past two (2) years—if we can go back, I have gone over this with our previous budget officer who was probably in that position for about thirty (30) years, and ran it by him and he said, “Great idea. We cannot line-by-line figure out where these savings...” It is coming from our CAFR. Look at page 34. Last year, our total General Fund lapse was \$10,730,916. The previous year in 2013, the General Fund lapse totaled \$11,202,000. This lapsed amount has been there every year and my question to the Administration and to the department heads is how much more could have been saved if we did not splurge at the end of the year? I have worked for a government agency that we were told by directive that you either spend the money or you are going to lose it the next year. If you do not show that you could spend it, you are going to lose it. What happens is that at the end of the year, you have unnecessary purchases being made, some in large amounts from May to June, just to show that we did spend all of the money. Still, even though that is going on, we still end up...again, with \$10,000,000 last year...\$10,700,000 and \$11,200,000 the prior year. Chair, we sat here and I had a huge cut last year of \$2,000,000 and I tried to use that same justification and I was told by Chair Furfaro, “No, this year is a tight budget. There will not be anything left almost.” Then what happened? We get \$10,700,000 in General Fund lapses; \$500,000 less than the prior year. The worst case scenario is that if the savings are not going to be achieved, then we may be a little bit short from OPEB, but what can happen is what we had this year. You come to the Council for that \$1,000,000—I hope it is smaller than \$1,000,000 because this is \$1,000,000 right here that we are cutting with eight percent (8%), but you come back to the Council in April or May and we will pay it. Let us try and see if each department can finally tell us where they can save money and just try to be really strict on their spending, and I think we can achieve it because this money is no lie here. Certified Public Accounts (CPAs) audit this every year and the public knows about it. I think I have also talked about it every year as well. Let us try to be financially efficient as people out there are doing right now. They are struggling, paying bills. Let us try to do the same thing as a County. It is just merely \$1,000,000...from \$10,000,000, \$11,000,000 is not even ten percent (10%) of what is actually being saved. I can read off some of the big ones. The large ones obviously are Police and Fire. In 2014, Police and Fire had a combined lapse of \$2,400,000. In fiscal year 2013, they had a lapse of \$2,500,000. So it is every year and their total cut of the \$2,500,000, eight percent (8%) totals \$287,000. Tell me, can this be done or not? Is there going to be positions that we hope to fill that do not get filled, and we can pay our one hundred (100%) OPEB just eight percent (8%) more or not? If it cannot be made and we end up being efficient like...we end up spending and we do not have this kind of lapse, then you can come back to the Council with the money bill. Even in our own office...because you always point the finger at yourself first, but we lapsed \$759,000 in 2013 and \$414,000 in 2014. Every department has some. Of course, the smaller offices have smaller ones like the Civil Defense Agency with \$53,000 or \$63,000 or something. Doug was just here and he was really upset that we made a cut to his division, but the Building Division lapsed about \$220,000 in 2013 and in 2014, they lapsed \$250,000. There is money. For salaries, they have to come to the Council if they want a position funded, but for other things, I am saying—even for this OPEB moneys that are going to be missing from Buildings, they have the moneys in there to pay for these expenses. I am just trying to get us so that at least we can say that we are not \$700,000 short of finally having our expenses match our revenues. This is a cut that will put us over the top. We are at \$478,000 right now. If we merely cut \$220,000 more, we will be close to being revenues equal expenses, and I think that is what the public wants to see, which is for us to finally stop dipping into our reserve. I ask members to support this in full. I think the concept is there. In the past, I think I have kind of been brushed off as, “You are wet behind the ears. You do not know. That is why I cannot support your cut.” This CAFR is the most honest thing that can be. There is no “B.S.” around this CAFR. This CAFR is audited by CPAs every year. We have extreme overages every year and it is not a bad thing, as our Finance Director explained. It is a good thing. It is good to have that reserve. It is good that we can count on having \$10,000,000 or so in the CAFR, but to me, let us restrict each department a little more. Let

us tighten our belt a little more and let us see if we can achieve even greater efficiency among each department. That is our job. Our job is to restrict those funds in tough situations. I am trying to get us to a place where we can be first, financially stable, and second, if we can take the next step and try to get more savings out of the departments, because there is no department that wants to give up even \$1 of cuts because everybody feels really strapped. That is understood. Let us just vote it up or down. You either believe in that concept that the savings is real and that we can achieve something positive, and if you think it is just a negative cut, it is all against the OPEB—let us remind ourselves at the end of the day, too, that our County of Kaua'i taxpayers are on the hook. Right now, if you go by population, of the \$11,200,000,000 State OPEB shortfall that the State is short of—\$11,200,000,000 now—if we go just by population, our Kaua'i taxpayers owe \$552,000,000 right now in pension fund for State. If the County of Kaua'i...we can say, "We do not owe anything." Our people do. They owe over half a billion. It is huge. It is almost like saying, "I do not owe this bank anything, but I owe this bank my whole house." If the County is short on the OPEB, I say that...it is not what I want to do...pass the burden onto our children, but then again, the burden is on them right now, to the tune of \$552,000,000 by the State. Thank you.

Councilmember Kagawa moved to reduce the General Fund OPEB by a total of \$1,000,643, seconded by Councilmember Kualii.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I just have a couple of quick questions. In past, I have talked about across the board cuts, but this sounds like it is out of the OPEB line item, so it looks like it is short-funding OPEB. I am not sure if I am hearing short-funding OPEB, but not really...are we expecting to pay it full or no?

Councilmember Kagawa: Yes...

Councilmember Hooser: The budget says that they do not have to pay it full. Your proposal says they are allowed to pay at eight percent (8%) less.

Councilmember Kagawa: Yes, but my directive is on a legislative end. If we pass it, I am saying that, "You are not fully funded, but we expect you guys...in this CAFR, we see that you have savings every year." You can bring up any department right now and I will tell you what the numbers were for the past two (2) years.

Councilmember Hooser: No, I understand that part of it. It is a little confusing if we are passing a budget saying that we are only funding ninety-two percent (92%) of OPEB, but yet we are expecting everybody to pay one hundred percent (100%) of OPEB out of the rest of their budget, right? Is that what the intent is?

Councilmember Kagawa: Yes.

Councilmember Hooser: Okay. My second question is all of this intended to be savings or are there going to be some asks later on today or tomorrow to spend some of this money?

Councilmember Kagawa: I am not sure yet. I will see what that bottom line is. I want to end up where we have revenues matching expenses. It will depend where we are at.

Councilmember Hooser: It matters to me whether this all goes to savings or whether it is going to other projects and stuff.

Councilmember Kagawa: Just to be forefront, I have an addition of \$500,000 to the Kekaha Host Community Benefit and that is because I have just learned about two (2) months ago that we have extended the life of Kekaha Landfill from six and a half (6.5) years to twelve and a half (12.5) years, and that caught me by shock. I am going to be giving the community what they had asked me prior to the budget. They have approved myself and Council Chair to see if they could continue. They said that the community is elated at the \$800,000 that we first gave them, but they are short and that they need more. They wanted \$2,000,000, but I said, "I cannot give you \$2,000,000." Now that we are extending another six (6) years, I think we owe them something.

Councilmember Hooser: So the intent is to take half of the short-funding of OPEB and give it to the Kekaha community?

Councilmember Kagawa: Yes.

Councilmember Hooser: Okay. That is all I have for now.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I just wanted to clarify with you, Vice Chair Kagawa, that in essence, this is an eight percent (8%) cut to fully funding the OPEB at one hundred percent (100%) and the hope or expectation is that the departments and divisions will ultimately in the next nine (9) or more months come up with at least enough savings to cover that cost. In other words, if you look at the exercise we have been going through all day today, we have had to piece this together by \$10,000, \$20,000, and \$30,000, and we are only at \$478,000; we are not even at a balanced budget yet, and I want to achieve that as well. All of my position cuts, which positions is eighty-two percent (82%) of our budget, \$98,500,000, and we have only been able to make a dent in that with \$114,000. Why? Because I am sitting here. You, as the Administration and the managers on the line; the department directors and division managers; you know better where you can find what we need. It is just eight percent (8%) and we fully funding. That is not required by law. We are going to, in the end, want to pay it in full because we do not pay any additional interest or what have you, but we need your help. You can do it because it has happened year after year, and that is why I am just so happy that you have the courage to step out and do this and I am right there with you and ready to fully support you and expect that in the long-run, we will have the Administration working for the people in this matter as well.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: What level are you saying will take us to a balanced budget?

Councilmember Kagawa: I believe that the Mayor's Supplemental Budget was I think \$770,000 or so over expenses, over revenues.

Committee Chair Kaneshiro: I just want to clarify that the budget is balanced, but it is a matter of, as we mentioned before, us taking from our savings and putting in our checking—what is the exact number that we are taking from our savings?

Councilmember Yukimura: Can we have them come forward because I would also like to hear their response and how they see the impacts are going to be?

There being no objections, the rules were suspended.

KEN M. SHIMONISHI, Director of Finance: Ken Shimonishi, Director of Finance. I believe that if you look at the ordinance, we are using \$440,000 approximately of General Fund Unassigned Fund Balance to balance the budget. In addition to that, we also anticipated the impacts of Bargaining Units 2, 3, 4, and 14 of another \$1,300,000, so that would put it around \$1,700,000, I believe, is the number that we were using. I am a little concerned to be honest to hear the Council moving towards an across the board reduction of eight percent (8%) on OPEB for benefits that the employees have bargained for. We receive an actuarial report of what the OPEB expenses are expected to be based on covered payroll, which is done every two (2) years and we adjust our budget accordingly. Now, in the event that we go down this route and we say, "At the end of the year, we need to come and fund the remaining balance of the annual required contribution," which runs about \$7,500,000 or maybe more; that payment is due around the first of August. At that point, it is too late to come back to the Council to ask for a money bill to restore the funding because that money bill is already into the next fiscal year. The issue for the current year was that we came back after the CAFR was done and the Council wisely restored the funding of approximately \$1,500,000 within the current year, so we have the funds to be sure that we can cover the current year's obligation at the end of the year. Is there a lapse in the funds at the end of the year? Obviously, there is. Again, I would caution the Council not to confuse the lapse in the funds with an increase in Fund Balance. In you look at the CAFR, the CAFR shows that we actually ran at a deficit last year; we ran at a deficit for the last three (3) years. So do not confuse the lapse with an increase in Fund Balance. That is pretty much what I have to say.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Ken, which I look at this...let us just kind of take a couple of steps back. When I look at the Police Department last year, they show a lapse of \$1,900,000, so does that not mean that they had budgeted \$1,900,000 more than what they spent?

Mr. Shimonishi: I think it means that they intended to budget and spend according to that, but things happen and ultimately funds do lapse. I will say that on the OPEB budget line, we are very strict on controlling that OPEB budget and not to allow departments to transfer moneys out of that until after, in fact, at the very end of the year where no other resources are available and we are sure that we can make our OPEB payment. That would be the controls we have on that line.

Councilmember Kagawa: I understand. So that \$1,900,000 of savings—somehow, there is an accountant that handles the Police Department's *kuleana* that knows that we have \$1,900,000 of available funds, and if their portion was \$140,000, just pulling half of the amount for Police and Fire that I am cutting; would it not be possible for that accountant to say, "Well, we have this much leftover: \$1,900,000. Let us pay the \$140,000 bill. We still have \$1,700,000." I am trying to restrict the budget because as a former accountant, we look at history and prior years; not prior "year," but prior "years." This lapsing amount is always there, like the Police Department had \$901,000. I am not picking on Police. There is every department, including Council Services, who have lapsed amounts. I am saying that would our accountants in each division not be able to try, at least, and achieve some of that eight percent (8%) savings that I am creating? Would that not help the taxpayers? Do we just always over budget and that is the right way to do things? That is my question.

Mr. Shimonishi: I think the nature of the way that the budget is established and the fact that departments are not allowed to overrun their budgets ultimately ends up in a certain amount of savings, whether it would be through some vacancies that occur or some projects that do not get off the ground. That is just inherent to the nature of the way the budget is built. As far as specifics to the Police Department and why things did not go the way as budgeted, I think, Assistant Chief Mike Contrades can provide some input to that.

Mr. Contrades: For the record, Michael Contrades, Assistant Chief, Kaua'i Police Department. In the presentation, I provided a full explanation of our lapsed fund. Vice Chair Kagawa, I know you were not here, so I can get that to you. There are certain factors that occur that do not allow us to spend the entire budget sometimes. We try very hard. When I first started dealing with the budget, I turned to our accountant and said, "We are going to return zero dollars. We are going to spend what we are supposed to spend and do what we are supposed to do." She smiled at me because I was new at it and she realized that I did not understand the full budget yet. The reality of it is that we spend about, I think at this point, \$2,000,000 a month in salaries. Computing and figuring out over time is not something that happens immediately. It takes a few weeks of catchup to realize how much money we spent the month prior. There are other factors within that, and I wish I had the total list with me, but something like say, for example, autopsies. We budget a pretty fair amount of money in there for autopsies and when those funds are not spent...that is a good thing. That is something that we want to return moneys for not having to do autopsies. That is something we could not gage, that it depends upon what happens throughout the year. Helicopter fuel is another one. I think we have about \$7,000 or so. If we do not have to use that money for search-and-rescue, that is a good thing to return, so there are a number of those things and I would be happy to share that with you.

Councilmember Kagawa: I understand. What I do not like to hear is that we tell our accountant to spend everything. We make sure we are doing that. Let us spend if we need to spend. If we can save, let us not spend. I do not want to continue this process that at the last two (2) months, everybody splurges so that we show that we spend all. That is not wise. I think in tight situations, we have to try and cut down those kinds of actions. I am not saying that any particular department is doing it, but what I am saying is that historically in government, that has been a practice because if you do not spend it, naturally, they will cut your budget the next year. That is why it was my reasoning that maybe by doing this kind of cutting that goes beyond the cuts that were already made—not to one (1) department. Everybody shared a burden, including ourselves. Let us see if we can find something positive. This is just a really philosophical debate about of how one finds the best way to restrict spending, and if you want it, you vote for it. If not, vote it down and let us move on.

Mr. Contrades: If I may, as far as the Police Department, I just wanted to express that is what we have done. We have been very conservative these past several years in our spending. That also contributed to the return of the moneys; the lapsed funds.

Mr. Barreira: Vice Chair, you raised that concern a few times today, in terms of the large spending at the end of the year. I came from the State and I can affirm that what you are saying is correct. That was the message that was made. Here in the County, the controls are quite impressive, and because I manage the Purchasing Division, I can tell you that if large expenditures at the end of the year are not budgeted for and if they do not conform with deadline requirements, they are not allowed at the end of our fiscal year. There has to be a managed controlled process of expenditure throughout the course of the fiscal year.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: You expressed that you have grave concerns that the Council is not exercising caution, so I wanted to ask with regards to the OPEB funding and whether it is one hundred percent (100%) funding; what is our, as a County, minimum obligation to the OPEB funding in each fiscal year? So for the coming year, there is a State law, is there not? We are the only County that funds at one hundred percent (100%). The other counties do not. What is our minimum obligation by State law and what is our minimum obligation by...you also mentioned the collective bargaining agreements. Obviously, you are not going to not be there in the end for our employees, especially not for their retirement, which is a very important benefit to our employees.

Mr. Shimonishi: I believe that the minimum obligation this year is forty percent (40%) of what is calculated to be the liability or the annual required contribution. Right now, that contribution runs at approximately \$15,000,000 a year, so you can do that math. Again, I cannot stress the importance of the fact that if we not fund at what we have been funded, the one hundred percent (100%) of the annual required contribution, that ultimately, it costs us a lot more down the line, and in fact, Councilmember Kagawa had requested an analysis of what the impacts would be had we short funded, as we did last year, \$1,500,000, and also what that would be if we short funded the subsequent year of \$1,500,000. We proposed that scenario to the actuarials. They came back and said, "Basically, if you short funded \$1,500,000 in the current year, it would cost you \$2,300,000 going out the next, I believe, twenty-five (25) years, and if you short funded again, \$1,500,000, then that would cost you a total of \$6,400,000 more." It is really trying to stay diligent and continue our one hundred percent (100%) funding of OPEB and the payment thereof.

Councilmember Kualii: If I was a pessimist and I did not believe that we would have the surplus savings to get back to paying one hundred percent (100%) next year in March, then that would hold through, but when this happened before in the prior year...I do not know if it was last year or the year before, you mentioned \$1,500,000 and that it would cost \$3,300,000 in interest going forward—that did not happen though. That is what could happen if we did not have the surplus at some future date to cover it.

Mr. Shimonishi: Correct. That was a scenario in the current year's budget that we asked to have the OPEB restored and the additional money was if we had not done that and we do not make the full payment, that would have been the impact going forward.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Is it not best practice that we fund OPEB in full?

Mr. Shimonishi: I would say so. I think it would be the prudent and the right thing to do to meet our obligations for what was bargained for by the employees.

Councilmember Yukimura: Just nationwide, the criticism and the concern are for jurisdictions that do not fund their OPEB because of the additional costs that you incur, which you just described, right? Is that not something also even bonding rating companies will look at, too, if we are not keeping out OPEB current?

Mr. Shimonishi: Yes. Actually, I believe there is new Governmental Accounting Standards Board (GASB), GASB 68, that will ultimately require the entities to show their unfunded actuarial accrued liabilities on the books, so it will show up as what is due, so to speak. There is not getting around it. Really, if we were to have funded according to the State mandated minimum—again, in that actuarial report, not only would it have cost the County more in terms of paying out more money down the line, but it also costs in terms of the actual planned assets not growing and not being there to provide the returns, and that scenario between funding at one hundred percent (100%) or funding at the State minimum, which was some difference of \$42,000,000.

Councilmember Yukimura: That is really scary when you think about the State's situation. I have been so proud of our County that we are doing the right thing and I think this amendment is asking us not to do the right thing. Let me ask one more question. In any budget, because budget are estimates, you will have some generally money lapsing, right? Is the not question whether there is going to be lapsing money, but what is a reasonable percentage of lapse? Has it not been lessening over the years, as we have tried to establish tighter budgets?

Mr. Shimonishi: I believe so. Since I have been here, we have started to provide better tools to the departments to everyone who is doing their budget and giving them a three (3) year analysis of their actual expenditures and how they can tighten up their budgets. Again, I think just the nature of how the government budget works, where you cannot over expend your budget results always in departments having some sort of positive dollars or positive budget dollars remaining. Clearly, we need to work to continue to tighten that up. In the private sector, if you run over budget, you run over budget and explain it, whereas here, you basically cannot. It is just the law that you are not allowed to run over budget.

Councilmember Yukimura: Is there not also a message that we send to our departments if we do this kind of cutting that they will always try to budget way over to protect themselves?

Mr. Barreira: Well, as Vice Chair had pointed out, that has been the strategy at the State level many times that you over budget so that when you go to the Legislature, you ask for four (4) positions, although you need one (1), because maybe you will get one (1) in the process. Yes, I think that is a potential risk in terms of departments trying to strategize and try to cushion the potential impact upon their operations.

Councilmember Yukimura: If you do not say...

Councilmember Kagawa: Can we vote?

Councilmember Yukimura: I am asking questions.

Councilmember Kagawa: You are talking about your philosophy.

Councilmember Hooser: Point of order. I think Councilmember Yukimura has the floor.

Committee Chair Kaneshiro: Councilmember Yukimura can continue to ask her question.

Councilmember Yukimura: Okay, let me remember where I was. I am just asking about the message that goes out to our departments if we do this kind of cut and say, "Now you have to pay your OPEB through your budget," then what kind of message are we sending to them in terms of what kind of action we want on the part of their budget?

Committee Chair Kaneshiro: I will give you...

Councilmember Yukimura: I am trying to understand the consequences of this kind of budgeting. That is all.

Mr. Shimonishi: I think, yes, that you send the message that departments need to pad their budget.

Committee Chair Kaneshiro: I am going to take a caption break. I know that we still had a few more questions. Council Chair Rapozo has not even had a chance to ask his question, but I know we are running close to our caption, so let us take a ten (10) minute caption break and come back to this.

There being no objections, the meeting recessed at 3:42 p.m.

The meeting reconvened at 3:53p.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. Just to pick up where we left off, we are talking about the motion to reduce the General Fund OPEB by \$1,000,643. We had a question from Councilmember Yukimura and I think it was Councilmember Hooser's turn for a question.

Councilmember Hooser: I lost my train of thought. Just for the public's perspective, what does OPEB stand for?

Mr. Shimonishi: "OPEB" stands for "Other Post-Employment Benefits" and that is for the health insurance premiums of our current employees upon their retirement, as well as those who have already retired.

Councilmember Hooser: So these are the health insurance premiums for people who are already retired, so they keep getting their health benefits and current employees who are putting them in the bank for retirement.

Mr. Shimonishi: Correct.

Councilmember Hooser: Okay. I think Councilmember Yukimura answered my questions, but by short-funding this account, does that affect the bond rating or how they look at...I know we had some issues last year where we were downgraded. Does this affect that rating at all or potentially?

Mr. Shimonishi: I know that it was mentioned in the ratings of our continued diligence to fund it as a positive thing, but I am not sure that it would actually ultimately affect it negatively, because again, it will show up on the balance sheet of the financials of the County, one way or another.

Councilmember Hooser: If the objective is to achieve a sustainable budget as opposed to a balanced budget, or money in and money out—if we are short funding an obligation, that does not really seem to accomplish the end goal. Is that correct?

Mr. Shimonishi: Correct.

Councilmember Hooser: Okay.

Mr. Shimonishi: In fact, you are actually increasing the cost in future years.

Councilmember Hooser: The fact that when we pay money in, it is invested in an investment account or something, so we are earning something on that.

Mr. Shimonishi: Exactly.

Councilmember Hooser: So if we are not putting in there, we are not earning anything and we have to catch up later, basically.

Mr. Shimonishi: Correct.

Mr. Barreira: There is also the principle pay down. There are two things: the interest and also the principle pay down.

Councilmember Hooser: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Ken, you just answered that question, so I have to follow-up. So you are saying that we are going to get no lapse next year on page 34?

Mr. Shimonishi: That is not what I said.

Councilmember Kagawa: Can you move moneys that are left in the budget that are not expected to be spent, like this \$11,000,000 that showed up in 2014 and the \$10,000,000 that showed up in 2013's General Fund lapse? Can you not move moneys to the OPEB account that is not needed in the current year expenses?

Mr. Shimonishi: You could, but I think you also have to look at, for example, if the savings is realized in your salaries account, some of that is budgeted there in order for you to fill a position or keep employees hired. To short fund that particular line item then means that you actually cannot fill that position now if the departments are expected to use that money to make up this OPEB cut, so to speak.

Councilmember Kagawa: So accounting-wise, it is impossible for you guys to accomplish paying the eight percent (8%) shortfall, even if a budget like Police where they had \$2,000,000 left in it. They could not pay whatever their balance was with...I have a whole list of reasons why they had that \$1,900,000 left, but you could not move these extra moneys that they had over to pay the moneys that I caught?

Mr. Shimonishi: The movement is allowed. I think what you also put at-risk are departments that do not have that money or may not have the ability to move the money, and if we are to come back for a money bill when we need to make the final payment, then at that point I am saying it is after the end of the fiscal year.

Councilmember Kagawa: So it is a timing thing, not an accounting thing?

Mr. Shimonishi: When we make the final payment on or about August, and if there are departments that are short, we do not have the time to put forth a money bill to fund that.

Councilmember Kagawa: The accountant would not have enough time?

Mr. Shimonishi: Yes, or the Administration would not have enough time.

Councilmember Kagawa: It is not a financial thing, it is a performance thing.

Mr. Shimonishi: I think it could be either or.

Councilmember Kagawa: To clarify further, if we reduce it by eight percent (8%), there is still ninety-two percent there, right? So come July 1st, we start paying our bills—I do not know if it is monthly, and we use that ninety-two percent (92%). How far does that ninety-two percent (92%) get us before we have no more money in that particular account to pay those particular bills?

Mr. Shimonishi: Technically, at the end of the year, we make one lump sum payment of nearly fifty percent (50%) of our annual required contribution.

Councilmember Kualii: At the end of the year?

Mr. Shimonishi: Right.

Councilmember Kualii: So we have the money to pay the end of this fiscal year, but are you talking about calendar year?

Mr. Shimonishi: No, fiscal year.

Councilmember Kualii: Yes, so right now, we are in May and you are going to make your final payment for the current year in June, the final month. Next year, the budget we are talking about, that all we are talking about is cutting eight percent (8%)—you have the ninety-two percent (92%) to get you through most of the year and at the end in May and June—in fact, you do not even need the ninety-two percent (92%) because you said you only need fifty percent (50%) because the final payment is fifty percent (50%). If it is not due until August of the next year, that means we have plenty of time for a money bill if you know there is no surplus.

Mr. Shimonishi: No, the fiscal year ends June 30th and we make the final payment for June 30th in August.

Councilmember Kualii: So Vice Chair's concern about in the last two (2) months of the year, where everybody is trying to spend down their budget so we can say that we spent it all—they can still do that because we are not going to hold them accountable for what is a surplus until the end of June 30th.

Mr. Shimonishi: We restrict that OPEB line on transfers of moneys out of there.

Councilmember Kualii: No, to go out of OPEB.

Mr. Shimonishi: Correct.

Councilmember Kualif'i: But savings could go into OPEB and I would hope that we can project savings on a quarterly basis. If we are at least three (3) quarters into the fiscal year, we already know that we were way behind track and so we are saving lots, millions that he has pointed out department after department, after department. So whether that department has an accountant in the department or not to make that decision on the transfer or Finance needs to work with them, we can do that. If it cannot be administrated by the Administration, then the money bill can happen from our side, too. To say that this is not possible, scary, and of cautious, I do not believe that from how I am seeing it.

Mr. Shimonishi: I think what I said was...

Councilmember Kualif'i: Final payment due August of 2016, to be clear, right?

Mr. Shimonishi: I am sorry?

Councilmember Kualif'i: When you said the final payment of fifty percent (50%) for this new fiscal year is actually due after the year has ended; fifty percent (50%).

Mr. Shimonishi: Correct.

Councilmember Kualif'i: Okay. Thank you.

Mr. Barreira: One more point, Budget Chair. The certification of funds for the fiscal year...so for Fiscal Year 2015, the CAFR that will certify the existence of a fund balance for this fiscal year is not going to be known until December of 2015, which is in Fiscal Year 2016. So while there might be informal numbers if we say we believe we have, there is no accounting verification/certification until December at the earliest.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. How many years now have we been required to contribute to OPEB?

Mr. Barreira: I believe we have been making one hundred percent (100%) contributions since 2008.

Council Chair Rapozo: So it has been about six (6) years...seven (7) years. The actuarial comes out every two (2) years, right?

Mr. Barreira: Yes.

Council Chair Rapozo: What has been the variance between what we have budgeted for and what the actuarial comes out?

Mr. Shimonishi: I do not have that off the top of my head, unfortunately, but I know that I think two (2) years ago, there was a mad scramble because they were \$3,000,000 short and basically had to try to rake every account they could find to try to make up the funding of what they were budgeting. I do not have the actual variance numbers.

Council Chair Rapozo: According to my recollection, it has been...we have over budgeted OPEB more times than not and I think that is the smart thing to do. We base the numbers on the information that we have. Again, the requirement was twenty percent (20%) and now it is forty percent (40%) and it goes up every year. The fact of the matter is that regardless of our...we are only required to pay forty percent (40%).

Mr. Barreira: By law, that is true.

Council Chair Rapozo: Correct. So we would not be in trouble if we, for some reason, had no surplus...if we had no reserve as we were approaching the end of the fiscal year. I do not see that happening. We are going to have a reserve. I do not think it is as critical as it may seem. I do not know where else to get funds. Where else do we get funds? We are trying to cut everything that we can.

Mr. Barreira: Chair, I think one thing that perhaps has been spoken in the past, but not articulated loudly enough, and this is not an accounting issue; this is a more pragmatic issue in terms of our collective bargaining obligations to our employees. The OPEB is a very critical component of those obligations to our employees. If we short fund it, sends that message that perhaps we are not looking upon that as seriously as we should. There are consequences down the line and if we do not face them today, someone is going to face them down the line, whether it will be us, our children, or generations after them. It is going to be a significant obligation to catch up to in terms of the unfunded liability.

Council Chair Rapozo: \$1,000,000 being held back from OPEB this year is not going to impact the retired employees. If it is, tell me how.

Mr. Barreira: In terms of people who are already retired?

Council Chair Rapozo: Yes.

Mr. Barreira: I would have to say that in terms of payouts, you are probably correct, but it does have an impact in terms of the long-range picture.

Council Chair Rapozo: Right. The intent is not to defund OPEB. I think what Councilmember Kagawa is saying is that we are going to...he is basically expecting the departments to...rather than kick the money back to the General Fund, Fund Balance, is to pick up the tab on the OPEB. I think that is what he has made quite clear. I do not think his intent is to not fund OPEB. It is just allowing the departments to take care of their own. That is how I hear it. Thank you.

Councilmember Kualii: And to fund it before it costs us any of this interest amount that you are telling us that we are going to pay all of this additional amount. The thing about short-funding—so, less than one hundred percent (100%). If you are saying if we are not fully funding at one hundred percent (100%), but if the State law requires forty percent (40%), then forty percent (40%) is an acceptable amount according to the law. It is not necessarily acceptable to us and, in fact, at this point, we are only talking about ninety-two percent (92%), which is double what forty percent (40%)...more than double, and we are talking about the intention in the future to use fund balance. Whether you help us or not, we, the Council can make those decisions to fully pay it before anyone loses anything. That is how I see it.

Committee Chair Kaneshiro: I have a question. Will it cost us anything if we voted to reduce the OPEB by \$1,000,000, and next year before the next payment is up, if we do not have the funds in certain accounts, will we use the Fund Balance to fund OPEB; whatever we have?

Mr. Shimonishi: Is the question, "Will it cost us anymore?" I do not think it will cost us anymore, but what I said was there would not be the time to process a money bill in time for when the final payment is due in August because the fiscal year has already passed. So the money bill coming forward would be actually after the fact that the deadline is due on the payment.

Council Chair Rapozo: Did we not just do that this year?

Mr. Shimonishi: No, we passed the bill to reestablish the current year's budget at one hundred percent (100%), not to make the payment on the prior years.

Council Chair Rapozo: The money bill we passed several months ago to restore the OPEB funding.

Mr. Shimonishi: Right. That is for Fiscal Year 2015, which ends June 30, 2015 and the payment on that final piece, the fifty percent (50%) or catch up payment would be August 1st.

Council Chair Rapozo: So we are covered?

Mr. Shimonishi: Yes, we are covered for the current fiscal year.

Council Chair Rapozo: Right.

Mr. Shimonishi: Correct.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Councilmember Kualifi.

Councilmember Kualifi: I have one more question. This "not having time to pass a money bill"—why would we have to wait to know how every department ended up and what their lapse or surplus was when really all we needed to do was pass a money bill for what was owed on the bill? So if eight percent (8%) is owed, it is \$1,000,000 and if it is not coming from any of the departments, we, as a Council, knowing it well in advance and however long the money bill takes, we could work together to figure out what that money bill needed to be, pass it to be available if it was needed on August to pay. Is that not possible? Am I oversimplifying it?

Mr. Shimonishi: I am not exactly sure we are notified on what the final payment is as well. I am not sure if that comes in the beginning of July because we do not make that determination.

Councilmember Kualifi: So if we only restored this \$1,000,000 and the bill came out to be more because they guessed wrong or forecasted wrong, how do we pay the difference with no time to do a money bill?

Mr. Shimonishi: Search and scour as best as we can.

Councilmember Kualii: Okay, so it is possible. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I am confused. First we are saying that the departments will pay for it.

Councilmember Kualii: We are the departments.

Councilmember Yukimura: But then we are saying, "Oh, we are just going to calculate eight percent (8%) and we are going to pay for it," with "me" meaning an aggregate form "we are going to pay for it." Are we saying that the departments do not have to worry about it?

Committee Chair Kaneshiro: What is your question?

Councilmember Yukimura: My question is that I do not understand the proposal because it sounds just like a timing issue and we are saying "deduct across the board eight percent (8%) of OPEB for the departments." One version is that they are supposed to pay for it out of their budgets, but how do they know and when do they know that they have this extra money? How does that time our obligations for making the payments? That is what I am not clear about. Can anybody explain to me?

Council Chair Rapozo: I can try.

Councilmember Yukimura: Okay.

Council Chair Rapozo: Right now in the current system, the taxpayers—and I am just going to use \$1,000,000 because that is what is on the table. Right now, the taxpayers put \$1,000,000 into the OPEB fund. It comes from the taxpayers. Then you have the departments, what Councilmember Kagawa is saying, that every department runs with a surplus. We have \$1,000,000 from the taxpayers and we have this surplus in the department budgets, so in essence, we have funding mechanisms on two sides to fund OPEB. What Councilmember Kagawa is saying is that we take out this \$1,000,000 from the taxpayer money and this surplus money from the departments will be used to fund OPEB. That is what he is saying. Right now you are basically...what I think I heard him say was, "Hey, departments, rather than spend that money collectively, \$1,000,000 through all the departments in the County—No, we are going to use that \$1,000,000 fund balance when the time is right to fund the OPEB that we withheld funding." I think that is what he is saying.

Councilmember Yukimura: But do not spend the money—by definition, they are not spending money. It is the surplus. I do not know about preventing all of this rush, because first of all, I do not know if there is a rush and we probably can see if someone does a spending curve, if there is a rush. I think more like our Assistant Chief has shown, they are trying not to spend the money, a lot of them, especially given the parameters we have developed for them, so you are going to tell them "do not try to save?" I do not understand. When do we have to pay it? We have to pay this in August, past the fiscal year and we have to pay it with the fiscal year's money.

Mr. Shimonishi: The fiscal year's budget, correct.

Councilmember Yukimura: But it does not get defined as a "surplus" until after the fiscal year, right? How do we access it until we know what the surplus is? That is

my confusion. The surplus does not get certified until the end of the year, past August. So can somebody tell me how we are going calculate this and do it timing-wise?

Council Chair Rapozo: With our monthly reports that we get from the departments that shows your budget versus actuals, you can make a determination. I think it goes without saying that we have always had a surplus. Real Property Tax, over the last three (3) years—you are going to have a fund balance. We know that. We went through this exercise last year. Did we not short fund OPEB last year?

Mr. Shimonishi: Yes.

Council Chair Rapozo: I do not recall having this aggressive discussion. I do not. It was not that bad. I do not know why this year it is so bad.

Councilmember Yukimura: We did it last year because we did not have any choice.

Council Chair Rapozo: We always have a choice. We did not cut as much last year that we could have. Like I said, rather than do the tough calls and making the tough cuts, we took the easy way out and cut OPEB, right? That is what happened. We sad, "Do whatever. We are short. We will just defund or short fund OPEB and worry about it later." This year, it is like that is the "sacred cow" and "do not touch that."

Councilmember Yukimura: We are cutting OPEB again right now.

Council Chair Rapozo: Exactly, because we need the funds. We have tried to cut and it is what it is. It all comes down to the vote.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: I am also trying to wrap my brain around this because it seems like it is fuzzy math. We have an obligation for OPEB, and I will repeat myself for the millions that are watching, but we have an obligation for OPEB, as Council Chair said over here, and we have our surplus over here and we are moving this \$1,000,000 to the surplus. But along the way, we lose \$500,000 or more in spending. That is something that we have not talked about yet. So the purpose of this exercise is not to increase our surplus; the purpose of the exercise is to have more money to spend because increasing the surplus does not decrease or make it any more sustainable; it just shifts obligations from one period of time to another period of time. So this is just an accounting trick, if you would, to shift money from here to there, and in the middle of that shift, you have \$500,000 to spend on projects that you want to spend on. In the meanwhile, there is this risk of having to figure out how to get that \$1,000,000 at the end before the surplus is certified. This whole exercise is just about getting extra money to spend. That is why I am having a hard time with it right now. It does not increase the sustainability of our budget. If you look at the board up there from what I can gather, we are almost there already. To take money away from our retiree account just to play with it—I am having a hard time understanding the rationale behind it.

Committee Chair Kaneshiro: Councilmember Yukimura, I am just going to say that I plan to end at 4:30 p.m. and I plan to get to this decision before 4:30 p.m., even if it is the last decision for today. We will come back tomorrow. So we can have a little more discussion and anymore questions. I think it is a hard decision, but I will give everybody a time to make a discussion about why they are going to vote a certain way and we are just

going to take the vote because we can probably debate this one back and forth again. I think it is a policy call on how we want to run the budget. Any further questions?

Councilmember Yukimura: I have one very critical question.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: If we do it this way, do we not start really cutting down on our surplus, too, that we have, ultimately? Are we not going to get smaller and smaller surpluses? Right now, it is not like a point zero five (0.5) surplus?

Mr. Shimonishi: I am not sure what we are referring to as a "surplus." I made a statement after the March submittal that the County has a General Fund Unassigned Fund Balance of approximately \$13,700,000 and we were estimating that we would use \$440,000 in this May submittal. There is another \$1,300,000 that we expect to use with the bargaining units impacts. Again, nowhere in there do we refer to a "surplus." It is an Unassigned Fund Balance that we have, which thankfully is a lot more than what we had last year. But in total, in aggregate, the General Fund, Fund Balance, whether it would be unassigned, committed, restricted, and so on, is actually less than what it was the year prior. I would really like to ask the Council that we not continue to refer to the "surplus," but rather it is an Unassigned Fund Balance.

Councilmember Yukimura: Okay. Will that not reduce our Unassigned Fund Balance over if we do this kind of...it is "kicking the can down the road" a little bit.

Mr. Shimonishi: Again, the reduction in the Fund Balance occurs when our revenues are less than our actual expenditures and transfers out. That is when a deficit occurs. So when you look at the CAFR, our actual revenues are less than the sum of our actual expenditures and transfers out, not what we lapsed.

Mr. Barreira: To answer your question, Councilmember Yukimura, if we are budgeting closer to actuals, which we have done for the past four (4) years, and if we are budgeting less or expecting more expenditures from the departments in terms of moneys that are not budgeted—in this case, we would have to take moneys budgeted for one purpose and allocate it to another purpose. Then yes, the outcome would likely be a smaller Unassigned Fund Balance.

Councilmember Yukimura: And we are trying to increase that over time? That is our goal, right?

Mr. Shimonishi: Yes. That is correct.

Councilmember Yukimura: So doing this kind of small "kick the can down the road" will actually be moving us in the opposite direction of where we want to go?

Mr. Shimonishi: Not funding it would end up costing us more.

Councilmember Yukimura: But I think the presumption is that we are going to be funding it, but in a delayed fashion. Am I wrong?

Mr. Shimonishi: I believe that is the proposal.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further questions from the members?

Councilmember Kualii: So the funding in delayed process—is it still funding it before it is due? The final payment of fifty percent (50%) is not due until August of 2016 and we, as a county; the Council and the Administration working together, have at our disposal a means of paying that final payment, pretty much no matter what it is, even if it is a little bit high. Because you stopped earlier when I said, “Oh, we will just have to scramble and find the money, but what is this \$13,000,000 Unassigned Fund Balance for if not to tap into in an emergency? It is sort of like the Reserve/emergency Fund or whatever you call it and it is not good for it to be going down. We have been guilty of spending more than we take in every year and that is why it has been doing down. This is a mechanism, if you will. It is not playing and it is not kicking the can down the road. It is holding ourselves accountable to budgeting tighter. What is wrong with budgeting tighter? Budgeting tighter means that we spend less and potentially in the long run, we save more.

Mr. Shimonishi: I do not have any arguments about trying to budget tighter. I think we all want to budget tighter. I think the issue was that if we needed to put forth a money bill in order to fund that catch up payment in August, there would not be the time to in order to get that money bill processed in order to meet that funding requirement.

Councilmember Kualii: So there is nothing in our existing process in doing our due diligence and the work of this County that we cannot figure out from today, May 14, 2015, until August 16th when that bill is due, that we can be in a position to pay that bill? I find that ridiculous. If it is going to take proposing some law change so that we have that ability procedurally, then we need to do that, I think. Do you not think so?

Mr. Shimonishi: I also think that we never know what comes up as part of the audit that would impact the fiscal year. I mean we have seen really large adjustments come in at the end when the audit work is being done.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: I have a question. We will try to wrap up your questions because I think we are going to end up running out of time. Last year, we had a \$13,000,000 lapse in Unassigned Fund Balance, but I still hear that we are still spending more than our revenues, so I think I am a little confused on that we are lapsing \$13,000,000, but we are still, in a sense, taking from our savings to fund our checking. I am not sure where the disconnect is because when I hear “we budgeted this amount”—unless we are borrowing an amount larger, then I can see why, but I am a little confused on that.

Mr. Shimonishi: Again, on the lapse; if you look at what was budgeted versus what was actually spent and you have that positive variance, that is what we refer to as a “lapse.” If you were budgeting to lose...I will just throw this number out because I do not have the CAFR in front of me—if you are budgeting to lose \$20,000,000, but you lost \$10,000,000, you would have a lapse of \$10,000,000, thinking that you did well, but the fact is that you still lost \$10,000,000. That is why I said when you look at the actual revenues coming in against the actual expenditures and transfers out, that is what determines the increase or decrease in our Fund Balance. At the end of the day, that is what really matters. “What did we do on our actual basis?” Yes, we try to budget and get it tighter and do whatever we can to trim it down, but really, the actual results are “what did we actually do?”

Committee Chair Kaneshiro: Councilmember Yukimura, and then we will just have the discussion after this.

Councilmember Yukimura: So if you say that we should budget as close to actuals as possible—OPEB is an actual, so if you do not budget it, you are not following the budgeting principle of actually putting your actuals in your budget.

Mr. Shimonishi: We are budgeting based on the actuarial data that was provided, the percentages that we should use on the covered payroll, which is basically what we budget for our payroll. To that respect, we are budgeting as close as we can to what we know the amounts should be.

Councilmember Yukimura: I know it fluctuates, but sometimes we can have over-budgeted and other times we could have under-budgeted, and budget is all estimates. So that is what we do, right?

Mr. Shimonishi: Correct.

Committee Chair Kaneshiro: I think I will give everybody three (3) minutes, I guess. I think we are going to have to take the vote on this. I will give everybody three (3) minutes to basically say why they are going to vote the way they do if they want to or if they do not want to say anything and just vote, then that is up to them. We are going to take this vote now as we are getting close to 4:30 p.m. and this will be the last item for today. Does anybody have any last discussion? Councilmember Kagawa.

There being no objections, the meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: Thank you, Chair. It all comes down to you, I think. We know where the votes are and if you feel comfortable it, you go with it. If you are not comfortable with it, you go against it. There good arguments to both sides. My intentions are good. My intentions are not to have a bigger balance to our taxpayers in the end—of course not, but what is the purpose? My purpose is I am trying to close the gap between these large amounts of lapses that are occurring every year, ever since the '90s probably, since I have been working with the County, and Alvin Honda on the budget with Ricky and Jade. We have been trying to figure this out from the '90s, "What is a way that we can cut one single account that can effectively get the County departments to spend a little less and spend a little more tightly?" There is not because every department does not have that same large account. The only account that you have is something like this and we have talked about this way back in the '90s. I am surprised with some of the questions because some of our members have been here for a while. This is a method of trying to restrict spending and this is not about trying to hurt the County or hurt the taxpayers. This is just merely an accounting method of trying to restrict government, like how a private business would. How do you achieve smaller spending? You reduce the amount that they can spend and you hope that you can achieve that, but if not, we have a "catch-all." Councilmember Kualii and Councilmember Rapozo stated that we have a method. I am sure that in our large departments, we have monthly financial statements and I am seeing the nods. In those monthly financial statements, I think if we go back historically, maybe we can uncover some of the reasons why each department here listed—like Accounting and Budgeting, they have had a \$267,000 lapse in 2013 and last year, they had a \$687,000 lapse. I would think Accounting and Budgeting knows why they had those amounts lapsed, and in hind sight, they could have paid whatever is their portion of the bill, whether it would be \$50,000 or \$80,000—whatever is eight percent (8%) of theirs. I do not have the exact figure in front of me. That is what we are trying to achieve. We are not

trying to achieve just going through the motions and in April we will get the \$1,000,000 bill that I made. What is the purpose of doing a cut when we are saying, "Oh, we are just doing it and then we are going to have..." No, that is not the intention. I thought I explained myself perfectly clear. I do not know what we are doing if we are listening to each other or not, but I am trying to listen to everybody else when they are talking. We have to just either vote it up or down. Do you believe in this accounting policy that we did? This is the same thing that we did last year. I think the intention was always to fund OPEB and the Administration came back with a money bill and we funded it. It was for \$1,300,000; \$300,000 more than this bill will take if we are accurate with our numbers. It is just up or down. What I am trying to do, and I apologize to Councilmember Hooser—I said \$700,000, but we are actually chasing \$1,700,000, as Jade pointed out. So we are \$1,250,000 short of reaching sustainability. Like I said, my add for Kekaha will not come up if that is the case. This will merely get us closer to a sustainable budget, which is my goal. I hope the departments can all pitch in, do the right thing, and spend what they need to spend. If they are short, please come up with a money bill in April. Even if this \$1,000,000 cut achieves a \$500,000 in savings, I think we would applaud ourselves. If it achieves nothing, then at least we tried. This is one way of being bold and trying to do things in a different way with achieving some efficiency for our County. Thank you, Chair.

Committee Chair Kaneshiro: Any further discussion? Councilmember Hooser.

Councilmember Hooser: I applaud Councilmember Kagawa for his effort. I have advocated similar strategies in the past, but the way this is targeted is towards an obligation, not towards a discretionary expense. It is difficult, in fact, impossible for me to support. If we were going to do across the board cuts on travel, overtime, or on other expenses—whatever that might be—five percent (5%) or ten percent (10%). Those are things that are not obligations. What this does is does not really achieve what is intended because it is just an obligation, just shifting one obligation to another. We have to pay that money. If we could cut travel and other things to achieve the \$1,000,000, then let us do that; a little bit of each department. I am okay with that, but to cut the employee retirement account, which we have to pay; it is not discretionary. I think it is just moving the money from one spot to another spot and it is not good accounting practices. I am not an accountant, but I have been in business and I understand a little bit about the budgets. Given the high-level of concern by the Administration's finance people and given that a big part of the intent of this, at least as was originally stated was half of the savings would go towards spending more money and it actually is not savings anyway because we still owe the OPEB. While it is well-intended, I think it is kind of a circular budgeting that does not accomplish what it is intended to accomplish. In fact, it just incurs more spending. It does not enhance a budget that restricts spending or increases savings. It is a budget amendment that increases spending and decreases the amount of savings at the end of the day, so I cannot support it. Thank you.

Committee Chair Kaneshiro: Any further discussion? Councilmember Yukimura.

Councilmember Yukimura: I, too, appreciate Vice Chair's efforts to be creative, but if our goal is to restrict spending, then just restrict it across the board. Why cut OPEB, which is a given obligation. A balanced budget is not balanced unless you are paying for your obligations in full. I am concerned that it is going to affect our small departments again, who have cut dramatically in some cases. They have deferred positions and said, "We will make due maybe for this year, but it is going to come back to us again next year and the following year." It is forcing them to kick cans down the road that is going to come home to be dealt with sometime in the future. That is not good budgeting. I feel like our departments—I was so pleased with the Police Department when they did

remarkably creative things to cut their budget. It does not make sense to me and I do not think it is a good budgeting practice to do this.

Committee Chair Kaneshiro: Any further discussion? Councilmember Kualifi.

Councilmember Kualifi: I am supporting this measure and I applaud Vice Chair Kagawa for his leadership on this. I think that this is the budget that we are in and the Mayor and Administration have done their best. They have eliminated some positions and dollar-funded some others. They are on to a good start, but in my opinion, they have not gone far enough because we are not keeping our budgeted expenses in this next year at the same level of our budgeted revenue. That is what I think of as a balanced budget; using unassigned fund balances from prior years. I am just talking about this year. If this is one of the levers, we have very few levers and this is our only opportunity as a Council. I was not here last year. I do not know what the vote was last year, but it passed. Great. I do not know what is different this year, but I am glad I am here now to make that tough choice and to stand up on behalf of our people because I said I would in the election, as far as making these kinds of cuts. So many things were said about playing around, short-funding, and putting it in jeopardy. That is all not necessary because this is not the case. I take this budget very, very seriously. It is a tough choice, but it is an eight percent (8%) reduction. The ninety-two percent (92%) remains there. We have the ability to pay this well through the fifty percent (50%) first requirement required in the course of the year and I am totally confident that we will have every ability to pay the other fifty percent (50%) on time, when the final payment is due in August with no interest, with no penalties, and with no failure to live by our obligations to the State or to our workers or to the Collective Bargaining Unit. This is one of the budgeting levers that we have and how about we exhibit some courage and stand up for our people. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. I know we are not done yet with the budget, but I wanted to commend you, Chair Kaneshiro, for running this budget session extremely smoothly. Anyway, the fiscal year ending 2012—our variance in tax collections was \$2,100,000, which means we got \$2,100,000 more than we thought. 2013 had jumped to \$2,400,000, 2014 had jumped to \$2,900,000, and this year it will be even more because we have rising assessments. I do not want the public to think that we are going to run out of all of this fund balance. The other thing I wanted to talk about is that the Council is not restricted from putting in projects that we want to see done. I know Councilmember Hooser talked about not so much putting it into savings, but to spend—that is not criminal. If I believe that we want something done that is initiated out of the County Council and it passes with the five (5) votes, then we should have that prerogative. Nothing in the law says that only the Mayor can get what he wants. We have the ability—and the Mayor has been very receptive, and in some cases, he has actually put in what we requested, but after we go through that entire budget process, that is our opportunity to review the budget and think, “Is there anything that the Mayor missed? Is there anything that we came across or that the public has asked for that we can add?” That is our prerogative. We can do that. It is done every single budget year. We have two (2) ways to fund it because we do not have a slush fund in Council Services. So we either have to reduce the Mayor’s budget or tap into funds such as OPEB. I am not embarrassed to say that if we cannot find the funding—really, if the OPEB does not pass, then guess what? Tonight, I go back to the budget and we will find more cuts. We do not have any other mechanism. We do not have a car; we do not have a loan; or we do not have an equity line of credit. We have to get the money from somewhere and it is either in the departments or through a fund like OPEB, which I am convinced and positive one hundred percent (100%) that that money will be available to replenish the fund at a later time. I have some adds that I will be proposing tomorrow and

some of them are substantial, but some of them are really...hopefully we will have a return on investment in the way of performance audits and staffing audits. Hey, if you want to say that we should not do that and that the Council does not have the right to spend money with our projects and what we believe needs to be done—I disagree. Was that three (3) minutes? Okay, thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: Because I was addressed by name, I would like the opportunity to respond. In my remarks, I did not say that we did not have the right to offer projects. I think we definitely have the right to offer projects and it is our prerogative to pass a budget that is a Council's budget, but my objection is that we raid the employee retirement health fund and take money out of that fund to use for projects. That is my objection. We are taking money away from a fund that is dedicated towards health care for employees and using it for projects when the proposal is a way to save money and to increase our Unassigned Fund Balance. That is the framing of it. Let us do this cut. It is not a cut; it is a taking of money from the employee health account. We have every right to add projects, but my objection is to frame this whole raid on this fund as a savings when it is not and the intent is to use it to spend money. That was the purpose of my comments. Thank you.

Committee Chair Kaneshiro: Any further discussion? If not, I think ultimately, it is down to me. I think I can count the votes and it is not an easy decision. I probably still do not really know what I want to do yet because it does come down to a policy decision. I completely understand Councilmember Kagawa's position on it and we do not have the knowledge of knowing where the fat is in each budget and I do not think that we have the ability to go through each budget and say, "No, I think this is your fat and let us cut everything on a small scale because I do not think we could find that." I do understand Councilmember Kagawa's position in saying, "Hey, we make this big cut and we will let the departments show where the fat is. Eventually, if the money is not there, we will try and fund it with an Unassigned Fund Balance." On the other hand, I am nervous of doing that also because I feel like we ran a tight budget here and I do not want to put people in a position where they have tried to "squeeze blood out of a stone" and we are saying that we want eight percent (8%) more. I guess you can call me a "greenhorn," but I think ultimately, it comes down to what I am more comfortable with. I completely understand Councilmember Kagawa's intention and what he is doing. I see why he is doing it. For me, I think it comes down to what I am comfortable with and I guess I can say that it is a big cut. I completely understand, but for me personally, I am not comfortable with it. I guess maybe I have to go through a budget session and I have to get frustrated this year and say, "Hey, they did have the ability to cut all of this and fund it." But right now, I think it all comes down to what I am comfortable with and I am going to say that I will not be supporting it. The motion on the floor is General Fund OPEB reduction of \$1,000,643. Can I have a roll call vote, please?

The motion to reduce the General Fund OPEB by a total of \$1,000,643 was then put, and failed by the following vote:

FOR REDUCTION:	Kagawa, Kualii, Rapozo	TOTAL – 3,
AGAINST REDUCTION:	Hooser, Yukimura, Kaneshiro	TOTAL – 3,
EXCUSED & NOT VOTING:	Chock	TOTAL – 1,
RECUSED & NOT VOTING:	None	TOTAL – 0,
SILENT:	None	TOTAL – 0.

Committee Chair Kaneshiro: I think we had a long and rough day. I wish I could say that we could end on a happier note, but we will be back tomorrow where we will go over any more cuts across the board and we will go over our CIP Budget, RPT, and adds. Councilmember Kagawa.

Councilmember Kagawa: Can we try and see if we can be efficient? It is kind of frustrating for me on this one in that we spent a lot of time just debating philosophy. I think if we had called for the vote earlier—I knew which way you were going actually and you told me you were uncomfortable. I totally understand and I applaud you for your leadership, but if we can cut down the personal philosophy attacks and just get on board with what we believe and why we are for or against it. I think we can be to a happier result in the end, even if we disagree. Thank you, Chair.

Committee Chair Kaneshiro: I agree. I think this one was probably my fault. I know I was the wavering vote and it was hard. I kept going back and forth the entire time and I needed the time to figure out what I was going to do. So I apologize for taking long on this, but I think when you look at our budget, this was the “whale” that we were talking about. We spent a lot of time on smaller \$5,000 and \$10,000 items, but I think this item was the “whale.” I needed time to process it and I think we ran a pretty good meeting, but we will try to keep it efficient. I know we may lose some Members midday tomorrow, but I have full intention of getting through this budget and having everybody here to vote on it tomorrow. Councilmember Yukimura.

Councilmember Yukimura: Chair, I do not think you have to apologize for anything. These are hard decisions and having the ability to ask questions and go back and forth and share our thoughts is part of the decision-making process. So I do not feel that you have anything to apologize for and I do think all of us have done our best today.

Committee Chair Kaneshiro: Thanks. With that, we will take a recess. The Budget & Finance Committee will reconvene tomorrow at 9:00 a.m.

There being no objections, the Departmental Budget Decision-Making was recessed at 4:47 p.m.