

Department of Finance

Honorable Bernard P. Carvalho, Jr.

Honorable Felicia Cowden

Honorable Luke A. Evslin

Honorable Bill DeCosta

Honorable KipuKai Kuali'i

Honorable Arryl Kaneshiro

Excused: Honorable Mason K. Chock

The Committee reconvened on April 4, 2022 at 9:00 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning, I would like to call to order the Committee of the Whole and the Fiscal Year 2022-2023 Departmental Budget Reviews. Let the record reflect that Council Vice Chair Chock is excused. On the schedule for today, April 4, 2022, we will be hearing from the Department of Finance, who will be taking us through their various divisions, the Office of Economic Development, and the Planning Department. As we do each morning, we will take public testimony at the beginning of the meeting.

There being no objections, the rules were suspended to take public testimony.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Committee Chair Kaneshiro: Clerk, we have no registered speakers, and we received no written testimony today. With that being said, I would like to call on the Director of Finance Reiko Matsuyama in the following order, Kaua'i Humane Society (KHS), Contracts, Administration, Accounting, Information Technology (IT), Treasury, Driver's License, Motor Vehicle, Real Property Tax Assessment, Real Property Tax Collections, and Purchasing. With that I will open the floor up to Reiko.

There being no objections, the rules were suspended.

REIKO MATSUYAMA, Director of Finance (*via remote technology*): Good morning, Reiko Matsuyama, Department of Finance. I am going to immediately turn it over to Dan Giovanni and Nicole Crane of Kaua'i Humane Society to run us through their presentation and their budget. I want to report that we do have a multi-year contract for the first time with the Kaua'i Humane Society, so this is going to work out really well that we do not have to worry about renewing the contract come June 30th every year. We are excited to move forward with the relationship that we have with the Kaua'i Humane Society. With that, I am going to turn it over to Nicole and Dan.

DAN GIOVANNI, Board Chair, Kaua'i Humane Society (*via remote technology*): Thank you, Reiko. This is Dan. Good morning, everyone. It is great to be in front of you again and thank you, Reiko. I just want to echo what Reiko said, we have really made great progress in our relationship with the County over the last two (2) years, and we now stand in a position where there is a lot of transparency, a lot of mutual trust, and we are able to work together to address any unanticipated items that come before us. As Reiko said, we were successful in negotiating a global agreement for five (5) years that stems from

2022-2026, but each year, we have to go into the details and establish a specific budget and scope of work that is under that global terms and conditions of that agreement. There are some unique features to this contract that make it work and make it work well. One is transparency. We have a great relationship with the Department of Finance, in which we do regular reporting and the regular team has an opportunity to understand and question everything that is within our framework and within our accounting system, and that has led us to a situation where when there are issues or changes, we can work together from a common platform and figure them out—that has worked really well. The second thing, and this was done last year for the first time, is that we inserted provisions in the contract to true it up to actual costs. In other words, it is difficult to anticipate in advance exactly how a year is going to unfold in terms of animal welfare, in terms of the situation that presents itself to the Kauaʻi Humane Society. Also, it is difficult to predict our ability to sustain a workforce at 100% with no vacancies throughout the year, so this “true up” provision allows us to do the accounting at the end of the year to true up the actual cost primarily for labor so the County is not at-risk for costs that do not actually incur and the Kauaʻi Humane Society is not incentivized to operate with fewer employees than it really needs to do its work. For example, in the last Fiscal Year, it ended up with a reimbursement to the County of about \$50,000. We expect it to be about the same in the current year. So, we do the budgeting and the accounting with the working assumption that we will be able to sustain a full staff on a day-to-day basis throughout the year, but as many of you know with the turnover of employees and the workforce in the post-pandemic environment, it is a constant challenge to keep the workforce at its full level, but the bottom line financially is the County is not at any risk with that and the Kauaʻi Humane Society is the one that is challenged and motivated to keep that workforce at the level we need it to be. The other thing I wanted to emphasize before I turn it over to Nicole for the details is, this is a full-service agreement; full service meaning there is really three (3) major components to it. The first one is animal care and welfare; animals that are in our care at the shelter. A lot of this is like execution of the provisions of County ordinances in terms of animal welfare and care is predominately dogs and cats. We are able to do that, and we successfully realized our second year in a row achieving no-kill status. No-kill status means that we find successful homes or outcomes for more than 90% of the animals that are in our care. Those of you that have been with us for several years know that has not always been the case, so we are quite proud of the fact that we have turned that around and we are now a no-kill shelter even though we are the only open admissions shelter to speak of on the island of Kauaʻi.

Another feature of our transparent relationship, I do not know if you know this, but we also regularly include members of the County Administration as part of our board meetings, they have an auditing capacity with us, so that really speaks to a trust relationship where there are no secrets between what we are doing on a day-to-day basis, what we are trying to achieve, both good and bad, what our problems are, what our opportunities are, and this real good synergy there between the County and the Kauaʻi Humane Society, including every member of our board. We are delighted, from a board’s perspective, to bring back before you again, our Executive Director Nicole Schaefer Crane. Nicole has been in that capacity for about a year and a half now, and we think she is doing a great job. I hope you share in that opinion, but with that, Nicole, I am going to turn it over to you, because I think you have a PowerPoint you are going to take us through.

NICOLE SCHAEFER CRANE, Executive Director, Kaua'i Humane Society (*via remote technology*): Good morning, everyone. It looks like I do not have administrative options to upload my PowerPoint.

Council Chair Kaneshiro: Nicole, we have the PowerPoint in front of us.

Ms. Schaefer Crane: In that case, if you go to the second page. 2021 has been a record-breaking year. Dan touched on a lot of these when he was speaking just recently, and I am going to go into more detail. We had a really good 2021 and one thing to keep in mind is when we are giving a lot of our animal statistics, they are based on a calendar year, not a fiscal year, so keep that in mind for some of the beginning numbers. Dan, did you want to go over these?

Mr. Giovanni: No, go ahead, Nicole.

Ms. Schaefer Crane: Okay. Just briefly, our intakes, adoptions, and Return To Owners (RTO) all broke records in 2021. We have done more spay and neuter surgeries than ever before, over 2000. We did a lot of infrastructure upgrades, and we also hosted a transfer flight in order to help us maintain our no-kill status. Next slide, please.

One of the big changes that took place this Fiscal Year is save our Shearwaters relocated, so they are no longer on the premises of KHS, they have moved up to the east side of the island. I hear they are being very successful and enjoy their new area that gives them a lot more space. When they moved, it did give us quite a bit more space for us, which was much needed, medically. Specifically, we were able to gain quite a bit of square footage back, and with that, our hopes are to continue working towards fear-free, which is a methodology that looks at decreasing the stress that our animals go through—dogs and cats, as well as helping us grow our medical department. We also got a bit of outdoor space back and storage space that was very much needed, and we have already worked towards transitioning some of these areas to help meet the behavior needs of our dogs, especially. Next slide, please.

The Transfer Program; the County of Kaua'i does not financially contribute to this, but you do all support, which we very much appreciate in other means, and this is one of our biggest methods of ensuring that we can keep our no-kill status and we can offer options to animals on the island of finding a home. Just because there are only so many homes on Kaua'i that we need to look beyond our shores. So, one instance took place in August where our shelter was very much over capacity. We had over four hundred seventy (470) animals in our care—that is fostering in the shelter and that is far beyond our capacity, and this happens because when we offer a no-kill status, people feel that we are a safer place to take their animals in need, which we are, because we are going to work to find them a positive outcome, but what it does do, is it also keeps animals in our shelter longer, because there are so many it is very hard to pick who to adopt, and that can become very overwhelming. Our population grew far beyond our capacities, so we had to get creative, and our board came together with Finance and a private jet for us to utilize, and we were able to send two hundred one (201) animals to Seattle and they were all immediately adopted. Some straight off the

tarmac, and some from our partner rescues that are also no-kill that picked them up and immediately placed them into homes. So, this was a costly affair, but a much needed one, and thanks to our board and our supporters, we were able to accomplish this, and these are things that we have to continue to utilize and to do in order for us to be able to offer our community and residents, and the animals of Kaua'i what they need medically, behaviorally, and just proper care, welfare, and sheltering. Next slide, please.

Another thing we have been working on this year is upgrades. Our shelter is quite old, it is over twenty (20) years old, and there are a lot of things in the original design that are not necessarily working for our means right now, and we also need to look at what we can do to become more efficient because of our animal population, as well as offering improved customer service. We were able to get fiber internet which has been extremely beneficial to us, our website is functioning a lot better, as well as our social media, and utilizing our connections with people. Our phones and phonelines were also upgraded, including our desktop and laptop computers, so pretty much our entire communications program had an overhaul, and we are able to function and provide better customer service. Our emergency generator had to be completely replaced as it was no longer communicating with our building, and that has been fully installed. A dishwasher was added to help with the hygiene of the cleaning that we do to keep our animals healthy, and a brand-new incinerator for cremations has been ordered, and as soon as all the permitting is clear, that will be installed, but it is fully paid for, and the same goes for an x-ray. We are currently utilizing Save our Shearwaters x-ray machine, but after departure we were at a loss, so we fundraised and were able to purchase our own x-ray equipment, and that should be arriving by the end of this month. Also, thank you to a grant by Very Good Charities Rescue Rebuild, we were able to have thirty-two (32) catios. These are outdoor community housing catios built in our area, and what this will do is allow us to develop a program and better assist free-roaming cats on the island of Kaua'i. All this came to more than \$400,000 of funds from our donors from our board and from KHS in order to do this, and more growth is definitely needed in the future, but we are taking it piece by piece, because it is necessary for us to make these upgrades in order to maintain the level of care and improve the level care that we are offering. Next slide, please. Dan, you are on mute.

Mr. Giovanni: Before you go on, I wanted to make a couple of comments, if you could go back to the prior slide. Overall, the operation of KHS is an enterprise that is about \$3,000,000 a year in rough numbers, and of that the County contract represents about one-third (1/3) of it—that is about the proportion it has been year-over-year. So, the other two-thirds (2/3) of our activity including all of the fundraising for these capital improvements are exclusive of the County contract. We have to go out and generate that income and it is not all donations, a lot of it there are services that we provide whether it be direct relief services, our programs for the community, our medical services, et cetera, but overall, a portion of it is our donations and fundraising. I just want the County to appreciate that about two-thirds (2/3) of the money it takes to operate KHS is generated exclusive of the County, but the County is critically important for the welfare of our animals, and all of these infrastructure upgrades, none of which were CIP programs of the County, they are all exclusive of the County, but the board felt that they were absolutely necessary, put a priority

on it, and the fundraising was successful, so we feel pretty good about that. Okay, Nicole, back to you.

Ms. Schaefer Crane: The next slides are funded by the County of Kaua'i. Animal care and welfare, not all records were excited to have broken, so one is our intakes for 2021. It actually broke all of the pandemic records. We knew 2020 was an outlier of course, but we had hoped we were going to at least see a decrease, and instead we actually beat our 2019 numbers and we are exceptionally close to our 2018 numbers, and that is something that we were not expecting. I will get to some of our Fiscal Year 2023 decisions based on that new information. Another one was our intake, so we took in seven hundred nineteen (719) neonate kittens—these are all kittens that are under the age of two (2) months or eight (8) weeks, so that means those seven hundred nineteen (719) kittens were born that year and this does not include the kittens that came to us that were a year old or six (6) months old—these were kittens that were born in 2021. They are our most vulnerable population because they are unvaccinated, they are very tiny, they are typically without their mother to care for, they require bottle feeding every two (2) hours, a lot of medical needs, so the fact that we were able to save 94% of the most vulnerable population that we take in is something we are extremely proud of. Our animals Return To Owner was another big one; four hundred twenty-five (425), and we believe this was due a lot because of the microchipping bill and the increasing of microchipping that resulted from that, and fifty-two (52) of those were returned in the field. Our adoptions, over one thousand four hundred (1,400)—another great record for us, and it allowed us to keep our live release rates at about 96%. We are hoping to maintain our no-kill status, and we have no intention of euthanizing animals for space or time, which was done in years prior, but we are also fully aware that our resources are finite, and this is going to take a lot of work from everyone. Next slide, please.

For Fiscal Year (FY) 2022, this is half of where these numbers come from. Once again, officers were able to return fifty-two (52) animals in the field. What this means is it saves everyone money, so an officer reported to a stray, was able to track the microchip or find the owner, typically within a mile or so distance from where the stray was found and return it. This saved on gas from having to bring the animal all the way to the shelter. This saves on other staffing resources of having to do the follow-up later, it saved on medical intake, it saved on housing and care, so we would like to see this number go up, because it is beneficial for everyone; financially for us and the County of Kaua'i, but it is also beneficial for the animal. It decreases stress, they do not have to come into a stressful shelter environment, and it decreases the stress and time on the owner, as they are not stressing where their animal has been lost to, and trying to find it, as well as potentially the cost of redeeming it. Our Humane Officers have resolved four hundred fifty (450) cases and have responded to ninety-eight (98) calls regarding livestock, which was something new for Fiscal Year 2022. Once again, microchipping has gone up, we have done over one thousand (1,000) animals microchipped and almost five hundred (500) of them were done right after the microchipping ordinance went through, and we are continuing to look at opportunities to increase microchipping on the island. Next slide, please.

What did we learn over the years? Last year, we had gone with the idea of decreasing staff, so we had ten (10) Animal Care Technicians—this is the staff that works in the kennels, helps with adoptions, and we decreased to eight (8), because our numbers were so low. What we are seeing now though is with numbers with our intakes rising, an increase in animals coming into the shelter, the eight (8) Animal Care Technicians is not viable for us, and we need to go to nine (9). We are also assumed limited overtime because of the low population, but once again, there has been high staff turnover, resulting in more staffing vacancies, and other staff having to compensate for that time. We also thought that livestock cases would only be about one hundred twenty (120) and we have already done ninety-eight (98) in the first half, so the livestock needs are much higher as well. With all the turnover and increase in animals for Fiscal Year 2023, we are looking to add an additional Animal Care Technician to act as a buffer or filler when there are openings and increase funding towards the livestock enforcement, because that need is there at a much higher rate than we thought it was going to be originally. Next slide, please.

Previously, the first couple of bullets cover our last Fiscal Years. We have been maintaining full service as stated earlier for Fiscal Year 2022. We did add the livestock edition, which was not something we were doing previously. For Fiscal Year 2023, we plan on doing everything that we have been, all of the enforcement including the livestock, so once more, we will be a full service. Our goals of our intake/outtake protocols, even though we have seen in 2021 that it is very hard for us to accomplish this with our intake numbers going up, it is still maintaining our goal, and we are looking at other ways of doing this. For instance, looking at more diversion opportunities, so getting those animals returned in the field for instance, utilizing social media for animals that are lost, working on foster programs, even more, I do not know if you are listening to the radio, but we are offering an incentivized foster program just to help support our new fosters when they sign up, but really our goal is to help our community to assist them from even having their animals come into the shelter at all if we can. Then, utilizing our fosters when they do and try to work with good Samaritans. We are short staffed. It is a reality for us and I am sure just about everywhere else on Kaua'i. We are facing a lot of hurdles between not having a large population to pull from to fill our staffing needs, as well as competing with other organizations that are able to start their employees off at a higher hourly rate, as well as offering signing bonuses. Once again, that ninth person that we need in our animal care position is very much needed. That is our highest turnover department, which makes sense because it is an entry position. It is a position we hope to grow our staff out of and into new departments, but it does have a high turnover as other opportunities open or outcompete us, so we do need a buffer to ensure that we are still offering the best care for our animals. Once again, we need to emphasize our medical operations. For seven hundred (700) brand-new kittens to be born, and those are only the ones we know about, we know there are many more we do not know about, we need to increase our spay and neuter opportunities potentially go out into the community to offer that or look at transportation hurdles, we need to increase our veterinary practices, then of course, in order to be successful with our diversion intakes, we need to look at more microchipping opportunities. Next slide, please.

This is our preliminary budget estimates for Fiscal Year 2023. Once again, as stated before, we know we are not going to be filling every position all-year-round, so there will be

reimbursement provisions, we expect about the same as this coming year and probably very close to last year. We do need to increase our hourly rates ever so much just so we can stay in competition and attract employees in order to be able to provide the services that you want us to and that we need to provide. Once again, that increase in livestock enforcement is a much greater need than either of us accounted for, and it is great that we have been able to offer that and assist with the welfare of livestock, but it is requiring more time and effort than was initially decided, so we do need to increase that budget.

Mr. Giovanni: Nicole, let me add a little bit back on that slide. Here you can see the division of labor and cost between the animal care investigations—there are two (2) columns for that—then the licensing provision that we do provide. We think that microchipping is a real success and one thing that may not be obvious is that microchipping is a one-time for the life of the animal, so if we can add one thousand (1,000) microchips a year, pretty soon we are going to have a high proportion of only pet owned animals on the island to be microchipped and licensed and that is going to add efficiency to the whole operation, especially the Return To Owner provisions of that. The overall 5-year contract has a not to exceed \$5,500,000—that does not mean that we get \$1,100,000 each year. Each year we have to justify that the cost based on the scope that has been negotiated with the Department of Finance, so we have met with them, they have proposed this exact number to the County Council, the Mayor proposed it in his budget, we support it 100%, we think that there is going to be a reimbursement of about \$60,000, it will take the net cost to the County down to \$1,032,000—this is a better way of doing it, as opposed to paying a lot of overtime, so adding that extra staff person will result, we think, in reduced overtime, all of that is factored into this, so we appreciate your perspectives on this, and we are happy to take questions about the details. At the same time, Nicole and I will be reaching out to individual Councilmembers and scheduling some time for more detailed conversation if you would like that, we will schedule that over the next several weeks. With that, I will turn it back to Nicole and the Council and be prepared for questions. Thank you.

Council Chair Kaneshiro: Thank you, Dan and Nicole, for that presentation. That was awesome. I think that 5-year contract with a reimbursement provision is pretty cool, I have never seen that before. Every year, we usually get a request for more money and just saying our expenses are up, we need more money, and now there is a lot more trust in that, you folks are paying attention to your expenses, you are willing to reimburse us if your expenses are not as high as predicted, I think it is a good way moving forward, I am glad you have a 5-year contract. I do have a question, livestock enforcement, what type of livestock is that, cows or does that include horses? What is the livestock enforcement?

Ms. Schaefer Crane: It is all of the above, except for chickens. What it does is, we look at investigating cruelty and neglect specifically and determining if it is in case one of those needs, so we act primarily as a consultant. We do the preliminary check on the complainant and if we deem it to be a cruelty or neglect case, we work with Kaua'i Police Department (KPD) to assist them with their citations, providing testimony to them, being witnesses in any court trials that may be needed, but pretty much we are the in-between to ensure that the complainant that is coming through actually qualifies as that, then proceeding with KPD, and we did that partnership mainly because we do not particularly

have the resources to house or follow-up with some of the more specific issues that come with investigating these sort of cases. So, we come in and make sure KPD is not wasting their time on any complaints and work with the owner to assist them as well.

Mr. Giovanni: I think you said it quite well, Nicole. It is more investigation and support than it is actual turnkey enforcement. We do not have the facilities at the shelter. For example, house large livestock and our focus is to identify where there are cases of cruelty and neglect and help that get remedied or addressed by working with KPD on that.

Council Chair Kaneshiro: Councilmember Evslin, Councilmember Cowden, then Councilmember DeCosta.

Councilmember Evslin: Thank you for the detailed presentation, you answered preemptively a lot of my own questions. As always, I appreciate the work you folks do. In my life, I had about six (6) dogs and five (5) cats from you folks, almost all of which were great animals. Couple of questions, for the \$1,000,000+ that the County provides to you folks, you said that was one-third (1/3) of your overall budget, is the other \$2,000,000 or so all normally CIP or do you get grant funds or donations to help cover operating expenses also?

Ms. Schaefer Crane: Grants do contribute, not very much though and not necessarily for operating costs. For instance, sometimes they are for program development. We partnered with YWCA on domestic violence victims support, so a grant went to that, and that is not operating costs, that is a program cost. Grants do contribute, it is fairly minute, as they tend to be more program based than operation based.

Councilmember Evslin: Okay, thank you. You mentioned for 2023 offering full-service programs similar to Fiscal Year 2022, does that include accepting feral cats or no?

Ms. Schaefer Crane: It does not include accepting feral cats. It is not currently written into our contract. We are very open with the development and housing and the opportunities it provides and are still in developments on the best way to help utilize it, so we are open to ways we can best assist the County and assist the cats and the residents with this new development that we have, but it has not been clearly defined and it has not been written into our contract.

Mr. Giovanni: Let me add to that, Councilmember Evslin. We are a little bit concerned that even though we have a new facility for nominally one hundred fifty (150) or so cats, it could be easily overwhelmed in a short period of time if we just said to the public, "bring your feral cats, or help us bring all the feral cats in." So, we want to be judicious about that use. Currently, we are in the final stage of bringing on a new manager for that, we call the cat facility manager, I am not sure the exact term that you are using, Nicole, but as soon as we bring that person on board, we are going to go into a strategic exercise in which we figure out what is the best and highest use for that facility for Kaua'i. I

think some of you know that we did propose to the County a predator management proposal that would have used that facility if it had been awarded to the Kaua'i Humane Society, but it was not, so it is still sitting there unoccupied at present, but we do not expect that to continue very much longer.

Councilmember Evslin: Looking on your intake numbers, it looked like 2018 was the highest intake that you folks had, declined in 2019, big decline in 2020. In 2018, were you folks accepting feral cats at that point? And sort of related, do you have data on how many feral cats you folks were accepting prior to the policy not to accept them?

Mr. Giovanni: This is before Nicole, but my recall on that, Councilmember Evslin, was we were accepting some for a fee. I would have to research and get the exact numbers to tell you what percentage of that 2018 total intake were actually feral cats, but I do not think it was very many, probably less than one hundred (100).

Councilmember Evslin: From my understanding, you folks use to accept feral cats with no fee, then there was a fee, then there was no accepting feral cats.

Mr. Giovanni: That is pretty much how it has gone.

Councilmember Evslin: So, pre-fee, do you know how many you folks were accepting?

Mr. Giovanni: I prefer, if we could research that and then release that to all of you. Also, when there was a lot more euthanasia going on at the shelter, so even though we were accepting them there was not, at that time, and that was before I served on the board as well, but my understanding is that a good number of those cats that were brought in did not have a positive outcome. But we can sum up those numbers and report that to you.

Councilmember Evslin: I appreciate your folks offer to follow-up in individual meetings later, I would like to continue talking about it. I am certainly no cat expert, but I have caught a number of feral cats on my property that used to come decimate my chickens and some of those were great cats, I found houses for them, they are still happily living with their owners, and some of those came in like cats I have never seen before, just testosterone out and in the cage extremely violent, you could not come close to touching it, it did not look like it could ever live in a household or even in a community, and should not be in the environment. Luckily, at that time, I was able to bring it to the Kaua'i Humane Society and unfortunately the only humane option seemed like euthanasia, which I imagine there is a lot of cats out there in similar situations now with no viable route for anyone to bring them anywhere.

Mr. Giovanni: I think you are exactly correct. You may recall that in a prior Council Meeting I was having a conversation with Councilmember DeCosta, and I characterized in my own mind three (3) kinds of free-roaming cats. The ones that are fairly sociable and almost immediately adoptable. The second category includes ones that

you could probably handle, and they have a tendency or hope that you could socialize them. Those would be perfect candidates for our new facility that we have built, where we might transition them to a point where they can be socialized and adoptable. Then you have that third category which you described very well. There is probably no hope for them in a civilized environment and euthanasia is probably a candidate outcome for those animals.

Councilmember Evslin: My objective here with the questions and I feel like my own personal long-term objective is to figure out some pathway for those animals to get off of the landscape, right? I think if someone catches them now, I think they are probably inhumanely putting them down on their own or letting it go somewhere to kill birds and what not. I do think it is vital that we do figure out some pathway for these non-adoptable feral cats.

Mr. Giovanni: I totally agree and look forward to a further conversation with you to discuss the details.

Councilmember Evslin: You mentioned in the future looking forward and I do not see it in the spreadsheet, but Nicole, you mentioned it. You discussed developing more robust spay and neuter programs. I know in the past, the former Executive Director had mentioned the possibility of trying to offer a free spay and neuter program utilizing possibly additional County funding as they said would reduce the cat population over time and reduce expenses over time. Is that still something that is still on the table, and could it have that objective for us of reducing the population of feral animals and reducing costs?

Ms. Schaefer Crane: Yes, I 100% think so. Right now, the County does not contribute to those services. I think it is very much worth investing in. Once again, you are not paying for the spaying and neutering of animals coming in to the shelter, but if it results in paying for seven hundred (700) kittens that did not need to come into the shelter, it would be way cheaper to be on the other end of that than on the caring end. If you take in a kitten that is small, that is two (2) months of medical care that we are having to pay for which far exceeds the cost of a single spay and neuter. We have tried through some donations...we had a free cat spay and neuter clinic last Thursday. We are offering two (2) more next week. We are trying, but it is strictly based off of donations and people that feel very compelled to decrease the cat population on this island for the same reasons that we all share. I would recommend definitely considering that and being a part of that. Ultimately, it will save a lot of money.

Mr. Giovanni: I want to add two (2) points to that. Greater Good Charities came in, in the past year and did free spay and neuter. That really plugged a big hole for the County. It was focused on cats exclusively. They ended up doing more than two thousand (2,000) cats that were spayed and neutered as a gift to Hawai'i from Greater Good Charities. Secondly, I do not personally think it is a high probability, but Nicole just recently applied for some Grant-In-Aid funding from the State. I think it was approximately \$400,000 for a spay and neuter program. We have not heard from the State whether they will fund it, but that just illustrates that there is still a need. We think there is still a need, and we are searching for funding for that.

Councilmember Evslin: Okay, thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I have a follow-up on these intake numbers. Are you mostly having intakes of young animals or mature animals? Are you seeing an increase in mature-animal intake?

Ms. Schaefer Crane: A majority of our intakes are young adults. We do get seniors, so that is anything over seven (7) years old. They are a smaller population. Obviously starting last month and going on, our cat intake will be very young. Kitten to extremely young adults. Our dogs tend to be young adults as well. We do not get very many puppies when it comes to dogs. We do have a younger population overall.

Councilmember Cowden: The reason I was asking is I am just curious if the animal intake is increasing due to housing loss of the human family. If it is mostly kittens, I would think with cats you are going to get a bunch of kittens, just because of how their lifecycle goes. It sounds like if you do not have that many mature dogs...when people drop their animals off do you ask them why?

Ms. Schaefer Crane: Yes. We do collect that information either as a stray or as an owner surrender. Owner surrender breaks down into multiple subtitles, whether it is housing, financial, medical costs, and things like that. I can look at getting you that information. It does vary. I will say that we have a decent proportion of housing issues that are causing a lot of surrenders. Mainly people are moving for one reason or another and they are having a very difficult time finding pet-friendly housing, so their pet ultimately comes to us.

Councilmember Cowden: Okay. If you can later give me those details...it is an indicator of a larger brushstroke of what is happening to all of our animals including the human ones, right? When the people do not have a place to go...it sounds like it is not too high of a number. I think that problems can increase for a while with housing loss. Thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I have three (3) questions. You mentioned customer service with the increase in the personnel or extra person helping with the reorganization and customer service. Nicole and Dan, since the Humane Society is a product and service-based institute, do you provide customer service training for your employees, especially for the Cat Facility Manager (CFM) position?

Ms. Schaefer Crane: Could you provide further clarity on what you mean by customer service for our employees?

Councilmember DeCosta: You remember that I had a friend that visited the Humane Society and I had to call you personally. You were very kind in remedying that scenario, and I am appreciative of it. We do not have to mention it on the floor. That is the type of customer service that I was talking about. Could you elaborate a little bit about that?

Ms. Schaefer Crane: I willfully admit that what our staff is going through right now, especially at our front desk, is growing pains. We are supposed to have four (4) people working the front desk. For the last couple of months, we have been averaging about two (2). They are always brand-new individuals that require a lot of training. The position at the front desk, in my opinion, is one of the hardest, because you have to know everything that is going on in the shelter and you have to be able to relay that to anyone who calls. We are definitely going through some growing pains. We are trying to provide training as much as possible in the time that we allow. Our staffing shortages are definitely causing stress and sometimes that is not necessarily directed in the best manner. That is something that we are working on.

Councilmember DeCosta: We appreciate that. I, personally appreciate that. When people lose their pet, it is like losing a loved one. They go in to find it and it is nice to be a little bit comforting. How about the walkthrough gallery? I am not saying it is an art gallery, but your dog and cat gallery. I remember as a little kid, we had an easier time walking through and looking at all the animals. Now I think you have to have someone accompany people to do the walkthrough. Why is that when you have the animals in cages when they cannot have an interaction with the person? Why is that walkthrough gallery not made more available?

Ms. Schaefer Crane: Yes, that has been limited for a couple of reasons. A lot of new studies, especially during the pandemic, showed that when you open your shelter to allow people to constantly be flowing in, it is actually increasing the stress of the animals, which is decreasing their health. They are constantly being stimulated over and over again. That is one of the reasons why we have sort of gone off of an appointment-based scenario. We have someone escort for two (2) reasons. The first is that it is a familiar faced so that the animals are not being stressed by all these people they do not know that are constantly talking, pointing, and demanding that they do certain behaviors. They have someone that assists to them that this animal is shy, please do not do that or this one does this to help matchmake as they are touring as well. There is also a safety issue. Our animals are in cages, but fingers go through cages very easily, especially children's fingers, and that can definitely be a danger and hazard. We have had some people help themselves to remove animals, and that can be quite disastrous as well. We just want to ensure that our animals and our guests are protected and that we are able to give you the story of why our animals act a certain way. This one is acting like this because of this behavior. This animal is acting like this because of his past, and so on and so forth, in order to help best matchmake and help explain that what you are seeing there are reasons for. We are limiting the kind of gallery showing as you phrased it, just because it keeps our animals stimulated so high that increases bad behaviors and poor health for them. We have noticed that spacing our appointments to view them is making a much quieter environment. Potential adopters are

actually seeing our animals in a much better light. It is helping the animals stay healthy as well.

Councilmember DeCosta: These appointments, it is bothering me a little bit because there are scenarios where people lose their pets from their yard, go hunting, or walking on the beach. I tried making an appointment and it is not easy. You have only limited amount of slots, which means that you might not be able to recover your pet for two (2) or three (3) days. Do you not think the stress of that pet being in your pen for two (2) or three (3) days without their family is worse than if their family shows up and you will allow that family member to look at that pet without an appointment? It has happened before where they show up, drive in from the Westside, Kekaha or Waimea...you are located in Līhu'e, and they cannot go and look if their pet is in there, because you do not have staff. They have to go all the way back to Kekaha and make an appointment for maybe the third day within that week. It can be stressful for both the family and the animal. How do we accommodate that scenario?

Ms. Schaefer Crane: I agree 100%. Once again, we are training a bunch of new staff. That is supposed to be different for Return To Owners. The goal is to get the animals out of the shelter. Our appointments are primarily for adoptions. We are actually in the middle of building a kiosk so people can come in, go straight to our website while in the shelter and look at a picture of all the animals that are in there and pick out which one is theirs. They could also go to the front desk and describe their animal. Our staff are the best people if you say, "I have a dark-haired curly dog." I go to the computer really quick and print off a bunch of photos and ask them which one is theirs. They pick one out, we bring it up to verify and that animal gets to go home. Again, we are going through these customer service growing pains. When it comes to redeeming, by all means, appointments are not necessary, we want to get that animal out the door. We always recommend before making that drive, before spending that gas money, it is very expensive right now, is go to our website. Our photos are uploaded in real-time. When that animal enters the door, in less than five (5) minutes, their photo is on our website for you to see. We always tell people to go their first before they make the drive.

Councilmember DeCosta: Thank you. My next question was, are you still planning on doing that free microchipping for all of the hunters across Kaua'i on a certain weekend or certain Saturday? I know you had it before. That was such a great program. Are you planning on doing that? If I can assist with that community, I would love to.

Ms. Schaefer Crane: Yes, that would be great. We do not have a date on the calendar yet. We did just do a free vaccine/microchip clinic at the old dairy in Waimea. We microchipped a few animals that had not received their microchip yet. We are still working on our community outreach where we offer free vaccines and microchips and are going around the island. We just had our first. I do not have our second one scheduled. I know we were targeting a hunter one, but we are looking for funding for it. We currently do not have any grants to cover the cost for the microchips, but that is something that we are looking at so we can offer it.

Councilmember DeCosta: Thank you. I am willing to help you coordinate that and let me know if there is a small type of financial incentive for someone who has larger population of dogs or cats. The last question that I wanted to ask you, but this one is more of a constructive response for how to raise money. With the pandemic, we learned a lot about Zoom and Microsoft Teams meetings. We are meeting together right now. What about having an adopt an animal program nationwide here on Kaua'i? Perhaps someone in an apartment complex in New York can spend five (5) minutes with their favorite cat or dog here on Kaua'i. They can send a donation like when we send donations all over the world when we try to save animals in Africa. Have we ever thought about launching a program like that? I think that would be pretty cool to observe an animal. Maybe they are in a big city where they cannot raise an animal. Maybe they can adopt a cat or dog and maybe that animal can be their animal for life at the shelter. He or she might have friends all over the United States of America or all over the world. Have we thought about that?

Ms. Schaefer Crane: No, we have not thought about that specifically. We have a sponsored kennel where we send you photos of the animals that you are sponsoring. I like the Zoom aspect of it, and I will definitely get with our fundraising team.

Councilmember DeCosta: Maybe you can incorporate the high school kids to work part-time or to donate time. They can play with the dog or the cat in front of the Zoom camera. They can interact with the people. I think that would be pretty cool actually.

Ms. Schaefer Crane: Yes, I like it.

Councilmember DeCosta: Thank you. Have a nice day.

Committee Chair Kaneshiro: I have a follow-up question from Councilmember Cowden from one of Councilmember DeCosta's earlier questions.

Councilmember Cowden: I was just going to encourage good customer service care even just making eye contact with people standing and waiting. If there are multiple people behind the counter, it does not hurt to look at the people who might be waiting. It is disappointing to be told "no" when you come in to possibly come in to adopt or foster and animal and not be given hours that can work or suggested hours. It is also really difficult to turn left coming out of there. You probably have to drive to Kōloa to turn around. It is a bypass turnoff so...I do want to strengthen that customer service is really important. A picture of an animal when you are adopting is not the same thing as the personality of the pet. It really matters on their temperament.

Ms. Schaefer Crane: We definitely push meet and greets and coming to meet the animals. We recommend going to the website to at least narrow down your choices. For me, and I work in an animal shelter, when I walk through and I see one hundred (100) dogs, there is no way that I could pick out one (1) dog. Taking the time on the website, thinking about what you are looking for, what gender, what kind of breed, and what specifics you want, then allowing us to narrow it down to make the best use of your time and the animal's energy as well...we are still adapting. We do still allow walk-ins. We promote

appointments so there are no wait times. We understand everyone's time is very precious and everyone's gas money is very precious as well right now, too.

Mr. Giovanni: I would like to add something in response to the points that were raised by Councilmember DeCosta. If you recall in the introduction, Nicole mentioned that our facility is more than twenty (20) years old. It was designed in an era even older than that. It is almost like a penitentiary for dogs and cats. Just this past year, the board hired a state-of-the-art architect to help us come up with a redesign of our facility to make it more human-friendly and pet-friendly, and to provide for better safety of our animals. It is the subject of a redesign and reconfiguration and a very significant investment, which will take a lot of capital money to execute. It is a start. I am offering that when we come to meet with you individually, we will show you some of our dreams and plans for a redesign of the facility to make it more human-friendly and pet-friendly. I just wanted you to know that exists. That design study cost us \$20,000 this past year. We will share that with you when we see you.

Committee Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: A lot of the things that you do and that you are responsible for depends so much on partnership. How does your Partner Rescues Program work? I just wanted to get a better understanding of that. Who are the partners and how does it work?

Ms. Schaefer Crane: For our transfer program, it varies a little bit. We have those that we reach out to based off of the airports that we can fly directly to. We will look at their websites, get people to confirm the activities, get their data, and we will reach out to Partner Rescue and form a relationship. They have to pretty much go into a contract with us and make certain promises. We only partner with no-kill rescues. These relationships, we get to follow our animal even when they are in their care as well, all the way to their positive outcome. There are those that we reach out to. We have some that reach out to us. We pretty much follow the same process. What we are currently building is allowing visitors to the island that are going back home, to escort some of our animals. This way, we have been making new partnerships. They have shelters that they work with or in their community. We will reach out to ensure that they are in good standing, that their numbers are accurate, their behavior meets our expectations, what their plan is for when our animal gets there, and have the animal delivered to them. Once again, we are always given the information to follow our animal, whether it goes into foster care first or whether it goes straight into a home. A lot of times, we even hear from those adopters, because they come back to us for more information as we typically had the animal longer than our partner rescue, so we have those relationships as well. We are under contract with these partner organizations so we can ensure that the expectations and what we want our animals to have as an outcome is performed.

Councilmember Carvalho: Okay. There is follow through throughout the whole program. That is good.

Ms. Schaefer Crane: Yes.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: On the slide where you show the community cat housing and these "catios," is that also the cat facility you referred to when you talked about hiring a Cat Facility Manager?

Ms. Schaefer Crane: Yes.

Councilmember Kualii: Okay. On the slide with the intakes, Annual Intakes for Dogs and Cats, is that the same fiscal year as July through June like us, or is that a calendar year?

Ms. Schaefer Crane: Those are on calendar year. Our animal numbers tend to be calendar years because of our other reporting duties.

Councilmember Kualii: So that is January through December. When we look at the intake six hundred ninety-eight (698) dogs, intake seven hundred seventy-five (775) cats, Fiscal Year 2022 Review, is that a total year?

Ms. Schaefer Crane: That is a total year for 2021.

Councilmember Kualii: Is that just three (3) months in calendar year 2022?

Ms. Schaefer Crane: Let me pull up my notes really quickly. That is half of the Fiscal Year.

Councilmember Kualii: So, July through December of 2021?

Ms. Schaefer Crane: Yes.

Councilmember Kualii: Okay. I was just trying to compare that. I wanted to be sure I was comparing "apples to apples."

Ms. Schaefer Crane: I definitely understand.

Councilmember Kualii: On the next slide, where you have Miguel showing us his tongue, it says, "Humane Officers resolved four hundred fifty (450) cases. Humane Officers responded to ninety-eight (98) calls regarding livestock." Can you tell me how many resolved cases were for livestock?

Ms. Schaefer Crane: We count those a little differently. It depends on whether we handed them off to the KPD or not. As of right now, I would have to double-check...I think there have only been only one (1) or two (2) cases that have had to go directly

to KPD. We are acting as sort of the middleman. Neglect is a very interesting situation, because you need to figure out if it is on purpose, if it is continuing, if it is an education issue, et cetera. An example would be if we went out to a horse that had not had its hoofs in a long time...it has not seen a Ferrier. Is it neglect and we fine him? Or do we ask him to see a Ferrier within a certain timeframe. If we come back and he has seen a Ferrier, it is no longer a neglect case. A majority of that number is in the four hundred fifty (450), but we do still have some open that are being worked on. Maybe one (1) or two (2) that have been handed over to KPD that have not been concluded yet as well.

Councilmember Kualii: You are saying the majority of the ninety-eight (98) was resolved?

Ms. Schaefer Crane: Correct, but not all.

Councilmember Kualii: The other number where you say, "Responded to ninety-eight (98) calls regarding livestock," so how many calls did you respond to regarding everything?

Ms. Schaefer Crane: I will get that number to you, but it will be more than the four hundred fifty (450) figures. I will look at the quarterly report that we send in to the County. It typically has those numbers in there. I want to say that it is somewhere between seven hundred (700) and one thousand (1,000) calls each quarter.

Councilmember Kualii: Okay, each quarter. On the next slide, Fiscal Year 2023 Future Looking Forward. In the third bullet, it states that the average length of stay is less than thirty (30) days. That is so broad. Can you say that the average is ten (10) to fifteen (15) days or twenty-five (25) to thirty (30) days?

Ms. Schaefer Crane: Unfortunately, I have really bad news. Length of stay, a report just came out and it looked at three (3) years of shelter data nationwide from shelters that have been operating for at least three (3) to five (5) years. The data was the same people for the span that they looked at over the three (3) years. What we are seeing is actually an increase. Shelters nationwide, including us, are seeing an increase in stay with our animals. As of right now, the average length of stay for animal shelters is eighty (80) days. A few years ago, it used to be two (2) weeks. It is now eighty (80) days. That is something that they think is going to be increasing. We have probably somewhere on average through the year, twenty (20) to thirty (30) dogs that are on average over one hundred (100) days in our care. We have cats, especially after kitten season, that grow up with us and come in as a neonate, a two-week old kitten, and leave when they are six (6) months old. Our length of stay is quite high. The rest of the nation is seeing very similar numbers. Our aim for thirty (30) days as a goal that we are always striving for. There are some animals that we are able to do that for and there are some that we are not. That is why our transfer program is so important. I will say that the data and the thoughts in the animal welfare community is that the number is actually go up before it goes down.

Councilmember Kualii: Thank you.

Mr. Giovanni: I want to add a comment to that that is relevant to the County's contract. There is a limit as to how many days of care that the County pays for. If it is over that limit, then other donors and services provide for that at the Humane Society. That is one of our added costs of operations that the County does not pay for. The number of days that the County pays for is a negotiated level. I do not remember offhand, but we can get that to you. I think it is less than thirty (30) days.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Thank you for letting us know about that payment that the limit is there. I am just always curious...do you think that this drop in ability to adopt animals or desire to adopt animals is a reflection of the difficult housing market?

Ms. Schaefer Crane: I think there are multiple things contributing. Animals are always a bit expensive to keep. There are financial burdens there. There are transportation burdens coming to adopt or taking your animal to see a veterinarian. I know many of my staff and many people I live next to have more than one (1) job and do not have the time to have a pet. Pet-friendly housing is definitely another hurdle that they face. Even the weight ranges for housing that is pet-friendly is very limiting. We are not a shelter that typically has a lot of dogs, specifically under thirty-five (35) pounds. Some people want a dog instead of a cat. I would say that most of our animals weigh somewhere between forty (40) to forty-five (45) pounds when it comes to dogs. They do not qualify for housing, even for those that are accepting, because of the weight restrictions. Housing burdens everywhere are quite difficult. I, myself, had to move and find housing for my one (1) dog and one (1) cat...my dog is forty-five (45) pounds and my cat is eight (8) pounds, and it was significantly difficult. I was thankfully in a position where I could offer a higher security deposit. There are a lot of people that are not in that position.

Councilmember Cowden: Thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Eighty (80) days that they get to stay at the shelter. Within that timeframe, how soon do you spay or neuter that animal? The reason I am asking is that for the hunting community, it is very common that if someone loses their hunting dog while chasing a boar, sometimes that dog will not come back for a week or two. The interior of Kaua'i is that remote. Sometimes, other hunters might have lost their dog and did not keep up with checking your website for the last two (2) weeks. They may have lost hope that their dog might come home and maybe lost his or her life to a wild boar. All of a sudden, the dog shows up a month later at your shelter by an officer or by someone dropping it off. How long does that pet have before you spay or neuter them?

Ms. Schaefer Crane: First, the eighty (80) days is in our care. I want to make that clarification. Some of these animals may be in foster care and not necessarily residing in our building. Some of them do spend that whole time within the shelter, but quite

a few spend at least a portion in foster care. For spaying and neutering, following the ordinances, we will spay them as long as their hold is up. Usually within one (1) to two (2) days once that expires. If they are a stray, an animal that comes in with no identification, they will be fixed after the forty-eight (48) hours, or typically a day or two after, depending on if it is a weekend or not. For animals that do have identification, whether that is a collar, tags, microchip, et cetera, it would be after nine (9) days. Again, we really want to push that people be in compliance with legislation and get microchipped. When they are microchipped, they are not just sitting in the shelter hoping that someone finds them. If they are microchipped, we are calling them two (2) to three (3) times. We might be mailing letters to their home if that is the only way we can get to them. We are E-mailing them. We are posting them. We are taking the initiative to find that owner as well. We want them to be reunited. We do not want to hold their animal. We want them to be back with their family. Again, that is the importance of microchipping and that ensures that your animal will not be fixed if you pick it up within that hold time. After the hold time, we spay and neuter, because at some point, we try to do playgroups every day, which means we will have multiple animals performing their natural behavior of socialization with other dogs. We cannot have an intact animal in a playgroup out of fear of them reproducing. It will also settle some of the behavior issues they might be facing, as well as, if they are adopted, they get to leave on the same day. We do not want to hold the animal after it has been adopted to have a surgery. We want them to walk out with that person as soon as they make that match. After the hold time, they are fixed quite quickly.

Councilmember DeCosta: I think we have a small problem here. One (1) to two (2) days...and I am going to advocate because that is the group that I belong in. A lot of hunters have a breed that they use to breed. They take time to raise their dogs and their breeding. It is not like registered dog owners with papers like a Shar Pei, French Bulldog, or Labrador. These hunters have generations of breeding. If you are going to spay or neuter a dog within forty-eight (48) hours, that hunter may or may not have gotten to the center at that time. A lot of times, hunters have collars on them, but not everyone can afford a collar. Not everyone agrees that collars are the way to go in the mountain, because of the branches and vines that can get stuck in the collar. The dog can get hung up in the forest. I have to advocate that that is a very quick time to spay and neuter someone else's pet that you might think came in as a feral animal, because he or she does not have any kind of identification. To a longtime hunting family, it is not an animal that should be spayed or neutered. I think we have to address that, and we have to extend that time to a minimum of five (5) days. If you think it is an animal that is very friendly, looking like it could be a pet, and does not have a tag, collar, or chip, we are talking about some men and women in their late sixties who still like to hunt and grew up in the era before us, that do not know about microchipping and they do not even know how to get their dogs to the Humane Society. I think we have to curb that number. I am not happy with that number of one (1) to two (2) days.

Ms. Schaefer Crane: I very much feel for those that are in that situation. I, unfortunately, have no way of determining of the over one thousand (1,000) dogs that come into my care un-microchipped, if they are a hunting dog or not. Most of them come in and they are all very friendly. We are extremely lucky that the animals on this island are very social with humans. Those really social dogs are going to be the ones that are going to

be leaving. I have to follow the legislation that says that after forty-eight (48) hours, they are available for adoption. I cannot hold an animal back for an extended time period, because I have ten (10) more animals walking into the shelter that need that cage. That is very difficult for me to extend and tell adopters they cannot adopt because this may or may not belong to someone that is not in compliance with legislation. That puts me in a difficult situation as well. We are trying to do what is best for new adopters and for the animals. I really feel for that, and it is something that I am going to go back and brainstorm of how we can help more hunters get in compliance so in forty-eight (48) hours, their animal is not potentially walking out the door with a new owner. I do not necessarily think holding all the animals in a shelter longer, who may not have anyone looking for them, is necessarily the right path to go to keep our new adopters happy and keep the animals welfare in consideration. At the same time, I will let you know that our average length of stay is eighty (80) days, so there is a good chance that the animal is going to be back. I cannot keep that animal in a cage and hinder its welfare. I need him to be social with other dogs. That is what a hunting dog is...he is social with other dogs. He is used to hunting with other dogs. I cannot put an intact animal and potentially risk impregnating a bunch of other animals, which is going to increase your care and costs. It is a very interesting thing to balance. I will definitely be looking at opportunities to try to assist that community. I do not know if increasing their length of stay even further is the best option to go for. It is something that I will look at.

Councilmember DeCosta: How long do you say you keep the animal when they come in before they are allowed to be adopted? Without any type of identification, how long do you keep them?

Ms. Schaefer Crane: The legislation says that the stray hold is forty-eighty (48) hours or two (2) days. It is a full two (2) days. If they do have microchipping or any sort of identification, then it is nine (9) days.

Councilmember DeCosta: So, nine (9) days with the microchipping, you call the people and they have up to nine (9) days. Their dog or cat is not spayed or neutered in those nine (9) days?

Ms. Schaefer Crane: Correct.

Councilmember DeCosta: Only the dog that does not have identification...and in forty-eight (48) hours, you are going to spay or neuter them and put them up for adoption. If that person comes in on the third day, then their dog could be adopted and neutered, correct?

Ms. Schaefer Crane: Potentially.

Councilmember DeCosta: Okay. I understand it.

Mr. Giovanni: Councilmember DeCosta, I think one of the most important messages to get out to the hunting community is that if they intend to do breeding of their dogs, it is really important that they get it microchipped.

Councilmember DeCosta: I like that idea, Dan. That is one of the best ideas I heard yet. Thank you for that. That is why I want to talk to you and Nicole about getting that community in for the microchip. I think it would be great even if we could financially make it happen for them. Thank you so much.

Mr. Giovanni: Yes, that is the best first step.

Ms. Schaefer Crane: Thank you.

Committee Chair Kaneshiro: I have a question that is probably for Reiko. You mentioned that we executed the 5-year contract. Typically, a multi-year contract usually comes through the Council for approval.

Ms. Matsuyama: Yes, good point, Council Chair Kaneshiro. As long as we have the funding approved by the Council in the budget, then the multi-term contract is good to go. Other than that, we do not need approval. If we did not have funding in the budget and if for some reason you did not approve it, then the contract would be canceled.

Committee Chair Kaneshiro: Okay. Could you send us a copy of the contract to review?

Ms. Matsuyama: Okay.

Committee Chair Kaneshiro: I am trying to think of another situation where this happens. I believe cell tower agreements we approve. It is multi-year, but we still approve them. Maybe those come in not during budget time?

Ms. Matsuyama: I am not sure. I know that multi-term contracts always have a provision that the County can cancel or will terminate the contract if funds are not approved in future years.

Committee Chair Kaneshiro: Okay. For me, if the contract states a specific amount, there are times when the Council might think that is too much money, but not the whole thing. I am not sure how that would affect the whole contract.

Ms. Matsuyama: I can send the contract over.

Committee Chair Kaneshiro: Are there any further questions from the Members on the Kaua'i Humane Society? If not, thank you, Dan and Nicole. We are going to move on. Reiko, do you want to give just a brief overview on your budget?

Mr. Giovanni: Thank you, we will sign off.

Ms. Matsuyama: Good morning. The Department of Finance is requesting an overall increase in our budget of \$1,300,000 or 9.5%, bringing our total expenses to \$15,200,000. Much of the increases are due to things that are outside of our control. Collective Bargaining increases that are anticipated, countywide insurance premiums, constantly increasing software maintenance costs which are carried in Informational Technology (IT), but they are for other departments, and the requested increase from KHS. In addition to those increases, there are two (2) big changes to our organization that you will see reflected in the FY 2023 budget.

First, the establishment of the Kaua'i Transient Accommodation Tax (TAT) Office, that is housed within the Treasury Division. With this addition, the Treasury Budget doubled from FY 2022 to FY 2023. They had three (3) positions prior, and now they have three (3) more. Setting up of the Kaua'i TAT was a huge accomplishment for the Department of Finance. We still have a long ways to go in auditing and ensuring compliance, but thank you to you folks, we had three (3) positions authorized in FY 2022. Unfortunately, only one (1) of those positions is currently filled. We also have an 89-day hire, and the supervisor position will hopefully be filled soon. We just did test last week, and we received the eligible list from the Department of Human Resources (HR) this morning.

The next big change for our organization is the DMV integration project. You will notice the elimination of all (1:27... 05 / 05) accounts in the FY 2023 budget. This is because we are absorbing the Department of Motor Vehicle (DMV) with the Driver's License Division, to create one division in DMV. While this may look like a big change on paper, it is even bigger of a change when you think of it operationally. Let me dive into a little bit of how this is going to work. The DMV will no longer be split up by Driver's Licensing and Motor Vehicle. It will operate as one (1) unit. A customer can do any transaction at any window. This structure is like all other DMV operations statewide. There will be a lot of benefits that come out of this move. For customers, the wait time will be reduced, appointment horizons will not be as long, and there should not be confusion as to what window they need to go to get service. Right now, we see people making appointments for the wrong side, so they come, and they wait, and that does not end very well. On the employee side, the workload will be shared more equally throughout the entire DMV. It will be more flexible with paid time off since there will be more coverage and more redundancy. There will be more opportunity for career advancement within the DMV. There is going to be temporary inconveniences as we will have to close to crosstrain our staff. That is starting today. It will be more important for customers to make appointments to minimize wait times. You can tell your constituents and really encourage appointments instead of walking in. Like when there is road construction, there is way more traffic before traffic gets better upon the completion of the project, so it will be similar. Hopefully we can communicate to the public about the long-term benefits of the integration. It ties into our CIP request for the satellite location. A satellite location would not be possible if we are not able to integrate first our Kāpule lobby. Once we integrate, we will be able to move forward operationally with other potential locations.

If we go into "asks" for this year, part of our request of increase is due to three (3) new positions within the Department of Finance; one (1) in the Real Property Tax (RPT) Assessment Division, and two (2) in IT. Real Property Appraisal (RPA) and Technical Staff is struggling due to the loss of appraisers. Our Real Property Manager removed from an Appraiser 6, and he took with him a lot of his parcels. He is not supposed to even have any parcels as the Manager. We need to offload some of this work to other people, and the current staffing cannot absorb anymore. Keep in mind that adding position to this section of RPA

brings in money into the County. The return on investment we will see is well worth it. To balance a budget year-after-year without increasing RPT rates, is paramount that we can continuously increase our assessed values. The two (2) requested positions for IT will fill very different functions. We are requesting one (1) Help Desk Employee, as our demand for resources continue to increase. With teleworking, adding employees, and everyone trying to upgrade their software, we strive to maintain a high level of customer service. Our IT Department is currently running thin, being that four (4) of our positions are currently dedicated completely to implementation of the HR Management System (HRMS). Because of this, we know our services are lagging as basically all other projects are being put on hold. The other IT position that we are requesting would be dedicated to cyber security. We outsource this service to monitor our infrastructure, but this position would be onsite to keep our services and workstation secure. They would be responsible for following up on a tax and provide training for users. That is basically it, and I will open it up to questions, and we can walk through each division one-by-one.

Committee Chair Kaneshiro: If possible, let us try to keep the questions to the division. I have questions on DMV and RPA, but I will hold off until we get to those divisions. We are going to go in order of the sheet that is front of us. Are there any questions on Reiko's presentation? Councilmember DeCosta.

Councilmember DeCosta: I think this is suitable for now, but I did not see a specific area where it says, "Agricultural initiatives." I might be able to ask that right now, or is this a department for agriculture?

Committee Chair Kaneshiro: Is it related to RPT?

Councilmember DeCosta: Yes, it basically covers...Reiko, how are you? I am going to ask the question now. I know I have been working closely with you folks on some of the agricultural initiatives. It seems that there is a small hole in how we can become compliant. How is it being handled now, and how do you propose to improve it?

Ms. Matsuyama: Okay, yes. For compliance, every other county across the State has a whole branch of their operations dedicated to compliance. We do not even have one (1) position. We do intend to convert one (1) of our vacancies for compliance, but we have not been able to find the right person. Currently, our appraisers act as compliance officers. Let me put it in perspective. We temporarily had a compliance officer. Unfortunately, she left for a better opportunity. She was with us for four (4) months, but in those very short months, she worked on twelve (12) projects, all while she was learning and training. I am trying to quantify this for you. If we take the largest three (3) of her twelve (12) projects, she was personally responsible for finding \$23,000,000 in assessed value. \$23,000,000 in four (4) months, talk about return on investment. If you put that into real dollars, even if that entire \$23,000,000 of assessed value was taxed at the lowest rate, which obviously it would not be, but for conservative purposes, we talk about the lowest rate, she brought in over \$70,000 in revenue in the four (4) months that she was here. Compliance and appraisers can generate lots of General Fund revenue for the County, and we know that we are in need to throw resources to that side of Real Property to get their staff trained. One (1) of our vacant positions that we have right now, we would like to convert that to some type of compliance officer to do compliance kind of thing. Agriculture will be one of the things that they would check on as well.

Councilmember DeCosta: Thank you for that exquisite answer. Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: A couple of quick questions, Reiko. Thank you for the overview. It was detailed. For TAT implementation, I know it was a heroic job setting it up and it looks like you folks are transitioning to hiring someone to do the collections in some capacity. Do you have an estimate on or is there a line item in the budget for what you are budgeting for the contract for TAT collections and reconciliation?

Ms. Matsuyama: Yes, it is kind of buried in Treasury. Right, now we are not really paying anything except for transaction costs on Automated Clearing House (ACH), so we basically eat all...because we are not accepting over-the-counter check or anything, so it is all online. Credit card fees are passed on to the taxpayer, but we do absorb, I believe it is \$0.36 for ACH transactions that come through. We are hopefully soon, going to contract with the same vendor that Hawai'i Island and Maui are about to use. The overhead is also very small, so you would not really see any big ticket increase in the TAT side of it, because again, it will be covered by the transaction fees and not set up in implementation.

Committee Chair Kaneshiro: I see for \$14,400 for TAT Collection Software Implementation & ACH Fees. I believe the Armored Car Services is \$7,200, and then there is also a TAT Notice of \$3,000, so you are looking at \$24,000 to \$25,000.

Councilmember Kualii: Page 54.

Ms. Matsuyama: Those costs are all the same as what you folks approved in the money bill to establish the revenue in Fiscal 2022, so I did not increase those at all.

Councilmember Evslin: That is pretty amazing. That sounds cheap to be implementing a tax that is bringing in \$17,000,000 a year or so.

Committee Chair Kaneshiro: Not including the salaries for the three (3) new people in the fiscal.

Councilmember Evslin: The outsourcing, though, how much work will the vendor be doing for us and will that free up the people who have been currently administering it in some capacity to do something else? How does that work?

Ms. Matsuyama: Good question. I hope so. Right now, it is a very manual process. The provider that we have just strictly does collection. The vendor that we are planning to contract with, they are setting it up in phases. They are still in Phase I and they are doing it for Hawai'i Island, but their Phase II is to also do reconciliation and auditing, so they are going to take in the Department of Taxation State data and reconcile it against our data. That is the part we are doing in-house through Equerries, Excel, Access, and those kinds of things. We are hoping to push that onto the vendor, so we have more time to do back end such as sending letters and contacting taxpayers and those kinds of things.

Councilmember Evslin: Okay, thank you. As far as the reconciliation goes, how has it been so far? It is a new system for people, and it can be confusing for some. Have they been able to transition pretty seamlessly and the reconciliation looks okay?

Ms. Matsuyama: Yes and no. For the most part, I think yes. I will say that the taxpayers that I have spoken to, they are all trying their best to be as compliant as possible, so it is very difficult for them to pay all these different places, the set-up and the whole grandfathering exemption on what they have to pay on and what they do not have to pay on and what is subject to Kaua'i's Transient Accommodations Tax and what is not. It has been challenging and there are still people that have not paid us at all, and so those are the kinds of people that we are trying to do outreach to. It is difficult for us, because we only have contact information from the State, and the State data is pretty outdated. They would get a mailing address for a person when they register for a TA number, but they do not have an updated address. For every time you file a TA-1 return, you do not have to send an updated mailing address. When we send our initial three thousand plus (3,000+) letters, we had a lot of returned mail, because they do not live there anymore. The outreach has been hard, because we have mailing addresses that are sometimes outdated; the E-mails we have for some TA numbers, but not for all; and we do not have any phone numbers. It is kind of limited. Now that we have tried to touch everyone and there are still people that are not paying, it is difficult.

Councilmember Evslin: Yes, that sounds brutal. Okay. One (1) more question on DMV integration, when is that actually expected to occur?

Ms. Matsuyama: We have to go through a whole Hawai'i Government Employees Association (HGEA) reorganization consultation with the union. On personnel side, that is just the easy part, now we have to train them, we have to make sure that our software is accommodating, the check-in system, and make sure the queuing software is all set up. We also have to buy a lot of infrastructure. Let us say the Driver's Licensing windows do not all have cashiering, so we have to buy the cashiering things. The Motor Vehicle windows do not all have the eye tests for the driver's licensing, and their stations actually are not big enough to accommodate the eye tests. We are going to have do some minor construction projects in order get everything...hardware, software, and everything has to be done. If I were to give you a timeline, I would say end of calendar year, but even then, some of the more difficult transactions, I am not sure that they are going to be fully cross-trained. We are doing certain transactions, the easier ones that are maybe more frequent, trying to get that all done, but there is a phasing plan in place, so we hope that we can roll that out soon.

Councilmember Evslin: Thank you.

Committee Chair Kaneshiro: I guess while we are on it, let me ask my question before we move on. Regarding DMV and Motor Vehicles, in the past, we had positions that were State-funded positions. How does this move to bring everyone in and integrate them into the whole system affect the State funded positions?

Ms. Matsuyama: That is a good question. The State has had a lot of turnovers in where, like our contact that we usually go through for State positions, I do not think there will be any changes. Across all the counties, they are all done on a position-by-position basis, so I do not think there will be any change to what positions they are going to fund.

Committee Chair Kaneshiro: Okay. I know in the past, I mean, I believe Office of the Prosecuting Attorney...maybe it is grant funds. It is very specific on the type of duties

that they can perform. I was wondering if there were any issues that will come forward with a Licensing person getting State funded that is doing DMV type of operations, but if you have worked through that, then I am okay.

Ms. Matsuyama: Right now, we have State-funded positions on both sides, Motor Vehicles and Licensing. I think with that combination, we will just have the same number of positions funded. Driver's Licensing is heavier funding right now on the State funding, because we do Commercial Driver's License (CDL), Periodic Motor Vehicle Inspection (PMVI), and things for the State on the Driver's Licensing side more. But I think with the combination, the number of positions will remain the same funded by the State.

Committee Chair Kaneshiro: Okay. Are there any other questions from the members? Councilmember Kuali'i.

Councilmember Kuali'i: We are going to Administration?

Committee Chair Kaneshiro: Yes, we can go to Administration.

Councilmember Kuali'i: I do not have any for Administration.

Committee Chair Kaneshiro: Are there any questions for the Administration budget? Councilmember Evslin.

Councilmember Evslin: Is the property insurance line item for the entire County?

Ms. Matsuyama: Yes.

Councilmember Evslin: Okay, thank you.

Committee Chair Kaneshiro: Are there any other questions? If not, we can move on to Accounting. Are there any questions for Accounting? If not, we will move on to IT. Councilmember Kuali'i.

Councilmember Kuali'i: On the vacant Position No. 271, IT Specialist IV, it was vacant now since December, a couple of months. The recruitment status showing on the Vacancy Report says, "no selection made," but I also see in the breakdown that the interview was December 14, 2021. What is the status of filling that position?

Ms. Matsuyama: This one is a retirement that we knew about in advance, so we had actually posted for recruitment...

Committee Chair Kaneshiro: Reiko, you are on mute.

Ms. Matsuyama: We did not find any candidates that we wanted to hire at that time, so we are actually going to redescribe the position to a Geographic Information System (GIS) Analyst. We are going to post a series and see what we can get. That posting is with HR, so it should be posting within the next week.

Councilmember Kualii: Thank you. On the two (2) new positions, was that what you were referring to earlier when you said one (1) is filled and one (1) has an 89-day hire?

Ms. Matsuyama: Hello? Did I lose you?

Councilmember Kualii: What is the status of the two (2) new positions and recruitment?

KA'ĀINA S. HULL, Planning Director (*via remote technology*): Reiko, I am on here with you. I think we lost the Council's feed.

Ms. Matsuyama: Okay.

Mr. Hull: It is not just you.

Committee Chair Kaneshiro: We can hear you folks.

Ms. Matsuyama: Oh.

Committee Chair Kaneshiro: Can you see us? We can hear you.

Ms. Matsuyama: I can see and hear you now.

Councilmember Kualii: Okay. I was asking about the two (2) new positions and the recruitment status. Was that what you referred to earlier when you said one (1) filled and one (1) 89-day hire?

Ms. Matsuyama: No. What I was talking about was for the TAT positions that were authorized in Fiscal 2022.

Councilmember Kualii: Okay.

Ms. Matsuyama: The two (2) new positions in IT, hopefully, we will recruit as soon as they are approved.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: We lose our feed while we are talking about IT. Are there any further questions for IT, besides them messing up our service when we are asking questions about their budget? If not, we will move on to Treasury.

Councilmember Kualii: What page?

Committee Chair Kaneshiro: Treasury is on page 53. Treasury includes the new TAT positions. Are there any questions for Treasury? If not, we will move on to Driver's License. Driver's License is zeroed out. We will move on to Motor Vehicles, which is on page 58, that includes both Driver's License and Motor Vehicle. Councilmember Kualii.

Councilmember Kualii: On Position No. 243, Motor Vehicle Program Technician, it was vacant since January. I know that the position that you said is State-funded, but recruitment status says, “no request to recruit.” What is that?

Ms. Matsuyama: It is a State-funded position. That status has since changed. We actually just finished recruiting—well, I should not say “finished.” It closed last week. We have not yet gotten the eligible list from HR, but hopefully, within the next few weeks.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Are there any other questions for Motor Vehicle from the Members? If not, we will move on to Real Property Tax Assessment. Councilmember Cowden.

Councilmember Cowden: Thank you. You gave us somewhat of an explanation. This is such an important division. Can you help me understand explicitly which positions retired? You do not have to name names, but it seems like you are saying we have lost...

Committee Chair Kaneshiro: It would just be position numbers.

Councilmember Cowden: I just want to know what that position’s authority is, because when we are losing our institutional memory and knowledge, I know we have had some warnings, how many positions retired?

Ms. Matsuyama: Well, we have not had gotten any retirements recently. Our last retirement, I would say was our actual Real Property Tax Manager, and he left in February of 2021. That basically left a hole, because we promote from within and that create a huge hole in the appraiser’s section. We do have an upcoming retirement though, from key personnel in Position No. 218.

Councilmember Cowden: Okay.

Ms. Matsuyama: That is going to be a huge loss.

Councilmember Cowden: Right. I am worried about that one. I guess I was wondering if that already happened, so that is going to be occurring. I guess where I have some tension in myself is when we are looking at how much inflationary pressure has happened on our properties, if we get everything up to speed while people are not making more money, we are probably going to have a lot more taxes on our population, is that what I am hearing? I do not know if people are making more money.

Ms. Matsuyama: Are you talking about for Fiscal 2023 or beyond?

Councilmember Cowden: Fiscal 2023. As we go around and assess, when I look at different people’s property values on <https://www.qpublic.net/hi/kauai/>, people can look. I will think, “wow, good deal for this person or that person.” It has not reflected the current market. How do we go around and...we cannot reassess every property every year? How does that movement happen? I just kind of want to know a little bit about how many

people are looking at this and what we can anticipate, because we need to give people warning, maybe. When are neighborhoods going up? How does it happen?

Ms. Matsuyama: I might tip this to Mike Hubbard to talk about the actual mass appraisals process, but I will say that in...I think right now, homeowners that are owner-occupied are very much protected by the 3% assessment cap, because their values are really limited on how much we can go up. They really have the most protection. But I will pitch it to Mike to talk about mass appraisal and how he touches every parcel every year.

Councilmember Cowden: Okay, because where I am...

MIKE HUBBARD, Real Property Tax Manager (*via remote technology*): Thank you. For the record, County of Kaua'i, Mike Hubbard, Tax Manager. If I heard Councilmember Cowden correctly, did you allude that we cannot assess every property every year?

Councilmember Cowden: No, I was just saying...

Mr. Hubbard: If I heard that correctly, we do assess every property every year, so we do have to do mass assessment techniques to come up with 100% market value of every year of every property on the island.

Councilmember Cowden: Okay. I have been given a different answer, but it was a few years ago, so maybe we have changed. How do you do your mass assessment technique and when we have a new team, do you feel like this is going to happen uninterrupted?

Mr. Hubbard: According to County Code, it has to happen uninterrupted no matter what our staffing challenges are. We still have to assess every property in the County at 100% of fair market value. How do we do that? We subscribe to our Computer-Assisted Mass Appraisal (CAMA) system, which is provided by the Tyler Technologies, which you will see in the budget, and we have our team of appraisers and the rest of the staff, which have key fundamental tasks, so we can arrive at an assessed value for every property every year.

Councilmember Cowden: The area I am worried about the most is long-term rentals. Residential does not have an assessment cap, right? If something is Residential, it does not have an assessment cap, because not everyone can have an affordable rental because of the cost of the mortgage, or their taxes, or the insurance. Residential properties, as they go up, I am concerned about our long-term rentals and our business owners, because everything is going up. Do I have that correct? There is no cap on those; those things will continue to move upward.

Mr. Hubbard: That is correct.

Councilmember Cowden: Okay. In your operational challenges, you talked about the importance that we cannot overstate how important these very experienced appraisals and analytic teams are. When we are recruiting new talent from the bottom and training them to higher levels, if a computer is simply doing all of the appraisals, help me understand, when you have a computer program that can do a mass appraisal versus the importance of the experienced appraiser and analyst team.

Mr. Hubbard: I am not sure I completely understand the question, but I will try to do a quick relation to the appraiser. We have maybe a dozen on the island, and they will average maybe for bank refinances or purchases, they will probably get to several properties a month, and it will take them a month to do a report. They will be able to do maybe one hundred plus (100+) appraisals a year. We are trying to do thirty-six thousand (36,000) appraisals a year and we are using a team of seventeen (17) people in total, less than a handful of highly qualified appraisers. With that, we need the assistance of our computer system, so we can catalog and analyze the data, validate sales, visit properties, pick up new construction, analyze what the market conditions are doing so we can plug that data into the system, and make sure the results are accurate, test for those, and also manage the cap programs that we do have. I am going to stop there and hopefully, that kind of simplifies your question, if I understood it correctly.

Councilmember Cowden: Well, it was very helpful. It is just my instinct, seventeen (17) appraisers and thirty-six thousand (36,000) properties. How can anyone really address all of that? Thank you for putting that together that way, and as just we talked earlier robustly, and I do not need to go back to that at all. It is just when people are surprised with a big jump in taxes, I am just trying to think about how we help people to be prepared. I know my own personal taxes, no complaints whatsoever. It has always seemed very fair. I have been in this house twenty-one (21) years. I think the majority of it goes just fine. I am just trying to be proactive if we are having a problem. I am hearing you say you have it covered, correct? You are saying that it is good, and I do not need to worry.

Mr. Hubbard: That is a good statement. I think it is very challenging what the Office is tasked to do and what we do. If anything, that I am asking Administration for is to make our Office better, so we can accomplish more fair and more uniformed assessments.

Councilmember Cowden: I thank your whole team for what you do. I recognize it is a difficult job.

Ms. Matsuyama: If I could add to what Mike was saying, too. He is constantly looking at ways to let us say, buy values that is not exactly what he is doing, but ways to basically validate what our values are coming out to be. There are ways to do that, through Tyler as well, and through the CAMA system he was mentioning. There are modifications that can be built in, there are other different vendors out there that could help us validate our values, also defend those values at Board of Review those kinds of things that we are kind of constantly out in the market for just to see what is available, and that would help support our appraisers more.

Councilmember Cowden: Thank you.

Committee Chair Kaneshiro: I have a follow-up. When it comes to trying to hire appraisers, if we are having a hard time, is there a supply of people that you can contract out to maybe try to help out?

Ms. Matsuyama: There are ways. We could not contract with let us say the fee appraisers that are on-island. There are Konno issues that we cannot touch contractors when we have doing it historically. I will say, Councilmember Cowden mentioned we have seventeen (17) appraisers, I just want to set the record straight that we have

seventeen (17) total employees in the staff. We have far fewer appraisers that all manages the thirty-six thousand (36,000) parcels. There are ways that Mike can leverage with the other counties, perhaps. We are all on the same software, so there are opportunities there, but it would need to be explored.

Committee Chair Kaneshiro: One (1) position, the Real Property Valuation Analyst, has been vacant a long time. I am just trying to think of other ways. If it is going to be vacant that long and you need someone to do it, then maybe it is easier to contract it out for now while you are still trying to find that employee or fill that position, at least you are not losing out on that type of work that can be done by that position.

Ms. Matsuyama: Yes, and that position was dollar-funded last year, and we actually were using it to temporary assign (TA) an employee, too, who was very capable and qualified to do that kind of work. So, there was rhyme and reason to that extended vacancy.

Committee Chair Kaneshiro: Okay. Councilmember Cowden with a follow-up.

Councilmember Cowden: Okay, thank you on that seventeen (17). It looks like we have basically five (5) specialists. Positions Nos. 217, 222, 220, 230, and 216 are all Real Property Appraisers to some level, and then we have the Real Property Valuation Analyst. How is that job different?

Ms. Matsuyama: The Valuation Analyst will pretty much become the Property Technical Officer and replace our retirement that is upcoming.

Councilmember Cowden: Okay. I see two (2) more down here, so we have seven (7) appraisers total.

Ms. Matsuyama: Yes, some are vacant.

Councilmember Cowden: Okay.

Committee Chair Kaneshiro: We are actually at 11:00 a.m. so I am going to call for a ten-minute caption break now and when we come back, Councilmember DeCosta has a question. Ten-minute caption break.

There being no objections, the Committee recessed at 11:01 a.m.

The meeting was called back to order at 11:12 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are still on the Real Property Tax Assessment Division. Councilmember DeCosta.

Councilmember DeCosta: You might have answered this with Mike. Does your Division engage with other counties across the state? Also, in your narrative, you expressed that you are short-staffed. We realize that. What else are you doing to streamline operations and what are other ways you are trying to be more efficient?

Ms. Matsuyama: That is a good question. We actually just hosted an administrative meeting here on Kaua'i with all of Mike's counterparts and actually some of my counterparts as well. It was a two-day meeting. They usually do them quarterly, but during COVID-19, they did not have it as often. For me being the only non-assessor in the group, I was really engaged the whole time. We all have very similar issues across the state. Mike's counterparts are really amazing across the state. He is kind of the "newbie" of the group, so I would like to keep the collaboration going as much as possible. He has his homework cut out for him in order to leverage training, software opportunities, and in general to collaborate with the other counties. For a little bit of perspective, and I think this might help the prior conversation...Real Property Assessment is made up of five (5) different functions. We have appraisers, technicians who process the tax relief programs, abstractors that specialize in title and transfer issues, Property Technical Officer and compliance and that includes the valuation analyst, and then we have Geographic Information System (GIS). All of these different functions are very special and unique. In nearly all cases, they never overlap. It is hard for succession planning. For us in the County of Kaua'i, we are much smaller than the others. We only have one or two people in each of the different functions sometimes. Retention of those people is super important. Succession planning is very difficult. It is even more critical for us to leverage the opportunities with the other counties. They have more people in each of those functional areas that maybe we can tap. In addition to the other counties, we did just have the International Association of Assessing Officers (IAAO), and they came in and did an audit of our operations. They provided a lot of short-term and long-term recommendations for improvement that we are working towards. As we just noted, we have seven (7) positions for appraisers. Two (2) are vacant. Two (2) are very new. We need to train them up. IAAO's recommendation for our parcel count was to have fifteen (15) appraisers. We are nowhere near where we need to be in their eyes. The more we have, it is never going to be enough.

Councilmember DeCosta: Thank you for that explanation. Those positions do generate revenue. Many times, when you assess a property, you are assessing for revenues. Thank you for doing as much as you do with as little of a workforce as possible.

Committee Chair Kaneshiro: Are there any further questions for Real Property Tax Assessment? If not, we will move on to Real Property Tax Collections. Councilmember Cowden.

Councilmember Cowden: Thank you for the hard work that you do. Do you have an estimate of what percentage of our properties are able to pay their taxes on-time or pretty close to on-time?

Ms. Matsuyama: I might pass it over to Michelle. She would know our delinquency rate more than I do.

MICHELLE L. LIZAMA, Deputy Director of Finance (*via remote technology*): That is a good question, Councilmember Cowden. Normally, our delinquency rate prior to COVID-19 was between 3.5%-4%, but lately, I have to look at the data and I can send you that information. Typically, pre-COVID, it ranged between 3.5%-4%.

Councilmember Cowden: Okay, so over 90%, that is pretty good, actually.

Committee Chair Kaneshiro: Are there any other questions for Collections from the Members? If not, we will move on to Purchasing. Are there any questions for Purchasing?
Councilmember Kualii:

Councilmember Kualii: Vacant Position No. 1547, Procurement & Specifications Specialist I, vacant for a couple of months now...in the recruitment status, it stated that you would recruit in March and April. Have you started recruitment?

Ms. Matsuyama: Yes. The position should be filled by April 16. It will be filled internally, so it will create another hole.

Councilmember Kualii: Alright. Thank you.

Committee Chair Kaneshiro: Are there any other questions for Purchasing? If not, we are going to move on to the Office of Economic Development. Are there any final, last questions for Reiko? If not, thank you, Reiko to you and your staff.

Ms. Matsuyama: Thank you.

Committee Chair Kaneshiro: We can now move forward with the Office of Economic Development.

Office of Economic Development

Committee Chair Kaneshiro: We will have Director Nalani Brun take us through the budget request for the Office of Economic Development (OED).

NALANI K. KAAUWAI BRUN, Director of Economic Development (*via remote technology*): Aloha. I am just going to give a quick overview. We have spent the last couple of years just trying to work on projects to effectuate recovery. We have a lot of great fun opportunities to be creative with that recovery. We have been slowly getting back to business at-hand and basically that has always been about helping to make economic change for the better here on our home island.

We began laying the groundwork for better service in the sector areas that we have been trying to manage. We were able over the last year to complete the Comprehensive Economic Development Strategy (CEDS) along with the Kaua'i Economic Development Board (KEDB). We relaunched our innovation grants again. Those have been working out really well. We get a lot of really creative ideas coming in to help us. We know that we are not the "be all" or "end all" for all of these things. We are on the cusp of launching a new film site. That is one of the things that you approved funding for last year.

A lot of our websites...we are proud of the fact that we were really early-on on getting our websites up to do economic development. That was a long time ago and they were built

with very old technologies. They are having to be changed out or they will be wiped out. Our first one was for our efforts in film. We actually will be launching a film site before the end of this fiscal year. We have a split team over at OED, part old-timers, and part young-timers. We are doing a lot of training in house to help them learn, much like Reiko's team, on how to operate within County government, especially with procurement. That is an important part...to be able to be creative, you have to understand procurement.

We have met individually about our budgets as a team to see which sectors we thought we could make the most movement in. Each specialist, even if they do watch over or do deep dives over a specific sector, we all work with each other, so we understand each other's needs and the timing. Sometimes some sectors will give for another sector in order to make other types of bigger projects happen. This year, along with revamping the film site, we want to look at changing the Kaua'i Made website. That has old technology now that really needs an update before those tanks.

We are really this year want to go all-in on rebuilding our film presence. The film site will take off. We got a new logo. We got a new charge. We know somebody who knows what she is doing, and we are ready to really go all-in to try to pull back a lot of the business that used to be ours for a long time. That is the \$70,000 increase. We have a \$50,000 Agricultural Feasibility Study. We are tasked with looking at the Waimea 400 project and helping to implement the piece that is on agriculture. We want to really take a good look at what is feasible economically out there to try to prepare to put that in place.

We are starting to re-up our funding for special events. This year, the Hawai'i Tourism Authority (HTA), they fund events, but they fund on a calendar year. We are able to see at the beginning of the year what did not get funding. Everybody was still scrambling this year trying to get going on events. We are going to be reinstating some of our event moneys, not all of it. We want to reinstate some of it to try to catch some of those wonderful events that bring our community together, but did not get funding or were not able to pull it together at the last second. That is basically where we are.

Our operational challenges are that we have had AmeriCorps Volunteers in Service to America (VISTA) in the past, they have been a big help to us, and they are fantastic. We do not have them right now. Our team is trying to handle the load on their own. We do have outside consultants. One of the VISTA's jobs was to watch data and economic data gathering to put it up on dashboards. We actually have a consultant now that does that. It is actually one of the old VISTA's that we had. They are very familiar not only with the data that we need and how we like it, but also with all of the partners that are involved in collecting that data. That has been a big boon for us. They stay on-island and are helping our community.

With that, I will be open for any questions.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Position No. E-48, Economic Development Specialist IV, what is your plans for filling that position,

Ms. Kaauwai Brun: We rewrote the position recently and submitted it to HR. When we first had that position, it is kind of new as it was only established not too long ago...now that we know how it runs, what the people need, and what the asks are, we rewrote it a little better. We are going to be issuing that probably in the next week.

Councilmember Kuali'i: Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Regarding the VISTAs, when you said their positions have since ended, could you explain a little bit about it? I know in the past they have done amazing work for the County. Some of them transitioned to working for the County. If you could just explain a little bit on how that VISTA position was funded, why the program ended, and if it is going to come back in the future? How does all of that work?

Ms. Kaauwai Brun: We were previously working with Kupu. They do a lot of VISTAs all over the state. Just recently, they decided to go into just VISTAs that are working on natural resource projects or cultural projects. For right now, they did not have the availability to do the kind of programming that we wanted, which was basically data collection and some of our energy areas. We expect over the next year to watch as those changes. They are just coming out of those huge Federal projects. Some of their projects were Federally funded through ARPA or CARES. They are trying to regroup themselves. We expect to go back to them eventually. Basically, we use them mostly for dashboarding and collecting not only energy information, but also economic information. Right now, they are still working on the green-house gases (GHG) inventory and in keeping up our Economic Development dashboard.

Councilmember Evslin: Thank you. That GHG inventory work, do you have any segment of that completed? Is that ongoing?

Ms. Kaauwai Brun: We are close to finishing for the update.

Councilmember Evslin: Awesome, thank you.

Ms. Kaauwai Brun: That is for 2019, still.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Thank you for all that you do. Every time I encountered your Office, it is such a pleasant Office to work with. Your innovation grant, I like the \$50,000 was the figure. A lot of good things came out of that. The one that I am looking at and I am specifically interested in, and I want to know how we can support you on the Waimea 400 project. I noticed that you are going to do a feasibility study on that project area for agriculture. Do you need any additional support from the Council with developing this rural area into a resilient community, is what I learned when we went to Washington

D.C.? It is creating rural areas, making our community be able to go to school, walk to church, sports programs, workforce housing, and the big bunch line is growing their own food from all aspects of food production. How can we support you in this County venture in developing this resilient community on the Westside?

Ms. Kaaui Brun: We actually have two (2) studies that are probably going to go out almost at the same time. One is, last year Council funded a deep dive into agriculture economic development and that would come off of the CEDS. Once we completed that, we knew we wanted to dive quickly into agriculture. That is going to be starting to kick off soon and be running throughout the summer and the fall. A lot of that is about supporting basically getting the right people to the table and getting them to come to the meetings. We plan to have lots of meetings in-person and Zoom-type calls to give everyone every opportunity to participate in that. As that is kicking off, we also want to be looking at the Waimea 400 and what the plans are with the community has called for that. We are going to try to do our best to combine those so people do not have to go multiple meetings. We may have different sessions within the same day. That is the most help that we need. It is getting people to the table, encouraging people to speak up. If they are comfortable in any way, we are always open to having one-on-ones. Our consultant would be happy to support the community in whatever way they want to communicate.

Councilmember DeCosta: Thank you.

Committee Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: I wanted to get a brief update on the Business Mentor Facilitator. What is happening with that project?

Ms. Kaaui Brun: We set-up a consultant on contract and he facilitates meetings for businesses. The steps for creating a business include going to the Small Business Development Corporation (SBDC). That is where you start a business. That is where you get your general excise (GE) license and you kind of get going. They start running for a while and then they realize that maybe they are really to make a leap. They are ready to grow, and our thought is that we really want to try to help them hire more local people. We want them to make that leap. When they are ready for that, and we see that, they come to us, and we actually put them in-touch with the business mentor. The business mentor meets one-on-one with them, very intensely, and gives them some real good and honest information about their business, what they will need to do to make the next step, and he is also a good advocate to get them to funding sources. If they need additional moneys to make the leap to the next level, where they are going to have more employees and become a bigger company, maybe start to export, then that is where he comes in handy. That is not always our place. We are usually there to show them how we make government help the community. We need these mentors who are actually business experts to help us help the businesses make the leap.

Councilmember Carvalho: Okay, so that is more of connecting everyone through the business sector?

Ms. Kaauwai Brun: Yes.

Councilmember Carvalho: Okay, thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I wanted to start by acknowledging that close to 40% of your expenses come from grants. You are doing a good job at defraying any huge impact on the taxpayers out of our General Fund. Do you have one main grant writer within the organization, or does each different staff member write these grants? Who writes these grants for the group?

Ms. Kaauwai Brun: We actually do not have any grant writer. In the past, our businessperson has been our grant writer. They have done them. Our energy person has talents. Our goal really is to give everybody in here, that has some level of writing skills, to be able to become a grant writer. That is one of our really big goals is to have a little grant writing team. We have one currently, they are just not activated because we have a lot of other things we are trying to learn. That is one area that we are still building on. Out of all of us in here, maybe four (4) or five (5) of us have actually worked on writing grants. We have assisted people in writing grants, all of us have done that.

Councilmember Cowden: Yes, I have received assistance from you before in writing a grant from an earlier project. I think as we look at any openings that we have, that we keep that skill on that list of hiring and try to keep that up to date. I see that you do have grant software budgeted. It says that 50% of the cost is shared with the Housing Agency. Having that grant capacity seems like it is important to keep that alive, since that is a significant portion of the funding.

Ms. Kaauwai Brun: I absolutely agree with you. It is on the job description for the businessperson coming in.

Committee Chair Kaneshiro: The grants management software is a new line item in your budget. Can you explain what it is or what it does?

Ms. Kaauwai Brun: That was formally housed in the Department of Finance. I remember Ann Wooten; she was the Grants Manager at that point. She had really wanted to bring everybody who writes grants in the County under one house. That is why that was created. As part of it, our Amplifund contract, we use it to actually issue grants. Right now, OED, Housing, the Community Development Block Grant (CDBG) team, they utilize, and then some of the Kaua'i Emergency Management Agency (KEMA) team with the Federal grants have utilized it. Really, only three (3) of us use that system. The money, which I think is \$24,500 total for the contract per year, has been split between us and Housing. We are taking a really good look at the contract right now to see if there is something better, if it is still working for us, et cetera. We will make sure that we make a determination on the best use of those funds to benefit this community.

Committee Chair Kaneshiro: Okay, thank you. Councilmember DeCosta.

Councilmember DeCosta: Your Youth Climate Internship Program under the category of Sustainability, can you explain that a little to us? Also, is that part of your Summer Ag Program? Are you still planning to have that Summer Intern Ag Program this summer?

Ms. Kaauwai Brun: Yes. They are two (2) different programs. The Climate Team is actually new. Ana Espanola who is here in our Office, our Sustainability person, she is great with our youth. She has been reaching out to the schools and youth and has created a little team of people that are helping guide the different climate processes that are out there. They are engaged and they were wonderful during the pandemic. They actually came in to see us a couple of times. I think we find that with this generation they really see the need to make this better so that our generations go on and on. They have been very engaged. Secondly, the Farm Internship Program in the summer is separate. That is one that Nikki runs. Basically, we are going to have that again this summer. That one goes out to farms. The difference this year, I think we are asking for a little bit more money, but what we found is that the farmers themselves are not really adept at being teachers often. There are not a lot of Billy DeCostas out there. We are actually going to be having a person that is going to train the farmers on how to utilize the kids and how to teach the kids what they are doing. It is a piece that we thought was missing through the past years that we have done it.

Councilmember DeCosta: Thank you for that explanation and for the small props. I have to give props to Uncle Jerry Ornellas. He is probably the best agricultural farmer, teacher, and uncle/mentor. In Hawai'i, it is so important to have the aunty and uncle mentors in any kind of program. Climate Youth Program, Youth Lifeguards, agricultural farming, et cetera. I know some of the kids actually got jobs at the Kilauea Agricultural Park through our agricultural program. They went on and they are working for Yoshito. It is so amazing to take care of our youth. That is what we do here on Kaua'i. Thank you for that, Nalani.

Ms. Kaauwai Brun: Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Are we okay to ask from the budget?

Committee Chair Kaneshiro: Yes.

Councilmember Evslin: Could you explain the four (4) tourism-related grants...Hawaiian culture-related projects, special events, product enhancements and visitor enhancement, and KVB consumer promotions, Kaua'i Festivals? Would you be able to provide any information on those four (4) items?

Ms. Kaauwai Brun: The KVB grant is probably our largest one. That goes out to the Kaua'i Visitors Bureau. Their focus is no longer on marketing. It is much more focused on Destination Management Action Plan (DMAP) types of programs. They also utilize money in ways that the Hawai'i Visitors and Convention Bureau (HVCB) does not allow them to use their funding for. One of the things that we target for the low seasons is *kama'aina* travel, right? It is a big area, but it is not something that they allow them to use money on. Our funds that come from the County actually support those kinds of areas that are *pukas* or places that we see opportunity. Even convention and meetings incentives, those are areas that those kinds of funding handle. Also, going after the Japan market periodically, she really helps us with going after these things that we really want as a community. The other grants are basically...we have not done them in the past few years...we are going back to it. Special events are one area and we talked about that. Hawaiian culture, we do as part of the RFP, ask for Hawaiian culture projects. We keep an eye on things, so we know what is out there. Maybe Alakoko is doing some kind of a push for a new type of program. They will come in and ask for money. People want to do *lauhala* weaving at some of the hotels or just for residents. Product enhancement is another one. For example, Kaina Makua out in Waimea, they are starting to want more visitors to come in and actually pay for tours so they can sustain themselves. They may just need something specific. They may need a *hale* right here that can house the visitors. Any of those number of things could come in. It is really up to them. They see the need, we try to explain what we are willing to fund, and then they come in and ask for the funding. It is scored by a selection committee and that is how that basically happens.

Councilmember Evslin: Okay, thank you. Those all sound pretty great. I know KVB has been the champion about management before marketing or are certainly moving in that direction. As a follow-up, do you have any details on what amount of that KVB spending ended up going towards marketing. You mentioned the Japan marketing possibly.

Ms. Kaauwai Brun: Yes. I can definitely provide that information.

Councilmember Evslin: Thank you, Nalani, I appreciate it.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I do not know if we received a Kaua'i Economic Recovery Strategy Team (KERST) update. There was a lot of effort that came out of the CARES moneys. What does KERST stand for?

Ms. Kaauwai Brun: Kaua'i Economic Recovery Strategy Team.

Councilmember Cowden: Okay. I appreciated how KEDB helped with that. Is that largely considered complete? Did all those moneys get spent? Did we ever get a follow-up report on that? It might be nice to see what got spent, how much was able to help where, et cetera.

Ms. Kaauwai Brun: We can definitely provide that. Those teams...a lot of it was amazingly done. It was very quick and fast, especially the things that were almost immediate to help the community as the pandemic hit. As time went on, what happens is, a lot of the recommendations got absorbed into the Destination Management Action Plan. We realized that the General Plan had made the same recommendations. We actually have a dashboard where we combined all the economic recommendations so that we can keep track of whether we are hitting some of these areas. I would be more than happy to provide a report on where we are with all the different economic strategy recommendations and how we are doing.

Councilmember Cowden: Okay. The public is watching. Sometimes I miss these good things that end up on our website. Our website has pretty good links on there. Is that something that is on the website where I can just go look there?

Ms. Kaauwai Brun: It should be on www.kauaiforward.com. We used that website for a lot of our recovery processes. I am not sure when the next update for that is. We periodically go in and try to say where we are on each of the areas. I will make sure that is updated right away. I will send a report anyway.

Councilmember Cowden: Okay. You do all this work, it is important for us to say "good job" or if we can learn from some of it and shift directions to understand it better, it would be good for us at the Council.

Ms. Kaauwai Brun: That sounds great. Thank you.

Councilmember Cowden: Thank you.

Committee Chair Kaneshiro: Councilmember Evslin. Councilmember Kualii, did you have a question?

Councilmember Kualii: I had a follow-up.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Nalani, I read this in your narrative. There was one part on page 2 where you talk about a five-year plan for projects. I think this involves all your different funding and how you are moving it and prioritizing it so that you are looking years ahead to spend certain moneys this year in some areas and some in other years. Is that just some internal plan for your Office?

Ms. Kaauwai Brun: We are happy to share it. We just finished "bedazzling" it. We wanted to wait until that was done before we actually send it to anybody. Once we are done, we are going to share it with the Administration. They already know the gist of it. Then we can get it over to you.

Councilmember Kualii: Just below, it talks about the top three operational highlights from Fiscal Year 2022. There, it talks about a five-year strategic plan.

Ms. Kaauwai Brun: Yes.

Councilmember Kualii: You were then talking about the economic recovery and all of these different pieces. Is that a different plan?

Ms. Kaauwai Brun: No, that is it.

Councilmember Kualii: That is it. Okay.

Ms. Kaauwai Brun: We were trying to figure out as we were looking at all of the different plans, what we could take on, then we wanted to time it out in a timetable so we knew in what budget we would need to ask for what. It could happen. You miss something then you have to wait another year before we accomplish something. We thought this was the best way for us to get a good five-years of push done.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: What is Kekaha CAC Facilitator?

Ms. Kaauwai Brun: That is the facilitator that takes care of the Host Community Benefits that Kekaha gets from hosting the landfill. We have a contract with Yvonne Hosaka who is also a Kekaha resident. She basically maintains that whole program for us. It is wonderful. They put out a lot of grants just in their own program. We manage it for them. With that help, it makes it a lot more manageable for us. She also runs all the meetings.

Councilmember Evslin: I have other questions, but on other topics.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I just wanted to chime in on that position. I personally know Yvonne and she is a great person to have in charge. I just wanted to highlight, this year, a lot of the Kekaha neighborhood kids who have residential addresses in that area, where they get the HCB funding, will not have to pay for Project Graduation, which I believe was a pretty hefty price. They had a lot of their high school fees paid for. We are doing something good with our County funding and that position. You are so short-staffed to begin with, this is actually a blessing for you as well, not to have this responsibility.

Ms. Kaauwai Brun: Yes. It is hard to find an Yvonne.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Under the Energy & Sustainability Grant line item, you do not have any direct electric vehicle (EV) rebates through the County currently, right?

Ms. Kaauwai Brun: Not yet. No. We are working on an incentive program heavily, because we think that is going to be a big boom for us. It would probably be a lot less work than doing it in other ways.

Councilmember Evslin: Do you have any details you could share with us on the incentive program, or is it too early?

Ms. Kaauwai Brun: It is probably too early. As soon we know, I would be glad to report that over to you.

Councilmember Evslin: Related to that, I know there is \$16,000,000 coming to Hawai'i from the Federal government for EV chargers.

Ms. Kaauwai Brun: Yes.

Councilmember Evslin: The last I heard; it had not yet been determined how that money would be spent. Do you have any indication, or do you know if you will get any money to hand out, or not?

Ms. Kaauwai Brun: I think the money that we are getting...are you talking about the fast chargers?

Councilmember Evslin: No, not the fast chargers. Just the \$16,000,000 through the Infrastructure Bill that was passed last year. Not the fast chargers.

Ms. Kaauwai Brun: I would have to get back to you on that. Christina is working on a lot of different ideas that we need to pass by the Administration.

Councilmember Evslin: Okay. Sorry, could you share a little bit about the fast charger money? It sounds like a pretty great program. Is that too early also?

Ms. Kaauwai Brun: The island of Kaua'i received funding for basically Level 3 (L3) fast chargers. These will give a charge to a car in basically thirty (30) minutes. It is super-fast compared to Level 2 (L2) which we do have on the island. We have no Level 3s. We should be getting enough funding to actually put them out there. I think it is five to seven (5-7) or four to six (4-6) different charges that will be coming and that we will be able to install. It is about \$900,000 and it is an earmark.

Councilmember Evslin: That is awesome. That is a super exciting program.

Ms. Kaauwai Brun: Yes, it is. It is great.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Over the years, we are always trying to do economic diversification so we can spread out. Especially in the last two (2) years, it had been happening for a while. We have a volunteer diversification and that is all these remote workers that has moved to the island. It is very significant. The upside is that it has very little environmental impact. It does have an economic impact, both good and bad. The good is that there is a lot more money to spent around here. The difficulty is the impact on housing. We are losing housing to that workforce. Are we tracking that? It seems to me like the Office of Economic Development might be the right layer to be adding that. We have the agriculture sector, tourism, construction, land development, et cetera. It seems like we would do well to look at and track how much of our population is remote working. Do we track that yet?

Ms. Kaauwai Brun: We have not figured out how to track that yet. People that have move here to remotely work, that has been really difficult. We do have our feelers like our business mentor and even ourselves through the grant programs. As we are putting programs out, they are starting to come in. The one silver lining through all of this is that some of these big remote working types are coming in. They just sold these huge companies that do this kind of coding work. Many of them have fallen in love with the place, of course. Who does not? They want to give back. They are some of the ones who are coming forward with programming to train our residents. They are very specifically guiding it towards people on our island. One of the examples is one of our innovation grants went out, one came in and what they want to do is they want to train...they are doing their first cohort of five (5) or six (6) people that will basically be trained in coding. It would lead directly to a job they already setup with Amazon Web Services or something like that. These are jobs that could actually pay a wage that could actually sustain someone on the island. They have to get through the classes. The really cool thing they did was, they actually spent six (6) months training with local people here talking and getting advice about how the local people would receive the information that they are giving, realizing that they could be speaking "lala" and other people are not going to understand it unless you put it into something we can all relate to. They actually did that before they even kick their program. We are watching really closely some of these new programs that are coming out that are trying to teach our residents how to get these jobs. For them, if they do it well, they will open a pipeline to these businesses that are looking for that kind of employee. That would be wonderful if we could keep some of our kids here, they could do these jobs, and actually survive on these jobs. We are keeping a close eye on it.

Councilmember Cowden: That is excellent. That is something that I feel like I feel is so important for us to be doing; to work with the high school, college, existing residents, et cetera. I know when I speak to people who have moved here that have this, I try to encourage them...especially if they are bringing employees...I tell them for everyone you are bringing, hire another one here. Train someone here. I do not know that they are hearing that messaging enough, but they will think about it and try. How can we weave together something good where we cannot displace our people? We are pretty much having metropolitan prices in our rural community now. We need to bring us up and help our people to be able to work at that level. I am thankful for that. Of course, we still need people to do

the heavy lifting, cut the trees, fix the roads, run the County, et cetera. We need all of that as well. I rather be building up our own team than necessarily replacing us. Thank you for looking at that. I would love to see whatever way we can start to track that, to track that. I think with UHERO or residential taxes, people who become residents, you usually have to say what you do. It might be somewhere we can start to see an indicator. I think it is a significant shift that is very much worth our acknowledging in our documentation about how life on Kaua'i is changing. We have to help them assimilate not eclipse.

Ms. Kaauwai Brun: Yes. On a side note, we have been in talks with the other counties' directors, Economic Development Directors, as well as the State, and we are going to the Federal government...there is the North American Industry Classification System (NAICS) code, I do not know if you heard of that. Basically, the NAICS code breaks down all types of jobs. It is very old, it has not been adjusted, and it does not have room for things like what we are seeing now, which is the technology business. There is a big push not only from Hawai'i, but from all over the nation to have that NAICS code updated so that we can get better information about what is going on.

Councilmember Cowden: Thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I like what you said about promoting our own people here and building our resilient workforce not only in the heavy lifting, but in supervisory and managerial positions. We have our own educated youth here and I think we are a special unique culture in Hawai'i. We are the only place in the world with many ethnicities that are intermixed living here like a melting pot. It goes to saying how we have our own kind in management positions. With that being said, Nalani, I notice that you have film permits and an area where it details film and tourism. I saw something on the news with Maui and O'ahu, some of these wedding photographers and even film industries are overcrowding our County beaches. The locals are feeling...how do we enforce things like that? Do you have a good enforcement program within your film sector to make sure that we keep track of these businesses?

Ms. Kaauwai Brun: Yes, we do. It is called "Sue Kanoho".

Councilmember DeCosta: Nice. I did hear that.

Ms. Kaauwai Brun: We do not get all the permits. We really are working hard. Sandy has been killing herself trying to get some kind of cohesion between our film permits, which is basically County property, and what the State is doing. There is a big push by all the counties to try to get everything under one umbrella. I know that the State Film Office has actually put some items in their budget, I do not know if it passed or not, to try to get a full statewide permitting system so that we are not having to ask for permits. A lot of the trouble that happens is usually because we are not aware of something somewhere. If we think that there might be problems, then the Film Commissioner does go out to watch. Typically, they have an onsite location manager. The location manager's

on-island keep us abreast of what is going on so that we know what is happening and where. That is very helpful, because when our Public Information Officers (PIOs) get a call from someone upset because someone is down at Lumaha'i Beach, we need to know what is happening and when it is happening. There is a big push to start to pull these permitting processes together. It is still a little complicated. As you know, on the State side, you reach a certain point on the beach, and you are in one department. If you get a little further, then you are with another department. It is really going to take not just the County's effort, but the State's effort to make sure that this thing runs smoothly. It is very important that we do not chase people away just because we cannot figure out the permitting, but that we also know where people are so that we can manage, like you said, how many people are on the site at one time.

Councilmember DeCosta: Thank you.

Committee Chair Kaneshiro: Are there any other questions from the Members?
Nalani, I had a question on Advertising. The Advertising budget went up \$78,000. Can you explain what that increase is from?

Ms. Kaauwai Brun: Yes. We have two (2) big pushes this year. We are going to be actually trying to combine everything that we do here, Kaua'i Made, Kaua'i Film, Energy/Sustainability efforts, Sunshine Markets, et cetera, into one big social media contract. That is one of our big ones. We found that that is really where we get the "best bang for our buck". Us trying to do it on a daily basis is really...we are not that good at it. We need somebody to help us do it. That is one of the contracts or RFP that we going to put out. The other one is...we are shifting...this is not a change, but a shift. I think we talked about this shift from the film website to now updating the Kaua'i Made website. That is another \$50,000. Last, but not least, another large area is advertising our Kaua'i Made program. The person that runs the Kaua'i Made program has really been putting in some big effort into not only getting new members, but also diversifying what we have as Kaua'i Made as the brand. Also, she has been doing all kinds of new things like looking to support the Alakoko Store that is down there, helping with trainings, doing additional advertising, et cetera. This is just part of another push. We had laid low for a couple of years. Between film and Kaua'i Made, we want to "gung ho" forward and get it going away and get it stronger.

Committee Chair Kaneshiro: Okay. Thank you. Are there any other questions for the Office of Economic Development? If not, thank you, Nalani.

Ms. Brun: Thank you.

Committee Chair Kaneshiro: We will move on to the Planning Department, which is our final department.

Planning Department

KA'ĀINA S. HULL, Planning Director (*via remote technology*): Good morning, or close to noonish, Councilmembers. You have our Planning Department Operations Synopsis

and Summary. I can go over it briefly if you would like, or if you wanted to just go into questions and answers we can do that as well. Do you have a preference, Council Chair?

Committee Chair Kaneshiro: You can go over it briefly.

Mr. Hull: Okay. We have our budget numbers before you. We are requesting of \$3,200,000 for the upcoming fiscal year. The bulk of our increase is virtually 98% or 99% of it in benefits and fringe costs increases. We had a small ask for our overall salaries to be increased by about \$9,000 and that roughly has to do with a series of retirements that we had, as well as positions opening back up after being dollar-funded. We 9-month funded some of the positions we are requesting to fill. Concerning our operational challenges, like very department and almost all business operators, our main operational challenge this past year has been maintaining a level of service necessary for the public and the customers while still being able to practice social distancing within the pandemic. We were able to of course setup a teleworking system as well as a rotational system with people being here in the office to coordinate and service the front counter. We are about 90% fully staffed in the office at this point. Some of the silver linings as I reported last year that came out of teleworking for us in particular is...it does allow for some of the planners and enforcement team to be home, and they worked just as efficiently and robustly as they would in the office. In particular, we found with our front counter permitting during the pandemic that teleworking permit processing, their numbers actually doubled. They may have been processing one hundred (100) a month, and that went up to two hundred (200) permits a month via teleworking. With the approval of the Office of the Mayor, even when we are fully back in the office, the Department still does intend to use some teleworking options for things like building permit processing, because it can be much more efficient, as well as some other things such a Transient Vacation Rental (TVR) enforcement and online web monitoring. That was kind of the silverlining of teleworking that we hope to continue moving forward with.

The next operation challenge is that the Planning Department is still on a paper system via the zoning permit process. Building permits are entirely digital through the ePlan processing permit system. When that was originally set up, it was decided that the building permit side would go first, because of the amount of agency crossover on it, and eventually the Planning Department's zoning permits would follow. We are working with Del and his IT shop in coordinating the implementation of the Land Information Management System (LIMS) as it has come to be known as with the consultant Chad Lowe, and we hope to have that in the next few months as far as hitting the ground running for the zoning permit process. We have digitized some processes such as the Additional Rental Unit (ARU) and Additional Dwelling Unit (ADU) checklist, which was done prior to the zoning permit process through LIMS, and that is entirely digital working as a pilot project. It has shown areas that need to be worked on and further developed for the zoning permit, but we are fairly close. I hope to be there in the next couple of months.

Some of the highlights that we have from this past year...I can say that as many of you are aware of, we just launched our Climate Adaptation Plan. As a refresher, going through the community plan updates and the General Plan Update, several of those were

thirty (30) or forty (40) years old. They were in dire need of being updated. Under the previous Administration and Planning Director, a robust embarkment on updating those plans happened with the South Kaua'i Community Plan, Līhu'e Community Plan, and the General Plan, as well, in a matter of a couple of years. We just recently completed the West Kaua'i Community Plan and in doing that and recognizing the various hazards, impacts, and increase to these hazards that accompany climate change, the need to really hunker down and focus on an islandwide strategy and approach to adaptation to the changing climate and its increased hazards. Thank you for helping us fund this plan. We have retained a consultant to assist us with it. We just launched the first open house series for this plan. The first one was virtual. This past week we were in Kekaha and Līhu'e. Right now, the stage of the plan we are at is really going into the communities, working with the members of the public, providing baseline data, baseline maps and projections, and really just having a blank canvas for them to propose and input what their issues and concerns are, and where they have seen hazards, to eventually after are doing with these series of open houses this next week, begin to grab the themes and topics that are really resonating concerning resiliency and climate adaptation to begin to put them and place them into essentially workshops around these themes that are resonating within the community. From those workshops, as some of you are familiar with, will eventually do a deep dive into those workshops and we will eventually be able to come up with a first draft on climate adaptation strategies and priorities. With that first draft, we will go back into the community and work with them to see what works, what fits, where there may be issues, errors, or concerns, before finally getting a final departmental draft that will eventually go through the Planning Commission and then up to the County Council for review and action. We are still in the initial stages of that. We hope to be at the Council in a little over the year with our final draft for your review.

Another highlight is that we just wrapped up and you received input on the Waimea 400 plan. That was about a year's process in the making in which the County of Kaua'i expended roughly \$5,000,000 for that vacant area between Kekaha and Waimea. The vast majority of the plan actually looks at preservation and adaptation measures. It looks at traditional ecological knowledge and agricultural knowledge on how we can possibly deal with wetland restoration. Portions of that could possibly be utilized for recreational purposes and a small portion for housing purposes as well. It is wonderful to see that while we just wrapped up the plan, the various other agencies have all kind of hunkered in to approach the various priorities in the plan. You have Nalani's shop, which she just presented, discussing going after grants and how to administer the commercial and agriculture tenant programs out there. You have Adam Roversi and the Housing Agency pursuing options of how to get a mix of housing developments out in that housing area. Michael Moule's shop with Engineering doing the plans on approaching how to implement and complete the multi-modal path between Kekaha and Waimea. Lastly, the Office of the Mayor with Keith folks chasing after some of those moneys to implement the drainage studies necessary to implement some of that wetland restoration that was presented in the plan.

Lastly, just as a highlight, is the continued enforcement of illegal vacation rentals and the management of the vacation rental program. I do not want to "beat a dead horse," but Kaua'i, as well as the State of Hawai'i, has struggled with vacation rental management. The

County of Kaua'i probably has arguably the most robust approach as far as an ordinance and enforcement team. Through a series of World Wide Web monitoring, enforcement actions, litigation, and these memoranda of understanding (MOUs) that we executed with Airbnb and Expedia back in 2017, when we first started tracking illegal vacation rentals, we identified roughly one thousand five hundred (1,500) illegal vacation rentals. Through these series of proactive enforcement through the programs I just listed, we anticipate that number to be around fifty (50) or less today.

Councilmember Cowden: Wow.

Mr. Hull: It has been a success in the management and enforcement against illegal vacation rentals. That is not to say that the job is over. Constant vigilance is necessary on that front and working with the contractors, vendors, and agreements that we have today, is necessary to keep the program running at the level that it is today. With that, that is our presentation. We are here for questions.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Thank you on a good job at that and having uncommitted funds going back into the General Fund. Good job on that. I have a couple simple questions. Is the Planning Commission intending to return to two (2) meetings per month with open public attendance?

Mr. Hull: The Planning Commission has generally set aside two (2) meetings per month by way of volume and capacity. Before the pandemic happened, the Commission was generally only meeting once per month sometimes twice a month, it would just depend on volume. Depending on the volume, we may or may not have to go back to two (2) meetings per month. I know we are expecting in May to have two (2) meetings that month and possibly in June. We do not anticipate that in April. I can say that we are in fact going back to in-person starting next week at the April 12th meeting, which will have both an in-person capacity with the Commissioners, myself, and staff, as well as the ability for members of the public to participate in-person, and we are also having the ability to have a hybrid function where should they want to call in or use Zoom to testify, that option will be available as well.

Councilmember Cowden: Okay. It is possible that it will end up being back to two (2) meetings as more people start attending. I think the Zoom attendance has been pretty limited. Similar to that, when you are talking about these Climate Adaptation open houses, were these physically attended events on the Westside? You just mentioned it. There were several that were Zoom that I did attend. Did we have physical meetings on the Westside?

Mr. Hull: Yes, our first virtual open house for the Climate Adaptation Plan...we had a series of TAG meetings, which is the steering committee, that were virtual. Our first kickoff meeting for the open houses was virtual as well. We are now

hosting the in-person meetings. They were pretty much identical to the virtual open house meeting in each of the respective communities.

Councilmember Cowden: Where is the next two (2) physical ones? You said there are going to be two (2) next week or this week, where are those?

Mr. Hull: We have three (3) more this week. Kapa'a Neighborhood Center is tomorrow from 4:00 p.m. to 7:00 p.m. The Kōloa Neighborhood Center is on Thursday from 4:00 p.m. to 7:00 p.m. Kīlauea at the Agricultural Park is from 8:00 a.m. to Noon.

Councilmember Cowden: On which day?

Mr. Hull: This coming Saturday.

Councilmember Cowden: Alright. Thank you.

Committee Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Ka'āina, a highlight on your behalf...you did not mention it...I know you are working on it...maybe it was an oversight. Robinson and the plantation camp. What are we doing good for our families and the potential housing for local families to rent within our Robinson community? Tell us about that.

Mr. Hull: In the West Kaua'i Community Plan, the community and the Department recognized that technically, under the Agricultural Zoning District designation that the plantation camps on the Westside, those plantation camps are essentially amortized or phased out. They are non-conforming structures that could not be repaired beyond a 50% threshold and could definitely not be rebuilt. We established a brand-new zoning district with your review, input, and ultimate approval, for a Plantation Camp Zoning District, for what were Numila, Pākālā, and Kaumakani Camps. There is another camp on the Westside, but it does not have State Land Use Urban Zoning, so we could not establish that zoning district for it. For those three (3), we were able to. Those are both Alexander & Baldwin (A&B) and Gay & Robinson properties. It just allows them to have the housing inventory that they have and to be able to fully repair and rebuild them, which is occurring right now. I was just out there a couple of months ago and I know in Kaumakani, they were repairing and rebuilding eight (8) units and are almost complete at this point. That is occurring. Further and beyond that as we presented in the West Kaua'i Community Plan, there is a need to possibly look at these communities and not just hold them exactly to what they are today, but to possibly allow some further development in vacant areas in and around the camps themselves that have State Land Use Urban designation. We recognize an opportunity to possibly use Form-Based Code to code these areas and that is what we have been doing for the past three (3) months working with Gay & Robinson to go out there, take measurements, identify the form and character of each of the camps, and draft a code for at least Kaumakani Avenue, and Kaumakani Camp. We recognize there are some State Land Use issues appearing with Pākālā where we might not be able to do it. That is essentially

what we are doing right now to possibly look at some of those vacant lands around the two (2) Kaumakani Avenue and Camp to provide Form-Based Code to allow for a little bit of additional development from the housing perspective in the same form and character of existing camps. We anticipate that project being complete and ready for public hearings in the next two (2) or three (3) months, which will ultimately have to go to Council for review and action. It is not in any of this budget details here. That is because we grabbed State moneys from an educational standpoint to work with certified Form-Based Code planners to help develop this plan as a County of Kaua'i Planning Department primary front, if that makes sense.

Councilmember DeCosta: It is still a highlight. It shows that the County is working with large landowners to make something good happen for our community. A lot of times, it is a façade. The County is against large landowners. We are not. This is a prime example. You and your Department are doing good things with a large landowner and this great. The large landowner benefits. Our affordable rental inventory benefits. This is a great thing, and it should be highlighted. Ka'āina, I am excited about the Waimea 400 project. I grew up in Pākalā, so I am a Westside boy. Waimea 400, you and I both spoke about that plantation mindset where the lots are smaller with no fencing, where the kids and community plays together in each other's yards. In Pākalā and in Kaumakani. Do you think they will be do something like that out in Waimea? Could there maybe be twenty (20) plantation houses on 3,000 square foot lots, but with no fencing so everyone's kids can run through everyone's yard to create that culture where the village is raising our children. I like it.

Mr. Hull: Yes. I think it is definitely an opportunity that can be explored. I have to defer to Adam Roversi and how he kind of threads the needle of various funding grants and mechanisms. It is one of the exciting things coming out of our Plantation Camp Form-Based Code. If you look at a place like Kaumakani Camp in particular, it was designed in a manner that you can have these small lots, roughly like you said Councilmember, three thousand-square foot, one thousand one hundred-square foot homes, what are technically substandard roadways, but do a lot in creating a culture and community around kids being able to physically and safely play and walk along those streets. When I look at it from a zoning perspective, our actual zoning code prohibits anybody from developing in the manner that those camps evolved over time. As we look to create a form-based code specifically for those camps, we are finding that it will behoove and is incumbent upon us in looking at spinning up, not a mandate, but another say subdivision or development scheme option where a landowner or developer may be able to pursue the path that exists in Kaumakani Camp. There is a desire in the near future for us to bring housing developers that have come here before us, say Ahe Group, Mark Development, Habitat for Humanity, or the Department of Hawaiian Home Lands into the camps to look at various strategies that can be spun up to provide it as a development option.

Councilmember DeCosta: Thank you. I think there are actual statistical data nationwide that shows that when you intermingle different income-class families, the County garbage worker, the doctor, the nurse, the County fireman, the mechanic, the welder, the teacher, et cetera, children prosper better than when they are all stuck in categorized

low-income areas. I think that is a plus. I wanted to touch base on your housing in that flood area of the Waimea 400 project and possibly looking at different areas within our nation, world, et cetera, and especially on O'ahu. There have been some wetland areas that actually were developed into housing. I was able to work on that back in the early 1990s when I worked as a construction estimator out there in 'Aliomanu out in the Kāne'ohe area. They put a subdivision in a wetland and stabilized the earth with some polyurethane grid cloth and backfills of 3B fine rock and grade 5 rock. Is that something that we might do or are we going to be concentrated more on the wetlands as agriculture and build on some of the drier portion of the Waimea 400 project?

Mr. Hull: The majority of the residential area slated in the plan is a bit more on the drier area. That is not to say that further or future exploration can happen for housing in wetlands. It is viable and doable in certain places. I do not think the Waimea 400 plan focused too much on that. There was a strong desire from the communities to not just look at wetland restoration, but to maintain a distinct open area between Waimea and Kekaha so they did not bleed together as two (2) communities if you will. How possible housing strategies might be spun up in that area, would need to take a tempered approach not just from the community's desire, but as well as the fact that ten (10), fifteen (15), twenty (20) years ago, looking at mitigation measures for housing like platform- and stilt-types of housing in flooded areas was completed acceptable and still is today. Knowing the projections that we have with the increased highway runoff and passive flooding that occurs with sea level rise and this area will definitely be subject to increased passive flooding that is the rise of waters effect during even just high tide and the effect that it will have on flooding these properties, and that being higher than what the Federal Emergency Management Agency's (FEMA) Federal Insurance Rate Map (FIRM) program have established, we just need to be cautious of that. It is not saying that it is not doable, but we definitely need to take that into consideration when looking at habitable development in wetland areas.

Councilmember DeCosta: Thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: My question is a follow-up on the Plantation Camp zoning form-based code. I was so jealous when that came up. It is such a wonderful way...I think the way the plantations operated is the way that makes sense for agriculture. When we want agriculture to be working, we need that kind of community-agricultural housing. Those little houses like that...I sure do hope that somehow, we can find a way to make that be viable in other places. I think it would hit so many needs that we have. I know my kind of house that is single-wall, tofu block, wood structure, has been through three (3) hurricanes just fine. Hooray on that and hooray if you are thinking about it for somewhere else. I second the motion that we find a way to make that happen. I know that is a little different than the budget, but it is so important that we have planning that is going to help us be resilient the way we need to put these houses together that are more for urban design when we need rural design to function for both food and for our culture here, whether they are born here or not. Is it possible that we can think about that outside of those areas? Did I hear you say maybe?

Mr. Hull: Yes, absolutely. Actually, we anticipate having the Form-Based Code for the Plantation Camps, of course with the landowner's consent, before Council, before the end of this year and right on the heels of that would be a possible Plantation Camp Subdivision Development Ordinance.

Councilmember Cowden: Hooray. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: On the vacation positions list, I see that you have eight (8) total. At least for five (5) of them, my questions were answered with the Vacancy Report. For Position No. 2009, Planner IV, it was dollar funded last year. It has been open for quite a while. Can you tell me the recruitment status?

Mr. Hull: What number was that? Position No. 2009?

Councilmember Kualii: Yes. 2009, Planner IV.

Mr. Hull: That was dollar-funded, but we have been recruiting for Planner I, II, III, and IV for the past several months. The vacant planning positions, we are very close to filling. We have interviewed and I think we are ready to offer should all the reviews been finalized. Interviews have been completed. There are two (2) Planner IV positions. One is a Regulatory position, and another is the Open Space Commission Planner.

Councilmember Kualii: That is the only one I had a question on.

Mr. Hull: They both are very much needed. The Regulatory Division at the Planning Commission-level is fairly robust, and we are doing a lot of overtime with them. We do need that position. The Open Space Commission, to be candid, has pretty much come to a grinding halt in the absence of Nani Sadora who resigned last year. Jodi has been keeping things moving and you have hideaways, but as far as really tackling what needs to be tackled there, we just have not been able to do it without a staff member. We have been recruiting and we are asking to go out and recruit again. I think there was just a publication or notification that you all should have seen as part of the County's E-mail list that Planner IV is being advertised again. It is just hard, and I think you have been hearing this from a lot of department heads. In this job environment, it is hard to get that higher level employee. To speak quite candidly, if we cannot fill that Planner IV positions in the next two (2) or three (3) months, as well as those Inspector II positions, which are in the higher threshold as well, we will be seriously considering downgrading them to trainee-level positions so at least we can get a body in there to begin working on it. We do really want somebody at the higher end of the spectrum as far as hiring right now, but we do recognize that we may have to adjust to lower-level positions should we not be able to fill them.

Councilmember Kualii: Okay, thank you. You answered my other question about the Planning Inspector II. Thank you.

Mr. Hull: Thank you, Councilmember.

Committee Chair Kaneshiro: On your report, under required update on Planning Enforcement Account expenditures, looking at that, the enforcement funding fines was about \$43,000 this past year. The expenses were about \$88,000, and you have about \$100,000 left in the account. Obviously, as we crack down on these TVRs, we are going to get less fines. What is the plan to maybe keep this alive? Enforcement is going to have to happen no matter what. I do not think these fines are going to be sustainable. What is the plan for this?

Mr. Hull: We have been in consultation with the Director of Finance and the Office of the Mayor about the fact that as the fine accounts go down, as there are less fines coming from a robust amount of illegal vacation rentals, that in fact much of our day-to-day needs for the TVR management program come out of the fine account. Those include, but are not limited to, the contract for the personnel processing the transient vacation non-conforming (TVNC) renewals, which is about four hundred twenty (420) a year, the online monitoring system that was originally called Host Compliance, but was subsumed under Granicus, and that comes out to \$60,000 to \$70,000 minimum a year. We are not going to be taking that in, in our future enforcement accounts. What we have is we have a draft bill going before the Planning Commission on April 12th and we hope to have it to you shortly, in which we are actually looking at readjusting up to \$250,000 annually of our TVNC renewal fees to go into enforcement, monitoring, renewal, and litigation. I think the fund comes out with roughly \$320,000 to \$340,000 per year. We would only need up to \$250,000. We will definitely need \$70,000 to \$80,000 just for existing contracts that we have annually. The TVNC program actually results in the largest amount of our appeals and lawsuits. That program is the majority of those lawsuits. We are looking at using a lot of those moneys to send to the Office of the County Attorney to utilize in those lawsuits and defending against them. We do not need \$250,000 for TVR management just in our office alone, but it could definitely be used for the litigation arena. That is essentially the long-range plan. We have been in consultation with both Ken and Reiko, so that they are aware in managing the overall budget.

Committee Chair Kaneshiro: Okay, thank you. Are there any further questions from the Members for Planning? Councilmember DeCosta.

Councilmember DeCosta: I do not at this time.

Committee Chair Kaneshiro: Are there any further questions from the Members at this time? Councilmember Carvalho.

Councilmember Carvalho: In the period of July 1st, you collected \$43,000 in fines and that was through 2021. Do you have any updated figures through today, roughly?

Mr. Hull: I can get you the exact numbers, but I did pull January 1st through today of 2022, and we collected \$9,500. We are nowhere near on track. We were roughly between \$100,000 and \$150,000 a year sometimes or \$80,000 to \$100,000. Without a whole dearth of illegal vacation rentals out there, we are nowhere near tracking what we used to bring in for these contracts.

Councilmember Carvalho: I just wanted to see those figures.

Committee Chair Kaneshiro: I think that is what we should see. You are enforcing it and the fines should be going down as you enforced on everyone operating illegally. Good job on that. Councilmember DeCosta.

Councilmember DeCosta: I am not sure if this question is for the Planning Department or the Building Division. It is a follow-up on Councilmember Cowden's question or comment on single-wall plantation buildings. Would that single-wall concept come to fruition with our housing crisis? I think it about \$300 per square foot. Would that be a possibility? More so if you had cash to build a house...how is that? I know if you had to get a mortgage, the insurance company is going to want all the hurricane coverage and all that stuff. If you had cash to build your home, would you be able to get away with single-wall construction here on Kaua'i to make it more feasible for our local people?

Mr. Hull: I would have to defer to the Building Division on possible exemptions or exclusions from that requirement. I can say that as part of the Plantation Camp analysis we have found that as overall, a large-scale project and the costs that go into it that will essentially get passed down to the homeowner is this notion of substandard roads. Your County standard road would mean thirty-five (35), forty (40), fifty (50), or sixty (60) feet of right-of-way, pavement, or width...working with the Engineering Division, there are actual mechanisms or ways that we can allow for substandard roads up to say eighteen or twenty feet in width, which significantly reduces the overall cost of the development. It has to be done under certain parameters. We are looking at exemptions in that manner, but as far as the actual single-wall construction, Councilmember, I will have to defer to the Building Division.

Councilmember DeCosta: Thank you.

Committee Chair Kaneshiro: Are there any further questions or questions for the Planning Commission, which their budget remained flat? Are there any further questions for the Planning Department? If not, thank you, Ka'āina.

Mr. Hull: Thank you.

Committee Chair Kaneshiro: At this time, I would like to recess the Departmental Budget Reviews. We will reconvene at 9:00 a.m. on Tuesday, April 5, 2022, when we will have the reviews for the Transportation Agency, Housing Agency, Agency on Elderly Affairs, Office of the County Auditor, and the Office of the County Clerk.

There being no objections, the meeting recessed at 12:32 p.m.