

Revenue Forecasting

Honorable Arthur Brun
Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Luke A. Evslin
Honorable KipuKai Kualii (*present at 9:05 a.m.*)
Honorable Arryl Kaneshiro

Excused: Honorable Ross Kagawa

The Committee reconvened on April 8, 2019 at 9:04 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning. I would like to call back to order the Committee of the Whole and the Fiscal Year 2019-2020 Departmental Budget Reviews. Let the record reflect that we have a quorum. On the schedule today, April 8, 2019, we will hear from the Department of Finance and the Budget Team who will be talking us through the various areas of revenues, charges, and fees including real property taxes. We will also hear from the Office of Economic Development. As we do each morning, we will take public testimony. Is there anyone in the audience wishing to testify?

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: If not, for today, Ken, I know you have a presentation, so I will leave it up to you.

KEN M. SHIMONISHI, Budget Administrator: *Aloha*, Council Chair Kaneshiro and members of the Council. Ken Shimonishi, Budget Administrator. I have a brief presentation on the revenues that we are about to discuss today, I guess high-level kinds of things, and then thereafter, we have the detail of accounts by fund, both including three-year historical and prior-year and current-year budget information.

Committee Chair Kaneshiro: For the Councilmembers, we will let Ken do his presentation and we will ask any questions on his presentation. Then, Ken also prepared a form with all of our revenues and we are going to go through that page-by-page and if we have questions, we will ask it on that page. If not, we will just keep moving. That is how the revenues is going to go for today. Ken, you have the floor.

Mr. Shimonishi: Starting on slide 2, this is a pie chart of the revenue by fund, the various funds in the County of Kaua'i. Here, you can see our General Fund revenues is \$167,486,000, roughly making up seventy-one point six five percent (71.65%) of the total revenue for the proposed Operating Budget. Followed by the next largest fund, which is now our General Excise Tax (GET) Surcharge Fund at \$24,350,000. Then, our Highways Fund at roughly \$18,000,000, followed by our Sewer Fund and Solid Waste Fund. Then, there is a bunch of other small funds that make up the difference there.

On slide 3, this is the same data except in a table format. Here you can see the prior-year, what was approved by the Council in Fiscal Year 2019 versus the 2020 Mayor's Proposed Budget so far. We already covered some of this information in the budget overview, but again, since we are focusing on revenues, we are representing this material and

information to the Council again. The largest increase there being in the GET Fund as last year was only a six-month period of surcharge being in effect, and we are now looking at a full-year going with Fiscal Year 2020 budget. Our General Fund increased \$8,300,000, again, primarily due to real property taxes and improving market conditions. One thing I would add on the GET fund, again, is that we have yet to actually receive any type of revenue for that, so we want to be sure we can support those numbers once we get the actual receipts in from the State. Those are expected to come in on a quarterly basis, so hopefully we will be seeing something within the next month or two (2) with respect to the tax that went into effect on January 1, 2019.

Slide 4, again, a different look at the data, but now we are looking at the revenues in terms of what types of revenue make up the total budget. Again, our real property tax \$143,875,000. Roughly sixty-one point six percent (61.6%) of the County's total revenue source comes from real property taxes. The second segment, taxes, \$37,592,000 or sixteen point one percent (16.1%) of the budget there. In the lower left corner of the chart, you can see a legend as far as what makes up the different slices of the pie. An example our taxes, again, the GET surcharge, fuel tax, public franchise tax, and public company tax are the main drivers in that pie chart. The third largest segment, charges for services of \$17,000,000 or seven point three percent (7.3%). That is basically our sewer, refuse registration, green fees, bus fares, et cetera. Again, we are looking at the revenues based on the type and source, not necessarily the Fund. But this will give you an idea of where our money is coming in from, followed by the State segment of \$15,000,000. That includes our Transient Accommodation Tax (TAT) that is \$14,935,000, and then followed by our Housing Community Development and Revolving Fund program income (HCDRF), as well as some moneys for indigenous burial from the State, again. License and permits of \$7,800,000, approximately, includes vehicle weight, beautification fees, plates et cetera. Our charges for current services include our landfill disposal, drivers examinations, camping permits, and rents and concessions from our housing, Spouting Horn, golf cart, and Kua'i War Memorial Convention Hall, which are the main drivers for that. A lot of this information, if you want to see more of the details can, again, be obtained from our transparency portal on the County's website, the ability to drill-down into these areas and see what the numbers are, if you are looking for fine detail. But again, an overview of the County's revenues by revenue type.

On slide 5, this is the same data simply in a table format, again, prior-year approved budget versus the 2020 proposed changes in dollars and percentages. Overall, a total increase in the revenues roughly nine point five four percent (9.54%) or \$20,300,000. Again, a large portion of that being our GET as well as our real property.

Looking at our real property taxes, because it does make up the largest segment of our revenue stream here. On slide 7, I know this is a busy table, but as we have done in the past, we have provided the information based on tax class, the gross valuations of the aggregate of those tax classes. You can see that in Fiscal Year 2020, the total gross valuation is roughly \$24,500,000,000 in gross valuation compared to Fiscal Year 2019 where it was a \$1,300,000,000 increase in gross valuations or five point six percent (5.6%) there. What is curious to note is that the gross valuation increases somewhat significantly in our Vacation Rental as well as our Residential Investor categories. In the next table over, the middle table, we provided accounts as well, prior-year versus current-year, and you can see that there has been a shift or at least a reduction in the Residential class of two hundred sixty (260) parcels, increasing Vacation Rentals of one hundred eighty-eight (188), an increase in Homestead of one hundred twenty-two (122), and then some smaller increases in the Residential and Commercialized Home Use categories as well. Looking across the final table to the right, this

is where we provide just an average of the property value, basically taking the gross value divided by the number of parcels to give a feel of what it is overall in each category there.

On slide 8, this is where we look at the actual potential taxes that are generated or proposed to be generated from each of the categories, so taking the net taxable value, which would be gross valuation less assessed, less exemptions, and so on applied towards the tax rate. You can see how it falls out per tax class where we are seeing increases in our taxes and some decreases, and again, keep in mind parcel count increases in certain categories also contribute to the increase in taxes, so it is not just a straight one-for-one type of increase. This combined with updated assessments and so on contribute to the changes in our taxes, so roughly \$8,400,000 total overall increases. You see there are significant increases in our Vacation Rental and Residential Investor categories in terms of the taxes being generated. We saw the increases in those parcels from the previous table shifting out of Residential into those areas as well.

On slide 9, we have two (2) charts. The first chart on the left is the gross valuation by class, what each segment or tax class makes up in terms of percentage of the total gross value and on the right is the chart, which is the actual taxes being generated by each class. Again, one of the things that sticks out is that our Homestead class with the various exemptions and with the lower tax rate, generate gross value of roughly twenty-nine percent (29%) of the total gross value from accounting. However, if you look at the chart on the right, the taxes that the Homestead class pays is really ten percent (10%) of the total pie, so they have a very good benefit being applied to them and being “protected” from increases in taxes. I know that the taxes will increase as assessments increase, but I think you can see how they benefit from the various programs that the County puts forward. Again, the Homestead class would be all those who are owning and living in their residences with no other activity being generated such as additional income, rentals, and so on.

Slide 10, again, is just a table of that same data looking at 2020 and 2019. But what we are looking at here is in each year, the percent of the gross value, I guess, the percent of the taxes, which was what was shown in the previous chart. A red or pink would indicate where there is more taxes being paid compared to the percent of the gross value represented. The green would be less taxes paid, a percentage, in terms of the gross value percentage as well. You can see that roughly a little, somewhat the same as the prior-year, maybe a slight increase on the taxes being paid by our Vacation Rentals, Hotel and Resort went down a little from the prior-year in terms of percentage. Homestead had a half percent (0.5%) increase overall, but relatively, the same as compared to prior-year. With that, that concludes the overview portion of the revenues that we present.

Committee Chair Kaneshiro: Are there any questions on the presentation?
Councilmember Chock.

Councilmember Chock: Thank you, Council Chair Kaneshiro. Thank you, Ken, for the presentation. I have a couple of questions. The first is in regards to what you just talked about when you said the GET is coming in quarterly. I just wanted to get a sense of what our expectation is in receiving that income in a timely manner and what implications are that we do not receive in a timely manner that the Administration is foreseeing or planning based on that.

Mr. Shimonishi: Yes. That is definitely something we are looking at receiving. Obviously, we budgeted for that and are expending moneys on that. I think we have an internal trigger of maybe at the end of this month, I will follow-up with the

Department of Taxation if we have not received it or sooner to see exactly when we can expect to receive it. I am not sure if it is built-in to the specific bill if there is a deadline to pay it. I just recall that it was a quarterly submission that was due, so we will definitely be looking for that in the next few weeks.

Councilmember Chock: Not to point fingers, but what has been the track record on receiving our funds from the State?

Mr. Shimonishi: So regarding this particular fund?

Councilmember Chock: Well, not just this one because we have not...

Mr. Shimonishi: I think on the larger revenue side, our Transient Accommodations Tax, that is paid out every six (6) months.

Councilmember Chock: Right.

Mr. Shimonishi: That is pretty timely, I guess. We get it.

Councilmember Chock: Okay, good.

Mr. Shimonishi: Obviously, this will have to also follow-up as well and be diligent on it.

Councilmember Chock: Okay. I have some other questions, but Council Chair Kaneshiro, I can yield the floor.

Committee Chair Kaneshiro: Councilmember Kualifi.

Councilmember Kualifi: Just a quick one as far as slide 4. I am not sure if you broke down the other taxes or just taxes, the \$37,500,000. The GET piece is the \$12,500,000 from the chart above. Is the fuel the Highway Fund?

Mr. Shimonishi: That is correct.

Councilmember Kualifi: So that is the \$17,600,000. How does the other \$8,000,000 break down between public franchise and public service companies? Are those particular funds up above, too?

Mr. Shimonishi: I am sorry, those particular funds...

Councilmember Kualifi: In slide 3, there is the revenue budget by fund, so taxes, other, and the \$37,500,000. \$12,500,000 makes up part of it, \$17,600,000 from the Highway Fund makes a part of it, and that \$29,000,000 or \$30,000,000, so there is another \$7,500,000. I am just wondering how that breaks down between public franchise and public service company or what else?

Mr. Shimonishi: Again, based on going to the transparency portal, I have put it up on the screen that you can see, there is a table that shows in the 2020 Mayor's request, the GET at \$24,350,000, fuel tax of \$15,700,000, public franchise of almost \$4,000,000, public service company at \$3,500,000, and in-lieu of tax of \$50,000. So, that is what comprised the \$37,592,000.

Councilmember Kualii: I am sorry. I was just looking down, not up.

Mr. Shimonishi: No, that is fine.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: We will also go through those individual numbers on this sheet that Ken provided. Councilmember Cowden.

Councilmember Cowden: Can you give me an example of public franchise? Is that like leased land?

Mr. Shimonishi: The public franchise is Hawai'i Revised Statutes (HRS)-driven. It is two point five percent (2.5%) of the gross revenue of the utility companies, primarily Kaua'i Island Utility Cooperative (KIUC).

Councilmember Cowden: Okay.

Mr. Shimonishi: I think it is HRS 240 or something.

Councilmember Cowden: Also, can you clarify for me what makes a house a Commercialized Home Use? I just want to have a little bit greater clarification on how a house gets that credit.

Mr. Shimonishi: I will ask our Real Property Tax Manager to define that.

Councilmember Cowden: Okay.

BRAD CONE, Real Property Tax Manager: Is the question is Commercialized Home Use?

Councilmember Cowden: Yes.

Mr. Cone: Commercialized Home Use is for properties where the owner is the primary occupant, has a home exemption, and there is an Additional Dwelling Unit (ADU) on the property that can be rented.

Councilmember Cowden: Okay.

Mr. Cone: So, there are multiple dwellings on the property where the homeowner is the primary resident of one.

Councilmember Cowden: Okay. Then, when someone just has a house that they rent out, that would be Residential, correct? For example, a rental house as a Residential?

Mr. Cone: That is correct.

Councilmember Cowden: I know there are a few properties that get this minimum tax of \$150, who qualifies for that?

Mr. Cone: The minimum tax takes effect when a property's value is so low or gets reduced to a level that is so low through exemptions, that they do not generate any more than \$150 of tax.

Councilmember Cowden: Well, I know when I look on the Tax Map Key (TMK), the map itself, there will be a \$150 property right next to a \$38,000 property and they are both, for example, taro patches. Why would one get \$150 and the other one...what helps that big piece of land get a \$150 tax?

Mr. Cone: The property with the minimum tax more than likely has an agricultural dedication that reduces its taxable value.

Councilmember Cowden: Or it is a nonprofit or something?

Mr. Cone: It could be, yes, something to that effect. It has to be either an agricultural dedication or exemption of some other means that reduces that value.

Councilmember Cowden: I just try and understand when I look at properties that are really very similar in use, and absolutely adjacent to each other and there is a profound difference in the cost on those properties as how they are taxed. When I am looking at that \$150 minimum tax, and some of those are taro patches. I will just be clear that something that I am looking at is that we have taro patches that are owned by families that have been there since pre-contact and they have very high tax rates for them. There are not that many of them. They do live there, but we are taxing our Hawaiian community right off the island.

Committee Chair Kaneshiro: Councilmember Cowden, I would suggest if you have examples of maybe some equality differences or even the TMKs that you are looking at, put it together and send it to Brad and have Brad look and see what the differences are in the two (2) properties next to each other. Then also, any properties that you think maybe they could find a tax savings that Brad can maybe look at and say that if they do a dedication, then maybe a dedication to reduce it.

Councilmember Cowden: Okay, I will do that offline.

Committee Chair Kaneshiro: Or if they file for Homestead because they live on it full-time, then they can do something, but I would suggest that would be the best.

Councilmember Cowden: Okay. I will look at that later.

Committee Chair Kaneshiro: For all of those. Whatever examples you have, I would send to them and have them look at it because then they can look at specific TMKs and let you know exactly what can be done for that property.

Councilmember Cowden: Alright. I think it is a trend more than just a specific, but I can do the specifics. Then, when I look at Residential Investor, I see that they are seven percent (7%) of the gross value, and I am looking on page 5, the top there on slide 9. It is seven percent (7%) of the gross value and nine percent (9%) of the taxes. I want to just ask a little bit more directly about Residential Investor because we have houses that are pretty much treated as a financial instrument, and so when I have done my best to look at costs, real property taxes in other states, we are substantially lower for that particular class.

I get this also from asking people who bought properties. Houses become financial instruments rather than homes and they do not house residents. I think that is a very big part of our houselessness and displacement, that housing is financial. That is a tax class that I wonder when we are looking to pull more money out everything, if that can be an area because I think we would like to be discouraging that type of purchase. Although, I recognize that as we keep raising rates on Vacation Rentals and Residential Investor, it causes us to be financially dependent on that community to how we subsidize our residential people. Can you speak to that at all?

Mr. Cone: I can say that we are looking into different options with the rates applied to that tax class. The one thing about the Residential Investor class is that there is only four hundred ten (410) parcels, so it is just a very small segment of what we have here out of the thirty-three thousand plus (33,000+) parcels. It does have a fairly high tax rate in comparison to other properties already, so if it generates a lot of revenue for the sheer number that do exist on the island, but we are looking at different options, tier grades, and that kind of thing.

Councilmember Cowden: Okay. Maybe it is, but I just live in empty neighborhoods. It seems like there are so many of them. Are they clustered all in the north shore?

Mr. Cone: There is quite a number in the north shore, but they are scattered about. It is Residential, second homes over \$2,000,000 in value, so that is what makes up the segment.

Councilmember Cowden: Okay. That is a lot of what I walk past. Thank you. My house is a very simple house, by the way. Thank you.

Committee Chair Kaneshiro: I am assuming Kukui'ula probably has a bunch of houses like that also, Residential Investor?

Mr. Cone: Yes. That is one area, and then up on the north shore where you are at.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I have a real property tax question. The presentation outlines one hundred eighty-eight (188) additional Transient Vacation Rentals (TVRs) in terms of revenue. Is that correct?

Committee Chair Kaneshiro: Page 4, slide 7.

Mr. Shimonishi: Right, one hundred eighty-eight (188) additional parcels compared to last year.

Councilmember Chock: Okay. The question is, are those new or are those the ones that have been coming into compliance? If they are new, then I am assuming that they are in the Visitor Destination Area (VDA). Who are they?

Mr. Cone: That is new construction and then some auditing that has moved formerly Residential properties into Vacation Rental because of use.

Councilmember Chock: Okay.

Mr. Cone: Some of the properties in the VDA are used as second homes, it transfers, and the new owner will move it into Vacation Rental. It is always in flux.

Councilmember Chock: Okay. So we have seen an increase, because it is a little bit alarming when I look at one hundred eighty-eight (188) and then we are not getting the Homestead or Residential either. Is that the trend from last year? I cannot recall.

Mr. Cone: I cannot recall the exact trend.

Councilmember Chock: Oh, it says right here. Well, it looks like it is significantly less, but that is additional. Okay. I have some other questions.

Committee Chair Kaneshiro: You can go ahead.

Councilmember Chock: This might be a Mike question. When I look at our revenue broadly, in particular the Solid Waste Fund, the question that comes up to me is what is the flexibility of that fund? Obviously, we have this looming goal of needing to address our landfill or building our new landfill, and that is one piece of the budget I have not seen a whole lot of explanation on. I do not know if it is a Mike question or not, but I am curious as to what we can do with the fund, if we can actually use it as a mechanism to start to save towards this need because it is something that we need to look at already.

Mr. Shimonishi: I am not aware of any restrictions that would prevent us from doing that, but we probably need to be sure and research the fund to set up the ordinance that would set up the Solid Waste Fund. But again, I would just point out how much the Solid Waste Fund relies on General Fund subsidy to keep it operating every year. Again, revenue generation, offsetting operations, in addition to trying to fund the...

Councilmember Chock: How much is going from the General Fund to the Solid Waste Fund annually? Is that just for status quo?

Mr. Shimonishi: Yes.

Committee Chair Kaneshiro: About \$12,000,000,

Mr. Shimonishi: The contributions this year from General Fund to the Solid Waste Fund is \$12,600,000 or approximately \$12,662,000.

Councilmember Chock: That is a huge amount from the General Fund.

Mr. Shimonishi: Yes.

Councilmember Chock: Maybe as a follow-up, Mike, we can plan on having this conversation about the landfill because I think it is something that I am really unclear about in terms of how we are going to address the need financially, whatever it is, expansion, continued expansion, or a new site. We have not had that discussion. I have just two more real quick ones probably. The fuel tax, it does not outline it. Do you have a figure for the fuel tax under taxes of how much revenue we get from that?

Mr. Shimonishi: We will cover that in the next portion.

Councilmember Chock: Okay. Will it be in here?

Mr. Shimonishi: Yes.

Councilmember Chock: Okay.

Mr. Shimonishi: It is almost \$4,000,000.

Councilmember Chock: Okay. The last question, slide 9, the Hotel class. It looks like it went up from nine percent (9%). Is that correct? It is the gross value by class and then the taxes by class. I got it. I got it wrong. I was reading it incorrect. Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Thank you, Ken, for your presentation. I have a couple of questions. One is, do we have the ability or do we have the data of trying to look at property tax revenue by acre on Kaua'i such as Geographical Information System (GIS) data just to see where what types of uses are making us money on Kaua'i?

Mr. Cone: Yes, we can put something like that together. We could put it together by zone and by neighborhood. We can go real tight or broad, however you would like.

Councilmember Evslin: By acre would be interesting to see. I think other municipalities have been acre, too, so we can sort of compare.

Mr. Cone: By land size?

Councilmember Evslin: Yes, by land size.

Mr. Cone: Alright.

Councilmember Evslin: It would be interesting. No rush, but it would be good to see it at some point. Another couple more specific questions, the total parcel count increase by one hundred twenty-four (124) on slide 7. If someone built an ADU, Additional Rental Unit (ARU), or even a second home on their lot, that number would not be reflected in the one hundred twenty-four (124), right? That is just new homes built on empty lots, basically.

Mr. Cone: That is correct. The total would not gain a new parcel unless it was condominium property regime (CPR) or subdivided.

Councilmember Evslin: Okay. The decline of two hundred sixty (260) Residential properties seems pretty large and it is not as if they call become TVRs or Residential Investor because there is more than that. Where did they go?

Mr. Cone: So that is going to be properties as the value goes up, some of those properties move into Residential Investor; properties transfer and new owners will apply for exemptions and they will become Homestead; and then through auditing, maybe some become Vacation Rental.

Councilmember Evslin: Okay. My last question is on slide 5, a decline in interest earned. 2019 was \$911,000 and 2020 is \$383,000, which seems like a big decline. Where does that come from?

Mr. Shimonishi: As we look at the next portion of the data, we are basically looking at what the prior year's interest was and we adjusted it downward because that was the actual. That may be something that we might propose adjusting or relooking at to get more updated data and proposed in the May 8th submittal, because when you think about it, we do have a larger Fund Balance and moneys that could potentially or should potentially generate more interest income.

Councilmember Evslin: Okay.

Mr. Shimonishi: But that was just our first blush at the budget.

Councilmember Evslin: So, it is just kind of a rough estimate of cash on-hand and an estimate of interest rates for next year?

Mr. Shimonishi: Well, last year, actuarial.

Councilmember Evslin: Alright, that is all. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: When you were talking about the Commercialized Home Use, you said it has an ADU that can be rented. If a family adds an ADU in the backyard because the family is growing and it is family living in there, do they still pay the entire rate because technically, it can be rented even though they are not renting it?

Mr. Cone: They would pay the higher rate unless they applied for a long-term Affordable Rental Unit and then they would receive the Homestead rate if they did that.

Councilmember Kualii: Okay.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I have a follow-up on that. Is it the same rate for a long-term affordable rental in 'Ele'ele as it is in Hanalei or Hanamā'ulu? Do you have any variations from land value communities?

Mr. Cone: Tax rates are the same, uniform, throughout the County.

Councilmember Cowden: What is the threshold that, for example, for a two (2) bedroom that is an affordable house? Do you know? It is an affordable dedication, one (1) bedroom, or whatever you can give me. I am just wondering if we apply the same standards to communities that are...

Committee Chair Kaneshiro: The same standard is applied islandwide. Brad probably has the specifics.

Councilmember Cowden: Okay.

Committee Chair Kaneshiro: It also depends on who pays the utilities and who does not, but if you have the information in front of you, then you can share.

Councilmember Cowden: He is showing it to me now. A one-bedroom would be \$1,477 regardless of whether it is in...no matter what neighborhood, what price range is on there, or what flood insurance is required. Do the different communities have very different cost bases?

Mr. Cone: Yes, that is correct. It is based on the United States Department of Housing and Urban Development (HUD) numbers and it is islandwide. It is a good point you make. It is an issue that we talk about in the office as far as the incentivization of the program, that it would vary depending on different neighborhoods, so it is a factor.

Councilmember Evslin: I have a follow-up.

Councilmember Cowden: Go ahead and then I will follow you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: It would be great also, to maybe see a map of where they are located at some point. Thank you.

Mr. Cone: Sure, I can get that to you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I just want to put in there as we are looking at how we receive our taxes and our money, that as we have the affordable housing that is maybe closer to Līhu'e, we are drying up the businesses in the further ends of the island because you cannot...there is nothing to rent in those areas. It is a profound challenge if people have to drive an hour to get to work and back for \$15 an hour, you just do not even have anyone to hire.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Brad just to confirm, the Commercialized Home Use also includes small business activity. Is that correct?

Mr. Cone: If the owner is the primary resident of one dwelling and they have a commercial entity that operates out of a second dwelling, it would be a Commercialized Home Use as long as the exemption is in place.

Councilmember Chock: Okay, but if it is in the same space that they live, then it is not in Commercialized Home Use, right? It has to be a second dwelling, right?

Mr. Cone: That is correct. If it is one (1) unit and it is commercial use, it is going to be Commercial.

Councilmember Chock: Right. Is there a threshold in terms of what the commercial...is it based on income?

Mr. Cone: No, it is just the use.

Councilmember Chock: Okay. Then, they would not be in the proper zone if they are in Homestead?

Mr. Cone: No. It has more to do with the owner being the primary occupant of one (1) dwelling. There is a home exemption existing on the property and the second unit or other units being used for a commercial purpose.

Councilmember Chock: Okay.

Committee Chair Kaneshiro: If someone has a home office, do they have to pay the Commercial rate on that home?

Mr. Cone: No. If they have one (1) home and they have the home exemption, they would still be Homestead.

Committee Chair Kaneshiro: They would be what?

Mr. Cone: They would be Homestead.

Committee Chair Kaneshiro: Homestead, okay. Councilmember Kualifi.

Councilmember Kualifi: Back to the Residential Investor. You said Residential second home over \$2,000,000 in value. Do you differentiate whether they are renting that out long-term or they are letting it just sit vacant and maybe coming to live here two (2) months out of the year?

Mr. Cone: If they rent the property out, they can come in and let us know that they are renting it and they will get the Residential tax class.

Councilmember Kualifi: So you do not know if they do or not and if they want a lower tax rate, they come and apply for a lower tax rate. If they have their second home over \$2,000,000 in value, do you rate them all this rate and then they come in and apply for something different if they want to?

Mr. Cone: That is correct. If the value exceeds \$2,000,000, that defaults into the Residential Investor tax class. There are very few that desire to rent their homes, but some do, a small number do, and they will be reduced to the Residential class.

Councilmember Kualifi: If they just rent it out, it is Residential. If they do it in the affordable rental program, then it is something lower. Does it go down to Homestead?

Mr. Cone: That is correct.

Councilmember Kualii: Okay. Then, the last part of that is you said you were looking at options of tiered rates, but nothing is proposed now. Is that maybe next year or the year after?

Mr. Cone: There would need to be a modification. I E-mailed our company today about it. They are still in the development of it to see what the cost would be. We would have to have the software have the ability to do it, but we are discussing different methods and rates for the class.

Councilmember Kualii: By tiered, you just mean right now, the four hundred ten (410) parcels are just lumped in one (1) group because they are over \$2,000,000, so you might do \$2,000,000 to \$5,000,000, \$5,000,000 to \$10,000,000, and so forth? Then, the highest tiered could get a much higher rate?

Mr. Cone: Yes. The problem right now, the real motivation behind the tiered rate is that you might have two (2) properties next to each other, one with a valuation of \$1,900,000 and the other with a valuation of \$2,100,000 and they pay vastly different property taxes because of the rate difference. What we want do with the tiered rates is apply the first \$1,000,000 of value, have that be taxed at the Residential rate, and then everything over \$1,000,000 at the Residential Investor rate. Really, you can play with the rates up or down and maybe have a third tier for everything over, for example, \$3,000,000 or something like that. You have to look at the rates and the revenue, and kind of balance it out from there.

Councilmember Kualii: Alright. Thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Some of my low-income rental question is that regions are very different. I am wondering how much flexibility we have to have to be able to look at that because if you are on a strong street like in Po'ipū or some of these areas along the beach, you can have a single-wall construction wood framed house that is sixty (60) years old and in truth, being appraised at \$8,500,000. When these things are happening, we are ripping up neighborhoods, even if they have Homestead rates. There is a little single-wall house with a Residential rate that is a rental and it is \$10,500. It is a gift from the landlord to pay that kind of rent and still rent it. There are communities or the collateral damage of this even system across the island for how we are setting our framework, so I wonder if we could get creative on that.

Mr. Cone: We are just reactive. We operate within the boundaries of the laws and rules that are set for us. We will talk about different options, but we are kind of operating within a fence, so we just have to apply the values based on the rules that are in front of us.

Councilmember Cowden: Is there discussion in the office? Are the people applying the rules within the fence? Is there a conscious discussion about the impacts that we are turning our communities from yellow on those maps, which means Residential or Homestead to purple, which means non-resident? Is there a conversation on that?

Mr. Cone: Yes, this is something we talk about all the time in the office. This is a very unique market in comparison to other United States markets.

There are dramatically different factors that affect value here in comparison with other places on the mainland, so it is complex and we talk about it all the time.

Councilmember Cowden: Okay. Is there a way that the Council can help change those fence lines?

Mr. Cone: We are in discussion. I am willing to entertain any kind of conversation regarding incentivization in the market to increase the number of affordable housing.

Councilmember Cowden: For residents, yes. Thank you.

Committee Chair Kaneshiro: We have had this agenda item come up almost every year regarding what rate should be the affordable housing rates. Typically, we follow HUD so that we have a standard. If we do not follow HUD, then we are kind of just making it up and we can adjust it any way we want. I think what we are looking at is...it is difficult because real property taxes is the only revenue that we have and it is not that high. If someone has a house that is worth \$500,000, we are talking about playing with \$3,000, and trying to incentivize them to rent it for cheaper, but yet, not give it away for free because they still have services. We cannot subsidize the \$3,000 when we still have to do trash and everything. What the County plays with is a very small number in the end. Ultimately, we know it comes down to whether that homeowner wants to rent it and it is feasible for them or not. If you have a \$500,000 house that you are renting within our affordable rates, then they get to save \$1,500 a year, which is a little more than \$100 a month. Does that make it feasible for them to rent affordable? If we do \$3,000 and they save maybe \$200 or a little bit more, does that make it? Where is the fairness? You have people living in the house full-time as their primary residence that still have to pay the Homestead rate, which is about \$1,500. It is a balance and we do not have much wiggle room on it. So, that is a type of conversation that we have been looking at for the affordability rates. It is a tough balance.

Councilmember Cowden: In this process, do we have any chance to discuss it with each other? What we are doing is erasing these families who have been here for a thousand years. Where do we have this conversation?

Committee Chair Kaneshiro: We could have an agenda item on it and relook at the affordable rates.

Councilmember Cowden: Okay. Affordable rates for rentals and also how we handle these properties because what is there is maybe it is three (3) acres or two (2) acres and this has been held for a hundred generations or whatever, hundreds of years, and those properties are worth millions of dollars.

Committee Chair Kaneshiro: I think you are going to have to be specific on what you want the agenda item to be because if we are talking about long-term affordable rentals, then the agenda will be "long-term affordable rentals," we will have a scale of what HUD says, and what will require it. If you are talking about...

Councilmember Cowden: This long-term landownership, people being able to hold onto their houses.

Committee Chair Kaneshiro: That is a separate issue that we would have to put on.

Councilmember Cowden: It is real property tax. How do we make sure we do not displace our families?

Committee Chair Kaneshiro: I would suggest that you talk to the staff regarding what would be the proper agenda item on it.

Councilmember Cowden: Okay.

Committee Chair Kaneshiro: But those are two (2) separate things. Our long-term affordable housing item would be completely separate from someone that owns three (3) acres and are getting taxed off of their lot.

Councilmember Cowden: Right. I have been bringing it up since I was elected. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii'i.

Councilmember Kualii'i: It is very quick and really basic. I may not be understanding it. On the Commercialized Home Use, is that for the entire property, the main house and the ADU, or is it the main because it is their primary first residence, the Homestead and or Residential?

Mr. Cone: No, the tax rate would be applied to the whole parcel.

Councilmember Kualii'i: So once you add the ADU, if you do not apply for the Homestead, then the whole thing becomes Commercialized Home Use?

Mr. Cone: That is correct.

Councilmember Kualii'i: Okay. Thank you.

Committee Chair Kaneshiro: Are there any other questions on the presentation? If not, we will go through the spreadsheet that Ken provided. It shows any variances from year-to-year and individual funds and individual income streams. We are just going to go page-by-page. If you want to look it over really quick, if you have questions on this page, then we will stop and ask the question. If there are no questions, then we will keep moving through the pages. Are there any questions on page 1 of 6? All of these numbers tie back to Ken's presentation also. If not, we will...

Councilmember Cowden: We just got this morning, so it takes a little bit to look at it.

Committee Chair Kaneshiro: Let us take a five-minute recess, you can look it over, and then we will come back. Five-minute recess.

There being no objections, the meeting recessed at 9:53 a.m.

The meeting reconvened at 10:11 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We are still on the detailed form of revenues. We are going to go page-by-page. We are on page 1 of 6. Councilmember Kualii'i.

Councilmember Kualii: The line item that is "LICENSES & PERMITS, DOG" \$60,000 and then \$40,000, so a \$20,000 decrease. Is that just what the Kaua'i Humane Society estimated? Why is it such a drastic decrease? Maybe it is something we should ask them. Also, I am curious as how it is even enforced. How do you get people to voluntarily register and pay this license?

Mr. Shimonishi: A couple years back, we passed the authority to the Kaua'i Humane Society to do the actual collections of this because they felt they could do a better job than the County, and they also keep this revenue stream, but we have to budget it here. The reason why it is less, and you can confirm this with the Kaua'i Humane Society during their departmental meeting, is that the dog license run on a two-year cycle, so this is an odd year when it goes down and then the next year, it will be bumped back up again if they are successful in enforcing that.

Councilmember Kualii: Okay.

Committee Chair Kaneshiro: I have a follow-up on that. I met with the Kaua'i Humane Society last week and they were saying this is kind of just a pass-through number. In the past, we used to collect some of the dog license fees on our side, then they would send over whatever dog license fees they collected, and then we would send a check back to them. But in time, they were the only ones collecting the dog license fees, sending it to us, and we are sending it right back...

Mr. Shimonishi: Yes, that is correct. It is based on what they collect, submit to us, and we turn around and provide them that collection amount. I think it is under, I believe it is County Code that the Director of Finance is the authority on collecting these revenue streams, so that is why it runs in this odd cycle. But the decision was to help them in their operations and provide them that revenue stream, so this is kind of the work around that was developed from them.

Committee Chair Kaneshiro: So it is always going to have to come to us and then go back to them?

Mr. Shimonishi: As far as I am aware.

Committee Chair Kaneshiro: Okay. Councilmember Evslin.

Councilmember Evslin: It looks like we do not forecast delinquent real property tax payments. Am I right in that and how come?

Mr. Shimonishi: The only thing we are allowed to budget for is based on the certified roll and our revenue projections on that, less exemptions, appeals, and whatnot. The things that happens below that line, all of the delinquencies, foreclosures, or whatever other things, we do not take into account or budget for.

Councilmember Evslin: Where does that money then come from, assuming that there are inevitably delinquent payments and such? How do we make up that balance?

Mr. Shimonishi: I guess this would just, in theory, be an upside swing or better than budget is obviously what results would be.

Councilmember Evslin: Okay.

Mr. Shimonishi: We can look into that as to why, but since I started at the County, that was the direction.

Councilmember Evslin: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: On the bottom of this page, but I think it is the next grouping, this "NONBUSINESS LICENSES, BUILDING STRUCTURE/EQUIPMENT," what is that?

Mr. Shimonishi: That would be all of the building permit type of activities. It would start on the next page where you have Electrical Code, Building, Plumbing, and so on.

Councilmember Kualii: Okay.

Mr. Shimonishi: One thing I want to just say really quickly to keep it in perspective is that the real property tax revenue plus the Transient Accommodations Tax revenue makes up almost ninety-five percent (95%) of the General Fund total revenue, so all of these things that we see outside of that is the five point two percent (5.2%) or whatever that is.

Committee Chair Kaneshiro: Are there any further questions on page 1? We will move on to page 2. Councilmember Evslin.

Councilmember Evslin: The "TVR RENEWAL FEE" is declining by \$20,000, but yet we have a lot of TVRs. How do we account for that?

Mr. Shimonishi: This is where we may need to do some fine-tuning on the budget projections. I think if we looked at what was actually being realized in Fiscal Year 2018, that was the basis. We just said, "Well, let us tweak it down." It may not be really prospective on some of these smaller line items.

Councilmember Evslin: Okay. The "CONSTRUCTION INSPECTION" seems kind of all over the place and it is from \$51,000 to \$105,000 to \$20,000. What does that entail? Why does it fluctuate so much?

Mr. Shimonishi: I am sorry, which line item are you looking at?

Councilmember Evslin: "CONSTRUCTION INSPECTION," the last one under "NONBUSINESS LICENSES."

Mr. Shimonishi: I would have to look at what is occurring during that time.

Councilmember Evslin: Is that different from a building inspection?

Mr. Shimonishi: To the best of my knowledge, yes.

Committee Chair Kaneshiro: We can send that question as a follow-up.

Councilmember Evslin: Okay.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: You might have answered it the last time. I was just looking under the interest earned and it sounds like it was just how you are reflecting it, but I see there is about a \$500,000 drop.

Mr. Shimonishi: Right.

Councilmember Cowden: \$400,000.

Mr. Shimonishi: You can see in Fiscal Year 2018, the actual realized interest earned was \$132,000 and this is where I mentioned about whether or not we keep that at the same rate or bring it back down.

Councilmember Cowden: Okay.

Committee Chair Kaneshiro: I think in general, we are being conservative on the revenue, which I think is a good thing. I would hate for us to be aggressive on our revenue projections, have a balanced budget, and then we do not meet those revenue projections and we will be in the hole in our experiences. I think that is why you will see some numbers more on the conservative side.

Councilmember Evslin: I have a follow-up to that.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: How have we done on our projections? Are we pretty close?

Mr. Shimonishi: Yes. We have gotten a lot tighter. I think actually, last year, we may have been a little short. When I say "tighter," I mean that we are budgeting much closer to our actual. I think last year in total, we may have been, in fact, a little under, but over the years, since 2010, I think there is continued marked improvement each year of getting the budget closer to actual.

Councilmember Evslin: One follow-up on that. Say if home prices collapse this year, would that affect revenue for Fiscal Year 2020?

Mr. Shimonishi: I am sorry, what?

Councilmember Evslin: Say there is an unforeseen recession and home values drop significantly this year, assessed values are done the year prior, is that right?

Mr. Shimonishi: Correct. Brad, I do not know if you want to add anything, but once we set it for this year, and I do not want to use this, but I will...for example, the flood event. We had houses or properties destroyed, but their tax rates, tax assessments, and bills were already set for that period, and went out. It came back this year now where they see some relief or changing of the properties from TVR to whatever because they are no longer able to operate that way.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: This line item that is "YOUTH ATHLETIC PROGRAM" going from \$125,000 to \$70,000, does that decrease mean that moneys are not going to this out of the General Fund, but it is still being covered by some other fund or you are reducing youth program by \$55,000?

Mr. Shimonishi: I do not think it is an actual reduction in the program expense side. Again, this was just based on what had occurred in Fiscal Year 2018. I am not sure why that fell from the year before, but I think when you look at that, there are some up and ups and downs on that line.

Councilmember Kualii: Then, just below that is "COUNTY REGISTRATION FEE." What is that? Is that motor vehicle?

Mr. Shimonishi: That is the fee that we charge to process the motor vehicle registrations. I think it is about \$17 per registration is what I want to say, \$17.50, maybe.

Councilmember Kualii: So it is just administrative side?

Mr. Shimonishi: Correct.

Councilmember Kualii: That is why it is going to the General Fund?

Mr. Shimonishi: Right.

Councilmember Kualii: But the other parts go to the Highway Fund?

Mr. Shimonishi: Highway Fund, Beautification, and then of course, there is the State component to the registration; their vehicle weight as well and registration fee.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Are there any further questions for page 2? If not, we will move on to page 3. Do we have any questions on page 3? If there are no questions on page 3, we will keep moving on. Are there any questions on page 4? Actually, on page 3, did someone have a question on the Highway... Councilmember Chock, did you have a question on fuel tax or are you okay?

Councilmember Chock: I saw it already. Thank you.

Committee Chair Kaneshiro: Okay. We will move on to page 4. Councilmember Chock.

Councilmember Chock: Under the Liquor Fund, "LICENSE & PERMITS," the account description is "BEAUTIFICATION FEES" and I am just curious as to how that is being applied.

Mr. Shimonishi: So that, again, is generated as part of the vehicle registration. I believe that is the \$5 fee per registration. It goes through that and the majority of this is used, my understanding, is to address derelict vehicles.

Councilmember Chock: Oh, I am looking at it wrong. I am looking at the Liquor Fund.

Mr. Shimonishi: I am sorry. Yes, you said beautification, so I went to that.

Councilmember Chock: Wrong fund. I got it now.

Committee Chair Kaneshiro: It is below the Liquor Fund. Councilmember Kualii.

Councilmember Kualii: On the very top line "LICENSES, ALCOHOLIC BEVERAGES" is decreasing \$125,000. Does this fee come from...do they not pay an annual fee for the license or is this just one-time? How does it work?

Mr. Shimonishi: Yes, correct.

Councilmember Kualii: Why is it decreasing? It seems it should be increasing. Is it a conservative thing?

Mr. Shimonishi: Again, looking at the actual 2018 amounts that were collected...

Councilmember Kualii: Oh, I see.

Mr. Shimonishi: Do you see that? So again, we are trying to address that, but...

Councilmember Kualii: And we do not know 2019 yet?

Mr. Shimonishi: Yes.

Councilmember Kualii: Okay. I have one (1) more question.

Committee Chair Kaneshiro: Okay. Councilmember Kualii.

Councilmember Kualii: Down below about the middle, "SOLID WASTE FUND, INTEREST EARNED," what is "TCD/RPA"?

Mr. Shimonishi: I believe it stands for Timed Certificate of Deposit. I am not exactly the RPA, if it is relative to some kind of commercial paper acronym, but that is basically the account that records the interest. In all of the funds, we have that same description, so we can get that, if need be.

Councilmember Kualii: And then that can vary that much, because in 2018, it was \$4,000 and 2019 was \$125,000? Do we know what it is at already for 2019 and why?

Mr. Shimonishi: I do not have that readily available.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Are there any further questions on page 4? We will move to page 5. Councilmember Kualii.

Councilmember Kualii: About the middle of the page, Fund Number 502 "CHARGES FOR SERVICE SEWER CAPACITY ASSESSMENT," that is cut in half for the new fiscal year budget, and then over the last three (3) or four (4) years, it is all over the place; \$100,000, \$600,000, and \$19,000.

Mr. Shimonishi: I would ask that question to be proposed to the Wastewater Division as to how they collect or determine that.

Councilmember Kualii: Forecast that.

Committee Chair Kaneshiro: We saw them already, so we will send that as a follow-up question to them.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Are there any further questions on page 5? If not, we will move on to page 6, which is the final page. If not, are there any final questions for taxes and revenues? Councilmember Evslin.

Councilmember Evslin: Do we have anywhere that lists total Federal and State grants that we receive?

Mr. Shimonishi: Are you asking the total revenue that we have received from Federal and State grants, not what we expect to get because we typically do not budget those funds? One way to get what we received is the annual Comprehensive Annual Financial Report (CAFR). It would have some of that information. There is one specific to the Single Audit, which tells us the total expenditures, but again, on the transparency portal, if you wanted to see the revenue we actually received by fund...

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I did not really see it. I thought I saw a lot of lines for "NONBUSINESS LICENSES." Was there a line for regular business licenses? I think I see a subtotal line on page 4 at the very top that says "SUBTOTAL BUSINESS LICENSES," but really all that is in that subtotal is that one item from the Liquor Fund licenses alcoholic beverages. Are there any other business licenses? Is there something with taxicabs maybe? I am not sure. Are all they all very minimal?

Mr. Shimonishi: Yes. If we did not have any data over last three (3) years and no budget, I did not include those lines in this worksheet.

Councilmember Kualii: So, we might see something in the revenue as far as fees, rates, and whatnot, but that does not mean that because that category exists, that it has been generating any kind of meaningful revenue?

Mr. Shimonishi: That or there was a decision to include those fees with, say regular driver's license or regular type of...I guess a more summarized account rather than just have \$50 on this one line or \$250 on this one line. There may have been a decision to actually include that within another line. Whatever moneys have been received by the County is reflected in this worksheet in each of these lines. There is nothing that has not been.

Councilmember Kualii: But in many ways, there is not any significant collection of any kind of fees or licenses from businesses other than the real property tax commercial line item?

Mr. Shimonishi: Yes.

Councilmember Kualii: There is a fee structure and whatnot, but it is not utilized in such a way that it collects anything significant enough to show up on this revenue breakdown?

Mr. Shimonishi: Correct, I would agree.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I am following up on Councilmember Evslin's question. I know that it was good for me to be able to see and I appreciate the trend lines. I would be interested in the trend lines over the years, not by the time we get done with this budget. I know when we had Senator Inouye in there, he brought us a lot of money. I am curious that get. We have these lobbyists that work for us now. How much does that bring in? At the national-level we have that, just if we have been getting smaller pieces of the pie than we used to be getting.

Mr. Shimonishi: Using the transparency portal, again, you can see what we have actually gotten in terms of revenues for Federal grant Section 8, State grants, and building permits. We kind of lumped these funds together because they are similar or it is not part of the actual Operating Budget. If you wanted to see, we got roughly \$7,100,000 from Federal grants last year, \$10,800,000 the previous year, and so on, going back until 2010.

Councilmember Cowden: Can I see the color graph again? It looks like, in general, we are going down not going up?

Mr. Shimonishi: Yes.

Councilmember Cowden: Yes. Okay. Thank you. I just wanted to see where our dependency-wise was and where our income was.

Mr. Shimonishi: We will probably see this number considerably higher on the State's grant side as we go out because of the initial money that we got for the flood and so on.

Councilmember Cowden: Tomorrow night, we have a meeting out in Hā'ena, how are we doing in terms of getting our Federal Emergency Management Agency (FEMA)

compliance? Is that likely we will have that? If we get our FEMA compliance, will they reimburse us for the moneys? Does that come out of neutral-level because we are presuming we are going to get it? Do you know what I am asking?

Mr. Shimonishi: Yes. I think that should come as a follow-up question to the Department of Finance.

Councilmember Cowden: Okay.

Mr. Shimonishi: I will say that every month a report is generated on how the State Act 12 money was applied to projects, what we have expended, and also, there is a component as to the Federal dollars as well, relative to that event.

Councilmember Cowden: Okay.

Committee Chair Kaneshiro: Are there any further questions regarding County revenues? Councilmember Kualii, did you have one more question?

Councilmember Kualii: When I looked at...because we should ask about this now, too, right?

Committee Chair Kaneshiro: Yes, you can ask about those.

Councilmember Kualii: If you look at page 3 Appendix A, there are permits for taxicab drivers, written test, operator permit, and duplicate. Is that a program? Do we dedicate any resources to doing any kind of...I do not know what we would call it, inspections or regulations. Is there anything happening with that?

Mr. Shimonishi: We can follow-up on that specific to the...

Councilmember Kualii: I think especially now with Uber, Lyft, and all of that coming, if it is not already, it is probably going to turn into the wild wild west as far as car services on our roads. I have a sense of it because my spouse works at the airport and what they have to deal with at the airport. I know from a previous life when I worked for the City of West Hollywood, it is a big city, very congested in the middle of Los Angeles and everything, that they had a big taxicab program where they had certain regulations and whatnot that they had to pass certain smog tests, the drivers had to pass certain kinds of...once a year, they would pass something. I think to a certain degree, it maybe makes the roads safer. I do not know that it would generate that much revenue, but it would perhaps pay for itself or maybe generate a little, but do we have anything like that in place even though it is written here?

Mr. Shimonishi: Again, my understanding is that those fees that are being generated are probably included with other types of revenue lines such as the driver's licensing or examinations.

Councilmember Kualii: But nothing on its own?

Mr. Shimonishi: I think if you look at...

Councilmember Kualii: It is more than your average everyday driver. It is a business, right?

Mr. Shimonishi: Right. Are you talking about the fees?

Councilmember Kualifi: Yes.

Mr. Shimonishi: Yes, but I think the number of taxicab drivers compared to the total driving population on the island, obviously, I think is a very small number about fifty (50) or something.

Councilmember Kualifi: Right.

Mr. Shimonishi: On page 2 of 6, on the bottom about seven (7) lines out, "DRIVERS EXAM, TAXICAB, HANDICAP" I think whatever fees we collect are imbedded in that line, but we can get you some of those numbers.

Councilmember Kualifi: Okay. Thank you.

Committee Chair Kaneshiro: Are there any further questions for revenue?
Councilmember Kualifi.

Councilmember Kualifi: On page 13. What is that, the false alarm permit? One thing I noticed with that is and is this handled by Kaua'i Police Department (KPD), the false alarm permits \$25 under \$50, \$100? I think when we were looking at the line item earlier, it was very minimal. I think it was only projected for new applications at \$2,000. I think the renewal is \$10 a year, but if you miss one (1) year of renewal to get it going again, you have to pay \$100, but they do not allow you to pay it for multiple years. It would be great if you are small business or nonprofit, that you could pay \$10 a year for ten (10) years and just forget about it so you do not miss the \$10 payment and then have to pay \$100. That is probably a KPD thing.

Mr. Shimonishi: I am not familiar with how that program exactly runs.

Committee Chair Kaneshiro: We can send a follow-up question on that one also.

Councilmember Kualifi: I wonder, too, that there is probably a lot more folks with alarms that are not registered. I do not know how they are capturing all of that. Next page, page 14, do we have a schedule or something that shows...this is camping permit fees. It shows resident and a non-resident daily and then Sunday/Saturday. It just shows \$0 and \$5, and then there is more down below to how often they looked at these fees, re-evaluate them, and change them or increase them if it makes sense.

Committee Chair Kaneshiro: We should probably send that one to Parks. We will send a question on the camping fees.

Councilmember Kualifi: Same question on page 17 for the motor vehicle weight tax. That is something we set like we set the real property tax and the Administration comes to the Council once a year with a rate, or how often? When was the motor vehicle rate tax last increased?

Mr. Shimonishi: I think that was at least three plus (3+) years ago that we had come forth, but because we pursued GET surcharge, we felt that there was not a reason...

Councilmember Kualii: I think the State also raised part of it at that time, too.

Mr. Shimonishi: Right.

Councilmember Kualii: Who would we get that information from, the history of changes in the last five (5) to eight (8) years?

Mr. Shimonishi: You could send it to the Department of Finance.

Councilmember Kualii: Okay. On page 20, you have this little thing off to the side that says, "Rule of the Liquor Commission." In fact, all of those fees are set by the Liquor Commission, is that what that means? The top of page 20, Business Licenses & Permits, and then it starts talking about manufacturers, beer \$408, wine \$408, and alcohol \$204.

Mr. Shimonishi: Correct. Based on the document and the reference to where the authority lies, that is where that question should be.

Councilmember Kualii: So if we wanted a schedule of how that may have increased in the last five (5) to eight (8) years, we would ask the Department of Liquor Control?

Mr. Shimonishi: I think anything that requires the fees to be changed would obviously come to the Council as well.

Councilmember Kualii: Oh, okay. So we could find the record then?

Committee Chair Kaneshiro: Yes.

Councilmember Kualii: I would want to see that.

Committee Chair Kaneshiro: The Liquor Fund stands alone. Whatever revenues they get stays within the Liquor Fund.

Councilmember Kualii: Yes. I think when we heard from the Department of Parks & Recreation—the last one on page 22—there was some talk about that they were looking at the fees, but there is nothing proposed, right? It would be good to see the history of that, too.

Committee Chair Kaneshiro: In regards to golf?

Councilmember Kualii: Yes. It is charges, current services, golf fees, resident, senior, Kaua'i Junior Golf, and so forth. I see that the junior charge is \$1 and I do not know, if you go to the movies on matinees is already \$5 probably. I do not know how long it has been \$1. Then, the last thing down here also related, I think it is different now, "Revenue from use of money and property." It lists a few things, but the contract rental Pro Shop \$2,199 per month September 1, 2013 to August 31, 2018, so I am wondering if there is a new contract and if it is the same amount. Does the existing contract just stay in place if a new one has not been entered into? But that may be a golf question and then the same thing with the cart concession. That contract looks like it ended November 31, 2016.

Mr. Shimonishi: Yes, golf would have the most recent contracts available.

Councilmember Kualii: Okay. We will follow-up with golf on that. Thank you.

Committee Chair Kaneshiro: Are there any further questions for revenue? If not, we will take a quick five-minute break to let Ken folks head off and transition into the Office of Economic Development.

Councilmember Chock: Do we need a caption break?

Committee Chair Kaneshiro: No. We took our 10-minute caption break already.

Councilmember Chock: Oh, yes.

Committee Chair Kaneshiro: Just a quick recess.

There being no objections, the meeting recessed at 10:42 a.m.

The meeting reconvened at 10:49 a.m., and proceeded as follows:

Office of Economic Development

Committee Chair Kaneshiro: Welcome back. Next up, we have the Office of Economic Development. We have Robbie Melton, and Nalani Brun. Robbie, welcome. Your first time in front of Council. I think will be nice, we will see.

Councilmember Chock: You are lucky it is before lunch.

Committee Chair Kaneshiro: If you want to run us through your synopsis, and from there we will go through the budget, ask questions on the synopsis, and then ask questions on the budget line items.

ROBBIE MELTON, Director of Economic Development: What would you like as a synopsis?

Committee Chair Kaneshiro: A brief overview on it.

Ms. Melton: As you know, we have been very good at keeping our budget in line with last year's budget. Even with adding a new division called "Business Innovation," to go in line with the Mayor's desire to do more activities, technology, and business innovation. We are also expanding some of our budget to include more energy and sustainability, and climate change projects. So we are doing that. A lot more data collection and metrics in that regard, as well. We are also adding an Agriculture (Ag) Specialist to the team, as well as a Business Innovation Coordinator.

Committee Chair Kaneshiro: With that, if we want to go into questions, Councilmember Chock.

Councilmember Chock: Thank you, Mr. Chair. Thank you for coming.

Ms. Melton: Thank you.

Councilmember Chock: For staying on-track with your budget, as you mentioned. The Ag Specialist position, I know you have been looking at two (2) positions. The first one (1), Ag Specialist. I just wanted to get a better sense of targets, when are you looking to fill that position, and also if you could give us a little more insight in terms of how you will be positioning the work of that position.

Ms. Melton: Sure. We are in the process of doing the position description right now. We hope to have it finished within the next couple of weeks and posting. Hopefully, if we get the right candidate, we can hire by sometime in June because we would like to fill it as soon as possible. The Ag Specialist position, we are looking at positioning more in the ag business side of things to help farmers look at their business, how do they improve it? How do they become more sustainable? So doing more of best business practices. Maybe have an ag economist come in and hope that this person is up to speed on ag technology because there is a lot of different tools that farmers and other ag businesses can use. So to help them access that technology to help their business.

Committee Chair Kaneshiro: I have a follow-up question. Are you looking to change the name of the position from Economic Development Specialist IV to Ag Specialist?

Ms. Melton: Yes.

Committee Chair Kaneshiro: I guess for me, what is the difference, as far as changing the name, or just leave it as Economic Development Specialist IV or whatever number but yet have that employee specifically work on ag? To me, I think the more flexible the better. I would hate to pigeon hole an employee only to work on ag. I do not know how much time or effort that is going to take throughout the entire year. If there are other projects that you have, I would love for them to have the flexibility to do whatever you need, knowing that that position is specific for ag, and then they can work on other things at the same time. I do not know if changing the name is going to hinder that.

Ms. Melton: Actually, that is a great suggestion. I love that idea to keep it as a specialist, so that is more flexible. Yes. I did not think about that. That is awesome.

Committee Chair Kaneshiro: I know your office is very dynamic dealing with tourism, agriculture, and environmental type of things. To have a specific ag position, I do not know if that will meet your needs with flexibility in your office to work on everything that needs to get done, knowing that the agriculture guys are an important part of our community and have a go-to person. Maybe that person does not need to be called Ag Specialist. I do not know. Just something to think about.

Ms. Melton: That is great. We all pitch in regardless of our titles. Yes, that idea gives us more flexibility.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: In your narrative, you list the budgeted or dollar amount as \$72,528. In the line item under Fiscal Budget, it says \$78,420. There is a bit of difference.

Ms. Melton: Yes, there is, we are looking at \$72,000.

Councilmember Kualii: So that one will need to be adjusted.

Ms. Melton: We will have to adjust it.

Councilmember Kualii: \$72,528. It is showing as vacant. Is it filled now or in the process?

Ms. Melton: It is vacant right now.

Councilmember Kualii: You are going into recruitment, and anticipate filling within sixty (60) to ninety (90) days?

Ms. Melton: We are actually, not only recruitment just yet, but we are finishing the position description, and as soon as we will do that we will go into recruitment, and we hope to fill it by no more than the end of June, if we get the right person.

Councilmember Kualii: Okay. Then other positions...other position, I think we were talking about it as well, the Business Innovation Coordinator.

Ms. Melton: Yes.

Councilmember Kualii: Business Innovation Coordinator. E48. Similar. There is a slightly different amount, \$56,532 is what is showing in the budget, and \$57,325 is what is showing on your narrative. Narrative amount is correct.

Ms. Melton: No. \$56,532 is correct.

Councilmember Kualii: Okay, that is correct, what is showing up in the budget. That is why those two (2) will be the same or less.

Ms. Melton: Yes.

Councilmember Kualii: Then the status of recruitment for that one?

Ms. Melton: For that one, we are also working on a position description and hope to fill that by the end of June as well.

Councilmember Kualii: End of June as well. Okay.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: This is the position from the State to the Workforce Innovation Opportunity Act (WIOA).

Ms. Melton: That was, yes.

Councilmember Chock: Can you give us a little more background on that act, and how it relates to what this position would be focused on and the projects you intend?

Ms. Melton: We are very fortunate, when I came on-board, we worked with the State WIOA folks, and they were able to develop a budget out of their State funds to hire the WIOA Workforce Development Board position. That freed up this position to allow us to hire the people to help in Economic Development. That is now a State-funded position.

Councilmember Chock: Just so we get a good sense of what it is you intend to accomplish with this position.

Ms. Melton: Yes. One of the things that OED needs to concentrate on more is working with the local businesses, and also working with our training institutions to make sure we are training the people to help the local businesses. We need a person on-board to help coordinate all of those activities. As you know, the Mayor is very interested in bringing innovation more to Kaua'i and technology. This position will be working with me directly to create those opportunities for that.

Committee Chair Kaneshiro: Can you give me...I guess I was a little confused in the narrative you said, there was a WIOA Executive Director position that is now being paid by the State but I do not ever recall seeing that position before. What is that position?

Ms. Melton: That is the employee that ran...that was Kaeo, and she was the Workforce Development Board Director. She was in OED for quite a while, and she managed the local Workforce Development Board. That position is now paid for by the State.

Committee Chair Kaneshiro: What position was that in the prior budgets?

Ms. Melton: That was the E62 position.

Committee Chair Kaneshiro: Follow-up? Councilmember Cowden.

Councilmember Cowden: Is that position filled now?

Ms. Melton: The Workforce Development, WIOA, yes, we just started April 1st.

Councilmember Cowden: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: You list in your narrative, as PO-9221 Business Innovation Mentor. In the budget, I see a 9219 Economic Development Accountant that is fifty-six percent (56%) paid in the budget, and assuming the other forty-four percent (44%) is from State funds or something.

Ms. Melton: The Economic Development Accountant is paid partially by the WIOA State funds.

Councilmember Kualii: Where is this new position, the PO-9221 Business Innovations Mentor in the budget?

Ms. Melton: That is in the...that is the contract hire.

Councilmember Kualii: Okay.

Committee Chair Kaneshiro: The Consultant Services Business Mentor Consultant? No? 89-day contract?

Ms. Melton: Yes, the 89-day contract hire.

Committee Chair Kaneshiro: The 89-day contract hire is dollar funded.

Ms. Melton: You want to explain it?

NALANI BRUN, Program Administrative Officer: So 9221, was the Compliance Officer. Originally, the position was created in response to Bill No. 2491 (Ordinance No. 960), then we ended up using them to help us manage the Sunshine Markets. Right now, with the Ag Specialist coming in we are hoping that the Ag Specialist run those Sunshine Markets. If they cannot manage all of the ag, and do the Sunshine Markets, then we would like to use PO-9221 to bring it back into life next year, to manage the markets. Right now, we do not know what we are going to need—which sector is going to need help, but typically that PO-9211 is our helping hand that helps us out in the field.

Committee Chair Kaneshiro: Where does that...position usually appear in this budget?

Mr. Brun: It is usually there under 89-day contract hire. Typically, last year it had \$41,000 there.

Committee Chair Kaneshiro: Okay.

Ms. Brun: But we dropped it to one (1) because this year we are anticipating that the Ag Specialist will do it. The \$41,000 was dropped to Business Mentor Consultant Contract to help our businesses. The one (1) just shifted to a different area. We just want to keep the PO-9211 open in case we need that moving forward.

Councilmember Kualii: In the narrative, it says PO-9221 Business Innovation Mentor, \$78,200. Where is that amount? Or is that an incorrect amount? Where is the amount paid for that position showing in this current budget?

Ms. Melton: In the current budget, what happened was when we did our narrative, that was earlier in the year, and then after talking with the budget and finance people it was recommended that we move that down. If you see on your...what is it...the \$41,000 under Business Mentor Consultant, it is \$41,000.

Councilmember Kualii: Right.

Ms. Melton: We also decided to make that a part-time position.

Councilmember Kualii: Part-time.

Ms. Melton: Instead of full-time.

Councilmember Kualii: When it shows \$78,200 that would be one hundred percent (100%) full-time equivalent.

Ms. Melton: Right.

Councilmember Kualii: This is part-time. So it is half.

Ms. Melton: Yes.

Councilmember Kualii: Is that what the plan is?

Ms. Melton: Yes. That is the plan for now.

Councilmember Kualii: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Thank you folks for being here today. I am super excited about this traffic study. I heard a little bit about it. Could you walk us through a little more how it is going to work and what the intent is?

Ms. Melton: We are excited about it, too. The intent is, there are certain sensors that we would place throughout the island that would track the mobility of all the traffic to determine the bottlenecks, the time of day where people are starting, where people are going, so we can give a better analysis. So we can look at what our traffic patterns are, and how we can help alleviate that. That is a really big study we would like to do.

Committee Chair Kaneshiro: Are we looking at just County roads or State roads?

Ms. Melton: I think we are looking at all roads.

Committee Chair Kaneshiro: Are we going to ask the State for help on the funding?

Ms. Brun: We already did. They are going to be a partner, they are excited, too.

Committee Chair Kaneshiro: Councilmember Evslin, follow-up?
Councilmember Cowden.

Councilmember Evslin: I have more questions.

Councilmember Cowden: I have a follow-up.

Committee Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I guess, I forgot it, I am sorry.

Committee Chair Kaneshiro: When you remember it, we can come back to it.

Councilmember Evslin: Will we own that equipment or are we leasing the monitors?

Ms. Brun: Originally, it was a two (2) year lease to see how it works for us, if it is giving us the data we want, then after that we can decide. We are also looking at Department of Transportation, Larry Dill; he is very interested. Also, private partners are interested in placing them in certain areas. We want to make sure we hit hotspots, where we are having a lot of problems, like the Kapa'a corridor, and places like up at Ho'opi'i Falls. We are looking for Kē'e Beach. So right now we are just going over the list of hotspots, to see if we can get enough people to cover the areas.

Councilmember Evslin: Will they be able to distinguish between visitors?

Ms. Brun: Yes, the technology allows you to set a typical Kaua'i...we are looking at residential versus visitors, typical Kaua'i visitors are seven (7) day length of stay, so you would set that. It could look at where the signals are coming from and tell you whether it is a visitor or resident passing through different areas, what time they pass through, and seeing what are other things we can do to alleviate traffic for residents just by moving activity start time or something simple like that.

Councilmember Evslin: Awesome.

Councilmember Cowden: I remember my question. How does the Office of Economic Development handshake with the Roads Division on this? This seems like something that would be in Roads, and happy that you all are working on it.

Ms. Brun: We have a...part of the Tourism Strategic Plan...one of our teams is the traffic and transit team. That basically has County roads, State roads, and then tourism...people that are in there just advocate...and so that is basically what we have talked through all these ideas.

Councilmember Cowden: Thank you.

Councilmember Evslin: I have a follow-up. Is the variance for Other Services of \$65,000 completely related to this traffic study? Or are there other things? Typically, we have a more detailed budget on what is in Other Services, but this year we just had a number.

Ms. Melton: That is a big contributor to it. Like I said, a lot of our Other Services morphed out of our Department because of the Motor Pool being transferred to Public Works, but it also includes, doing some studies on the business industry here, and looking at ways that we can better serve the business community. There is a lot of data metrics involved in the Other Services, and another thing is adding some funding in to promote Kaua'i Made and local filmmakers to help our local entrepreneurs in those two (2) industries. Those are the bulk of what is going on in Other Services.

Committee Chair Kaneshiro: Do you have the numbers broken out already?

Ms. Melton: Yes.

Committee Chair Kaneshiro: Maybe our follow-up is for you to give us that breakdown.

Ms. Melton: We are happy to give that to you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I think the same applies and you mentioned Kaua'i Made already. So the Advertising line item is probably the same thing?

Ms. Melton: Yes. On the Advertising, it is all Kaua'i Made. Both of their websites are very outdated. Their promotional materials are outdated. They want to freshen up both of those.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: The last line of your synopsis here, you mentioned how Kaua'i Aloha was challenged, and how development of that will lead into our Climate Action Plan. Where are we in thinking about the Climate Action Plan?

Ms. Melton: We have started on the Climate Action Plan, and we are also working on bringing on another AmeriCorps VISTA (Volunteers in Service to America) volunteer to help move that forward. We will have VISTA volunteers to help with

that. Actually, right now we are having a climate change activity with County workers. Right now, and there is one tonight, too, if you would like to come this evening, it is from 5:00 to 7:30. Convention Hall, yes.

Committee Chair Kaneshiro: Leadership Kaua'i is pushing that?

Ms. Melton: Yes, I think so.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: For the Grant-In-Aid, if you could walk through that quickly—I know you are trying to make a more competitive process, but what you anticipate them going through and what they have gone through in the past for these line items?

Ms. Melton: Many of the Grant-In-Aid items go through a request for proposal (RFP), and so we anticipate doing that again this year, but looking more strategically at how it affects the community. What are the actual benefits for that? There are some Grant-In-Aid funds that we have that are pass-through for the State that we are required to do.

Councilmember Evslin: Is it possible just to run through the five (5) of them right now.

Ms. Melton: What would you like to know? There are quite a few of them. There are seventy-four (74) Grant-In-Aids that we have.

Councilmember Evslin: Just the six (6) categories that we have here.

Ms. Melton: Oh, yes. So Agriculture...we have Administrative Grants-In-Aids, there are also YWCA grants, Agriculture grants, there are some energy and sustainability grants, film, and most of it is tourism, and then we will be add some grants for business innovation.

Committee Chair Kaneshiro: The Administrations grant is a new line item I have not seen before. What is in the Administrations grant?

Ms. Melton: I thought that we had Administrations grants before.

Ms. Brun: Usually, we call them commercial grants or emerging markets grants, but now we have business innovation, they are spreading out over Administration.

Ms. Melton: Last year, we funded the stewardship program, which is for *heiau* and special places. Also, under commercial support for emerging

industries, then Malama Pono Health Services, and YWCA grants, also fell under Administration.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Follow-up?

Councilmember Chock: Yes, follow-up on it. You mentioned the YWCA in Administration, I also see a Sexual Assault Domestic Violence Committee Program, and I am sure you are aware with the issue of being short-funded by the State this year, for that particular program. Is this a response to filling that need, and if so, to what degree are we looking at?

Ms. Melton: This is the amount of funding that we put in for the budget for this year. It actually, matches what was in the budget last year, but we leave it to the Council, if they would like to add additional funding.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: There is some money in the Administration and this is the same—because this line item, Sexual Assault Domestic Violence, is the same amount of last year. You are saying there is additional money in the Administration line item also?

Ms. Melton: No, I am not saying that. I am just saying this year we moved it out as a special line item for them. It is not considered in one of the administration...last year it was in the Administration.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: At \$382,605, the tourism Grant-In-Aid line item is the largest amount. Just curious, if you could give a little background where the funding source of it comes from? If you could explain it?

Ms. Melton: Only about \$413,000 comes from the County, other money comes from Hawai'i Tourism Authority (HTA), from the State for that funding. That is...\$431,000 comes from the County, the rest of that \$1,000,000 of Grant-In-Aid comes from HTA. The State grant pass-through is \$2,600,000 that funds sixteen (16) projects.

Councilmember Chock: As we look at the budget, that we have here, that amount from HTA is spread out amongst film, tourism, administration, and others is that correct?

Ms. Melton: Yes.

Councilmember Chock: Thank you very much.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I think what would really be helpful is a detailed spreadsheet that shows how the total amount of funding breaks down by these categories, and with detail within those categories, how each subcategory like tourism, \$382,605—how that breaks down. Then have a column that says, what the funding source is \$2,600,000 is pass-through for sixteen (16) projects. Then in that one spreadsheet we would be able to see all of that.

Ms. Melton: We can give that to you.

Councilmember Kualii: Oh, yes, you have it already. We always like the numbers.

Ms. Melton: We will make sure we get that to you.

Committee Chair Kaneshiro: That is not the Grant-In-Aid Fiscal Year 2018 spreadsheet. That is a different spreadsheet.

Ms. Melton: This is one (1) we just created.

Councilmember Kualii: What you are proposing for.

Ms. Melton: This is one (1) we just created that has what was funded, and what is budgeted, that kind of thing.

Committee Chair Kaneshiro: Any other questions? Councilmember Evslin.

Councilmember Evslin: Is it possible to get a copy now?

Ms. Melton: We could E-mail it over.

Councilmember Evslin: Right now?

Ms. Melton: We do not have it designated by State. We have State or County, but we have the listing and we can quickly add that.

Councilmember Evslin: What is the breakdown for tourism, \$382,605—I am wondering where that is going to.

Ms. Melton: We have it by agriculture, tourism, all the...sustainability, other.

Councilmember Evslin: I guess, if we could get a copy later, and if we have follow-up.

Ms. Melton: Yes, because I would like to add the State and County, and that would give you more comprehensive information.

Committee Chair Kaneshiro: I would rather give the time to clean their spreadsheet, however they need it, to send it over, rather than provide it to us now, we look it over, and then we may be asking questions that they have notes on there that was not necessarily there. Then, we can always E-mail questions back on those, once we had a chance to look at that spreadsheet. Any other questions from the members? I think a lot of our questions had to do with looking at what those numbers broke out to, which we used to have in the past. Councilmember Chock.

Councilmember Chock: Grant-In-Aid or moving on?

Committee Chair Kaneshiro: Anything.

Councilmember Chock: Special Projects, can you remind me what that covers?

Ms. Melton: That Special Projects line item is to cover the costs of the consultant for the Kekaha Host Community Benefits.

Councilmember Chock: Oh, yes.

Committee Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: What is the reason for that significant increase in advertising expense?

Ms. Melton: Again, that is to improve the Kaua'i Made program and to improve the film industry.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I think you said something about the motor pool moving over...transferred to Public Works when we were talking about Other Services. But on the bottom of page 90, the Leased item went from \$80,000 to zero (\$0), what happened there? You gave up cars?

Ms. Melton: Those are for the motor pool. That money goes over to the motor pool for leasing of the vehicles.

Councilmember Kualii: That is part of it.

Ms. Melton: Yes, because that is why the Mayor has requested zero (\$0).

Councilmember Kualii: Okay.

Committee Chair Kaneshiro: I believe they moved all those leases to the motor pool budget. Any other questions for Economic Development? If not, it is our last item for today. Going once, going twice. Okay. Thank you.

Ms. Melton: Thank you.

Committee Chair Kaneshiro: We will be requesting a little more detail on the grant items.

Ms. Melton: Yes, we have all of that. Thank you very much.

Councilmember Chock: Thank you.

Councilmember Kualii: 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 9, 2019, where we will have the review for the Department of Finance, including the various items for the Kaua'i Humane Society and Planning Department.

There being no objections, the meeting recessed at 11:18 a.m.