

BUDGET & FINANCE COMMITTEE
FY 2015-2016 Departmental Budget Reviews

MINUTES

The FY 2015-2016 Departmental Budget Reviews of the Budget & Finance Committee of the Council of the County of Kaua'i, was called to order by Arryl Kaneshiro, Chair, at the Council Chambers 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Friday, March 27, 2015 at 9:02 a.m., after which the following members answered the call of the roll:

Honorable Mason K. Chock
Honorable Gary L. Hooser
Honorable KipuKai Kualii
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Arryl Kaneshiro

Excused: Honorable Ross Kagawa

Committee Chair's Budgetary Comments

Committee Chair Kaneshiro: On the schedule today, I will be going through some ground rules for the budget proceedings. Shortly thereafter, the Mayor and Administration will be given time to present their Fiscal Year 2015-2016 budget submittal, followed by the Departmental Budget Review for the Office of the Mayor which also includes Life's Choices Kaua'i, Youth Work Program, the ADA (Americans with Disabilities Act) Coordinator, and the Office of Boards & Commissions.

Each day during the budget proceedings, we will take public testimony at the beginning. You can find the budget online at the County's website under "What's New," and it is on the Council's website in our webcast meetings for anybody that wants to look at the budget ahead of time. With that, is there anyone in the public wishing to testify this morning? Seeing none, I will go over my PowerPoint.

This is my first budget, so please bear with me. I will try to make it as painless as possible, I hope. The Council's Budget Procedures. For the entire budget session, the Council Rules, with emphasis on Council Rule No. 6(f) will continue to be enforced. A memorandum dated January 16, 2015 was distributed to all members regarding the Fiscal Year 2015-2016 Budget Expectations.

Departmental Budget Reviews. Please review all budget material prepare any questions pertaining to the budget prior to each scheduled review. If additional time will be needed to compile a response, please transmit your requests in advance to limit the number of follow-up questions at the end of each session.

The Departmental Budget Reviews will follow the pre-established schedule. Should any Department/Agency's review finish before their allotted time, the next scheduled review will follow immediately. This is to minimize the need to schedule Budget Call-Backs.

Questions & Answers (Q&A) between the Council and the Administration will commence after the respective Department/Agency Head has finished Department/Division highlights/presentation.

Questions should be focused on the Fiscal Year 2015-2016 budget proposal.

The Administration has been asked to come prepared with key personnel to answer any questions relating to the budget in an effort to minimize the amount of written follow-up questions transmitted, which may take a considerable amount of time to prepare, and to avoid interfering with regular County operations. If you have questions that are going to require a lot of time, try to get it to the Administration ahead of time.

Please provide follow-up questions to Council Services Staff as soon as possible because the questions will go out to the Administration the very next morning.

Decision Making will be May 14 – 15, and 18, 2015. Staff will be scheduling meetings with each member between April 17, 2015 and May 13, 2015 to prepare any budget amendments prior to the Decision-Making session. Any proposal to add to the budget should identify the appropriate source of revenue that will be used to account for the budget increase.

Four (4) votes are required to reduce or remove an item. Five (5) votes are required to increase or add an item. Decisions will be made Department by Department. The Committee will then consider any revenue proposals thereafter, if necessary. The Committee will not revisit items after it has been addressed, unless the Committee deems it absolutely necessary.

Those are the basic ground rules. Do you have a question, Councilmember Hooser?

Councilmember Hooser: Yes, Chair, you referred to Council Rule...the very first sentence, can you explain what that Council Rule is for everybody?

Committee Chair Kaneshiro: Council Rule No. 6(f), and this does not go for the question and answer period, it will go for the later discussion. Council Rule states, "No member may speak longer than five (5) minutes and may not speak more than two (2) times." That is during the discussion. Right now when the Mayor comes up, we will have the question and answer portion. Further questions?

With that, I would like to thank all the Councilmembers and Administration in advance for their cooperation and look forward to a very efficient and productive budget this year. I would like to suspend the rules and call up the Administration to present their Fiscal Year 2015-2016 budget overview. Members, I ask that you please hold all questions until the end of their presentation.

There being no objections, the rules were suspended.

Administration's Budget Overview

Honorable Mason K. Chock
Honorable Gary L. Hooser
Honorable KipuKai Kualii
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Arryl Kaneshiro

Excused: Honorable Ross Kagawa

BERNARD P. CARVALHO, JR., Mayor: Good morning Councilmembers, Council Chair, very happy to be here again. Here we go. From the delivery that we did at our State of the County, nothing has changed from that delivery. I was hoping that we can dive right into the different parts of the budget. I will do the overview supported by our team here. I just wanted you to understand that this was a tough budget. It will continue to be a tough budget. All of our team members behind of me have done an awesome job, a tremendous job in trying to find every single way to come to place it on the table and at least discuss all kinds of ways to be more efficient and to look how we can be sustainable. I will talk about what it means to be sustainability in a little while. Everyone has their own definition of sustainability as far as I am concerned. How can we really move forward? I know we had a discussion earlier as team members to be respectful and as we move forward our door has always been open to each and every one of you. You can speak to any one of our Department Heads. You have access to them 24/7, I am going to say...during the work day. We will leave it at that. I am going to through that out. During the work day. I mean that sincerely. That is why I said that. They are available and willing to talk. Should you have any questions, I want the people listening to know that we have that relationship. And that is important for more. So there should be no reason why yes, some things may not come across as soon as you may want, but the attention is being placed on whatever that particular discussion or need is. I want that to be clear that we are trying our very best to be ready, be available, and if you have any questions, so when we get to the floor we can have healthy discussion and move forward. I just want to make sure that that is clear. More importantly, how we get through this process. Again, working closely with each and every one of you and our staff working closely with your staff is a big part of this. I am happy with our budget team and the expertise there. We are trying to really look at all of the numbers and to come out with a good fiscal story, so both of us can understand and navigate through that. Should there be any need in the future, I am hoping that you can give us the chance to come to the table. Please give us a chance before you make any tough decisions, to come to the table to talk. I am telling you that our team is trying to look in depth to still provide the services to the people. How can we manage ourselves? How can we be fiscally responsible? How can we talk about today, tomorrow, and the future? It is all intertwined in the discussion. I just wanted to open with that.

Our County of Kaua'i Fiscal Year 2015-2016 budget overview. Next slide. First slide. Do I press this? How does this work? You do that. Moving in the right direction. That is where we want to go. We want to move in the right direction. We are not going to be perfect, but we are going to be better and better every time. So in the General Fund the fund balance used to balance budgets, just an overview of the past fiscal years. Fiscal Year

2013 with eighteen million five hundred thousand dollars (\$18,500,000), Fiscal Year 2014 eleven million seven hundred thousand dollars (\$11,700,000), Fiscal Year 2015 three million one hundred thousand dollars (\$3,100,000), and Fiscal Year 2016 zero dollars (\$0). We are going to explain that. I know that some of you have questions on that, but again, the opportunity has always been there to ask your questions. The overall total fund balances used to balance the budget was six million five hundred thousand dollars (\$6,500,000) less than Fiscal Year 2015. Our budget is virtually flat, increasing by only 0.6%. Revenues increased by 3.8% or six million four hundred thousand dollars (\$6,400,000) million. All of this again, Councilmembers, working closely with our Department Heads to come up with these numbers.

KEN M. SHIMONISHI, Director of Finance: Overall, our Operating Budget if you look at it by elements, by categories, you can see that salaries and related benefits make up 65.2% of the budget. Operations, 25.2%. Our utilities, 4%. Our debt service 5%. Then our self-insurance and open space at 0.6%.

Committee Chair Kaneshiro: Sorry, can you state your name for the record?

Mr. Shimonishi: Ken Shimonishi, Director of Finance. Again looking at the budget elements by Department...If you look at the salaries, operations, and so forth, you can see that the components that make up the budget, Public Works makes up the largest sector. Public Works makes up the largest sector in the General Fund, Highway Fund, Solid Waste Fund, and Sewer Fund; they are roughly 31% of the total operating budget. They are followed by Police at 18%, Fire at 15.6%, Parks and Recreation, Finance, and Transportation and twelve others at 16.9%. If we focus on the General Fund being the largest fund that we have and we look at the budget elements again by category, you can see that 82.6% of the General Fund is in fact related to salaries, benefits, and collective bargaining. 14.4% in operations and utilities of 3%. Sticking with the General Fund elements by department, our core departments, Police and Fire make up the largest components of our General Fund, roughly 48% of our General Fund budget. Public Works at 10.1%, Finance at 9.3%, followed by Parks, Transportation, Prosecuting Attorney, County Clerk, and nine other departments that make up the remaining 14%.

Mayor Carvalho: Some of our savings and efficiency measures continue. We made sure we tried to continue to budget closer to actuals. Regarding positions, we eliminated 7 positions and dollar funded 13, resulting in an estimated \$1.9 million in savings used to offset current bargaining increases for UPW, Unit 13, HFFA, and SHOPO and addressing all of the collective bargaining pieces. Cuts, we spread across departments resulting in \$3.1 million in reductions in operating expenditures from Fiscal Year 2015. That was my point earlier when I said that our departments are looking internally at how we can really look at the cuts that needed to be made and at the same time provide the services to our people. The motor pool initiative resulting in fleet reduction of 12 vehicles, and eliminating the bulk of mileage allowance budgets. Again another way to consolidate and everybody gets to utilize one of our vehicles to do their business. It is consolidated and we look forward to continuing this effort in our motor pool program. Continuing on savings and efficiency measures, litigation team a big, big part and restructuring the whole County Attorney's Office and I am very proud of the Office and

the team members there. They are ready to go, vibrant, and looking at every which way to be efficient and to provide the services for both of us, the Administrative and Council side of the operations. They were restructured to insulate members and therefore reducing the anticipated need for special counsel. We are going to take care of business in-house, as much as we can, knowing that we have the opportunity to go outside, but we want to take care of business in-house and we are going to assemble a team in-house to address that. KPD Asset Forfeiture Fund leverage for matching portion of the anticipated grant purchase of body cams. We had that discussion before and other equipment allowances. We are looking at how we can leverage that Fund. The Open Space Fund, the proposed contribution reduction from 1.5% to 0.5% and leaves ample funding available in the Open Space Fund of four million nine hundred thousand dollars (\$4,900,000) as of Fiscal Year 2015 with an additional five hundred sixty-three thousand dollars (\$563,000) being contributed in the Fiscal Year 2016 budget. Again, we tried to look every which way to provide opportunities. I totally support the Open Space program, but in this particular case, we had to look in every which way. You will see what I mean as we go through the discussions. Additional needs, unknown and not budgeted. Bargaining impacts for Units 2, 3, 4, and 14, blue-collar supervisors, white-collar supervisors, and lifeguards. Again, we have to look at that, be mindful of that, and prepare for that. You will see what I mean as we move forward and navigating some of the numbers that will be forthcoming so you can understand some of the decisions that we have to make. Repair and maintenance has increased to address highways and solid waste facilities while keeping General Fund budget at five hundred seventy-five thousand dollars (\$575,000). Of course, our police vehicles, leased four new patrol vehicles and allow eight new subsidized vehicles. That subsidized program has launched and we need to continue to look at that program. Equipment replacement and a wastewater 1/6" sewage pump in solid waste and we wanted to share with you where we are at with all of these additional needs. 5 roll-up bins for hauling, one tarp deployment machine to cover the landfill daily, routing software for efficient route programming and retention, and lease two additional automated refuse trucks and one hook lift truck. All of these are to support our efforts to move to automated pickup as we move to Pay-As-You-Throw. All of the programs are addressing our aggressive efforts to manage our waste and our diversion programs. All of them are tied in to this. In our Parks Department, we replaced one crew cab. This was at the top of the replacement list created by our Auto Maintenance Shop. So we are looking at our replacement and maintenance needs. For our Ocean Safety Bureau, we are replacing two trucks that are used daily for transporting equipment and jet skis. As you know, they do good work for routine and emergency response. Some of our operational improvements include the formation of our new Department of Human Resources and they are working closely and diligently with our Department Heads, with Janine Rapozo, our Director there and her team. They are providing supervisory training and I want to make sure from our Department Heads to the middle manager, everybody has the opportunity to have the tools that they need to manage and move forward our operations in county government. So we look forward to more opportunities at all levels, but mainly the management and supervisorial level. Electronic procurement for goods and services bids and anticipated rollout towards the end of the Fiscal Year. Again our Procurement Office, Ernie Barreira and his team are really looking to being more efficient and getting the whole process at a different level to be more responsive for business and opportunities. Agency restructuring, continuation of our improvements, and exploring creative ways to do more with less. Some

of the examples includes the Office of the Mayor, Boards and Commissions...we eliminated a vacant position and able to reduce the frequency of some of the board meetings and of course with the members concurrence. We did go to every board and commission meeting to present this and talk to them and include them in the discussion on the budget. We explained what we are looking at, how we are managing things, what we need to address, and how we need to make sure that we address their needs as well because of their volunteerism on the various boards and commissions. Agency on Elderly Affairs, we dollar funded one position and reassigned duties within the Agency. Working closely with Kealoha and our team there, they managed to do this internally. We have that before you. The Office of Economic Development, we eliminated the Enforcement Specialist related to Ordinance No. 960 and the Agricultural Specialist with the OED Director taking the lead on the Agriculture sector. We shifted duties and responsibilities regarding agriculture and I feel comfortable with how we have restructured there with other staff reassignments in addition to that. In Public Works, we eliminated the Environmental Services Engineer and we upgraded our Diversion Specialist position to provide a Civil Service Engineer IV and more additional support there. Direct services. We did receive great support from this particular area and we look forward to more support there. Revenues, we created two new real property tax classes. The Residential Investor class increased revenue by nine hundred thousand dollars (\$900,000). A Commercialized Home Use class resulted in a net reduction in taxes of seven hundred six thousand dollars (\$706,000). Our Time Share units' assessment methodology change resulted in one million seven hundred fifty thousand dollars (\$1,750,000) increase in revenue and the remaining property tax revenue increased due to improving market conditions. That is another big piece which increased assessed values combined with new construction. I too, like you, we do not want to be raising taxes or fees, but we need to look at every single way possible, and how it is going to be better to manage down the road. Therefore, you have that discussion forthcoming.

Mr. Shimonishi: Looking at the revenues again on the real property and it is where we can note that the Homestead class represents 30.9% of the gross real property valuation, with generous exemptions, dedication programs, and a favorable tax rate, only 11.3% of the revenue is attributed from the Homestead Class. So if you look at the pie chart on the left, you can see that the yellow highlighted section shows you the Homestead class valuation of six billion three hundred million dollars (\$6,300,000,000) or 30.9% of the total. Then we apply our exemptions, dedications, and the lower tax rate, you can see that on the chart on the right, they actually pay 11.3% of the total real property tax revenue. I think the Council and the Administration has done a good job at sheltering this population, our residents who live in our homes and we use it solely for that, primary residents, to keep the taxes as minimal as possible.

Mayor Carvalho: Revenue opportunities, Vehicle Weight Tax, there was a healthy discussion Wednesday on this. First of all, I want to apologize for not being present, but at the same time, I appreciate the opportunity to be present. You know Council Chair that we have that relationship where you can give us a call and we will come over immediately. Our team members were ready and willing to come across. Interesting that on first reading, you made a decision. I personally do not think it was the right decision and that is my opinion. I was hoping that we could get that discussion on the table and the people are watching. We too do not want to raise taxes, rates, and fees, but it ties

into coming into a sustainable budget. Today, tomorrow, and in the future. So unfortunately, we have to make some tough decisions, but I am hoping that going through this, and I wanted to share this and whatever discussion we are going to have on this. We have to identify the funding mechanisms to address the hundred million dollars (\$100,000,000) in road maintenance backlog. The 2014 Farm Fair Citizen Survey showed road improvements as the number one priority. We all know that. We may come to different situations on how we manage that, but I think we are there and we are moving forward. Road repairs are scheduled for procurement every other year at a meager two million four hundred thousand dollars (\$2,400,000). Proposed vehicle weight tax would yield eight hundred thousand dollars (\$800,000) in Fiscal Year 2016 and two million two hundred seventy-five thousand dollars (\$2,275,000) in Fiscal Year 2017 and would allow a road resurfacing budget of two million two hundred thousand dollars (\$2,200,000) in Fiscal Year 2016 and three million four hundred thousand dollars (\$3,400,000) in Fiscal Year 2017 and each year thereafter. There has been an effort to really reach out to the community and see which is the number one priority. It is roads. We are trying to figure out what is the right way to address it. How can we really look at that? We are trying to be progressive, be sustainable, and have it set up so that it does not end. Yes, we may not have started last year and we said we were going to look at ways. We did say at the same time that we have a plan in place, we needed time to look at that, and as we move forward, the people are going to reap the benefits. Again, I am going to say, I am also a proponent of not raising taxes, fees, and all of this stuff, but if we are looking at what the needs are and how we are going to be sustainable, we have to get to the table and talk about it. That is all I am saying. Hopefully we can get through that in a healthy way.

Mr. Shimonishi: Again, sticking with what was proposed as the Vehicle Weight Tax, this is the chart that was presented last year and updated. If you look at the passenger weight tax and freight weight tax, passenger identified by the dark brown bars and the freight by the olive green. You can see by county what the rates are and the average. Starting on the left, you can see Hawai'i at one dollar and twenty-five cents (\$1.25) per pound on the passenger. Maui proposed that is going in their budget this year is at three cents (\$0.03) per pound on the passenger. It is currently at \$0.0275. O'ahu at five cents (\$0.05) per pound. The state average is at little over three cents (\$0.03) per pound on the passenger weight tax. Kaua'i, we are currently at two cents (\$0.02) per pound and the proposal was to go to \$0.025 cents, still keeping it below the state average and well below O'ahu and Maui. The following year 2017 to go to three cents (\$0.03) per pound, so again right in line with the state average. I know there were questions concerning The Garden Island article on what the cost of the Vehicle Weight Tax. As it relates to the County's weight tax piece by itself, that was, in fact, a correct number. I can say that we did not give the number to The Garden Island to put it in that manner. We told them what the weight tax fees were going to be and what we were proposing. If you look at the total vehicle weight tax, registration, et cetera, based on a 3,600 lb vehicle, similar to a Honda Accord or something like that...for Kaua'i, the total fees you would pay would be roughly two hundred two dollars and fifty cents (\$202.50). If you took that very car and you shipped that car to O'ahu and you had to register that car on O'ahu, you would pay three hundred fifteen dollars and fifty cents (\$315.50) or one hundred thirteen dollars (\$113.00) more. That same car shipped to Maui would cost you two hundred thirty-nine dollars (\$239.00) or thirty-six dollars and fifty cents (\$36.50) more. The Big Island would cost you less, because they have

the Federal Highway subsidies that help augment their Highway Funds. The proposed rates for January 2016 shows Kaua'i going up to two hundred twenty dollars and fifty cents (\$220.50) and still ninety-five dollars (\$95.00) less than O'ahu and eighteen dollars and fifty cents (\$18.50) less than Maui. Proposed for 2017, the cost would still be seventy-seven dollars (\$77.00) less than O'ahu and basically in line with what Maui is proposing today. Basically there is a two year lag. When you think about it, we are still trying to shelter the public from any tax increase and trying to be mindful that yes, everybody needs funds and trying to keep that reasonable and in line.

Mayor Carvalho: Some of our Fiscal Year 2015 successes. I am happy to say for Kekaha Gardens Park, after 30 years, the blessing is going to be scheduled and dedication will be scheduled within two months. I really thank our Parks and Recreation team for really moving on that. We look forward to that blessing and dedication and your presence. Affordable housing. Kolopua, our first project and most of you were there. Sorry, Kanikoo. Kolopua, our first project on the north shore with 44 rental units...coming up shortly. Kanikoo which you were there in Līhu'e with 60 rental units for our elderly. It was a really nice blessing right here behind the fire station. I am really happy with that project. Energy savings...usage is down through February, versus the same period last year. I know we have a Memorandum of Understanding (MOU) with KIUC as we continue to talk story. This partnership led into this LED street lighting program scheduled for this summer. Estimated annual savings of five hundred thousand dollars (\$500,000) a year in this particular energy project. Payroll consolidation is another one. We completed consolidation into the Department of Human Resources from Finance-Accounting. We are really looking internally on where to place some of the functions and under what department. We are looking at what support they would need by moving duties and responsibilities and staff. All of that kind of reengineering is looking at how we manage ourselves fiscally and overall. Transient Vacation Rental regulation and enforcement. 65 field inspections in flood zone areas. Investigated half of the 320 properties assessed as vacation rentals but lacked TVR permits. 70 zoning compliance notices issued as we continue to move forward with that. Our TVR regulation and enforcement, 4 notices of violations, fifty-seven thousand dollars (\$57,000) in fines levied, 53 illegal vacation rental operations have shut down, and 7 owners have requested closure of their TVR file. Continuing with some of our successes, our community development plans are now before Council review, which we had recently. The South Kaua'i Community Plan. The Līhu'e Community Plan. As you can see Līhu'e is transforming with all of the different upgrades and Complete Streets features. Our Important Ag Lands is another one forthcoming. Pay-As-You-Throw is critical to the 70% waste diversion goals by 2023. We are seeking Council support and input on the rollout, as we always want to get the input and work together to make sure that we come up with something that is going to be acceptable to the people that we serve. I look forward to more healthy discussion on that. It helps move us closer to curbside recycling which we did talk about. As I sit here, we are looking at a menu of opportunities on how we manage our waste, and this is one of them. Community partnerships. Government cannot do it alone. We together, County Council and our Administration working together. Working with our people. Our bus shelters, we have been assisted by the Kaua'i Filipino Community Council, we have 6 shelters up from the various parts of the island. From Ishihara Market to Matsuura Store to Hanamā'ulu, Kapahi, Kilauea, and so on. We look forward to the next series. Thank you very much, all

of us are working together on that. Of course the Kaua'i Filipino Community Council and others involved in this from the Lions Club and Rotary and the different clubs, *mahalo* to them. Our North Shore Shuttle, Princeville to Kē'ē, with resorts participating. We reached out to all the leaders out in Princeville in really addressing this issue and coming up with good solid numbers and data. We are happy to say that a lot of the ridership is from local residents getting to work. We have those numbers and we look forward to continuing that program as we manage that and we look forward to Kē'ē Beach and managing that whole operation with the State. The Kaua'i Nui Kuapapa program with the team, Na Hoku Welo, rediscovering the significance of ancient lands. We will talk about that and will continue to talk about that as we move forward in decisions we make for Kaua'i and Ni'ihau. Kīlauea Ag Park, the stewardship agreement with the Kīlauea Agricultural Committee. We started off with the Kīlauea Agricultural Committee and that discussion is done. Peter Rayno Park, we had the blessing over there. Great job to our kupuna and our senior men, who took the lead and really connected and made this wonderful facility. This pavilion area that will service not only them, but it is for the children, for the kupuna, and for the community to use. They are working closely with our Parks and Recreation Department. I am very happy with the Hoolokahi grant to the Hanamā'ulu Hillsiders Senior Softball Team taking the lead there. Of course the Hā'ena Beach Park reef etiquette sign and private donation, and Makaala folks down there. They are led by Hui Makaainana o Makana and our Parks and Recreation team internally. We are beginning to educate people in our various parks through signage. You will see more of this forthcoming, more of an educational component in helping them understand the different parts of our community.

Mr. Shimonishi: Looking at our capital improvements program. Again, an update from prior years. Fifty-six million dollars (\$56,000,000) has been spent from Fiscal Year 2012-2015. Eight million five hundred thousand dollars (\$8,500,000) spent in Fiscal Year 2015 thus far, with five million dollars (\$5,000,000) expected to be encumbered by the end of this Fiscal Year. The chart shows the success over the past four years and pumping more than fifty-six million dollars (\$56,000,000) into our local economy.

Mayor Carvalho: I am very happy with our CIP program. Keith Suga, our Public Works team, everybody pulling together, different departments, all working together and breaking down silos and trying to work it through. These are some of the highlights and projects. Two hundred thousand dollars (\$200,000) plus. There is more, but this what we wanted to focus on for today. In the moku of Halelea, the Hanalei Black Pot Parking and Comfort Station Improvements, two hundred ten thousand dollars (\$210,000) starting June 2015. As you can see, the Halelea sign right there. The Hanalei Courthouse, a big one that the community got together and how they wanted to use this particular facility. Seven hundred twenty-one thousand dollars (\$721,000), start date July 2015. In the *moku* of Koolau, the 'Anini Beach Park improvements, specific to the park upgrades. We have a State component with the restoration and renovation of the boat ramp area. This is for the park area specifically. To start March 2016. In the moku of Puna, the Kapa'a Urban Design Plan, three hundred thousand dollars (\$300,000), start date September 2015. The Kapahi Bridge Replacement, long ongoing project. Four hundred thirty-eight thousand dollars (\$438,000), start date August of this year. In the moku of Puna, the Bryan J. Baptiste Sports Complex and Kapahi Park Improvements, two hundred thousand dollars (\$200,000), renovations to that particular area. I know the

restroom facilities at Kapahi Park and the roof repairs, all of that is forthcoming by the end of this year. Our Kapa'a Soccer Field improvements, design, three hundred thousand dollars (\$300,000), the 11-acre site in Kapa'a, part of the whole complex, start date 2015 of October. Our Wailua Houselots and Homesteads Park Playground and Tennis Court Lighting Improvements, three hundred fifteen thousand dollars (\$315,000), start date May of this year. Moving forward to address some of the community's concerns there. The Lihu'e Baseball Stadium Field improvements, one million seven hundred thousand dollars (\$1,700,000) with a start date of November of this year, with lighting and upgrades to the announcer's booth, dugouts, and the whole area. Field improvements one million seven hundred thousand dollars (\$1,700,000). Lihu'e Auto Shop improvements, four hundred thousand dollars (\$400,000), talking to our Auto Shop people, we will elevate and do a second deck there to help with more storage and more operations space. This particular Auto Shop improvements to start September of this year. Puhi Road Reconstruction, we talked about that. From Kaumuali'i to Kaneka, six hundred thousand dollars (\$600,000) with a County match and two million seven hundred thousand dollars (\$2,700,000) in Federal Highway funds to start August 2015. Puhi Road Phase II, planning and design, Kaneka to Haleukana, two hundred fifty thousand dollars (\$250,000) to start in June of this year. In the moku of Kona, the Kōloa Neighborhood Center parking lot, the Kōloa Park basketball and tennis court resurfacing, two hundred fifty thousand dollars (\$250,000), start date February of next year. We did take a team on the road, made up of various team members of Parks and Recreation, Public Works, and Transportation and visited every single park and did an upgrade assessment to look at the restrooms, what are the field conditions, what are the parking conditions, what are the fencing conditions, how are we going to look and put it into perspective so we can understand what needs to get done. Po'ipū Beach Park Phase II upgrades, east comfort station, four hundred thousand dollars (\$400,000), start date January of next year. The Kalawai Park basketball and tennis court resurfacing, two hundred thousand dollars (\$200,000), start date, January of next year. The Kalawai Park lighting improvements, two hundred eighty-eight thousand dollars (\$288,000) this is another one that was needed and attention was needed as soon as possible. Start date of May. Hanapēpē Bridge Reconstruction, I know that one was on the table for a while and I understand that. We have been working closely with the community trying to address ADA issues along what is historical, what is not historical, how we can manage it and do it in a timely manner, et cetera. Five hundred thousand dollars (\$500,000), start date August 2015. Veterans' Cemetery improvements, three hundred forty-three thousand dollars (\$343,000) to the existing pavilion area, the restrooms, et cetera. We did seek support from our legislative team and we continue to look at that as we manage and upgrade our Veterans' Cemetery. That should start in October of this year. Islandwide, the pool improvements, Kapa'a and Waimea, I know we did the upgrades to Kapa'a with the pump issues, there are some upgrades there to start January of next year. Our Materials Recovery Facility (MRF) design, three hundred two thousand dollars (\$302,000) to start March of next year. Of course the Bus Shelters, Phase 2, we talked about the installation two hundred ninety-seven thousand dollars (\$297,000) and an additional six hundred thousand dollars (\$600,000) in appropriated State funds to start November 2015. That second wave of bus shelters is coming with the funding that we have right now. I am very happy with the information systems as we continue to bridge and connect the technology into our operations and upgrading our computers and software. Infrastructure, three hundred four thousand dollars (\$304,000) to start November 2015.

The Payroll/Personnel program to start 2016 when we look at all of our time sheets, and everything online now. You do not have all of this paper all over the place. So with this new software, it will allow us to be more efficient, to be on-time, and to be timely with how we manage our internal systems of how we manage payroll and personnel. CIP requests to the legislature, the Motorola 800 MHz Upgrade Phase III, \$2.1 million. With the radio system, we put into the budget an amount to fully upgrade instead of Band-Aid, if you will. You will see in our budget \$1.1 million or so to get that done. Islandwide Bus Shelters, \$1.5 million, this is to complete the entire amount of bus shelters for the entire island. The 'Anini Beach Park Improvements, we want to work closely with the State and the Rotary Club who placed the buoys so that when the boats get down in that area of 'Anini, they can navigate through the little channel area to get out safely. It is in partnership with the buoy program and designing the parking lot area to make it safe so people can park and the boats can park, wash down, and do their thing. It is a very important partnership project out there. In moving ahead together, our departments will be forthcoming with their individual presentations. Our Division Chiefs as I said earlier, we are all available to answer questions and concerns. Committee Chair Kaneshiro, and answering budgetary questions on the floor. I just wanted to say that this whole process has been very lengthy and in-depth and we are trying to be sustainable. What is "sustainable?" We are taking it today, tomorrow, and the future in how we lay it out. Sometimes we have to make those decisions, but collectively, I am hoping that if we cannot, that you propose a solution. Help me find a solution. If you want to do this, then help me find a solution. We can come up with our thoughts and ideas. But whatever solutions that you have, we are more than happy to talk about it. We have a story, we have a team in place, from our budget team, to our vacancy review team, to our legal team, everybody. We are trying to work collectively and at the same time provide the service and all of the projects that we have before us, in an efficient way that can help both of us work together. That completes our overview.

Committee Chair Kaneshiro: Thank you Mayor. We appreciate this overview and I appreciate your openness and offering all of your services, all of your staff to be open to getting questions from us. I do agree, it is easy to criticize and we should be solution-based. Any questions for the Administration on their budget overview? Councilmember Yukimura?

Councilmember Yukimura: Good morning, Mayor.

Mayor Carvalho: Good morning.

Councilmember Yukimura: And team.

Mr. Shimonishi: Good morning.

Councilmember Yukimura: Thank you for your presentation. As someone who has been involved with many budgets, I just really want to acknowledge your openness and spirit of collaboration. Because I have never seen a mayor offer his team for a 24/7 response. Actually that is not the feature I want to focus on, because it is more just your general spirit of allowing us and your department heads to engage in dialogue and answer questions and ask questions and all of that. It is very remarkable and really a good

foundation for turning out a good budget. I also want to say welcome to Ken and congratulations or condolences.

Mr. Shimonishi: Thank you.

Councilmember Yukimura: But we really are thankful that you are the Finance Director with your knowledge and experience with the county budget. So I want to apologize at least on my part that we did not give you a chance to explain the Vehicle Weight Tax. Because at minimum, we need to give each other the chance to have a dialogue before we take action, either way. We can reconsider or we can introduce a bill again, but I think it is part of a sustainable budget. Because it relates to roads, it makes sense that users would pay a portion of it. Even though it is highly subsidized by the General Fund and other capital programs. I think we have to look closely at that and as you have shown, we are not...we are lower than the other counties, except the Big Island which gets special Federal subsidies. I want to acknowledge you and your team for very significant progress in creating a sustainable budget. I am referring to slide 2, where you are showing that this year we are not using the General Fund fund balance. Councilmember Hooser, in I think our last budget really helped everybody understand about expending more than we are taking in as the real definition of a "balanced budget." Not just the yearly expenditures, but the big-picture and the long-term picture and I believe you are implementing that or moving us in that direction by the way you have handled the fund balance this year. I do not know if people recognize that, but it is very significant to me. And slide 7, can we show slide 7, please? Especially your motor pool, to me, that is a real efficiency measure. I really oppose cuts, just to cut. It really hurts our essential services. When you find real savings, which is the way to accomplish something, but at a lower cost, that is real progress. And so thank you for that. And I also want to acknowledge something that you did last year, I think...and Larry Dill was the key person, and his team. The drop in overtime in Solid Waste at a tune of six hundred thousand dollars (\$600,000). That is really significant. And your energy savings through your LED lights of half a million dollars. Those are real progress in my mind. And I just want to commend you for that. So my questions now. In slide 3, you are showing that of our operating budget, 65.2% goes for salaries and related expenses. Do you know how that compares to private sector corporations?

Mr. Shimonishi: I do not have that information readily available, but I think we all recognize that government employees may not necessarily get the top dollar on the salary line, but obviously on the benefits we currently have a 20.3% OPEB that we fund, other post employment benefits to fund the health insurance premiums when an employee retires is not typically seen in the private sector. The retirement benefit percentage of 17% this year of salaries, again that something that is typically not seen in the private sector, at least from my experience. Generally there is no health insurance coverage when you retire from a private company. And you basically make your own 401K contributions, which typically is based on a percentage of salary up to something, like, 3.5% of what you contribute. So it is a matching kind of deal. I think those two components are the largest that I would see differ in government than in the private sector.

Councilmember Yukimura: So you said 17% of the benefits are for health coverage?

Mr. Shimonishi: No. As far as contributing towards the other post-employment benefits, the health insurance premium that is currently set at 20.3% of covered payroll or salaries. And that is where we have the actuarial firms do the computations and give us the number of what we should be contributing. That is done every two years. The 17% relates to the retirement and that is set by the State.

Councilmember Yukimura: Okay. Thank you, Ken. On slide 8, our Open Space Fund. My question is what are the Open Space initiatives for the next one to five years? Such that you can say there is ample funding available?

NADINE K. NAKAMURA, Managing Director: Nadine Nakamura, Managing Director. I do not say it is ample, but I think that we are saying that there are competing needs at this time. As you know the Open Space Commission prepares a report that prioritizes potential projects, either for acquisition, easement, for open space, public access agreements, to preserve natural resources, and so forth. So there is an annual...I think it is every other year now...I think it has been changed. So there is a list of priority projects that are identified in the report, and then the recommendations will come forth based on those priorities. So I know that they are pursuing several of those priorities and so it is just that the funds have been sitting there for some time ever since the Hanalei purchase. So it is just a matter of priorities and how do we position this budget so that when we go out for a bond issuance in 2017, that we show adequate fund balance.

Councilmember Yukimura: So basically you are saying it is a lower priority than other priorities?

Ms. Nakamura: I would say that there is a commitment to working on, really working off of the Charter Amendment, where the voters said that to use 0.5%. That was changed by subsequent ordinance by the Council.

Councilmember Yukimura: I would disagree with that. I think the Charter said there is a floor, which is why you saying that you are creating a floor is not true. The floor is created by the Charter and says you can allocate not more than 0.5%, but you can allocate more, which is what the Council at least prior to this chose to do, because we wanted to show that open space is not only a top-priority, but it is a long-term priority where you have to accumulate moneys and if you lessen the amount that you put aside each year, like if you are saving for a college education, you are not going to get to the amount you need.

KA'ĀINA S. HULL, Acting Deputy Director of Planning: What Nadine is also getting to is that given the priorities that the current Open Space Commission is looking at right now...

Councilmember Yukimura: The current what?

Mr. Hull: Open Space Commission is looking at now, there is funding available for the priorities that they are looking at.

Councilmember Yukimura: Can you give me a list of the priorities with the estimated acquisition costs to show me they are less than the amount we have in the Fund and we will have? And a timetable in terms of when you think the acquisitions will be done? So we will need to have those moneys by that time. And can you also make sure that, because I know we did this when we were part...when I was on the board of the Kaua'i Public Land Trust. We prioritized projects based on urgency and the potential of losing the land forever as an acquisition. You know, Po'ipū Beach Park, that issue has come up in the South Kaua'i Plan about how in that given area of park we are going to handle a growth in population and visitors over the next 20 years and I do not know the answer to that. I mean, Po'ipū Beach Park is a limited park. There was a lot next to it. The house was built on it, started to be built on it two years ago or...one or two years. If we had acted prior to that we could have had the chance to expand the park. I would like to know priorities in terms of urgency.

Mr. Hull: We can get that list for you.

Councilmember Yukimura: Okay, thank you. And also one more thing, you know the Charter did create this Open Space Commission, but even before the Open Space Commission, we have acquired lands. Often at the initiative of the Mayor, the Administration. So we are not bound only to whatever the Open Space Commission proposes and, in fact, I believe the Black Pot expansion, both the Hodge property and the Sheehan property came to us from the Kaua'i Public Land Trust and their cooperation as well. So I do not know that we have to limit ourselves. In fact, Kaneioulouma was not on the original list of the Open Space Commission, but that was brought to us by the citizens. So we have to be prepared for those initiatives as well.

Ms. Nakamura: I think the point that you are making that is important and that is that we have to take a look at opportunities as they arise. It may not be in the report that comes from the Open Space Commission but it might be an opportunity that may not come up again. So we might have to move on it. Another point is that yes, it is an identified and limited source of funds that is sitting there, but it is also meant to leverage outside sources and I think that is what happened with Black Pot. If there are other opportunities and I know other counties are taking advantage of funds like the transient accommodations tax (TAT) to purchase Kui Ilima lands. They are looking at Legacy Land Funds through the Department of Land and Natural Resources. So there are opportunities to leverage these county funds to do more.

Councilmember Yukimura: Thank you for saying that better than I would have been able to say that. You are right, that we do not have to wait for the Open Space Commission's issues to break and that money is in our Open Space Fund is very, very important to leverage other funds. I have other questions.

Committee Chair Kaneshiro: I will go around. I want to emphasize, try to make the questions a little precise. I know there is some discussion going on.

Councilmember Yukimura: Excuse me, Chair, but you know, budget is the time where we are able to actually enter into dialogue about the operations of the County. It is the most important ordinance that we pass every year. And so I would like to have robust discussion and be able to have it.

Committee Chair Kaneshiro: I understand and the dialogue can take place in E-mail also. There are other ways to talk about bigger issues.

Councilmember Yukimura: Yes, but E-mail dialogue is not available to the public and it is important that the public be part of this conversation.

Committee Chair Kaneshiro: It is not like the public is a part of the conversation on video either, but Councilmember Hooser.

Councilmember Hooser: Thank you, Chair. I would like to echo what Councilmember Yukimura has said. This is my 7th budget and historically the budget time is the time to discuss the various actions of the County, and sometimes it takes time. But it is the one time when we get to go through every single one and have those discussions. And so I would urge you to allow robust discussion and I believe that is the public is watching and benefits from this discussion. So they better understand our decision-making process. E-mail is important, and to be specific, Councilmembers' E-mail to the Administration I am not benefiting from that or a part of that either.

Committee Chair Kaneshiro: Discussion is healthy. I think if we get down the road of debating an issue, that is where we should stop it, but a healthy discussion is okay. Let us try to keep it at that.

Councilmember Hooser: Good morning Mayor.

Mayor Carvalho: Good morning.

Councilmember Hooser: Congratulations Mr. Shimonishi and congratulations on your appointment. Good morning Mr. Barreira. This process is not only for us to critique or to massage the budget, but also to put the stamp of the Council as the policy-making body, to exert our independent voice and our values on the budget as it moves forward for the entire County. I think that is important for us to remember also. That values and priorities of the Administration hopefully we all align, but in some areas we will not and this is our opportunity to try to massage that to align more with the Council's values. So I just wanted to preface that. My comments and questions do not come in a particular order. I apologize for that. It is just some with the presentation and some with my brain, if you would, going through the process. It is my understanding from the presentation that the one position that the County had to support agriculture has been deleted. Is that correct? So the position itself has been deleted or dollar funded?

Mayor Carvalho: It has been eliminated:

ERNEST W. BARREIRA, Assistant Chief Procurement Officer / Budget Chief:
Excuse me, Ernie Barreira, Budget and Purchasing Chief.

Councilmember Hooser: I will leave it that I am concerned about that and I would hope that the County would be increasing support for agriculture, not decreasing support for agriculture as we move forward and we can have a further discussion in the Office of Economic Development to see where the priorities are?

Mayor Carvalho: Even in our Mayor's portion, we will go over that as well.

Councilmember Hooser: Okay. Could you tell me, please, the total net increase of property taxes for the County in this budget?

Mr. Shimonishi: That was approximately five million three hundred thousand dollars (\$5,300,000).

Councilmember Hooser: Five million three hundred thousand (\$5,300,000). I think it is important that citizens know their taxes are going up by five million three hundred thousand dollars (\$5,300,000) next year. Do you know approximately how many property owners are impacted? 90%? 80%? 50%? 100%?

Mr. Shimonishi: It is not 100%, but I think if we want to get into the details of real property taxes and who is affected, it is probably best to have Steve Hunt, our Property Tax Manager address that...and the former Director of Finance.

Councilmember Hooser: Thank you.

STEVEN A. HUNT, Tax Manager: Steve Hunt, Tax Manager, for the record. It is somewhat of a loaded question to be honest because you are focusing on citizens, not necessarily all property owners. We have taxpayers in the Hotel class. We have taxpayers in the Vacation Rental class. We have two new classes that were created this year. So if we are looking line item by line item, I cannot tell you a percentage or how many are paying more taxes currently than last year.

Councilmember Hooser: So is it safe to say that a majority of properties' assessments went up? Values of their property?

Mr. Hunt: Values in totality, yes. A lot of that actually has to do with new construction. So if you had vacant land last year with a house this year, that added value is not just depreciation, it is adding the tax base. Properties that were subdivided, movement between classes of taxation...lots of variables. So it is very difficult to make a general policy statement saying a certain percentage increase or majority increase. I would say if there was an increase, a modest increase taking out the growth factor, but I do not have an exact number. It is very difficult to compare unless you do it on all 34,000 parcels on a parcel by parcel basis, what their taxes were last year to this year and what their class was last year versus this year.

Councilmember Hooser: You will be back later is that correct?

Mr. Hunt: Correct.

Councilmember Hooser: Perhaps you could prepare a report. I am specifically interested in owner-occupied homes and if you could prepare additional information on average increases...I know in the past years you have been very detailed in being able to tell us exactly whose taxes are going up and whose are not? So the net increase is \$5.3 million to all property taxpayers, including hotels, homeowners, farmers, everybody.

Mr. Hunt: Correct.

Councilmember Hooser: Okay. While you are up there, I will jump to my other tax question. The Mayor had mentioned he wanted us to offer solutions, and there was at least two solutions offered by prior discussions we have had. One is the agronomics increase; so I am wondering if the Tax Department is evaluating creating another class similar to this? We created the Residential Investor tax because we saw a need. These were high-end properties that were not owner-occupied and we felt they deserved to pay more money. In the Agronomics class we have similarly a class, a different class, one could argue that can afford it and we could charge a little more money. Have you explored that option of increasing revenues as we did for the Residential Investor class?

Mr. Hunt: I believe it was explored here at the Council and voted-down. Has it been re-explored? Not to my knowledge.

Councilmember Hooser: During that discussion you spoke that we did not need Council action necessarily as we have different diversified agriculture, pasture, and other ways to raise revenue. So I guess the better question is does the Administration intend like you did the Residential Investor proposal, to pursue that avenue for increased revenue? You asked for solutions.

Mayor Carvalho: Within our discussion right now, no. But we will entertain the information and look at that, but I know it was discussed already.

Councilmember Hooser: Right. I think with the Administration's support of these measures it would make a huge difference in the Council's support also. My other question is we have had a robust discussion, a public discussion about the possibility of unpaid real property taxes by again major landowners in our community. There has been a lot of discussion on that. And it is my understanding there is potentially lots of money and possibly in the millions of dollars that are unpaid; so is the Administration pursuing that or do you intend to pursue that?

Mr. Hunt: I believe that is working its way through Council in Executive Session on some of those decisions.

Councilmember Hooser: Can you anticipate when a decision by the Administration might be made on that?

Mayor Carvalho: Not right now. We are looking at that and will work closely with you on that.

Ms. Nakamura: There are several phases of the investigation that are going on. The first phase we will be responding to the Council in Executive Session per your agreement with the County Attorney's Office that was agreed upon. The second phase as we discussed is taking place. Peter Morimoto is representing the Council on the phase 2 investigation that looks at a number of other parcels. We will be then using that information to come up with a list and a very definitive guidance on how much there might be in potential unpaid taxes or fines and fees. That is something that we are in the process of compiling on both the agricultural dedication side and on the grading and grubbing side. There are two sides to the investigation. Once we have that information, we will be sitting down with the Council. There will be portions of it discussed in open session that revolve around the process. Then portions that will be discussed in Executive Session that are related to very specific parcels. I think we need to keep it that way to make sure that we protect the County's interests. So we are working very hard to get that information and Larry Dill is taking the lead on the grading and grubbing ordinance and Steve Hunt is taking the lead on the agricultural dedication portion and we are working very closely with the team at the County Attorney's Office to get us where we need to be.

Councilmember Hooser: Thank you very much. I appreciate the response. Again the Mayor is asking us for solutions at the same time we are asking for five million three hundred thousand dollars (\$5,300,000) from taxpayers...so I think this needs to be part of the discussion.

Mayor Carvalho: Councilmember, we are showing you that we are working on a lot of the stuff that you are asking. It is moving. It takes time to unfold and even with the bigger picture, looking at the different properties, the small, large, and medium size properties, we are moving in the right direction and giving you the information accordingly.

Councilmember Hooser: I appreciate it, I really do. Thank you very much. I will ask one or two more and then let others go. Back to the 24/7 access to the Department Heads...

Mayor Carvalho: Figure of speech.

Councilmember Hooser: To be clear, does that mean that I can contact Department Heads directly and ask them questions about the budget? Or do I need to go through the Mayor in writing and get to the Council Chair and all of that stuff?

Committee Chair Kaneshiro: I will answer that one. It does need to go through Council Services.

Councilmember Hooser: Yes. I mean...I do not know...I am a Councilmember and I would think that I could at least talk to the Mayor without going through anybody. The question is do I need to go through you to talk to any Director? Just to be clear. You said we had 24/7 access.

Mayor Carvalho: We have a rule in place that can you talk directly to your Committee, Chair and you have that access to that. If not, you need to go through your Chair. We have a process. So let us just keep it flowing. That is what I meant. Any time you want to crossover, no problem, we will talk about that...but there is a process in place.

Councilmember Hooser: I am not trying to cause trouble, I am just trying to be clear. The public may think that we have 24 hour access and I may have access to anyone. The reality is that the Charter does not allow me to just call anybody. It allows me to go through the Mayor. I just wanted the public to understand that. I will hold off for now and let others ask questions.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Thank you, Chair. So I want to start by saying thank you to you, Mayor, and the entire Administration. It is obvious that you have all worked very hard on this budget. I can see that so many of our top-level managers who actually did the work with you are here in the gallery. So thank you to each of you. It is clear to me that it is not the same old budgeting, no more budgeting as usual. I am excited that we are off to a good start and for you, Mayor, I hope this is one year of the next four years that will keep moving us in that direction. Because I think that our citizens deserve all that we are accomplishing in this year's budget and more. I totally appreciate all that you have done for finding those efficiencies. To making those tough choices and to putting this forward to us now, to work on. I can promise you that I will do my best to help find even more efficiencies to send your way. I only have a couple of really specific questions, just particularly on this presentation. And I see it as the first presentation. So the big-wide view. I know we will have more opportunities as we hone in on each of the different departments and divisions. But on slide number 5 when you show that the General Fund budget, elements by category. So you have shown which we all know the biggest expense of this County is salaries. That is how we deliver our services and serve the public. But the 82.6% represents what in dollar figures?

Mr. Shimonishi: Approximately ninety-eight million five hundred thousand dollars (\$98,500,000).

Councilmember Kualii: Ninety-eight thousand five hundred thousand (\$98,500,000). Okay. On slide 7, the savings and efficiency measures. To me right there, bullet number 2 "positions." that is clearly how you are starting to make the impact of reducing the budget, the expenditures, and trying to find efficiencies on how we deliver to our constituents with less bodies, if you will. Elimination of 7 positions and dollar funding of 13 positions. The value there is one million nine hundred thousand dollars (\$1,900,000). So one million nine hundred thousand dollars (\$1,900,000) represents I guess, because it is

close to 100, nearly 2%. I know you were talking about a goal in the cost-reduction workshops about 6.9%. I know it is hard to eliminate positions when you are trying to deliver services. But that 2% is a good start is I guess what I am getting at and I wanted to have a basic understanding for the public why a position would be dollar funded versus eliminated? Is a dollar-funded position explained as we do not intend to fill this position in the coming year for the entire year? So we are not putting any money there to pay for that position? But we may need it next year? How do you...what distinguishes between the seven positions that you eliminated and the 13 positions that you dollar-funded?

Mr. Barreira: That is a very good question, Councilmember and thank you for asking us. I think the dollar funding is absolutely correct, there is no intention to utilize that position in the upcoming fiscal year in terms of expenditures and we will be leveraging other resources within our departments in order to meet those services. But it does as you note keep the possibility that in the future depending on changes known or unknown from outside forces or other obligations that might have to be attended to, we still have the flexibility to seek funding of those positions, which is slightly less cumbersome than establishing a new position through the legislative process. And also when we go through the vacancy review process and vet the positions and if we recommend an elimination to Mayor Carvalho, we are fairly certain that the elimination is to be absorbed and not likely seek refunding of the position in the future.

Councilmember Kualii: Thank you. That is what I thought. But I wanted the public to understand that, too. To show that we are making a start as far as consolidating how we provide those services. I would just ask further that knowing that salaries is the biggest part of our budget and our biggest responsibility, that outside at some later date I be provided with details on what happened for each of those 20 positions? So I am sure the Vacancy Review Committee and the managers involved have all made those decisions with justification of why. So for me as a Councilmember, I think I should know, because it is a big part of our operations going forward. So within this budget process, no real hurry necessarily, to know what is the justification for each of those decisions? Seven positions eliminated and 13 positions dollar-funded. I really want the Vacancy Review Committee obviously to remain in place and to continue doing its work year after year. But I want the Vacancy Review Commission to be not just about vacant positions, but about all positions. And I think Human Resources you do the work of reallocating and reconfiguring positions and what have you and I think with recommendations from the Vacancy Review Committee, I see this as a start, but the Vacancy Review Committee should be vacant and all positions. I think...I am not sure if it is part of it to look at not only the specific positions, but at work units. So whether it is divisions or departments. I think in the long run and maybe if it is not accomplished with this Mayor, it might be with the next, you know, as far as the direction that the people may want us to go in. As far as efficiencies and maximizing the way we serve the public. In my opinion, the County looks a little top-heavy and that happens because we keep breaking down. Yes, there are Charter Amendments that say we want this to become a department instead of a division. And when that happens, now you have smaller entities with their own budgets, with their own directors that are making high-level salaries. And what is under them may not be a large department. It may just be 10-20 people, but the directors are making large salaries. So it is that top-heavy thing. I think at some point we need to

start moving in the opposite direction, instead of breaking it down and spending more money, to bring some of that back together and I guess that would be called "consolidation." So the Vacancy Review Committee could look at vacancies and all positions and the last piece is that they work with the Cost Control Commission because I think the Cost Control Commission has a big job to help in that way. That is it for now. I will say that I echo Councilmember Yukimura's comments about the Vehicle Weight Tax and why I voted the way I did. I know we still have to look at everything. I mean, there is cutting, but then there are efficiencies and responsibilities that we have to deliver to the people. And roads and traffic, is always coming forward from the people. But I will close here with thank you again.

Mayor Carvalho: The intent of the Committee, which has done a great job in working closely with departments, but also providing tools for the departments to see how and what positions can float here or not or what duties and responsibilities? The reengineering again, term, if will you. Internally and also looking at a menu of ways to look at vacancies and how that works within the department. Sometimes some duties or responsibilities has to shift here or that position might be better suited here instead of there and because of the team concept that you have in front of you to make it more efficient. So those are some of the tools that they talk about in seeing how they should manage better. That kind of ties everything in.

Mr. Barreira: One more clarification, if I may, Budget Chair? When we conduct the business of Vacancy Review Committee, actually Councilmember Kualii, we are forced to do exactly what you said, not only look at the work group, but look at the individual positions outside of that other position. Because in order to make a recommendation for an elimination, we have to achieve a level of comfort that with the resources that are valuable available in the work group, there is adequate manpower and skill set to continue to carry out the duties and responsibilities. While we are not targeting to meet and review all 1,100 or so County positions, when a position comes up for review and is vacant as a result of attrition, we do look at all of the functionalities related to the position within the division and within the department and in some circumstances even outside of the department in terms of other leveraging opportunities. Thank you for your suggestion, sir.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you, Chair. I wanted to echo some of what Councilmember Yukimura said and congratulate our Administration and thank the Mayor and all of you in the room for what you have submitted. I am very happy all together with the budget as presented. And I think we are moving in the right direction. So I applaud all of the real in-depth...I know it takes a lot of hours to get to where you folks have submitted what you have. I also wanted to mention that I think that it certainly is this collaborative approach that I think gets us to where...based on last year...we did some raising of taxes that has helped us as well in moving to get to a sustainable budget. And I think the Mayor is pretty accessible. Whenever I need to meet with him, he has actually

called me and said where are you? We are supposed to be meeting now. So the 24/7, while there is a process, is attainable. And in that conversation, that we had last week, I think... we talked about one of the items, which came up was the Vehicle Weight Tax. I said I like it all, but I think this one will be hard for the Council. The reason I think is because of what we have done in the year's past. It is pretty uncharacteristic of me to move in the direction of not having a conversation, but I think it is a temperature gage with this Council saying that this is the last thing we want to look at and we are going to look at some cuts and other revenue sources. This is getting to a question. One of the things that was brought up last year was really about needing to look at this from a long-range perspective. Where are we going to go? How are we going to get there? From my perspective it is about incremental change. Especially asking for tax increases. So my questions are really what does that look like? I still would like more about, for instance we are talking about what is the goal for us to reach the limits or the threshold of the reserve that we want to get to? Because I am fully supportive of us getting the proper bond rating and you presented us with a budget that moves us in that direction. What is that growth index for us? Because like I said, I think the community needs to know, we need to know, so we can move in that direction together. What is that growth index that we can expect that we can expect to move towards over the next two years? What is that goal for us to be at? To say that we have this reserve in the bank? And are a healthy county?

Mr. Barreira: Councilmember Chock, thank you for your question. We have acknowledged and if there is one issue that we (the Council and the Administration) have agreed on unanimously is the long-range financial plan which is currently underway and we will begin work on our long-range strategic plan in May of this year. We are seeking professional consultant assistance because this is a very, very critical area and I think Council Chair has risen on occasion that the expertise may not be readily available in our immediate pool of resources. We are contracting with them because they are the experts nationwide in providing that level of assistance to the government. What I can tell you right now is that generally speaking in the guidance that they provided is that they recommend strongly that every county government and state government establish a functional reserve the value of two months of operating expenses. In our case, we are looking at \$18-20 million. If you look at what we are trying to achieve with this budget that we have proposed to you, we are about 71% there. Now keep in mind as the Mayor had reported, there are obligations yet to come in terms of collective bargaining that we are going to have to address once the settlements are in place. Generally speaking, that is the general guidance and the particulars that you are making reference to, will be much more qualified and accurately able to speak to those issues as we continue with the consulting process with our consultant that is coming on very shortly.

Ms. Nakamura: I just wanted to add to Ernie's comments that the GFOA consultants we arranged it to happen immediately after the budget is approved. Because we know during this process, it is pretty time-intensive for everyone. But that we also built into the contract, time with the Council. So the consultants will be coming to present their approach to the budget and to get your feedback as well. The beginning portion of the contract will be focused on best management practices. They want to make sure before we start doing the planning that we are actually meeting all of these GFOA best management practices. They are going to be reviewing our policies, our procedures, and

once they feel that there is a solid base there, then they will be working with us. The goal is that you will...that we will incorporate the plan into the next budget. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo?

Council Chair Rapozo: Thank you, Chair and thank you for being here, Mayor. We have had some discussions throughout the last few months and I appreciate obviously the work that has been put into this. Let me just...we talked about the private sector. I know one of the questions was the private sector versus the public sector, government sector. And granted our benefits package typically and I know there was a study done and I wish I had it with me. There was a study done on federal government versus private sector and it was pretty extreme the difference on how much it costs the federal government to pay their employees, compared to the civilian jobs that...and I would bet that county and the state is probably the same way. Because I do not think anyone can dispute the fact that the staffing numbers in government outweigh the staffing numbers in a private company. You guys disagree? Really, be honest, everybody knows that. The public knows that. They all work in the private industry and they know when you go to a private corporation and you look at an office, there is a lot less people running that office than in a similar office in government. That is just wait the way it is. So I think we have to take that into consideration, that our pay, salary, and benefits packages are huge, a big chunk that is just historically the way it is and we have to keep that in mind. I know you are doing a GFOA study / consultant. One thing that I have talked about for many years is why not do staffing audits? I am going to be proposing that on our side, that we go in and actually take a look...as Mr. Chock asked, and I think probably the best question so far, with many good ones, what is the 3-5-year plan? This sustains us to next year, but what happens after that? I am not saying doing a staffing audit and firing everybody, but we need to have someone take a look and say, that function of government requires six versus nine employees. Because right now we are tied to collective bargaining, we are tied to contracts, and we just cannot let people go without being sued. But we need to know, at some point, that that function requires "x" amount of people. That is starting point. Now you can plan your 3-, 5-, 7-year, 10-year plan, because I think we all agree, we cannot sustain that, with collective bargaining the way it is. So obviously the goal is to reduce the size of government by keeping the standard services at a great standard. So that is something that I am going to be proposing to this Council and hopefully we can get some support. The other thing is history reminds me that dollar-funded positions and do not take this in the wrong way. I mean no disrespect and do not take this in the wrong way, but this Council has time and time again, from all of the Mayors that I have ever worked with, these dollar-funded position morph right after the budget. You know, we have a surplus or whatever, a reserve. We have available funds. So what happens is a month, two months down the road, a department all of a sudden needs another position and today as we discuss the budget, we say we might not need it. Again, history repeats itself every single year. Those vacant positions, those dollar-funded positions become filled and we either find the money in the departments or come for a money bill. Mr. Kualii years ago introduced some provisos that would require Council approval for any deviation from budget as it related to salaries or positions. In other words, if you had a position for whatever it was, caretaker. We have the ability to take that position number and convert it to anything we want without Council approval, without public knowledge, without the

public participating in that discussion. That happens. Maybe it is convenient, maybe it is flexibility, but at the end of the day for me, that is not what we approved. It is not what the people had a chance to testify on. So I am not sure...we put it to the County Attorney and we were told we cannot do it because of the separation of powers. I disagree. We approve the budget. We will see it and give it another shot with the new County Attorney, but I just believe if the budget calls for a specific position, that if there should be any deviation from that, that we should have the discussion here. I know you disagree because that puts a damper, but what I am trying to do...

Mayor Carvalho: We disagree?

Council Chair Rapozo: I would bet any mayor would disagree with that because they would want to have the flexibility to run the County the way they want to.

Mayor Carvalho: The positions that are dollar-funded will be dollar-funded.

Council Chair Rapozo: Right.

Mayor Carvalho: Period, that is it.

Council Chair Rapozo: What I am saying, Mayor, three months from now...

Mayor Carvalho: I am telling you that the dollar-funded positions will be dollar-funded.

Council Chair Rapozo: And they will not be...?

Mayor Carvalho: No.

Council Chair Rapozo: Okay, so you will not oppose a proviso to that effect?

Mr. Barreira: Council Chair.

Council Chair Rapozo: I am going to introduce a proviso anyway.

Mayor Carvalho: I am telling you here, we do not need a proviso. We came here with a budget. I want to follow through on our commitment. We have said what we are going do. We want to keep an open dialogue and that is what I am saying. So whatever positions you have in there, we have got to get to that place. I am trying to say...

Council Chair Rapozo: I appreciate, that Mayor. I really do, as I said that history has shown that never has happened. The position gets changed, positions get reallocated, and we are back again, come next year. What was the net gain or net loss in positions? As of today, Mayor, yes, this is...two months from now, three months from now,

the places that were dollar-funded will be screaming at your door and saying Mayor we need that position back, we need that position back, and like that it gets put back with no discussion.

Mr. Barreira: Council Chair, your concerns are noted and there is a big difference now. Even for that type of scenario, that requires the vacancy review process to vet that request. If that request was made from a department head, they would not go to the Mayor. They would come to the Vacancy Review Committee and we would vet that as we have already done so. It is not a matter of simply reassigning funds as it was in past. So there is an additional layer of review to ensure that there is a qualification being conducted. Our intention as noted in the budget is not to seek filling of those position or positions...of course we never know what events occur in the year, but our intent is that those positions remain dollar-funded through Fiscal Year 2016. In term of a proviso, our obligations are to follow the law and if the County Attorney opines that is an inappropriate reach or violation of separation of powers doctrine we would support that and whatever guidance is provided. The intention as the Mayor noted is to leave those vacant and they will be reviewed very carefully to ensure any additional expenditures would have to be truly justified and not only recommended by the Committee, but adopted by the Mayor.

Council Chair Rapozo: Again, with no oversight of the legislative body.

Mr. Barreira: Yes, sir.

Council Chair Rapozo: Who approved the budget to begin with? That is just again a philosophical difference, maybe, I do not know. Like I said, history has taught me that we need to have a tighter grip on those things because what is said today and what is passed sometimes is a much different budget than what we end up with as far as positions, as far as personnel. That is my concern and I think the concern of others. They just may not say it. And again, much has been said about the Vehicle Weight Tax and we will get into the discussion of revenues later. We will get into the discussion of the budget, your budget actually later. So I think we have heard us anyway, from me, heard from enough people in the community that enough is enough. I understand there was an opportunity to seek additional revenues, but I think my comments were clear on why I did not support it. But we can find other ways to generate some revenue. And we have got to look at innovative ways and hopefully, we can...working with the State, generate more revenues in other ways. That is pretty much all I have right now.

Committee Chair Kaneshiro: Councilmember Yukimura?

Councilmember Yukimura: Thank you. Your payroll project. What page is that?

Mayor Carvalho: 19.

Councilmember Yukimura: Thank you. This is really great news, and in addition to all the benefits that you mentioned, Mayor, is this not going to allow us to have more accuracy in our pay? That was a major audit concern and it was actually stronger

than that, I think. We were violating employee rights as well as County budgetary issues because of the lack of accuracy, as you recall. This is going to address that problem, will it not?

Mayor Carvalho: Yes.

Councilmember Yukimura: Okay. I just wanted to make clear, because this is a real progress step. For years it was an issue in our budget and I wish Councilmember Kagawa were here, because he was very concerned about it. And again, our employees were losing out sometimes because they were not getting enough credit for their pay, and other times they were getting more credit than they should have and the County was losing out in having to pay something that was not owed. So thank you for moving ahead on that. It is really great progress. On your budget message, page 3, you talked about the energy savings. And I just wanted to be clear whether the reduction was in usage or in costs? Because with the lower price of oil, sometimes it is not that we are lessening our energy usage, but just that we are being charged less. I just wanted to make sure it is an actual drop in usage.

Mr. Shimonishi: I think if you look at the message it says in the first sentence that the energy usage for the County facilities is down by 4.6%. So that tells me it is usage and not an actual drop in the fuel costs. But we do go on to say that due to the favorable energy prices that we experienced savings there. So I think it is a combination of both. I do not have the split on that, but that is how I read the message to be.

Councilmember Yukimura: Okay. And that is why I asked the question, because often in the past we have confused the two. And so I just wanted confirmation that it is actually usage and perhaps you could just confirm that, unless you are absolutely sure?

Mayor Carvalho: Usage.

Councilmember Yukimura: Okay.

GEORGE K. COSTA, Director of Economic Development: *Aloha*, for the record, George Costa, Director for the Office of Economic Development. I want to confirm, and I met with Ben Sullivan, and we had both reduction in usage and costs. Again the cost was due to the lower fuel prices, but there was a lot of effort made in the last year to work with the departments to reduce the usage.

Councilmember Yukimura: Thank you. The usage is really what we want to celebrate. Because if it is the cost of energy, it is going to go up when the price of oil goes up. So we might have a temporary relief, but if it is actually usage, then we are making progress.

Mr. Costa: Right.

Councilmember Yukimura: Could you as a follow-up, let us know how much...if you can...how much of the drop in cost was due to usage and how much was due to price reduction?

Mr. Costa: Okay. Will do.

Councilmember Yukimura: Thank you. Going on to...or going back to actually the issue of reserve. I think Councilmember Chock asked about what would be our target reserve for best practices budget? You have said that based on government standards it would be \$18 to \$21 million or two months' expenditures. Now I have sent an inquiry to the Administration about this because I believe when SHOPO was before the arbitrator, they pointed to our reserves as a reason why we could increase...we can pay for increased salaries and it seems to me if it's a government practice, that a reserve should be a certain amount that should not technically be available for argument in collective bargaining. Or else every time we achieve our reserve, it means to justify actions that are going to lower our reserve and put us in bad shape. So it seems to me like, a household, we would say if we are saving for college, when we get the paycheck, we put that money first in that savings. And then we budget for the rest of our monthly needs; if that is a very high-priority and I think that is what government practice is about. So what I am working towards is making sure that the collective bargaining system reflects good budgeting practices and allows counties to exercise good budgeting practice. So I am not asking you to do anything, but I am just asking that we look at the rules that govern collective bargaining over time. Because that is set; it is not set in stone. It is what should be best for the operations of government. And I am just raising the question. I do not know if that is, in fact, the law, but I have asked it, and I look forward to an answer. I think we asked that of HR.

MAUNA KEA TRASK, County Attorney: For the record, Mauna Kea Trask, County Attorney. We are working with Human Resources to respond to your request. Just for the Council's and public's edification under HRS 89-11(F) states and this is when a situation arises when the parties cannot come to a mutual agreement without arbitration and a panel is convened and usually that happens with these matters, financial matters. It is difficult for the employer and union to agree because they both have to advocate for positions. The arbitration panel in reaching its decision shall give way to the following factors and shall include in the written report or decision an explanation of how these factors were taken into account. The law states 10 factors and in pertinent part HRS 89-11(F)(4) the financial ability of the employer to meet these costs; provided that the employer's ability to fund cost items shall not be predicated on the premise that the employer may increase or impose new taxes fees or charges or develop other sources of revenues. So there are limitations built within the law, but that is further clarified in the HARs and to lay it out now.

Councilmember Yukimura: Thank you, but that section you just read does not address reserves.

Mr. Trask: I am not an accountant, so that is why we are working with HR.

Councilmember Yukimura: Okay. I look forward to the answer, thank you very much.

Council Chair Rapozo: Can we have a clarifying question on that. Councilmember Yukimura, would you mind?

Councilmember Yukimura: Sure.

Council Chair Rapozo: Mauna Kea, I do not know if you read the arbitration award from last year's negotiations. I do not know if you read the order, the arbitration award from last year's negotiations. I do not know if you had the opportunity Mayor, but I did. You know what the County's response to the negotiators for the unions about county's abilities to pay were?

Mr. Trask: In regards to SHOPO, no.

Council Chair Rapozo: Yes. They had no response. So I guess my question, Mayor, is can we consider hiring, like the unions do, and I support labor, but I also support fair negotiations. And we are getting dusted every time we go. So I think we need to put our efforts in a negotiator or a negotiating team. I understand that Honolulu basically takes the lead and the counties sit back and let O'ahu negotiate for us and we need to go to the table with the right rules and we do not have that.

Mr. Trask: That is correct and I think the discussion should be had on how to best coordinate our efforts and as you know and I am sure the public is aware, these are statewide contracts, depending upon the union and bargaining unit, State is involved as are the respective county jurisdictions and usually the State has a block of vote of which they really need only one county to go along with. There are other processes, your ability to refuse cost items, et cetera. It should, because collective bargaining is very important in the public sector, but all sides need to be effectively heard and maybe it is coming down to a communication issue that is better handed by one unified voice.

Council Chair Rapozo: If we get to the point with a good negotiator, we could come to an agreement without going to the lengths of binding arbitration, I guess is what I am trying to say. I think it is like the NFL playing Pop Warner, and we just get licked every time and to be fair and, in fact the arbitrator has the opportunity...because obviously we did not have the opportunity, Kaua'i. But we are bound by that contract. So anyway, just a thought as we go forward and we are not expecting to have expertise in every part of government and that is one that I think we should look at. Thank you.

Councilmember Yukimura: I totally agree with Council Chair Rapozo.

Council Chair Rapozo: Mark the date and time.

Councilmember Yukimura: Yes, that is a very powerful position when we both agree. That we need very high-level expertise in our negotiations. I read the SHOPO

arbitration and they answered that they had answered those questions in the first-round and I think we did, "we" as the counties. So there was a lot that was going on in that arbitration. But the main thing is that whether the rules of collective bargaining support good budgeting? That is the question. Thank you. Moving on I want to look at your capital improvement program on slide 24. What you are showing here is our budgets are going down because we are expending and implementing the projects. And those moneys are being spent in the communities for contractors and all of that work. And that is a really beautiful line. And just want to give kudos to Keith Suga, and rest of the team for doing this really important work. I have said before to you, Mayor, that if you get good managers, you can fly. And I think this is an example of really good outcome and results from very excellent work. And the main thing is the beneficiaries are the public, who can experience the benefits of the project. On the next page, 25, where you have the Kapa'a Urban Design Plan. I am just wondering what the intention of this plan is, especially since we do not have the community plan yet before us? And also, because we do not have a traffic component, a transportation component to the Kapa'a-Wailua land use plan.

MICHAEL A. DAHILIG, Director of Planning: Good morning Councilmembers, Mike Dahilig for the record. Councilmember Yukimura just as a clarification for that particular proposal, you will be receiving shortly...once it is introduced at the Planning Commission, the draft version of the East Kaua'i Community Plan. Now as you are aware of the two plans that are before the Council right now, the Lihu'e and South Kaua'i Plan, both plans have form-based code elements that are integrated into the plan. More robust in South Kaua'i than what you will see in the Lihu'e Plan. There was a contract that was actually instituted well before these contracts were put in. So what is meant to supplement that particular East Kaua'i Plan is the form-based code elements that are not folded into that particular community plan. So the project that is before consideration in the CIP budget is to back fill the elements to make sure it is in line with the other two community plans that are being proposed.

Councilmember Yukimura: So what about the transportation component of the Kapa'a-Wailua land use plan?

Mr. Dahilig: Part of the urban design plan looks at the multi-modal capabilities of the urban area. In talking about things that transcend and go beyond just the areas that are meant to be coded, that would not be covered under that proposal given what we are showing at this point. I believe there are other efforts by the Administration and I can probably elaborate further between the Transportation Agency, ourselves, and Public Works, concerning things related to mobility and multi-modal plans at this point. But this particular proposal would not include...I guess...a zone-wide or East Kaua'i-wide transportation study. This is meant to do the back fill portion that South Kaua'i and Lihu'e did not have, but East Kaua'i does have.

Councilmember Yukimura: I do not know if Lihu'e really does have a transportation circulation plan. I believe that South Kaua'i does. So I am concerned about both Lihu'e and Kapa'a-Wailua in terms of the traffic circulation plan. So are these other efforts you are referring to, are they going to be adequate as a traffic circulation plan for Kapa'a-Wailua?

Mr. Dahilig: I think right now what we are looking at is a scoping element. As you know there were funds appropriated in the last budget concerning a North Shore and Po'ipū Transportation Circulation Plan. Those things are also being folded in with moneys that we received via the Transportation Agency to actually broaden the scope beyond just South Kaua'i, Po'ipū, and the North Shore.

Councilmember Yukimura: Well, then I am even more concerned, because I have a hard time seeing how that is going to...I mean how much money is being set aside for this that is actually going to result in what we know we need as a traffic circulation plan for each of our community planned areas?

Mr. Dahilig: I would say in response to that statement, Councilmember Yukimura, it is not to say that such a plan is not needed. If that is coming from a priority standpoint that needs to be adjusted in the budget and that is a prerogative of the Council. Simply going back to the question regarding the intent of the proposal in the CIP budget. That was simply meant to back fill the difference in coding that was there in the South Kaua'i and Lihu'e Plans that is not present in the East Kaua'i Plan. That is not to say that cannot be entertained as an additional study as a CIP amendment or adjustment to the budget. If going back to the question, what was the intent between the proposal? That was meant to take care of the form-based elements that are not there.

Councilmember Yukimura: I guess, Mike is it Planning's position that best practice would be to have a land use and transportation plan, like we have in South Kaua'i for all of our area plans?

Mr. Dahilig: It does differ. I cannot say with a certainty that each area should or should not have what you are proposing. Is it helpful to have it? Yes, it is helpful to have it. Go back to the intent of the line item, the line item was meant to address the form-based code elements.

Councilmember Yukimura: So we have a terrible traffic problem in Kapa'a-Wailua and the reason we do is we have a land use plan that does not have a correlated transportation plan that would accommodate the traffic generated from the land uses that we have included in our plan. So how can we go forward and do these community plans without a transportation component that assures us that the land uses that we are projecting are going to be supported by transportation? Otherwise, we are going to end up with just continuous traffic problems.

Mr. Dahilig: Again it is not to say that I agree or disagree with your statement, Councilmember. I think when you look at the broad body of work that has been done not only with our agency, but with the Transportation Agency, as well as the State Department of Transportation. There are many hands that have to go into the pot of helping find solutions for the problems that you are addressing and stating on the floor. Within, again, our universe is not to say those issues are not important. But with respect to clarifying the specific line item in front of the Council with respect to the Kapa'a Urban Design Plan, that was not the intention and as I said previously the intention was to bring

that particular area up to par with the other two areas that are currently having some type of form-based code analysis down in terms of plans in front of the Council right now.

Councilmember Yukimura: Maybe we can have further discussion in CIP when we discuss the Planning budget and CIP.

Mr. Dahilig: Yes.

Councilmember Yukimura: I am asking for a basic philosophical framework for how we are doing our plans. So that is for the future then. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura, we are going to have to take a caption break. How much time do you need? 10 minutes. Recess.

There being no objections, the Committee recessed at 10:59 a.m.

The Committee reconvened at 11:13 a.m., and proceeded as follows:

Committee Chair Kaneshiro: We are back from our caption break, Councilmember Yukimura.

Councilmember Yukimura: I have a question about another source of revenue, but before that I want to express my disappointment, actually, about the renaming of the Rice Camp housing project which you have on slide 18. The project itself is beautiful and the Hawaiian name is beautiful too, but by removing Rice Camp, you are removing history, you know? And I am expressing this on behalf of some members of the community. And my last question is about another source of revenue. I know you are aware Mayor that Senate Bill 19 is moving through the Legislature and it has the option of a half percent excise tax for public transportation but the definition of "public transportation" includes roads, sidewalks, bikeways, and transit. So I am wondering if it is the Administration's position that we would like to have that option? And see that bill pass?

Mayor Carvalho: We did submit testimony.

Councilmember Yukimura: In favor?

Mayor Carvalho: Yes. And of course, looking at what our Councilmembers...working with our Councilmembers and ensuring that the Council is at the forefront, but we did submit testimony.

Councilmember Yukimura: I know there were at least two Councilmembers who supported the 1% tax for any purpose, and that is not something I supported, but the common ground with all of us is that...I mean those of us who supported the 0.5% and 1% that we support some form of increase that would tax our visitors, as well as ourselves in order to fund transportation, which will enable us to free up some General Fund and Highway Fund moneys. And also provide the expanded transit services that our people

need. I think if you look at the position of the Council in that respect, there should be a majority in favor of that. Anyway, that is something that would give us seven million dollars (\$7,000,000) for public transportation a year. And again, it is roads, bikes, sidewalks, and transit. So it gives us flexibility and it helps us...and it frees up General Fund money and Highway Fund money for other things, although I am hoping that we will free up Highway Fund money for roads. Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: Thank you. Back to the five million three hundred thousand dollars (\$5,300,000) increase of taxes, property taxes. At a subsequent meeting if we could have a breakdown by category, "x" million for hotels, "x" million for the various categories, that would be very important. And if we could have along with that a percentage increase, last year was this and this year it will be that. That would be helpful. Did you get that...staff has the question also in case we need to put it in writing. The Open Space Fund, I also have some concerns about taking those funds and using them to balance the budget. Just wanted to point out that this is the only expenditure in the entire budget classification that is in perpetuity that is an investment for the future. Everything else, virtually everything else will be gone in 30 years or so, whether it is a road or highway or parks or people. This is an investment for the future and so I would encourage the Administration, as well as this Council to consider that. And ask again why has the money not been spent?

Mayor Carvalho: I think it was priorities...

Mr. Dahilig: For the record, Mike Dahilig for the Planning Department. I think it is an issue that all of us are aware of...why the money has not been spent. There are proposals that the Open Space Commission has been floating concerning certain parcels. They have actually recommended one, which through a due diligence process, we have some concerns about, after that proposal. At the end of the day, the proposals that come up do have to pass mustard of this body and if the proposal does not seem...like the value matches the proposal, we have to take a serious look at what that is. So there are things in the hopper that the Commission is working on. We are going to have a presentation from the Hawaiian Islands Land Trust concerning a proposal that we have in Waipa. Just like anything as we move forward, we have to keep in mind a number of things such as whether the acquisition going to be adversarial, does that add to the cost or what does that do in terms of placing this body in a condemnation resolution type of situation, what is the value that we are getting out of it, does it meet the open space standards, et cetera. There are checks and due diligence elements that we have to run through before we package it into an appropriation proposal. So we are working on things.

Councilmember Hooser: Thank you. I would just remind everyone that real estate values are starting to go up, but we could be in a whole different environment if we wait too long and this is an asset that will last a long time.

Mr. Dahilig: To dovetail on that comment, it is why we are looking at things beyond pure acquisition and fee acquisition, but other things like

conservation easements and those types of things to try to be mindful how far can we stretch the dollar?

Councilmember Hooser: Thank you and a related question with the budget surplus and recommended \$18-20 million, are our capital assets like land considered in that process or is just cash in the bank when they are looking at best practices?

Mr. Shimonishi: I think first of all, Councilmember Hooser, we should be consistent with the terminology that we use.

Councilmember Hooser: Yes.

Mr. Shimonishi: When we say the word "surplus" I would not necessarily use the same definition. We have an unassigned fund balance of thirteen million seven hundred thousand dollars (\$13,700,000) and the reason we have this unassigned fund balance is because last year's budget process was very arduous and tough decisions were made. We really only have three million dollars (\$3,000,000) to use to balance the budget. That is all we used. So it sets us up better this year in terms of our fund balance being available. Overall, if you look at the fund balance that we ended up in Fiscal Year 2014 vs. Fiscal Year 2013, we actually still went down by \$1.5+ million. We did not come up with a surplus. We just have the money, I guess you could say in a different category and the analogy that I used was that you may have more money in your checking account now, but when you compare your total of your bank accounts this year to last year, you still have less. So we need to keep that in mind. So again, not a surplus, but an unassigned fund balance that is available. Again, we have not budgeted for any anticipated bargaining impacts that will come down the line. So as far as CIP, no, we do not consider that.

Councilmember Hooser: So, the best practices as we mentioned and the bond rating companies look at the amount we are supposed to have in our unassigned fund balance which is \$18-20 million is what you said, right?

Mr. Shimonishi: I think it is actually a little higher than that...closer to twenty-one million dollars (\$21,000,000). Again, what is the basis that we are using to determine our reserve? So, if you look at the Council Resolution that was passed back in 2011, it called for 20-25% of the most recent CAFR's General Fund expenditures, encumbrances, and transfers out. So that was the basis of what we were trying to establish the reserve at. Between 20-25% of that. That was...if you look at the 2014 CAFR, it is like one hundred twenty-seven million dollars (\$127,000,000) for the base. 20-25% would be twenty-five million dollars (\$25,000,000) to thirty-one million dollars (\$31,000,000). Using the one hundred twenty-seven million dollars (\$127,000,000) basis, at two months, annualizing that number into two months, you come up to a number that is probably closer to twenty-one million dollars (\$21,000,000) in reserves. So we would have the committed portion of the fund balance that is related to disasters some \$3.9 million, I believe...we would have thirteen million seven hundred thousand dollars (\$13,700,000) that we just said is unassigned in the fund balance, roughly seventeen million dollars (\$17,000,000) compared to the goal of twenty-one million dollars (\$21,000,000). Before any

other bargaining hits our table or before any other money bills that are put forth to carry us through the fiscal year. In the current fiscal year, we have already put forward about \$5 million in money bills when it comes to the real property tax relief, purchase of some software, re-establishing the OPEB funding, six hundred fifty thousand dollars (\$650,000) in special counsel, two hundred twenty-five thousand dollars (\$225,000) that is coming forward for the audit contract...so it does add up pretty quick when we start processing the bills going forward.

Councilmember Hooser: Thank you. I appreciate the clarity on the words that we are using and the different funds. So just to be clear, the thirteen million dollars (\$13,000,000) that we all keep talking about is part of the unassigned fund balance? It is not part of the reserves?

Mr. Shimonishi: That is in fact the reserve. That is what you have. There is no additional money of reserve.

Councilmember Hooser: Okay.

Mr. Shimonishi: Again, looking at the CAFR, if you look at the management discussion and analysis, the notes basically to the CAFR, at the bottom, it will lay out the fund balance and it will say what is the unassigned fund balance. This is basically the reserve.

Councilmember Hooser: Okay. Thank you. So when bond rating companies look at us, do they take into consideration land assets that we have when they are looking at rating us?

Mr. Shimonishi: I think they are looking in total. Total assets of the County, which would include all of our holdings. They also look at our ability to balance our budget moving forward. And I think if you look at the most recent...I think it was the Fitch rating, I think we have a AA rating and the condition was stable, but the outlook was negative. We were in the budget process of not having a structurally sound budget...I guess I should say. The budget is always in balance, but whether or not we have a structurally sound budget is a different story...

Councilmember Hooser: Got it. Another question, regarding collective bargaining, at what point do we know what that is going to be...what is the date?

Mr. Barreira: Councilmember Hooser, there is no definitive date of course because the process has to go through the due process that has to be exercised. Is it likely we will have that number before the supplemental submission? I cannot even tell you that for certain. I think last year it went beyond that and I am not sure we had the numbers by that time. There is really nothing definitive at this point. Perhaps there could be updates provided in the later budget presentations related to Human Resources.

Councilmember Hooser: But it is within the next few months?

Mr. Barreira: I can say it will definitely be within the fiscal year. I can tell you that much, yes.

Councilmember Hooser: It impacts the entire fiscal year coming into the budget?

Mr. Barreira: For the remaining units that were mentioned by the Director of Finance, yes.

Councilmember Hooser: And I know that we will not know how much that is, but if you look at history, could you give us a range or a starting point? The lowest it has ever been is it 2%? 1%? I know you do not want to give away the store to the negotiators, but obviously, historically it has been "x" percentage or money? Is it three million dollars (\$3,000,000)? Is it five million dollars (\$5,000,000)? Is it seven million dollars (\$7,000,000)?

Mr. Barreira: We do not mean to be deliberately evasive, but it has been our practice not to do guesstimates in terms of the money that we feel might be in play, because it is a process that is not yet resolved.

Councilmember Hooser: Even though we have not budgeted for it, it would come out of the unassigned fund balance?

Mr. Barreira: Yes.

Councilmember Hooser: And you have your internal numbers, I am sure, in terms of a range?

Mr. Barreira: The budget is a projection of course and what you see in the budget is what we know definitely for the collective bargaining units that have reached agreement and for which contracts are in place.

Councilmember Hooser: On the CIP, I had a few questions on the CIP. If you could provide a breakdown between essentially traditional infrastructure and parks, sports fields and those kinds of things. There seemed like there was a lot of parks / sports fields as opposed to bridges, roads, sewer, that kind of thing. At coming meetings when we have that briefing, just to know whether it is 50/50 and incumbent on that amount, too. It is talking about highways for example. I understand that we cannot pave roads out of CIP, but we could do major refurbishment out of CIP.

Mr. Barreira: Yes.

Councilmember Hooser: I am just wondering, in times of tight budgets whether or not increased emphasis should be on traditional infrastructure, if we were going to rearrange things.

Mr. Barreira: Councilmember, would you be comfortable and agreeable to having that discussion during scheduled CIP?

Councilmember Hooser: I would and you could provide something in writing prior to that.

Mr. Barreira: Very good, sir. Thank you.

Councilmember Hooser: Along the same lines I noticed that you had information systems in the CIP, CIP is capital improvements and my understanding it is dependent on a certain life, like a 30-year life and I do not imagine software would qualify for that. But you have that listed in the CIP budget is that correct?

Mr. Barreira: Yes, sir.

Councilmember Hooser: Are we borrowing money to buy software? I hope not?

Mr. Barreira: It is not limited to that. It is much more extensive than simply that.

Councilmember Hooser: So we will want more information on that, too.

Mr. Barreira: We can have a full discussion on that issue during CIP.

Councilmember Hooser: And there will be a breakdown on the CIP when you come back on what is Bond Fund, what is General Fund? Can you do that too?

Mr. Barreira: The CIP I believe this year is completely Bond Fund within our capital improvement budget.

Councilmember Hooser: So then we would use Bond Funds to fund the information systems / programs that you have listed?

Mr. Barreira: If it is identified in the CIP, yes, sir.

Councilmember Hooser: Right that would be my question, are those 30-year...appropriate for bond funding? Because they are not going to last...hopefully they last ten years, but with new technology it is highly unlikely. I am almost done, I think. I those are most of my questions for this moment. Thank you all for your hard work. It is a difficult process and takes a lot of time and everyone's patience in being here. Thank you all. Thank you, Chair.

Committee Chair Kaneshiro: Councilmember Kualii?

Councilmember Kualii: Thank you. Just really quickly, I do want to say that I appreciate the Council Chair's comments about positions, budgeting there, and dollar-funded positions and provisos and his goal that he articulated reducing the size of government while maintaining the level of service is my goal as well. So I will be working on that. The one other thing that I wanted to point out is that you know on slide 6 we have the breakdown of General Fund by department. And that represents a total of \$119.2 million. I think it would also be interesting to see that same breakdown by departments of the salary piece, because that is our biggest expense. We have \$98.5 million and if you do a pie chart of salaries by departments, the same way you have done this one as far as the full budget? And the thing I would also say about that is yes, of course, we are spending the most money there. But that is also the County's most valuable asset. So our biggest asset is our employees from the low-paid to the top providing the services and providing services. I had questions along the lines of what Councilmember Hooser was asking with the unknown in regards to collective bargaining. And the understanding that there is current ongoing negotiations. But I think there are also things in place as you have an idea of at least what the base is going forward? These contracted step increases that will take place based on people's anniversary dates and what you have. So there is some information that you have already as far as what it will cost? So I hope you have forecasted and budgeted for that to a certain extent. The only other thing is as far as what you can tell us, maybe you cannot tell it to us publicly, but there are other ways for us to get information from you in this time. So that we are not waiting until after the fact, if you will. And then the last thing is when I was looking at the breakdown of line items and the budget, I see that in some departments there is a line item for "collective bargaining." Some of them are increasing. Some of them are decreasing. Some of them are so tiny and I am not sure why they are there. So I am curious if you have done an allocation formula to assign the cost of collective bargaining to the different divisions and departments, is that what that is? You do not have to tell it today, but to know what the formula is? I am assuming it is based on the number of workers and employees assigned to each unit, and in each work unit, bargaining unit and where they work in the County?

Mr. Barreira: Yes, Councilmember, those numbers in the budget are not relative to salary or fringe benefits. It is usually requirements that we have to meet in terms of uniform payments, for example. Or other safety equipment items that are incumbent on the collective bargaining agreement. So it is not something that will be reflective of salary or other expenses.

Councilmember Kualii: So it is not reflective of salaries and it is also not reflective of the cost of doing negotiations? That is all under "personnel" probably somewhere, in the Mayor's Office.

Mr. Shimonishi: Collective bargaining budgets are actually done at the department level. Finance there is no collective bargaining requirements that we need to be budgeting for; we do not have reimbursement of shoes...

Councilmember Kualii: It is just the terminology you used for that line item. It is not to do with negotiations or salaries?

Mr. Shimonishi: No.

Councilmember Kualii: It has to do with additional benefits like uniforms that you have to provide and have a budget for?

Mr. Shimonishi: Correct.

Councilmember Kualii: Okay. That is all I have, thank you.

Committee Chair Kaneshiro: Council Chair Rapozo?

Council Chair Rapozo: Thank you. I know I had asked and I am not sure, because I have not looked at all the department budgets, but the grant funding. I do not see it and when I got the budget, I realized maybe I did not articulate it well enough, but is there a way to get the grant funding in budget? I guess the AS400 does this. I am not sure, but is there any way to get the grant-funded positions, because that is not in here, correct?

Mr. Shimonishi: Correct. I think as of right now, I am not aware of that and we probably have to research that with the vendor.

Council Chair Rapozo: Okay. Because I think it is very, very, very important to see the accurate picture of the departments and staffing that we also have that grant funding positions as well. Because if you look at some of the departments that are funded a lot by grants, we are not getting the whole picture here as far as the number of employees and the costs? And I am not sure if the grants require us to pay something, I am not sure. I assume some of the grants require us to pay a portion or benefits...not sure. And there is no way of me knowing with this budget. So I am not sure in the supplemental or if you can provide to us in a separate communication, maybe just a spreadsheet for each department, what is the grant-funded programs or service or positions, employees?

Mr. Shimonishi: We will look into that. Thank you.

Council Chair Rapozo: Look into it? Can you get it for us? I do not know...I mean we need it, I guess. Let us just say that.

Mr. Shimonishi: Right.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Any other questions? Again, I just want to thank you for coming and I want to thank the staff for being here also. You brought all of the resources to answer all of the questions that we have. I had a few quick questions. When is the next bond issuance or bond rating coming up?

Mr. Shimonishi: I am currently unaware of when that would be. I know we get inquiries from the companies, I believe on an annual basis. So we will have to follow-up on that for you.

Committee Chair Kaneshiro: We are trying to save up on reserves to meet the certain threshold and I wanted to know how much time do we have to get up to that threshold before we have to go back and reevaluate our bond rating?

Mr. Barreira: We will check with the County Treasurer.

Committee Chair Kaneshiro: One other quick question and I do not know if it is the right spot whether it is HR or Fire, but with the dollar funding...one other position that was dollar-funded was the Deputy Fire Chief, it was dollar-funded. Is it not our intention to fill the Deputy Fire Chief position?

Mr. Barreira: That is correct. With our consultation with Chief Westerman that position has been identified to be dollar-funded for the fiscal year.

Committee Chair Kaneshiro: Okay. As far as questions go, any other questions from the members? Councilmember Kualii?

Councilmember Kualii: I missed one last question on the collective bargaining. Because I think in one of our answers Ernie to Councilmember Hooser you said remaining units, so as far as that bullet point about unknown and not budgeting, you listed bargaining impacts four and you said units 2, 3, 4, and 14. So those four units are remaining?

Mr. Barreira: Yes, sir.

Councilmember Kualii: That represents SHOPO and HGEA?

Mr. Barreira: That is all HGEA, sir.

Councilmember Kualii: All HGEA?

Mr. Barreira: Yes.

Councilmember Kualii: Okay. And so can you say what the others were that are completed and what that totals?

Mr. Barreira: That is all reflected within the budget worksheets relative to salary.

Councilmember Kualii: Through each department?

Mr. Barreira: Yes.

Councilmember Kualii: Salary increases?

Mr. Barreira: Yes, salaries reflected for unit 13 for example. And EM classifications are contained within the budget we submitted to you.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: Just a brief follow-up. How many County employees, active employees would be impacted by this?

Mr. Barreira: I knew you were going to ask that question. I wish I had the answer. I am going to have to ask our HR Department. I am sure that number can be determined.

Councilmember Hooser: We can do our own back of the envelope math and come up with our own back of the envelope estimates.

Committee Chair Kaneshiro: Council Chair Rapozo?

Council Chair Rapozo: As a follow-up, if it has to be confidential, it has to be confidential, but at 3%, 4%, 5%, 6%, with the spreadsheet what we are looking at based on the numbers that we currently have. And I am assuming we can do that relatively easily because we know already what employees we have in those units. One more question and it is a policy question. But more specifically brought up with the Fire Department. Let us say a Deputy Fire Chief or any other Deputy is dollar-funded, do we put somebody in that position as a temporary assignment? So when we move up someone else from the lower ranks to fill the Deputy? And then have to take another position and fill them up and pay it all the way up? Have we done an analysis of what is cheaper?

Mr. Barreira: I do not know for certain, Council Chair, if that is the intention of Chief Westerman.

Council Chair Rapozo: I am just speaking in general, not just the Fire Department, I would assume that you have to have a Deputy and the Charter even requires it...

Mayor Carvalho: I do not think the Charter does, but looking internally at the operational part with the Fire Department specifically, looking at some of the other Battalion Chiefs in place now and looking at the positions until we can get it filled.

Council Chair Rapozo: I am just wondering if we were doing the analysis to see if it is cost effective or not.

Mr. Barreira: To answer your question in general terms, Chair if there is a vacancy, and lower-level employee is temporarily assigned to that vacancy, there are salary implications and I cannot say for certain if that is the intention of the Chief.

Council Chair Rapozo: In the case of especially Police and Fire, the lower ranks are paid higher than the higher ranks. Your Assistant Chiefs or Battalion Chiefs are paid more than the Deputies.

Mayor Carvalho: The structure.

Mr. Barreira: Inversion.

Council Chair Rapozo: Maybe just get rid of the Deputy position? It is a thought. Thank you.

Committee Chair Kaneshiro: Any other questions from the members? Again I want to thank everyone who came out and I think now we can move on to the Mayor's budget.

Mayor Carvalho: I want to say thank you to the Chair and Council Chair and all of the men and women in back of me for their hard work and dedication to work to come up with something that is effective moving forward. We look forward to the next round of departments coming up one by one. Thank you.

Council Chair Rapozo: Can we take a short recess because is everyone staying?

Committee Chair Kaneshiro: Let us take a five-minute recess.

There being no objections, the Committee recessed at 11:43 a.m.

Office of the Mayor

Honorable Mason K. Chock
Honorable Gary L. Hooser (*present at 11:53 a.m.*)
Honorable KipuKai Kualii
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Arryl Kaneshiro

Excused: Honorable Ross Kagawa

The Committee reconvened at 11:52 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back from recess and we are going bring up the Mayor's Administration and they will go over the Mayor's Office budget. I want to stay upfront once they are done with the presentation, then we are going to go through each item. So when you have your questions, please put them together by item. So we will have the Office of the Mayor, including Life's Choices Kaua'i, then we are going to move to the Youth Work Program, then the ADA Office, then the Office of Boards and Commissions. As they go through the presentation, try to put your questions in those categories because we are going to move through each category and we are not going to turn back. Nadine, thank you.

NADINE K. NAKAMURA, Managing Director: Good morning. Nadine Nakamura, Managing Director, and I am here to give you the presentation for the Office of the Mayor. First of all I would like to talk about the Holo Holo 2020 vision, which is what we are all working toward. That is an island that is sustainable, that values our native culture, that has a thriving and healthy economy, cares for all, from *keiki* to *kupuna*, and has a responsible and user-friendly local government. This is our 2020 vision and our actions, our funds are all toward achieving this vision. The mission of the Mayor's Office is multi-fold, to carry out this vision by directing the management of all of the departments, offices, and agencies, we serve as a liaison between the Administration and the County Council; we facilitate State and Federal legislative agendas, we coordinate internal and external communications; support all boards and commissions; manage our capital improvement program; manage our Life's Choices Kaua'i Office; and we also have an individual who serves as our EEO or Equal Employment Opportunity and American's with Disabilities (ADA) Coordinator. I wanted to talk about our successes and achievements in five major categories. There will be some overlap in some of the things that the Mayor went over earlier this morning. We wanted to focus on some of the employee initiatives, our financial sustainability, the Holo Holo 2020 priority projects, government efficiency, initiatives, and new partnership initiatives. First of all I would like to...I think one of the major achievements was articulating last year the customer service mission statement and this year the value statement for the County of Kaua'i. And the great thing about this is that it was employee-driven. Headed by Debbie Ponce and there were representatives from different departments that worked on the process over several months. You have probably all received table cards with the mission statement and value statement. We have subsequently added this information to the County's website and we have included posters in our conference rooms and places that people pass through. So we are now in this next phase of trying to translate our values into actions. And one of the important values that

we have is gratitude. And one of the things that we want to do is to just express our gratitude to the over 1,200 employees who work for the County of Kaua'i. As we talked about earlier this morning, their wages and benefits comprise over 80% of the General Fund operating budget. They are hard-working, caring, and committed employees. The great thing about this job is to...when we receive letters of commendation from the public, from people from other agencies, from State government, thanking and appreciating our employees for the work that they have done. The Mayor and I have tried to make it a point, when we receive those, in expressing our...in carrying out our values is to go and to acknowledge the work individually. So all of our employees are working in many different ways to improve the quality of life for this island. Our Employee Council wanted to recognize Max Kato-Klutke, who has served as President for many years. We have added new members to a very small group that was running it for several years. They are now 25 strong and the goals are to improve the moral of the County workforce, improve working relationships, and address employee concerns. I want to thank Eddie Topenio, for representing the County Council on this body. These are pictures of the fried-rice rice competition. Some of the concerns raised over the past year include earlier morning security for custodians who come in very early, 4:00 a.m. in some cases and there were situations that made it very dangerous. So we have arranged for increased security. We placed bird spikes to prevent droppings in heavily traveled areas as a safety and beautification concern. The traffic changes are in and around the Līhu'e Civic Center were a concern so we started a brown-bag luncheon program to bring in the Public Works resources to help share our plans for Hardy Street and this potential bus transit area. As you can see in this photo there are many activities that the Employee Council arranges throughout the year that help to bring our County employees and their families together in fun ways. The Council is welcome to participate. There is a picture there of Mel Rapozo emceeding one of the events. You are all welcome to attend. It is a great way to have fun with our employees. Also we kick-started the employee newsletter. I would like to recognize Laurie Kelekoma, Department of Finance, who serves as our editor. There are 10 contributing writers, which is why we asked them to move from semi-annual to quarterly publications and thank you to your staff person Yvette for participating in that process. When we met and have our jointed goal-setting session, sustainability was at the top of the list of concerns. I wanted to just layout some of the key elements of our strategy is to work on our five-year financial plan. Ken Shimonishi will take the lead and share more details there. Grant Management Committee. We asked Ann to move away from being a Budget Analyst and to coordinate this effort, because as our County finances are reduced, we need to find other sources of funds and leverage our County funds. So one of the first things Ann did was to purchase grant management software that will help all departments and she is working with representatives from all of the departments and formed a committee and will be looking at better ways to seek grants, manage grants, and work together to make sure that we have good data when we go ahead and apply for grants. Also, we have the Building Permit Review Task Force, which is an initiative of the Mayor to listen to the voices of the private sector on some of the ways we can improve our building permit review process, and we will be pulling together the public and private representation to see how we can make some changes and improve the time that it takes to get building permits through our process. The Mayor touched on many of these projects. I am going to quickly go over the Holo Holo 2020 CIP priority projects. I tried to highlight those that were priority projects in our joint discussion. The solid waste solution, Larry Dill is taking the lead. We had a

request for information. We had many responses to that. We are reviewing that and at the same time we will be working on a request for proposals this summer, evaluating, and hopefully awarding by the end of the year. Bus shelters, again, that was talked about earlier. But Celia Mahikoa and Keith Suga are taking the lead. We have 6 shelters that are complete, 12-16 shelters in progress, and 49 shelters whose funding is in front of the State Legislature and we are fortunate that our State Representatives and State Senator put that into their request. Affordable housing, Kamuela Cobb-Adams, this was another area that was a strong priority area that Kamuela has spent a lot of time. He will probably not tell you this in his presentation, but he has spent a lot of really good thinking about how to value-engineer the Lima Ola project. The phase 1 development is a very small portion of the overall development, but his very creative thinking has gotten us to the point where it can be a manageable project that will minimize the risk to a non-profit or private developer who might come in to actually do the project. He is also pursuing and will be telling you more about the Kaniko'o Rice Camp phase 2. The Adolescent Treatment and Healing Center has also been a top priority for this Administration. We have received three responses to an RFI. I think this time last year we were focused on the Ma'alo site on Grove Farm lands, but since then we have been made aware of the potential to have a license on a portion of the Kahili Mountain Park site. So we are evaluating that and having discussions with the landowner. They seem to be receptive and though we are pursuing discussions, we would like to secure a memorandum of understanding and we will need to come back to the Council for a land license if we are to pursue any of these sites. We hope to do that in the 2nd quarter of this year and then begin the process of issuing the RFP to select an operator for the facility in the 2nd quarter of this year.

Another priority project identified through our joint goal setting was the Kaua'i Nui Kuapapa project and Nalani Brun is taking the lead. You have seen the *moku* signs, and the Ahupua'a signage will come up along with work on web-based resources and curriculum. There are other Holo Holo 2020 projects and you are going to be hearing about these in more detail when the Office of Economic Development does their presentation before you. But basically the cultural stewardship agreements, agricultural steward agreement, and North Shore Shuttle are other important projects that we are tracking. We spent some time when we did our joint goal-setting workshop about government efficiency projects, so I wanted to describe these to you mainly because many of these projects happen because we are bringing together people from different agencies to have the conversation and it is going to take collaboration and making mistakes along the way, but trying to fix it as we go along to have what we need to put in place for a better, more efficient County government. Especially as we look at making cuts to our budget and our salaries, we have to have the tools to be more efficient. These are some of the strategies that we put in place. You will be hearing from Janine Rapozo and Brandon Raines about the Human Resources Information Task Force. And the progress that they are making to move from paper time sheets across 16 agencies to one coordinated system that can be done electronically. We are going to be...as you know the Motor Pool Task Force is in full force. Training has taken place with our employees. Just last week I was able to use one of our...use the swipe card and learn how it works. I also went to an Employee Council Meeting where there are concerns about how it is being implemented and how we can try to fix it. So Sally Motta and Ben Sullivan will be working on...so any time you do something new, there will be issues and concerns and that is what we are trying to address in this process. The Vacancy

Review Committee is headed up by Ernest Barreira and I must say, they have done quite a bit since they started in November. I think last time during the budget cycle, I think I talked about how we wanted to get this off the ground and put together a committee and have a clear mission for what they were going to do. We made changes along the way with what forms to use and our processes, and it is still a work in progress. We have come a long way. The budget before you and the reduction in costs is largely in part to the work of the Vacancy Review Committee. Keep in mind every member of that Committee, except one...Karen Matsumoto who is formerly from the Department of Personnel Services, who is volunteering her time, all have other jobs that this takes away from, but we feel very fortunate that they are very committed to doing this work. The Land Information Management Task Force really pulls together the Planning Department, Real Property Tax, and Public Works along with IT to help coordinate the discussion about how do we get all of our departments talking to each other on one system? And how do we take the internal systems and make them available to the public? So that they do not need to come in and they can get information online, which is how you can do it in some of the other counties. We have a long way to go, but the first thing we need to do is to come up with a plan. We are committed to getting us to that point. So we can take the steps to get to where we need to be and Brandon will be talking to you. The government efficiency initiatives and we talked earlier about the supervisory training, leadership development, Janine Rapozo is taking the lead on that. She will be telling you more about our efforts there. The whole idea there is how do we reduce the numbers of claims, grievances, lawsuits, that come across, that come to the County by being proactive, by training our supervisors and to know who to go to when these problems first arise? That is how we will be able to reduce lawsuits. The other is an Information Technology Steering Committee and we want to thank Scott Sato, who is representing the Council on this Committee, which is just a high-level discussion on how our information technology resources are directed and prioritizing our needs. The Energy Management Task Force is headed up by Ben Sullivan and that again is to pull together the different resources from various departments to continue the progress that we are making in reducing our overall energy costs. The procurement improvements is an ongoing effort, Ernest Barreira is taking the lead on this to look at ways...I think it is one of the areas when we did a survey of department heads about what are the most frustrating things about the County system and procurement came up as one of the issues. And part of it is educating and part of it is...I think Ernie has made a lot of improvements that we all recognize, and appreciate. So it is just taking another look at what are some of the tools that can be used to improve even more on it. So you will be hearing more about that. So those are sort of the big-picture, countywide successes and achievements and where we want to head.

The Office of Boards and Commissions is attached to the Mayor's Office. I want to recognize the work of Paula Morikami and her team, serving 14 boards and commissions and three committees and four Life's Choices Kaua'i committees. There are over 160 volunteers who serve on various board and commissions and committees that we want to recognize. They continue to offer training opportunities to build the capacity of our boards and commissions. They are offering training in effective meeting management, parliamentary procedures, new board member orientation and the new training, evaluating department heads for those who have supervisory authority. Our capital improvement program is managed by Keith Suga and we are very pleased with the work that he has done

in contributing to the six-year CIP report and also for really helping to move the projects along by working with project managers, by just helping in every way. He is also out in the field, on Saturdays, you know, making sure that the volunteers helping with bus shelters are getting the support that they need. So I really want to thank Keith for his work. As was mentioned earlier, eight million five hundred thousand dollars (\$8,500,000) was been spent so far this fiscal year and they expect another five million dollars (\$5,000,000) to be encumbered by the end of this fiscal year. I want to recognize Theresa Koki for her work with the Life's Choices Kaua'i. Last year they hosted the drug summit and there were many people there, but it included 80 county supervisors and managers who received training in reasonable suspicion and drug recognition. This is training mandated by our collective bargaining contracts. She was able to work it out so we were able to accomplish the goal, which is to hold this drug summit, but also to provide these continuing education credits to our own County employees. Theresa has also worked closely with many other non-profits to host the annual Health and Wellness Fair. This past year there were 50 vendors, over 256 parking lot parking participants and a lot of need and interest for this fair. The preschool partnership...first-round forty-two thousand five hundred dollars (\$42,500) was awarded. In this last round eighty-eight thousand dollars (\$88,000) was distributed to organizations and the third round there will be less than fifty thousand dollars (\$50,000) that will be awarded. I think in your package there is a breakdown of those who received awards and the amounts of the awards. We have been busy also, the Mayor's Office coordinates sister-city relationships, and there have been many visits over the past fiscal year. We had a delegation of 17 from Moriyama, Japan that participated in a tree planting ceremony and a delegation of 25 from Iwaki-Hawai'i Exchange Association that also attended the Matsuri Festival in October of last year, 2014. In May of last year, a delegation of 8 from Iwaki City came to Kaua'i and participated in the blessing and dedication of the Port Allen buoy. That buoy came...drifted from Japan after the earthquake in 2011 and made its way to the west shore of Kaua'i and in partnership with Alexander & Baldwin we were able to...and the Kaua'i Visitors Bureau we were able to set up this monument and that is a great memorial with our sister-city relationship with Iwaki City. As you know, we have a very active Mayor, who is out in the community, and is recognizing all of the good work that is done by individuals and organizations. Our Office wrote and presented 150 proclamations and wrote and presented over 250 certificates last year. We also oversee our Washington, D.C. Consultant, Smith, Dawson, and Andrews, and Mary Cronin has been instrumental in helping us identify potential grant sources, holding one-on-one meetings with our departments, and discussing grant possibilities. She is also providing guidance and suggestions on how we approach our priority Federal grants. We will be coming to the Council shortly to discuss a TIGER grant, which is related to various transportation improvements in the Lihu'e core. The Mayor's Office is also responsible for communications between the County of Kaua'i and the public. We have a team that responds to public and news media openly, accurately, and promptly and I underline "promptly." They work above and beyond and work on shifts. On weekends they are on-call 24/7 to address concerns as they arise and to coordinate with our various State and Federal government agencies. But I wanted to just let you know that our Communication Team is the Council's Communication Team. And that if you have any need for press releases and so forth, to please coordinate with Mary Daubert and Sarah Blane.

The Equal Employment Opportunity – Americans with Disabilities Act, we oversee it in the Mayor's Office. We have one person, Linda...does an incredible job. She is one person, but she is responsible for language access and the Equal Employment Opportunity. Linda is proactive, bringing resources and working with our departments to prevent complaints. An example of this is that in the past we would normally have 10-12 ADA complaints and so far this year, we do not have any complaints. So hats off to Linda for her preventative work here. I think what we want to do on the EEO side is to be more proactive as well. We will be incorporating that training in our supervisory training. Some of the challenges and I think the Chair of our budget process raised this was that there are actually two Deputy Director positions that remain unfilled due to pay inversion issues. And this is something that has been raised earlier. This is, I think, is one of the consequences of this system as it is currently designed. It is unfortunate and I think we need to put our heads together to address this challenge. The other one is that negotiations, as was said earlier and the Mayor articulated there are units that are currently in negotiations and anything that comes out of this will need to come out of our unassigned fund balance. And then next year, we should probably expect another eight million dollars to nine million dollars (\$8,000,000 - \$9,000,000) of additional negotiated or budgeted for and just something to think about. Because some of these...because of the multi-year agreements we are already locked in. Additionally, this came up earlier, that we will not know until the first week of May of this year about...that is when we...prior to turning in our supplemental budget, whether we will have any general excise tax (GET) surcharge authority and what that would be used for, if we do? We will not know until May of next year, 2016, about our potential changes to the transient accommodations tax (TAT) allocation. So those are some of the challenges and unknowns moving in this budget. As mentioned earlier, there are...going through the budget process, there are many things that departments would like to have that we just could not include in the budget to balance it. And some of these include a hundred million dollars (\$100,000,000) in road repairs. Both in just creating new roads and maintaining roads. Nineteen million dollars (\$19,000,000) in heavy equipment replacement between 2016 and 2020. We know these are coming down the line. And five million three hundred thousand dollars (\$5,300,000) in vehicle replacement between 2016 and 2020. That excludes police vehicles. So we have many challenges ahead.

Just focusing back down to the Mayor's Office and our budget, we are showing overall a decrease in our salary and wages line item from last year by thirty-four thousand dollars (\$34,000) and we have a corresponding decrease in benefits. We are keeping utilities and vehicle equipment the same as last year. And we have made an eighty-one thousand dollars (\$81,000) reduction in operations. I wanted to just explain that to you. But the total reduction is one hundred twenty-eight thousand five hundred dollars (\$128,500). Again, the thirty-four thousand dollars (\$34,000) decrease in salary and wages, we did eliminate a position in Boards and Commissions. Now this does not come without consequences. One of the things that I want to recognize Paula Morikami, because what she was able to do was work with various boards and commissions to reduce the mandated number of meetings that they have each month. And with their consent, we were able to make changes to their internal rules. So it gives them flexibility that they do not have to meet if there is nothing to meet about. And that way, that frees up your staff time, because it takes up quite a bit of time to do the minutes for each of those, to do the agendas, and

send out packets ahead of time. All of that gets reduced as a result. So there is a lot of work that went into that to make that happen. Also the corresponding decrease in employee health benefits, and then the reduction in operations is a result of reducing our advertising budget in Boards and Commissions. Reducing our Granicus contract and we actually wanted to move this line item to the Council's budget because I think 80-90% of it is Council-related funds. But we were strongly advised to keep it in the Mayor's Office budget. We did...the Mayor felt that one way to contribute to the budget reduction is to terminate his weekly "Together We Can" show, that is a twelve thousand dollars (\$12,000) cut. And also terminating the Police Commission monthly meeting which is a three thousand dollar (\$3,000) cut. We ran that by the Police Commission Chair and leadership of the Police Department before making that recommendation. And we also included a reduction in the Council's portion of the Granicus contract of fifteen thousand dollars (\$15,000).

Committee Chair Kaneshiro: Thank you for the presentation.

Ms. Nakamura: So I just want to say that we look forward to respectful dialogue as we move forward over the next few weeks as we develop our new budget.

Committee Chair Kaneshiro: I look forward to respectful dialogue also. We are moving towards lunch. I do not think we will have time to ask questions so I think the plan will be we will take a one-hour lunch and be back at 1:30 p.m. and come back with questions. I know the presentation covered a lot of departments. So just keep in our Councilmembers' heads that some questions although they cover transportation and housing, it may be better directed to those departments as we get through them. We are just going to go in the order that I said earlier. And we are just going to move on after we get through those questions. We will take our recess until 1:30 p.m.

There being no objections, the Committee recessed at 12:26 p.m.

The Committee reconvened at 1:32 p.m., and proceeded as follows:
Honorable Mel Rapozo (*present at 1:54 p.m.*)

Committee Chair Kaneshiro: Welcome back. So Nadine did her presentation on the Office of the Mayor. I just want to make an announcement to Councilmembers that HR has provided an updated quarterly report on vacancies and it is in your boxes. So thank you again Nadine for your great presentation. And I guess we are going to open it up to questions. We are going to start with the Administration and Life's Choices Kaua'i. So direct all your questions towards that and we will move on to the next item if we do not have any more questions for that. So any questions from the Councilmembers?

Councilmember Hooser: Questions about the presentation that was made or specific areas, did you say?

Committee Chair Kaneshiro: It is going to be specific questions to the areas. The presentation did an overview of what the Mayor's Office is doing and it included all of the Mayor's departments. But I think these questions are going to be more targeted towards their actual budget that we received.

Councilmember Hooser: I had a list of questions from the presentation.
Should I just go through them?

Committee Chair Kaneshiro: Sure.

Councilmember Hooser: Okay. Good afternoon. Hope you enjoyed your lunch.

Ms. Nakamura: I did.

Councilmember Hooser: You had mentioned two unfilled, I think, Deputy positions due to pay inversion. Is that because the existing employees do not want to step up to that and take less pay, is that how it works?

Ms. Nakamura: Yes.

Councilmember Hooser: Yes.

Ms. Nakamura: So the people serving in tiers that would move up into that position with that supervisory experience make more than that Deputy position maximum salary is.

Councilmember Hooser: Okay. Are there other opportunities to provide maybe other benefits or items that would make it more attractive in terms of work hours, other things out outside of the pay that we could do or could we hire a retired person and they get their retirement and come back?

Ms. Nakamura: It might be good to have those conversations with the departments impacted. The two departments would be Fire and Police. To have the conversations with the Chiefs, to see about their thinking behind this? But at this point, both of those positions are open.

Councilmember Hooser: Okay. And the vehicle and equipment was twenty-one thousand dollars (\$21,000) for the year? For the budget item for the Mayor's Office I think is twenty-one thousand dollars (\$21,000). Is that...it seems like a lot for an office.

Ms. Nakamura: I believe that is the lease purchase price.

Councilmember Hooser: So that is a built-in cost?

Ms. Nakamura: Built-in cost, yes.

Councilmember Hooser: Okay. And then one of the items that most concerned me was the cutting of the Police Commission and the Council's Granicus coverage. It seems like we could find other places to cut it. Transparency in the Police Commission is an important body that is charged with protecting the public's interests. I think...and I am curious to...you may have mentioned this already and I apologize if you did, but the Mayor's Office cutting the Council's portion rather than the Council cutting the Council's portion. How does that happen?

Ms. Nakamura: We were just trying to find areas to reduce costs and it was in our budget. We tried to maintain most of the funds in there. I think it is just a very small percentage of your overall budget. So it was just...the Mayor was cutting his program out. So if the Council would consider also making a similar cut?

Councilmember Hooser: Right. The Council is official business, right? The recording of official meetings? As opposed to just a general informative kind of program.

Ms. Nakamura: Some of your workshops and so forth may not be...it may be...that is what we were looking at, maybe some of the things that may not need to be televised. That would be entirely up to the Council and if the Council wanted to restore those funds, that is your prerogative.

Councilmember Hooser: And what percentage of the overall...how does it impact our overall video? Because for the public's perspective what I am talking about is cuts to the budget which would decrease the amount of Ho'iike coverage by the Planning Commission and by the County Council?

Ms. Nakamura: Right. I believe the total amount of the budget was one hundred twenty thousand dollars (\$120,000) total.

Councilmember Hooser: Is that for the Council only?

Ms. Nakamura: All. That is the entire Granicus portion.

Councilmember Hooser: Okay.

Ms. Nakamura: So that is one hundred twenty thousand dollars (\$120,000).

Councilmember Hooser: And the Council portion of that, do you know off of top of your head?

Ms. Nakamura: I believe I think the only other piece that we are going to maintain was the Planning Commission hearings, which is I think was another three thousand dollars (\$3,000). So that would be the remaining amount would be...it would be another close to one hundred thousand dollars (\$100,000)...over one hundred thousand dollars (\$100,000) is the Council's portion.

Councilmember Hooser: Okay. So this represents a 15% cut in coverage?

Ms. Nakamura: Something like that. I could give you the detailed breakdown, but those are generally the numbers.

Councilmember Hooser: Thank you. That is all I have for now. Thank you.

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

Councilmember Yukimura: I want to follow-up. Do you know how much we spent this year and whether it would take us into...or what our spending rate was for the last three years? And what kind of deficit it might have us face or maybe we always ended up with fifteen thousand dollars (\$15,000) surplus. So cutting it would not necessarily mean such a detriment.

Ms. Nakamura: I am looking behind, because maybe when Paula comes in, we can have that question answered. I believe it is a set amount in the contract. I do not know if it is billable by hours of use.

Councilmember Yukimura: Really?

Ms. Nakamura: It might be a flat-fee contract. Let me find out and I can get back to you on that.

Councilmember Yukimura: Okay.

Ms. Nakamura: Just sort of the historical budget and then historical use.

Councilmember Yukimura: Yes. Thank you. Should I continue or maybe there are other questions about that Ho'ike / Granicus? No?

Committee Chair Kaneshiro: I missed the question.

Councilmember Yukimura: I just wondered...I can continue with other questions I have, but I was thinking Councilmembers...and I think Councilmember Kualii said they have questions about this Granicus contract. It is Granicus' contract, not Ho'ike?

Ms. Nakamura: That is correct.

Councilmember Yukimura: Thank you. I thought we could get the questions out on that issue before we move on.

Committee Chair Kaneshiro: I realize that I was trying to break it up, but the Mayor's Office budget is pretty small and we can combine Boards and Commissions and everything. I know we started on the Granicus and Boards and Commissions and I am fine going over whatever budget items because it is a small budget. If you have other questions, you can feel free to ask.

Councilmember Yukimura: Mr. Chair, if we are on one subject, maybe we can check around to see if anybody wants to check about that subject?

Committee Chair Kaneshiro: Any further questions regarding Granicus? Councilmember Kualii?

Councilmember Kualii: Along the lines of that one hundred twenty thousand dollars (\$120,000) line item going forward for video and web streaming service, is that...there is not significant change from the prior year? The small amount you are talking about is just the changes? Because I saw a total including legislative tracking and lobbyist service of other services, where it is the largest expense in that category "other services." For 2014, one hundred ninety-six thousand dollars (\$196,000), but for 2015, at

two hundred fifty thousand dollars (\$250,000). It seems like a huge change. But you are only talking about a reduction of...what was it? Workshops and the Mayor...thirty thousand dollars (\$30,000) total.

Ms. Nakamura: There was a reduction in that line item. I think it is where advertising...that may have been...Paula, here we go. So can you repeat your question for Paula Morikami?

PAULA M. MORIKAMI, Boards and Commissions Administrator: I am sorry I am late.

Councilmember Kualii: I was just trying to understand the savings, if you will, the reductions on the line item that is "other services," that has the video and web streaming at one hundred twenty thousand dollars (\$120,000)? I only see from another piece of paper here that in 2014 the total line item for "other services" was one hundred ninety-six thousand dollars (\$196,000), but in 2015, under "Council Review" column it was two hundred fifty thousand dollars (\$250,000). So it does seem like there is a sixty thousand dollars (\$60,000) decrease. So besides the filming of workshops and I guess is the Mayor's talk-story here too?

Ms. Morikami: The other services included things, like, the Charter Review Commission's legal counsel. It included also Granicus of one hundred fifty thousand dollars (\$150,000). It also included on an as as-needed basis a lobbyist.

Councilmember Kualii: Yes. Because actually that tells me right there, Granicus went down from one hundred fifty thousand dollars (\$150,000) to one hundred twenty thousand dollars (\$120,000) and that is the thirty thousand dollars (\$30,000) you are talking about. Thank you.

Councilmember Yukimura: May I? Actually I have another question on this. So Granicus is the web streaming. It is not Ho'ike? Ho'ike is a totally separate contract?

Ms. Morikami: Ho'ike is subcontracted by Granicus.

Councilmember Yukimura: Okay. So we are talking about potential limitation on the video or the televising of Council meetings and workshops?

Ms. Morikami: No, what we did, we took a summary of all of the expenses for the last few years, what percent was County Council? What percent was the Mayor's show? What percent was Planning Commission and Police Commission? Based on those figures, we figured that in eliminating the Mayor's Show and Police Commission, we would keep the Planning Commission and the County Council, and looking at the last year's costs, we felt we could reduce the Council Services...your budget...because part of that included the lengthy budget sessions you had, plus the workshop and hearings that you had on Bill No. 2491. So that was an exception to the year and thought it would be ample.

Councilmember Yukimura: So you think the figure with the fifteen thousand dollars (\$15,000) cut would still cover all of our needs? That it would not cause any cut in coverage?

Ms. Morikami: Yes. In looking at the last three years, the amount that we allocated for Council Services should cover you.

Councilmember Yukimura: Okay. Thank you for that explanation. So if I could stay on Boards and Commissions, since we have Paula here...

Ms. Morikami: I am sorry, I am late. My apologies.

Councilmember Yukimura: I just want to thank you, Paula, for such incredible service in your position.

Ms. Morikami: Thank you.

Councilmember Yukimura: It is hard for me to conceive of you not being there. And I really want to acknowledge all that has been accomplished during your tenure. So with respect to...I think this is under "Boards and Commissions." Boards and Commissions sponsored training. One of the things that you highlighted was the new course offering for evaluating board and commission appointed department heads.

Ms. Morikami: The six boards and commissions that appoint a department head do the evaluations annually. What we are trying to do is have a more systematic approach so everybody is doing pretty much the same form, doing the same type of processing. So the Boards and Commissions Office is working with HR to make that happen. The form will be similar. The evaluation will be similar. So that is supposed to be starting this next fiscal.

Councilmember Yukimura: Well, I commend you for that, because this is such an important function. The appointing of a department head and then the holding of the board or commission accountable, as well as supporting good department heads, you know? So very important. And my question is, you know the Council does the same. We have a Clerk and an Auditor that we appoint and it seems to me we could use this kind of training and would we be able to participate as well, assuming that the Chair would approve and work with schedules? Not everybody around this table or in the other commissions actually have experience or background with executive appointments. You know, and how to make and hold accountable high-level managers?

Ms. Morikami: That would be something that you could work out with HR and I am sure they will be more than glad to help you in that respect.

Councilmember Yukimura: Okay, because sometimes the Council needs training too. Thank you. You want a follow-up?

Committee Chair Kaneshiro: Councilmember Hooser had a follow-up question.

Councilmember Hooser: For boards and commissions, with regards to selecting new commissioners, do you have an advertising budget that you advertise?

Ms. Morikami: We do not advertise to fill vacancies on boards and commissions. We have an active list of people who are interested in serving, and we have nominations that keep on coming throughout the year. And we start off with that.

Councilmember Hooser: Okay. I guess I would encourage the Administration to consider expanding that. You know, the situations that are hard to fill. We recently had the discussion about the environmental position on the Planning Commission and there are others that require different criteria. And I believe that if we made a stronger outreach into the community and more people knew, we might get more applicants rather than have the applicant pool focused on people who either watch Council meetings or know county employees or involved in the circle. I do not know if you could consider that in terms of just increasing the outreach? And if it costs money to run an ad for looking for a Planning Commissioner or this commissioner or that commissioner that goes to the question of gender balance also? I am continually somewhat disappointed that we do not have greater gender balance and if the pool is too small, I would encourage you to expand that pool.

Ms. Morikami: I believe in the last two years you have seen a large increase in the number of women serving, and also coming to you for interviews. We realize that is an issue and we have been working on it. I think if you look at this past year and the year before, you will see that we are moving up where there is gender equality, equal.

Councilmember Hooser: Thank you.

Committee Chair Kaneshiro: Any other questions from the members?

Councilmember Chock: A follow-up on the Granicus. We always talk about how that expense is really big for us and it is so important that we continue the service. I was wondering on the opposite side of cost-savings with the company, and having discussions in terms of how we might be able to do cost-savings and take some shortcuts, because I certainly see the value of the Police Commission, for instance. And Ho'ike "Together We Can" show for the community. Has there been any discussion with Granicus in terms of savings?

Ms. Morikami: The contract expired January 22nd. We are waiting for the signed pieces to arrive for this next year. We were fortunate in our negotiations with Granicus there was no increase, which we felt was really great. As far as looking at the costs more than that, they were thinking of raising it, but they kept it the same. So we were pleased with the results of keeping it exactly the same, same contract as the previous year.

Councilmember Chock: And are there any other competitors that are part of the process, the procurement process in providing this service?

Ms. Morikami: We go out and we seek through competitive bidding, but Granicus is the one, because of the fact that we already have the software and hardware in place in the county. So I can see why it would be come back because they have all of their infrastructure sort of in the IT Division. To remove that complete and start again would be an awesome task and expensive.

Councilmember Chock: I do not know what I would do without B.C. No offense, B.C. Just looking at what we can do to improve. Thank you.

Councilmember Yukimura: I have some questions on Life's Choices.

Committee Chair Kaneshiro: We have one more on Boards and Commissions.
Councilmember Kualii.

Councilmember Kualii: Just a quick question and at the risk of getting buried in the weeds on a small amount, but the legislative tracking website; B&C management software line item, I am curious how it breaks down between the two pieces. As far as the legislative tracking website how many users are we entitled to and where are they throughout the county?

Ms. Morikami: The legislative tracking is budgeted at fifteen thousand dollars (\$15,000) and each one of you are listed on the website tracking along with every department. And it is a useful tool, because at any given time within a 20-minute period of Senate or House action, you will actually get the results of that meeting. That is fifteen thousand dollars (\$15,000) and the other six thousand dollars (\$6,000) is software to look at ways to streamline our Office in compiling forms, compiling logs, et cetera. In speaking to Lani Agoot, we decided last week to take a harder look at that, because perhaps we do not need that service. Our Office is doing a pretty decent job of monitoring and tracking the log of members. And so we do not have a contract with them. It is just 30-day notice when we decide not to use them. We tried to see and test to see how effective it would be, but in the end, Lani and I decided that we probably will be removing that.

Councilmember Kualii: That is just the B&C management software?

Ms. Morikami: Yes.

Councilmember Kualii: I wanted to say thank you for the legislative website tracking and I know as the Chair of Intergovernmental Relations with staff's assistance, we have used it a lot in this legislative session and we have been kind of connecting with the rest of you as far as sharing our testimony as well. Thank you.

Ms. Morikami: Ashley is very familiar with the process. So she is always there to help you.

Councilmember Kualii: She is awesome. Thank you. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Why are the Fire Commission travel expenses in the Mayor's budget? Usually, like the Planning Commission...you know, their expenses and the Liquor Commission are all associated with the departments, the respective department's budgets. It seems strange to have it in the Mayor's budget.

Ms. Morikami: I guess the overall game plan was eventually to have all of the...since we oversee boards and commissions, we are moving things over to our Office. Board of Review for example, moved over. Civil Service moved over. Fire Commission and Police Commission have moved over. And so since it is part of Boards and Commissions, that is why it is removed from the various departments into ours.

Councilmember Yukimura: You are not moving Liquor though, are you?

Ms. Morikami: Liquor is quite different, I guess because of funding... I am not sure of the reason, and the same with Water.

Councilmember Yukimura: Is this not a way to expand the funding? You are just actually making a one or one transfer and in budget time there is no one for one, because theoretically you are starting from scratch.

Ms. Nakamura: Philosophically the issue is one of who is approving this travel? Who is controlling the travel? And because we want the boards and commissioners to be independent, and not tied to the decisions of the department that they are overseeing, that it made sense to combine it into the Boards and Commissions' budget. There is always this issue of parity, or equity, that some boards and commissions seem to travel more than others. So we were also looking at it from that angle too to make sure that really are those opportunities for the different commissioners to broaden their knowledge and therefore contribute better to the boards that they serve on.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any further questions on Boards and Commissions? Any questions in general?

Councilmember Kualii: I have a general question.

Committee Chair Kaneshiro: Councilmember Kualii?

Councilmember Kualii: I noticed in your presentation on page 11, where you talked about the 14 boards and commissions and three advisory committee and four Life's Choices Kaua'i committees. On the three advisory committees, Equal Access, Arborist, and Status of Women, I was curious at what Arborist was?

Ms. Morikami: It is an advisory committee so they deal with endangered...if somebody said someone is trying to cut down a monkey pod or whatever, in the code of ordinances it is considered an exceptional tree. That is when they come before the Arborist Committee.

Councilmember Kualii: Okay. Then the only other thing along those lines with the media recommendations for another advisory committee, if you will. In the other presentation that we received in writing, there was a bullet under "operations." The third bullet...fourth bullet says, "It is estimated that more than 40% of maintenance work is vandalism-related with increases during the summer." So 40% of maintenance work throughout the County...I am curious as to know what kind of dollars does that represent? And then if so, it seems like that is something that we need to attack and maybe we can use a citizens' group that helps us do that much in the ways we have neighborhood watch or just recently, in the last few days, we had folks here doing wildfire management and updating the plan. I was with a group of folks from the Anahola community participating in that. So we are looking at forming our CERT committee with Fire and Civil Defense for the community emergency response and also the piece of wildfire management because of all of the brush fires we have been having. It seem like besides Police and the enforcement folks that deal with vandalism, there might be a community / neighborhood kind of answer that could help save the County money.

Ms. Nakamura: I think this is going to come up in the discussion when Parks and Recreation presents. Because it is an ongoing problem. It is an anecdotal percentage based on conversations and I have been trying to get some hard data, but I have

not been...I do not have that right now. But I think the problem is getting worse and it costs the County so much to have to redo things that they have already installed and put in place and so I think it is a good discussion to have with Parks and Recreation. They are looking at the different options and I think it is a good conversation to pursue.

Councilmember Kualii: Thank you.

Ms. Nakamura: I think adopt-a-park and getting the community groups and that involvement upfront, also builds in a lot of people who oversee and look out for and maintain it. So I think that is a program that we should continue to support.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Yes. Since we are on general questions. I do want to congratulate the Employee's Council and the Mayor's Office for the work that is being done. I carry the customer mission statement in my purse and it is a very good statement. I know a lot of work went into it, but all the ways that we are empowering and connecting our employees is really a good thing. So I just wanted to mention that while we are in the area of "general" and on the issue of vandalism, I just want to say that I thought the Parks Director's comments and press release, if that is what it was on the vandalism in the park by the skateboard rink was really appropriate. And I appreciate the initiative to bring that to the public's attention. And then there was one more general comment I wanted to make. I believe it was...your government efficiency report. Those are slides 20 and 21 where you have the various task forces. I find it very terrific and I want to really commend you on that. I do have a question about the Vacancy Review Committee. As I understand it, it does not review positions that a department wants to keep. Such as the Ag Coordinator position. That did not come to the vacancy committee, did it? It did?

Ms. Nakamura: I believe it did. I would like to describe...because that came up earlier. I would like to have that discussion; that although we choose not to fill the Ag Specialist position, it is not that we are not going to continue the important Ag initiatives. It is just that we are going to be doing it differently. And the way we are going to do that is that George Costa will be taking on some of the ag initiatives that are priority items. And some of his duties as manager of the Office of Economic Development will be transferred, some of the internal duties will be transferred to Nalani Brun.

Councilmember Yukimura: I am concerned that George is a wonderful person and manager, but he has no background in agriculture. And I feel like there was not adequate coaching and working with the Kilauea people...even the update materials that came before us which were deferred were inadequate in terms of proper management of a hundred thousand dollars (\$100,000) of County. That project has two hundred thousand dollars (\$200,000) of public money because the State I think is funding a hundred twenty thousand dollars (\$120,000). So that is two hundred twenty thousand dollars (\$220,000) and there is a real stewardship responsibility, but I do not see it being played out by that Office. So that is my concern. And I mean, actually if you count the amount that was put into Kimura International, we are getting probably close to half a million dollars spent on that ag park. And nothing yet can be really shown for it. So I mean that is my concern. That when you eliminate the position and you do not describe the skills that are needed, then there is less possibility that we will have those skills. And agriculture has to be a top priority. Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: Just a brief follow-up. I share Councilmember Yukimura's concerns and the Council is in a difficult position, because the Administration has basically stated this is what you want. So even if we in our wisdom added the position back in or funded it, the lack of desire or enthusiasm from the Administration is it money well-spent? Budgets are about priorities and this to me shows agriculture is not a priority. The first value on the Holo Holo 2020 vision is an island that is sustainable. And the one agricultural position is being eliminated. We have multiple issues that have been going on the last two years regarding agriculture and we have an emerging renaissance of farmers and I believe we need to support this.

Ms. Nakamura: We should also take a look at the budget when we get to the Office of Economic Development, and you will be able to see all of the ag initiatives. It is not just about the County doing all of this ag. It is working with the people who are doing it now, supporting their efforts, building capacity where needed, and following through on priority projects that we have identified. So we believe that with George taking the lead on some of these ag initiatives, and with bringing in Randy Francisco to take over some of the important priorities in that Office, that we have the capacity to do what we can. So I think that is the best time to have that discussion when we are looking at the budget, we are looking at what is being funded? And where the County needs to get involved to facilitate and to be a catalyst? I think that we can have that discussion.

Councilmember Hooser: Okay. I would be happy to have the further discussion later. I just felt compelled to express my concerns about the decisions. Thank you.

Committee Chair Kaneshiro: I appreciate your concerns, too. I think Nadine has done a good job of trying to answer them and if we can remember these questions for when George is up here, he might be a better person able to answer it.

BERNARD P. CARVALHO, JR., Mayor: I just want to say something from my standpoint, that I am totally dedicated to agriculture. We did a thorough overview of what this position and the duties and responsibilities are to carry through the initiatives that we have started. Looking forward to the initiatives that have not started, but will start. And I believe in all of the duties and responsibilities have been merged into really a good, good, effective way with of managing that Office. You will see when they come up as a team how we have restructured and reorganized and reengineered that Office for all the needs, tourism, agriculture, sustainability, all of it. I feel strongly to mention to you folks that we have the commitment that we are not just putting off to the side...agriculture is a big part of who we are. I am committed to that. I just wanted to say that. Thank you.

Committee Chair Kaneshiro: Thank you. Councilmember Yukimura.

Councilmember Yukimura: Well, Mayor, thank you. I do not doubt your passion and commitment, but in order to get implementation, you need people with the skills and especially with a lot of projects in the area of ag...that is my concern.

Mayor Carvalho: And part of the skills is outreaching to the right people in the community and bringing people to the table and having the foresight and the understanding of what to do.

Councilmember Yukimura: Part of the skills is knowing how to empower and require community groups to do good planning.

Mayor Carvalho: Right.

Councilmember Yukimura: And to do good budgets, and to hold them accountable.

Mayor Carvalho: And we will.

Councilmember Yukimura: I have not seen it.

Mayor Carvalho: Give us a chance. We are restructured right now. Thank you.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: I think when George comes in, we could ask them the more detailed questions and they might be better able to answer them also. Keep those questions in mind when they come up again so we can ask them the questions. Councilmember Chock.

Councilmember Chock: Thank you, Chair. Slide 36, the hundred million dollars (\$100,000,000) in road repairs that have been identified. I was just wondering if we could get...maybe this is better addressed when we have Public Works up. A breakdown of what that hundred million dollars (\$100,000,000) looks like in terms of priority? There has been some discussion and I think it was even the last meeting about procurement and these goes out to two companies, if you have a response? That is why we have these discussions, thank you.

Committee Chair Kaneshiro: Councilmember Kualifi.

Councilmember Chock: I think he is going to respond, if possible.

ERNEST W. BARREIRA, Assistant Chief Procurement Officer / Budget Chief:
Good afternoon. I know we will have further, more thorough discussion on Monday with Public Works. I was troubled as well after having heard third-party some of the comments made about procurement in terms of road construction and repaving. That is a competitive bid that goes out every two years and, in fact this is a unique year. I think we will go out this year as well on a smaller scope to expend some moneys that are available. But that is a competitive bid that goes out each year to construction companies and those procurement records are public and accessible and I am happy to share them with the Council. It is not something that is pre-arranged. There is no collusion between two with companies that take turns each year. I am not sure if that was the inference, but I was concerned when questions of proper procurement were raised without being here to address it and I can assure procurement is done competitively as is required by the Code and we have results based on the best value to the County primarily with a low bid and ensuring that the companies select have had the qualifications to perform the duties.

Councilmember Chock: Thank you, Chair and just a follow-up. Thank you for the clarification. And so the hundred million dollars (\$100) that we are looking at is not based on bids, for instance, or assessments from contractors, correct?

Mr. Barreira: No. Of course Public Works will speak to this eloquently on Monday, but it is based on an objective analysis using their software of the roads that require the most attention and all of the roads that require some form of maintenance.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura follow-up question?

Councilmember Yukimura: Yes. Regarding that hundred million dollars (\$100,000,000). You know, I was so grateful to receive that figure in your last budget, since I think we asked for it about three or four years. But I am trusting that you are going to be presenting a plan for how to address the hundred million dollars (\$100,000,000) backlog? That is what I expected this budget, and I presume that is what was being worked on over this past year.

Ms. Nakamura: I believe that Public Works is working on that plan, and we will see what they will be presenting next week Monday.

Councilmember Yukimura: Because the more we delay, the more expense...I mean that hundred million dollars (\$100,000,000) will increase, you realize, right? Because the worse the roads get, and if you have to go into reconstruction rather than just repaving, it is four times more expensive at least.

Mr. Barreira: Absolutely.

Councilmember Yukimura: And so if you just, I will let you know next year, or next year and in the meantime, our roads...we do not want to get it to the level that the City and County of Honolulu is having to deal with now.

Ms. Nakamura: I think that is also a reflection of how much we have set aside for road repairs and reconstruction. So I do not know if the plan is going to fix...the plan will tell us how much...how many miles of roads need to be reconstructed. How many miles of road need to be repaired, in different categories, based on their current level, current conditions. So the plan will hopefully layout how we plan to address the different levels of need there. It will go back to how much money we set aside to address the plan.

Councilmember Yukimura: And our willingness to give money requires a plan. I mean, you know, it is not like...I mean, my commitment to the Vehicle Weight Tax is only if I see a plan that is going to tell us how this money is going to be used in a really thoughtful way to get us out of this terrible arrears of repair. Because that is the Administration's responsibility to give us a plan. If we get so much a year in Fuel Tax money, in Vehicle Weight Tax money, in General Fund moneys, this is how we are going to address it and in 20 years we will be up to preventative maintenance standards or something like that. That is what I have been waiting for, for a year. And I am hopeful that that will be presented.

Committee Chair Kaneshiro: Thank you. Councilmember Yukimura, that is a great question to E-mail to them, because it may take some time for them to get it together, but I think it is a fair question. Very good question.

Councilmember Yukimura: I already E-mailed it two weeks ago or three weeks ago.

Committee Chair Kaneshiro: There is a follow-up question from the Chair. I will ask real quick, do we have any more questions for Boards and Commissions? No? So you guys are good to go. You do not have to sit here. Follow-up questions, Chair Rapozo.

Council Chair Rapozo: Yes, it is a follow-up to the roads issue. Because I mean, it bring us right back to reality. There are only so many miles of roads that can be fixed or repaired in a year, not based on money, but contracts and even if we gave hundred million dollars (\$100,000,000), it is very unlikely we could pave every road that the computer program told us and we need to be real and ask how much need to be paved? We do an assessment and I will use my house as an example and I could go with a checklist of all repairs that I would like to see done. Some I need to do now, some I have a 3-year window, some I have a 5-year window, some I have a 10-year window....That is what we are asking, to toss hundred million dollars (\$100,000,000) out there to the public, that is...how real is that? How much of that is let us say category A? We need to do it this year. How much of it needs to be done in three years? That is what we are asking for, not just the hundred million dollars (\$100,000,000), because we know there is no way we can do it. You have two guys bidding and I do not think Mr. Kagawa inferred that the procurement process was corrupt or there was collusion. I think what he said he had heard from contractors that it was the contractors that were legally playing the system. No collusion with the County, I did not hear that from Ross that the procurement process was flawed, but the fact that the two contractors can share the wealth and I think that is what he was trying to say. I do not think he was saying that your procurement process was corrupt or flawed. So I just wanted to make that point. That is what I heard from Ross that day. And I understand Public Works...I am not sure...if we can get least get an idea of what we are asking on Monday, so they come prepared.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: On this hundred million dollars (\$100,000,000) and miles of roads to be repaved as the Chair said it is either a physical limitation or it is a monetary limitation. And I was just...we have 300 miles of road, though I do not know if you have to break it down to lanes. But say we have 300 miles of road. A road has a 10-year life generally or 15, but 10 years for discussion purposes. That means we are supposed to be repaving 30 miles a year. Okay? And we have been repaving 10.

Mr. Barreira: 2.4 miles every other year essentially.

Councilmember Yukimura: 2.4...that is not the amount?

Mr. Barreira: Well, generally speaking it is as we know \$1 million a mile, generally speaking, in very layman terms without having the Public Works engineers here to speak to that.

Councilmember Yukimura: Okay. So we do not have to figure it out here, but I am thinking...my lay mind is saying 300 miles of road and ten-years' life. So every year we are supposed to be repaving 30 miles. And because we have not been doing that or anywhere close to that, we are in hundred million dollars (\$100,000,000) arrears. I want to see the light at the end of the road, because if we do not address it, it just gets more and

more expensive. As I said, not only to us, but if we do not do it in a timely basis, to the people who drive and their cars. In Honolulu, the driving on deteriorated roads costs each person seven hundred dollars (\$700) a year to repair their cars on the average.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Just when I look at the total for “special projects” it comes out to be about two hundred thirty-four thousand dollars (\$234,000) and the highest line item is “Kekaha Host Community Benefits CAC Facilitator” for sixty thousand dollars (\$60,000). So that is not a position of any kind, right? Because that would be in salaries otherwise. So what does that give us? How many meetings per year? Out in the community? What kind of report-backs, what do we get for that sixty thousand dollars (\$60,000)?

CYNDI AYONON, Mayor’s Administrative Aide: Good afternoon Councilmembers. My understanding is that we have a facilitator and we go through the procurement process annually. And this person prepares the agendas, does the meetings, and contacts and recruits all of the community members that sit on this committee. And I believe there is a process that they go through, which is pretty much a community-based selection process. And then when they have the grants available, they go through the committee. So it removes our Office from the process and they handle it at the community-level.

Councilmember Kualii: So how many meetings and what kind of report backs?

Ms. Ayonon: They meet once a month.

Councilmember Kualii: Monthly.

Ms. Nakamura: We can get you the details. I believe Nalani Brun works very closely with the facilitator.

Councilmember Kualii: Is it safe to assume this was a similar line item last year?

Ms. Nakamura: Yes.

Councilmember Kualii: I could get reports on what has been happening for the last couple of years? So I know that we are getting the bang-for-the-buck.

Ms. Nakamura: Yes. She is also helping us assist in the grant selection or award of grants.

Councilmember Kualii: I had one more question. It is a category, 10, 15, different projects and it is small amounts in most cases. That sixty thousand dollars (\$60,000) was the highest amount. These special projects total two hundred thirty-four thousand dollars (\$234,000). And then over in the Office of Economic Development, there is another grouping of grants, if you will...projects. How do we distinguish between which projects come in this group, and which projects come in the Office of Economic Development’s group? Because in a sense, something like “sister-city” seems kind of like not beyond goodwill, but also tourism or what have you? So why would something like that

be in the Mayor's Office and not in the Office of Economic Development? And is it just a stylistic thing? And how do you qualify...I guess, does this group of special projects, is that the Mayor's discretion? And then the group in the Office of Economic Development is by grant application through the Office of Economic Development? I just want to understand the basic difference.

Ms. Nakamura: So I think many of these requests came to the Mayor's Office or have been historically set up this way. Some of the...they all go through a grant...they submit grant applications, and I believe they use similar forms that the Office of Economic Development uses. Similar format. Some of these may not be specifically Economic Development oriented and more general island wide focus. So that is why it may also be in the Mayor's Office. But you are right, many of them are non-profit type of organizations.

Committee Chair Kaneshiro: Thank you. For efficiency purposes I want to go through, do we have any questions for the ADA Office? What about the Youth Work Program? We still have lots of questions. So everybody has to stay then, I guess. I had a quick question. For Kaua'i Planning and Action Alliance, we allocated an additional \$10,000 to their line item to make it \$35,000. Is there agreement that we have with them or any negotiated deliverables as far as what they are going to do and why they had the increase?

Ms. Nakamura: Yes. This specifically targeted to the indicator study that is done every other year, I believe. One of the things that we wanted to ask KPAA to do this year, which is above and beyond what they have done in the past, is to expand their telephone survey of all Kaua'i residents to include questions that would give the County of Kaua'i some feedback on what residents thought about services they received from the County? About where they would feel, if there were any cuts in services, which ones might be acceptable to them? And information that will help in your future budget process. We thought because they do...it is a phone survey. I believe they are expanding it not just land lines, but to cell lines to catch younger families as well, and because it is statistically significant. It is a survey with results that will give us a pretty good pulse on the public's thinking, that it would be a wise use of kind of working with their existing system and just adding on some questions that then we can use in our budgeting deliberations with some guidance. Rather than how we do it now, which is we go to the Farm Fair. We get people who go to the Farm Fair to answer surveys. It may not be...sort of open-ended types of questions. This one would be very specific and geared towards a telephone survey.

Committee Chair Kaneshiro: Trying to expand how many more people you can reach so the survey is more accurate?

Ms. Nakamura: Yes, we are looking for accuracy at this point.

Committee Chair Kaneshiro: It is something that will happen every other year?

Ms. Nakamura: I believe that is how they do it, but I should probably double-check on that. I think this is a best practice under GFOA, to get community feedback, but this would be a way to get it in more a scientific way.

Committee Chair Kaneshiro: Thank you. Council Chair Rapozo?

Council Chair Rapozo: Thank you. How much does the County contract with KPAA throughout the entire budget?

Ms. Nakamura: I think it varies. I believe there is this piece in the Mayor's Office budget and there is also a piece in the Office of Economic Development. And over the years that has varied depending on the projects it has been assigned to work on. This year I believe there is a Keiki to Career line item in the Office of Economic Development and I believe there is this piece.

Council Chair Rapozo: And what you just talked about the survey, or expanding the KPAA's role to get the ten thousand dollars (\$10,000) extra. How do we get around procurement in something like that? I mean with a non-profit, they have an existing contract with us. How do we get around the procurement issue when we are expanding...it sounds like a whole different thing than what is being done.

Mr. Barreira: The Procurement Code, Chair, good question again. The Procurement Code identifies certain exemptions that are approved by rule or law. In the case of the Mayor's Office, as well as in the Office of Economic Development under the 30-00 account where we have a large amount of grant funds the law provides for exemption by law that establishes consistently with Chapter 42F, where the Administration can initiate the conversations and seek Council's approval to appropriate funds for specific purposes and / or for specific entities. Which is completely allowable and legal under the requirements of the Procurement Code. It is considered an approved exemption by law under 103D-102 and carried out quite routinely. We do facilitate the grant application process and make sure that there is a selection criteria in place.

Council Chair Rapozo: But this has already been determined who the recipient will be?

Mr. Barreira: Yes. And that is acceptable. Because in any case of an approved exemption by rule or law, you can exempt competition or you can exempt basically a process. And in this case, if the exemption of competition is based upon best interest of the County, in the event that it is advantageous and in the County's best interest, it is permitted by law.

Council Chair Rapozo: Who makes that decision that it is in the best interest of the County?

Mr. Barreira: Ultimately it is initiated by the departments and we cross-check in the Division of Purchasing under our central purchasing authority to make sure there is an established justification.

Council Chair Rapozo: I would like to see the justification for that. I know the University of Hawai'i has...they offer a lot of these surveys with their students. The students need to do projects and I am not sure if we explored that or not? One the toughest things in the budget is looking at the amount of moneys going to non-profits and as we think about how we are going to reduce the budget, that is unfortunately some of the places...do we need to do that this year I guess is the question? Is that vital for this year enough so that we are increasing more non-profit funding? Because some of these things just got to wait. Unless it is vital, that we need this information to move forward. My position is that we just got to wait. We just have to hold off. Staff, if you could make a note

on the question. I am just curious to see how we exempt some of these things that are professional services that may have others that are willing to do it, I am just curious to see what it is. Thank you.

Committee Chair Kaneshiro: Councilmember Kualii?

Councilmember Kualii: We are going anywhere right?

Committee Chair Kaneshiro: We have an ADA question, too.

Councilmember Kualii: I had the youth...so on the Youth Work Program, what is that? Is it stipends for interns? How many interns do we get?

Ms. Nakamura: There are two sets of interns, summer interns usually college students. There are 18 participants who provide various services to departments countywide. And then there is an additional...I need to clarify the breakdown. There are some additional students who are part of cost-share program. Where the County provides half of the funds and the private sector provides the other half of the funds for something like six weeks during the summer. In order to receive a student intern in your department, departments are now in the process of putting in requests. And the request has to be for a very specific project that is sort of time-sensitive for the department to complete, and serves a real need in the department. That has to be articulated and then there is a committee that reviews them, and then selects which departments will get an intern. So it is not just to do paperwork. It is some defined project.

Councilmember Kualii: And the last piece of that is so these internships are made available to the public how?

Ms. Nakamura: I believe there is a press release that goes out to let people know that there is this opportunity, and then there is a selection process and then there is also placement of students either in one of the county jobs or in the private sector positions.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: A follow-up on the Youth Programs. I am really glad to hear about this specific process where the departments have to specify a project that can be done during the intern period or a portion of it anyway. I think that will increase the chances that the young people who take on these positions will have some real learning, rather than serving as a kind of errand person.

Ms. Nakamura: Yes.

Councilmember Yukimura: So good for that. I have some questions on both our Equal...what is the Office called? EEO, and our Life's Choices. Does it matter? I guess let us start with Life's Choices.

Council Chair Rapozo: I have one more question under special projects.

Committee Chair Kaneshiro: We started bouncing around earlier. The budget is small enough we can bounce around. We were able to get Boards and Commissions out. If you want to go through it again and maybe stay specific.

Council Chair Rapozo: I had a question on the Red Cross funding.

Committee Chair Kaneshiro: We will take your questions and bounce around.

Councilmember Yukimura: Thank you. So my questions are about indicators for success. I was reading the Public Works' narrative. I wondered what our indicators for success are in the Life's Choices Office?

Ms. Nakamura: Okay. I think one of the main indicators of success, first of all the Life's Choices Office has a range of activities. The four committees that deal with enforcement, treatment and integration, prevention, and then the heads of all of those groups come together to look at the big-picture. So we are in the process right now of taking a close look at the updated Drug Response Plan to take a look and see what is working. What has been accomplished? What has not been? And what should be the strategic direction ahead? So that process has initiated. And we will be getting the results of that. That will help to describe of what some of those targets are.

Councilmember Yukimura: So that is what was reported at the last budget hearing that you were looking at the Drug Response Plan.

Ms. Nakamura: We actually did not fund it. We did not ask to fund it and the Council did not fund that process. So we had to look internally for funds in order to make that happen.

Councilmember Yukimura: So the identification of your goals and objectives and indicators of success. Your Office has been operating without any of that then?

THERESA KOKI, Life's Choices Kaua'i Coordinator: Theresa Koki for the record, Life's Choices Kaua'i Coordinator. We use our Drug Response Plan for our Office and the goals and objectives and our second plan was 2008-2013. We came before you in April to give you an update with all of our measures of success. At that time we did specify that the Treatment Committee was looking at indicators and a survey. And during 2013 until today we were still doing some goals in that current Drug Plan. It was dollar-funded last budget. It was completely eliminated in the budget before. And now, like Nadine said, we looked for other funding sources. We are in the process now of updating our plan, and making new goals and objectives and indicators.

Councilmember Yukimura: If you are in the process of updating your plan, how are you doing that if you needed money? One way, which if you do not have a budget is to work with the four committees in a year's process to go through it. So you are saying you cannot have current goals and objectives without updating your plan?

Ms. Koki: No, that is not what I stated. I am sorry. Nadine indicated that we did take money from other sources in my budget because we felt that during this hard economic time and with nothing to really present, we canceled the Drug Summit this year. So we took funds from there and looked at other places where we had cuts for professional development, for instance. I took some funds out of there, because I did not have money to travel. So therefore, trainings usually occur on other islands and we try

to have them here, and took moneys because we did not use moneys for classes and trainings.

Councilmember Yukimura: I commend you for rearranging your budget with your priorities and to focus on making sure you know what you are aiming towards is really your top priority before you can talk about programs or anything. So that is good. So you are using the moneys from this year's budget to redefine or to reengineer your goals and objectives. Do you plan to have that done by the end of this fiscal year?

Ms. Koki: We are going to receive the draft plan at the end of the fiscal year in June. And then whatever input at that meeting of the presentation of the draft plan, we will get additional ideas. And then probably accept a final draft in August. And the publication of the Drug Plan around September.

Councilmember Yukimura: So your timetable is to get a draft plan ready this fiscal year i.e., June and vet with the public and your constituents and then turn that into a working plan in August?

Ms. Koki: Yes.

Councilmember Yukimura: Okay. And so in that plan you will have your goals and objectives, your indicators for success, and your strategies for moving the needle?

Ms. Koki: Correct.

Councilmember Yukimura: That is very, very good. I have a question about the Adolescent Drug Treatment Center. RFI, request for information completed in January, 2015. And you are now talking about going for an RFP. So from the RFI, you got enough information to know you can create a sustainable Adolescent Drug Treatment Center and you have identified funding sources?

Ms. Koki: We received three requests for information proposals. And two of them are self-sufficient operations that are currently running on the mainland. One of them, which is in the State of Hawai'i, did request some additional funding from the Department of Health, which they would transfer contracts or enter into contracts with them to service our Kaua'i kids.

Councilmember Yukimura: Okay. These people who responded, they are viable entities that have a good track record for operating adolescent drug treatment centers?

Ms. Koki: That is correct.

Councilmember Yukimura: And one actually has a track record for operating such a center in Hawai'i?

Ms. Koki: Correct.

Councilmember Yukimura: So where is that center?

Ms. Koki: We are not going to disclose that information right now because of procurement and best practices. However, we are not legally prohibited to give you that information at a different venue.

Councilmember Yukimura: I think one of the concerns is that there is actually a credible manager and you know, adolescent drug treatment centers have closed in several islands in Hawai'i. So it is a very relevant concern and that has to be, I hope, one of your concerns.

Ms. Nakamura: I think that is why we are very happy with this one Hawai'i-based operator who is familiar with the State systems, with working with the Department of Health, and knowing the State procurement system. Because once we have a site identified, we can work with this provider to help us get to where we need to be. I think having the site will help move those discussions along, and while we are preparing that site, and going through the environmental work, going through either the new construction or rehabilitation, depending on the site we go with, to work with the provider to see how we make the operations financially sustainable.

Councilmember Yukimura: So I am expecting that operations will not come to the County to use County money for operations, is that correct?

Ms. Koki: At this time I would not like to prematurely make any assumptions.

Councilmember Yukimura: I think that is a policy decision that should be settled before we go forward, because if we have to include these things in the budget, we need to know what it is going to look like?

Ms. Koki: Sure. And at this budget session, we are not asking for any funding.

Councilmember Yukimura: But it needs to be a policy decision before we go out with an RFP.

Ms. Koki: Understandably, Ms. Yukimura, we will not make any decisions without all of your input.

Ms. Nakamura: I think that the idea was to try to find a way to work with State or find some Federal funds, work with the State to see what we could do? Now because one potential operator understands the State process, knows who the players are, we can see...we can push that question further along.

Councilmember Yukimura: However, Dr. Shimabukuro in the State said that if they allocate funding for beds on Kaua'i, that means that they will have to take away funds from Bobby Benson and would put an existing drug treatment facility in jeopardy. So even though there is potential operator who knows the State process, if, in fact, that is the dilemma of the State with the number of beds that are authorized, that does not sound like a very viable way to go.

Ms. Nakamura: And it does not preclude us from going back to the State to see if they can add to the pot. Right now we are looking at a fixed number of beds and to go that route and see if the State will be a partner in this specific facility work.

Councilmember Yukimura: That would be very key, to have those two things established. Whether or not the County is going to have to fund from our moneys on an operational basis, which I do not agree to. Because it is not our core function. And we are already scrambling just to do our core functions. And the other is whether the State is actually going to be able to give any moneys? And I would hope to get a letter in writing from the State that says that before we go out for an RFP.

Committee Chair Kaneshiro: Follow-up question. Council Chair Rapozo.

Council Chair Rapozo: Did I hear you right that you said you are not coming to us this year for funding?

Ms. Koki: This year.

Council Chair Rapozo: This budget?

Ms. Koki: This budget.

Council Chair Rapozo: This budget we are looking at?

Ms. Koki: Yes.

Council Chair Rapozo: Thank you.

Ms. Koki: This budget right now.

Council Chair Rapozo: The one we are discussing?

Ms. Koki: Yes.

Council Chair Rapozo: Next year's budget?

Ms. Koki: Maybe supplemental, I am not sure.

Council Chair Rapozo: Okay. I see it a little different from Councilmember Yukimura. It is not our core function, but it is our kids. And I commend the Mayor, I commend Theresa and your team for moving forward on this. It is something that we need to do. We need to get done. I would expect you folks to come to us if there was any funding needs, because it is our *kuleana* to take care of our kids. It is. Again, I guess my point is you cannot take my opinion as respective of the Council, nor any other Councilmember. So I just wanted to commend you folks. My question is for Theresa. How much do you have available or access to for true grants? I mean all I am seeing in this budget here, I believe I just saw ten thousand dollars (\$10,000), ten thousand dollars (\$10,000) for mini grants.

Ms. Koki: Yes.

Council Chair Rapozo: Is that all you have access to?

Ms. Koki: Yes, right now.

Council Chair Rapozo: County money?

Ms. Koki: To ask for County funds, it is ten thousand dollars (\$10,000), and I appreciate that because it was six thousand dollars (\$6,000), and before that it was four thousand dollars (\$4,000) so I could help four agencies.

Council Chair Rapozo: Was it not forty thousand dollars (\$40,000)?

Ms. Koki: My whole entire budget was forty thousand dollars (\$40,000) but it was not to give out to people.

Council Chair Rapozo: I thought we had upped the program money, the Council did to forty thousand dollars (\$40,000), maybe it was when Roy was here. I specifically remember forty thousand dollars (\$40,000). Anyway, I guess...we cannot really have an effective drug prevention program here if you do not have the resources to provide it. And I am not going put you on the spot and ask you how much you need, but I know ten thousand dollars (\$10,000) does not...and unless you have some grant money and we can talk offline. You are just scratching the surface. We constantly talk about this issue and what are we doing? As I look through all the special projects in the Mayor's Office and Economic Development and all of these great projects, all of them are great project. When you prioritize, and I ask myself what happened to the war on drugs and we are giving our soldiers BB Guns and I hope this Council feels the same way that we can have some resources available for your Office. So we can actual help some kids, some adolescents and as far as the adolescent drug treatment center you have my total support to move forward as quickly as we can.

Ms. Koki: Thank you.

Committee Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: So just as a follow-up to understand this better, too, I did see the slide about the first-round of forty-two thousand five hundred dollars (\$42,500), six organizations, second round eighty-eight thousand dollars (\$88,000), and the third round yet, to be awarded. These are funds that are from a grant that is no longer there? So once it is all awarded out, is that what it is?

Ms. Nakamura: This is a one-time pilot program that one hundred fifty thousand dollars (\$150,000) that the Council approved about two years ago. It was targeted for after-school and preschool programs and those are the ones that have received these funds.

Councilmember Kualii: Okay.

Ms. Nakamura: And it was also at the time that it was setup and it was established to go through the Hawai'i Community Foundation to assist with the release of the funds and to manage it, because we only have one person in the Life's Choices Kaula'i Office.

Councilmember Kualii: Is it safe to assume then with the moneys went the basic message of making good life's choices and we were supporting these programs for youth for that particular purpose but we are not equipped to do that going forward as far as any moneys being budgeted? Just one-time?

Ms. Nakamura: Yes. I believe Hawai'i Community Foundation is working on a report.

Ms. Koki: I think it was on Monday that we sent...we answered questions from Councilmember JoAnn Yukimura. I sent it to your attention, Chair. There were detailed reports and graph charts and I believe a very good report that I worked with Hawai'i Community Foundation in producing. Because of the timing of the funds and their agency's grants flex funds it was hard for them to administer all of the funds at once. And one of the hardships that we noticed people were not ready for the funds. In speaking with the Mayor, and our Managing Director, we decided that it is okay for them to go in increments, and they helped a lot of agencies, I believe. The second round of reports is due soon. And then the third round of grant funding will be awarded this fiscal year.

Ms. Nakamura: I think the bottom line, the takeaway from that report and we should probably give copies to all Councilmembers. Is that there is...that the funds, they were able to use, the non-profits were able to use the funds to really expand their program and to target kids that would not normally be able to have these programs. So a lot of good things are coming out of it. But again, it is the limitation of the funding itself.

Councilmember Kualii: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura. Actually let us keep the questions for Theresa and when we are done, we can let her go.

Councilmember Yukimura: Yes. I actually would like to ask for the responses you get in the RFI. I presume that is public record now? No? Okay. Theresa you mentioned there are other ways to legally get it. So whatever is appropriate and proper. And then I just want to say that I support a really aggressive anti-drug program, but I need to see what your goals are, what the measures of success are? And what are the strategies? So we can learn what is working and what is not working? We are asking that of all the other departments and divisions? That is just good management of the program and I commend you for having that as your top priority. Because that will enable money to flow to you when you have that kind of framework for all of us. Thank you.

Committee Chair Kaneshiro: Any further questions for Theresa? Are you sure? Okay, Theresa, I think you are good to go. Any further questions? Let us focus on the ADA Office.

LINDA NULAND-AMES, EEOC and ADA Coordinator: Well, I am Linda Nuland-Ames, EEO and ADA Coordinator. Thank you for inviting me up.

Committee Chair Kaneshiro: Thank you. Councilmember Yukimura.

Councilmember Yukimura: I am really happy with the work you have been doing, Linda. I think a lot of departments feel your support. And in slide 33, it indicated in the past we have had 10-12 formal ADA complaints a year and no formal complaints this fiscal year.

Ms. Nuland-Ames: Actually I looked back 12 months and there has not been a formal complaint.

Councilmember Yukimura: Okay.

Ms. Nuland-Ames: It does not mean that things do not come up, but I am notified early and I am brought in and people want to talk situations with me, so problems do not occur.

Councilmember Yukimura: That is very proactive and preventative and all of the kind of things that we want to see. With respect to civil rights and EEOC complaints, what is our record in terms of the number of complaints filed per year?

Ms. Nuland-Ames: Well, with language access, we have not had any recorded complaints. I sort of fell into doing that because it is about being accessible to everyone.

Councilmember Yukimura: Right.

Ms. Nuland-Ames: I realize that the County was not staying proactive and up-to-date on that, and I just sort of fell into it. Trained language access contact person in every department, got the posters up with the different languages, and I have done a survey of which ones we encounter. And now that people are more aware of it, they will call me and say we need something translated or need an interpreter in a meeting. It has not reached the point of being a complaint. We are handling it.

Councilmember Yukimura: Excellent. What about EEOC?

Ms. Nuland-Ames: Nadine has the data.

Ms. Nakamura: The EEOC data is compiled by the County Attorney's Office and anticipating this question, Mauna Kea Trask put together some information. In Fiscal Year 2011, there was one EEOC complaint. In 2012, five. In 2013, 10. In 2014, 9. And this fiscal year we are back down to 5.

Councilmember Yukimura: Back down to 5.

Ms. Nakamura: 5 to the present with several more months to go and hoping that we will go with the downward trend.

Councilmember Yukimura: Can you provide that information to us in writing?

Ms. Nakamura: Sure.

Councilmember Yukimura: Do you have similar data for civil rights?

Ms. Nakamura: These are EEOC complaints.

Councilmember Yukimura: They are both...I mean EEOC is under the Civil Rights Act. Excuse my ignorance.

Ms. Nuland-Ames: All of these acts are tied together.

Councilmember Yukimura: So that is the main indicator, number of complaints filed. The other indicator number of complaints sustained or for which there was some actual underlying cause, right?

Ms. Nuland-Ames: Well actually what is happening now in this field across the nation is that sometimes it is a very weak complaint. But the co-workers or the supervisor reacts perhaps inappropriately, and then it becomes retaliation. It is retaliation claims that are just skyrocketing across the nation right now.

Councilmember Yukimura: So what it means is if we train our people to respond appropriately, then our liability will be much reduced.

Ms. Nuland-Ames: Yes. That is another thing I am working on. I have been tailoring trainings to very specific groups and issues.

Councilmember Yukimura: Good.

Ms. Nuland-Ames: I find that way people understand and they are more interested and there to learn about a situation that they have. And I am working with a State trainer, who has a presentation specifically for supervisors. Not so much department heads, but the immediate supervisors need to understand first of all to be up-to-date with their employees and not just shrug their shoulders because some people are not getting along. That needs to be resolved so it does not get into something bigger and it needs to be documented. So if there is a problem employee with an EEOC complaint and an empty file that does not report the problems or job performance reports, showing where the person needs to work on things, then it is very hard to be successful. Even if the County was, the supervisor has to know how to behave while that is going on and not suddenly write up a person for everything, for example. So we are going to get into very practical things and hoping to do this in June.

Councilmember Yukimura: That is excellent. Can you submit the data on EEOC complaints? So the indicator of how many complaints are filed, number one, and do we have any way to say how many complaints had some real cause with it, or that it was mainly process problems and failure to respond appropriately? Do we have that data?

Ms. Nakamura: I do not have that information. But it is something we can follow-up on to see if we can see what was sort of the disposition of each of those cases.

Councilmember Yukimura: Yes. Okay. And it sounds like you are already working on what seems to be the main problem, which is proper response.

Ms. Nakamura: I would also like to add that hand in hand what Linda is doing, we are with also trying to do more collaboration with the department heads. So when an issue arises, we have the department head sitting with the County Attorney's Office, with the head of Department of Human Resources, Linda, and myself, so we are giving...getting the information, giving advice from the very start of the process. And just this morning we were doing that with one of our department heads, and he was very happy to have this support early on which we did not have with the Department of Personnel Services. With the Department of Human Resources and the focus on preventing these

things from happening, and escalating into a problem or getting into a retaliation situation, we can address the issue.

Councilmember Yukimura: It sounds like a day and night improvement and I think it will translate into avoidance of lawsuits and costs. So thank you very much for that kind of change. Very good. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you. So where does your function end and HR begin? Is there two different heads on the dragon? I look at your position as Equal Access and HR is the training office. Is there any overlap?

Ms. Nuland-Ames: We are still sorting out who exactly is going to be in charge of different things. At one point language access was in Personnel. They did not have anyone really well-trained in it who understood the law. So I just picked it up and brought it into current time. Mostly I collaborate with people in HR. For example, I can have a request from an employee for reasonable accommodation but the person is recovering from a workers' compensation injury. I do not do workers' compensation, but I have to understand enough of it to know where it fits in with ADA. So usually there will be someone from HR at the table with the supervisor, the employee, and me.

Council Chair Rapozo: I guess I am a little confused because historically, I think your position was simply...not simply because it is a gigantic job. ADA. So are you getting involved in personnel issues as well and not HR?

Ms. Nuland-Ames: There is an overlay of all of these laws. Primarily I am ADA, but that also brings in the Pregnancy Discrimination Act, the Equal Employment Opportunity Act, and Civil Rights Act for starters and a few others, and Transportation...the U.S. Department of Transportation has regulations that impact ADA and some other agencies too. So there is no clear-cutoff point. I have to be a bit involved or have only in knowledge of that and have people with me at the table who specialize in those areas.

Council Chair Rapozo: I guess what I do not see is the specialized personnel in HR, and I am having trouble because HR should be in charge of the training and you as a resource to provide...we have the County Attorney who provides the legal background. They are the only ones that can afford legal advice to any department. And the ADA Coordinator from what I understood was a result of the...what the heck was that settlement? Berkhalter, whatever his name was that settlement to create the position that would make sure that this County did things that provided for equal access for the community, the disabled community. And not to be personnel-related. So I guess...

Ms. Nuland-Ames: The ADA actually required a coordinator and the County did not have one.

Council Chair Rapozo: Right. I am very familiar with how that came about, because we had a lot of discussions with this years ago. But as I remember, the settlement it was really to address the disabled community, not employees, but the disabled community and making sure that our facilities were accessible. Because that was the basis of the lawsuit, right? We had denied access based on inability or inaction of making it

accessible. So we get sued and we get to the settlement to work on the curbs, gutters, “manapuas” on the crosswalks.

Ms. Nuland-Ames: I can help with you that. If we are bigger like the state governments you would have an EEO and ADA person in every department.

Council Chair Rapozo: We have 18 people in HR.

Ms. Nuland-Ames: And actually the EEO compliance person is not supposed to be under a department head unless that EEO Compliance Officer is only for that department and reports to the department head. But if it is applicable to other departments by federal regulation, that person that is supposed to report to the top. People are not real happy when someone comes in talking about civil rights and it is to give the person actually the freedom to speak freely what the situation is and what the possible problems may be and then work with the attorneys for some kind of resolution, if necessary. The ADA is usually that way. Language access is always reporting to the top because it falls under the Civil Rights Act. So I know it has not been done that way in the County. There is a bit of a mish mash and now we have Janine and me and Nadine and we are sorting out how we will handle the information. One thing that happened was I get the correspondence now from the Hawai'i Civil Rights Commission and from the EEOC, there was not a central person before. Now I get it and it is logged into the Attorney's Office so there is say a record of it and the parties who need copies get copies. We are starting to centralize that and it is going smoother.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Councilmember Hooser.

Councilmember Hooser: Thank you for being here all day again. I appreciate you being here, Linda.

Ms. Nuland-Ames: Thank you.

Councilmember Hooser: Your experience and background on this is reassuring. So thank you. My question follows on Council Chair's ones. When the EEOC complaints record was read out, were those only EEOC complaints that related to language and ADA or all EEOC complaints?

Ms. Nuland-Ames: Those were the actual ones about employment conditions.

Councilmember Hooser: Sexual discrimination, age discrimination, harassment, those were included?

Ms. Nuland-Ames: Yes.

Councilmember Hooser: All departments that we deal with inside the Executive Sessions, EEOC, you are also engaged in those?

Ms. Nuland-Ames: Yes. I should say yes. I am just so comfortable talking to you again.

Councilmember Hooser: Thank you. That is a compliment, thank you. So that clears that up. I was not sure it was just ADA or language.

Ms. Nuland-Ames: An employee could have a disability and have a cause of action under both the ADA and the EEOC.

Councilmember Hooser: Sexual and age also, you would deal with?

Ms. Nuland-Ames: Yes. There is a possibility, yes. And that is what attorneys look for a plaintiff is which route to take or just plead them all.

Councilmember Hooser: You mentioned the annual track record and could you tell me how many are outstanding, unresolved?

Ms. Nakamura: I did not ask that question, but that can be followed up on.

Councilmember Hooser: Thank you that is all I have.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: A follow-up. Can you also give us a cost of all of these complaints in terms of settlements?

Ms. Nakamura: If they have been resolved, we can get that information, yes.

Councilmember Yukimura: Costs and attorneys' costs. Thank you.

Committee Chair Kaneshiro: Any further questions for Linda? You are good to go. Thank you for coming.

Ms. Nuland-Ames: Thank you.

Committee Chair Kaneshiro: Any other further general questions?
Councilmember Kualii?

Councilmember Kualii: I think this is my last general question and it is along the lines of the motor pool. In the Mayor's budget, there is one vehicle, a vehicle lease purchase for \$21,250. I guess it is the second year of a three-year lease. Is that vehicle the Mayor's vehicle or a vehicle shared by the department?

Ms. Nakamura: I am happy to say that it is part of the motor pool.

Councilmember Kualii: It is part of the motor pool.

Ms. Nakamura: It has been outfitted with the device and equipment to be part of the pool. It is parked and convenient for the Mayor to go in and out, because he is out and about quite a bit, but it is part of the pool.

Councilmember Kualii: So how does the pool operate? People sign up and share across departments?

Ms. Nakamura: Yes.

Councilmember Kualii: Geographically, there are people in different places, right?

Ms. Nakamura: Right. So the pool right now is set up to serve people, the employees at the Līhu‘e Civic Center. The motor pool vehicles are supposed to be parked in sort of a central area here. Everyone who is part of the motor pool gets a card. And you swipe the dashboard with your card, which then opens the door. The keys are located in the vehicle itself. It will track where you are going and usage, and you are able to reserve the car through just by using your phone or computer.

Councilmember Kualii: It is centrally located at the Civic Center?

Ms. Nakamura: Yes.

Councilmember Kualii: And that is where most of the cars are? How many cars are in the pool?

Ms. Nakamura: I believe the number was 14.

Councilmember Kualii: That sounds in the range. That is all I have. Thank you.

Committee Chair Kaneshiro: Any further questions? Council Chair?

Council Chair Rapozo: Nadine, does that include our cars as well?

Ms. Nakamura: I believe we equipped your cars with the hardware, but we did not include them in the pool for rental.

Council Chair Rapozo: Why would we put the hardware in our cars if it is not in the motor pool? I was shocked to know it was done and wish I would have known ahead of time, because I do not know why we would equip the Council Services vehicles with the hardware and not be in the pool? Those two pieces of hardware could be in two County vehicles that could be in the pool.

Ms. Nakamura: We thought the Council might want to put their vehicles in pool at some point in time.

Council Chair Rapozo: No, no we would not want that. I cannot imagine why we would want to do that.

Councilmember Yukimura: Why not?

Councilmember Kualii: We might.

Ms. Nakamura: And allow you to be part of our pool, so if you wanted to use an electric vehicle.

Council Chair Rapozo: To use the Mayor's car? That would be fun...I just wanted to know why. Because is it not true you could have put it in two other cars that would be utilized in the motor pool?

Ms. Nakamura: I think at the time the committee did the assessment, it was...I think the Council cars were...it was thought because we were in the centralized part of the pool. That was just the thought. That was our compromise to put in it, but not include it. We had thought there was interest at one time when we brought up the idea of the motor pool. So we were mistaken.

Council Chair Rapozo: I think it was the Council that brought up the idea of the motor pool. That was some years ago.

Ms. Nakamura: Right, so we thought you would be want to be part of it.

Council Chair Rapozo: I just figured, the hardware is useless right now, it is not being used. So anyway, I just was curious why...how much is the hardware per car?

Ms. Nakamura: I am not sure. We can find out.

Council Chair Rapozo: Thank you.

Councilmember Hooser: How many cars do we have? I thought we always had one?

Council Chair Rapozo: We have the Elections van and the Explorer. That is all we have.

Ms. Nakamura: I guess the thought was if there was not an election, we might be able to access it.

Council Chair Rapozo: Okay.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I am going to ask the question now that I hope it will be addressed in Solid Waste. You know the County's strategic goals and objectives. Our integrated solid waste plan was supposed to be a long-term solution and there is no mention here of the plan. Are we abandoning the Integrated Solid Waste Management Plan? There is no...diversion plans are part of the long-range solution. How do you reconcile that?

Ms. Nakamura: Well, I believe that the budget that you will see in Solid Waste recognizes and moves towards the Integrated Solid Waste Management Plan by the amount that is going into diversion activities. I do not think there is any change in the intent to move towards the goal of the 70% diversion by 2023 set by the Council.

Councilmember Yukimura: But that is a long-range goal and there is no mention here and this is the County's strategic goal and objectives.

Ms. Nakamura: The solid waste solution is by going out to an RFP it gives us the opportunity to look at all potential opportunities to address our solid waste, and to look at not just new technologies, but other systems. And it is really an open...it is a chance to revisit and to see what can be done to address our solid waste and to do it in a financially sustainable way.

Councilmember Yukimura: I do not mind doing that, but when you indicate that that is the only goal for 2016, it seems very misguided and inaccurate.

Ms. Nakamura: I think you are going to see much more detailed goals...this is sort of the big-picture perspective. When you look at the Solid Waste budget, and budget presentation, and the numbers, you will see all of the details that you need that shows our commitment to that activity.

Councilmember Yukimura: Why is it not in your list of strategic goals?

Ms. Nakamura: I think because I think that is the big-picture piece for this coming year. That is the big-picture piece. All of the details will follow.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further questions from Councilmembers? Okay. Well, I want to thank the Mayor's Office for being here the whole day. I also want to thank the Councilmember for being patient with me. I think we had a very productive meeting. And I think there were very valid questions that gave heads up to the other departments what they should be expecting when they are out there and hopefully you can relay some the messages to them. I want to thank you and thank you the Councilmembers for a great meeting and at this time I would like to recess the Departmental Budget Reviews. We will reconvene at 9:00 a.m. on Monday, March 30th and hear from the Department of Public Works.

There being no objections, the Committee recessed at 3:21 p.m.