

The departmental budget review reconvened on April 11, 2013 at 9:11 a.m., and proceeded as follows:

Kaua'i Humane Society

Honorable Tim Bynum
Honorable Gary L. Hooser
Honorable Nadine K. Nakamura
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro

Excused: Honorable Ross Kagawa

Chair Furfaro: Aloha, good morning everyone. I would like to call back from recess our posted budget reviews for today, Thursday, the 11th of April. Today we plan to address the Kaua'i Humane Society, the Kaua'i Liquor Control, break for lunch, the County Attorney's Office, and Economic Development in the afternoon. That is today's plan. Now I also want to reconfirm that I have addressed to Mr. Steve Hunt correspondence that resembles the narrative that we are anticipating from the Administration to get to us as our standard Q&A piece. I want to make sure that we all have that, along with two pages of program budgeting as it relates to the funding for the County's participation. So on that, we have four seats. I would like to know who would like to come up and join us from the Humane Society? We can take up to four people.

To the Kaua'i Humane Society I want to say welcome to you folks and we would like you to start by introducing yourselves, and then the reason I had mentioned we can take up to four people at a time was Steve, the Humane Society appears as part of your budget. So I want to make sure that you know that you and Mr. Barreira are welcome to take a seat. Okay?

I am Jay Furfaro. I am the Chairman of the Kaua'i Council and start by having you introduce yourself to us?

PENNY CISTARO, Executive Director, Kaua'i Humane Society: My name is Penny Cistaro and I am the Executive Director for the Kaua'i Humane Society.

Chair Furfaro: Welcome.

Ms. Cistaro: Thank you.

Chair Furfaro: Do we have an Accounting type of person here?

WILLIAM EARNSHAW, Business Manager, Kaua'i Humane Society: My name is William Earnshaw, and I am the Business Manager of the Kaua'i Humane Society.

Chair Furfaro: Do you go by William or Bill?

Mr. Earnshaw: William, please.

Chair Furfaro: Very good.

STEVEN A. HUNT, Director of Finance: Steve Hunt, Director of Finance.

Chair Furfaro: Now on that note you shared a document with us and I am going to let you first start your presentation with us as it relates to what you have submitted to us.

Ms. Cistaro: Well, my presentation is a request to sit down with representatives from the County and negotiate a contract. As you can see from the documents that we have presented for you, we are operating at a large deficit to the County funding, and in order to continue to provide the services that we currently provide, we will need additional funding from the county. If the county is not able to provide that additional funding, then we really need to sit down and address the level of services that the county wants provided through the contract. But the Humane Society cannot continue to sustain this level of loss to the contract.

Chair Furfaro: May I ask, you have had and I am directing this to Steve, you have had discussions with the Humane Society about the status of our financial situation?

Mr. Hunt: Yes, I have and we have also discussed the status of their financial situation and are in the process of working on a scope of work for the upcoming contract. Obviously depending on what that funding level is that will determine what the scope may be.

Chair Furfaro: So you are making those arrangements with your Staff, the County Attorney? What is going on there in that negotiation?

Mr. Hunt: I have Amy Esaki, Deputy County Attorney here as well who has been working on some of that documentation in draft form, but again we cannot execute a scope of work or contract until we know what the funding is, because that will determine what that scope may have to be.

Chair Furfaro: Okay. Is Amy in the back?

AMY ESAKI, First Deputy County Attorney: Yes, I am.

Chair Furfaro: There you are. You are so petite, I did not see you. That is good, Amy. I just wanted to know that you were here in case we had questions. Would you give us a little overview of this, Steve? Yes?

Mr. Hunt: It is one of the few contracts that the County has that is actually HRS mandated. It does provide the County some latitude in terms of the

particulars on the scope of work. But it is something that we have to provide funding for through HRS. Because of the meetings that we have had or the meeting that we had with the Humane Society, we are looking at seeing what might be able to fit within that scope of work. There are really two items that are in that contract about \$595,000 of the \$660,000 is for animal control and care, and the other is for the spay and neutering program.

Chair Furfaro: In the HRS it only seems to reference dogs.

Mr. Hunt: For spay and neutering, that is correct.

Chair Furfaro: It does not address cats?

Mr. Hunt: Right. I am not familiar with our current contract and I may have to have Amy discuss that but in HRS I believe you are correct, I believe it is just dogs.

Chair Furfaro: I looked at that and I only saw dogs. May I ask Amy to come up?

Ms. Cistaro: I can address the contract as well.

Chair Furfaro: No, it is best we let our Attorney tell us what it addresses and then I will come back to you.

Ms. Esaki: As far as the current contract that we have with the Humane Society, it does allow for spay and neutering of dogs and cats and I think that was a negotiated item of previous years and last year. We did exclude the feral cats due to the ESA laws.

Chair Furfaro: Okay. So my quick interpretation of that paragraph I was correct, but the contract specifies both species?

Ms. Esaki: Correct. And I think that is what the public wanted as well.

Chair Furfaro: Okay. Questions for Amy? Or Steve?

Mr. Rapozo: I have a question for Steve?

Chair Furfaro: Go right ahead?

Mr. Rapozo: Steve, I know you are saying that you are going to develop the scope of work after the funding. But I think we develop the scope of work first and determine what that would cost and that should be submitted to us. We do not even have a budget attached to this request, which I have never seen. Every Department comes up with a budget. So I do not have a budget. But should we not determine the scope first and then determine...and the Chair is right. The HRS is very clear that the mandate is

really only for dogs. And the contract...I have a copy of the contract, there is that added benefit or duty in the contract, but as far as we determined the scope of work, would it not make sense to determine or have the scope of work mirror the State Law?

Mr. Hunt: I would agree with you, and to some degree we have done that in past. But the realities are that the scope of work and the funding that we have provided for that scope of work do not mirror one another. It is insufficient. So we are in the process now of exploring what can be done for that level of service or whether we want to dictate what the level of service is first and then have them come back with a price for that service. But typically what has happened the funding is approved and then the contract is executed.

Mr. Rapozo: I think it is backwards. I think we develop the scope, and then we let us know how much you need. That would be...I do not understand how else you can do it? You know, I do not even know what right, I have asked even from Penny, right? Thank you for being here today. Prior to Penny being here I have asked for a specific breakdown of what was allocated, County versus non-County? And I have yet to see that. And this one I see a blanket 69% but I have not seen the detail and that troubles me. So I am not convinced that the \$660,000 is not enough. But my bigger concern is I believe that we need to definitely scope out the mandate from the State, and at least get that figured. You know, every Department is coming up now and realizing cuts. We have got our own Police Department say if the budget passes as here, we are going come back for more money. It is not enough. So I think at this point, I think we need to scope out the work for what the State mandates. And then take it from there to determine.

Mr. Hunt: I agree with you, given time, I think that would have been the appropriate approach, but I think both Penny and myself are new to the positions and did not have the luxury of having those discussions in advance.

Mr. Rapozo: And we have, that is what is frustrating for me. I have tried. I have tried, and you know, I have sat here in a meeting and the prior Executive Director never showed up. It is frustrating, you know? The people are crying about raising taxes and all of that and we have the tough job of determining what the core services are. And in my opinion core services are what is mandated by the State during these tough financial times. Thank you.

Chair Furfaro: First of all I want to make sure that I am reading this correct. This implies for the County programs that they need an additional \$308,000? How am I reading this? This is so minimized so what we have seen in the past. I just want to make sure. What are we?

Ms. Cistaro: The \$308,000 that you are looking at is the amount that we have put into the contract through March 31st of this year. That is not the full twelve months. If we took that out to twelve months, it would be close to \$400,000 that we would be paying into the contract to meet the level of services. So these are our actual costs for what we have done for the past nine months.

Chair Furfaro: Okay. JoAnn, you have the floor.

Ms. Yukimura: Yes, thank you. Good morning. This is a new format for all of us, because we have not done it in this kind of process that you are describing. But obviously, I mean, because the Humane Society would just come in and tell us what they needed for the year in the past. And so I think we are co-creating a new process, it feels like it. And so I just wanted to look at the parameters that we are dealing with. This expenses incurred sheet that you have submitted, shows all of your costs with respect to...not all your services, just your...I am sorry you might have said it "sheltering and care for the animals?"

Ms. Cistaro: Yes, these are the costs that the Humane Society is paying for the animals that we have responsibility for and the animals that the County has responsibility for. So 69% of the animals coming into the shelter are stray, homeless animals. The other percentage is owner-surrendered animals or wildlife coming in and we are covering the cost of those animals?

Ms. Yukimura: So this CAM, which I think stands for "County Animal Management." In the second column is that 69% of the all-inclusive costs, right?

Ms. Cistaro: Yes.

Ms. Yukimura: Public spay and neuter program is the next column, which is considered in your mind and I think in ours, but we will see from the conversation spay and neuter of strays?

Ms. Cistaro: No, that is the County's public policy.

Ms. Yukimura: The public policy to encourage spay and neutering.

Ms. Cistaro: That is the moneys that the County provided.

Ms. Yukimura: It is a subsidized spay and neuter program?

Ms. Cistaro: Yes, that the county pays for.

Ms. Yukimura: So people who are not able to afford spay/neutering can come in on their own? People who cannot afford spay/neutering on their own can come in for a discounted cost?

Ms. Cistaro: Yes.

Ms. Yukimura: And "Humane Society" column, that is your last column, is what?

Ms. Cistaro: That is the cost that we incur with owner-surrendered animals coming into the shelter, the adoption program that we are splitting with the

County, and then the costs that we incur by doing business with the animals coming into the shelter. This does not include the humane education program, our volunteer coordinator, any of the staffing that does not have an impact on the County programs.

Ms. Yukimura: Okay. Thank you for that explanation. And then on the next sheet you have...oh, that is a breakdown of the County Animal Management Program. Is that the next sheet?

Ms. Cistaro: That is a breakdown of the payroll costs for the staff to perform the functions of the contract.

Ms. Yukimura: Okay. So in terms of costing out what is County responsibility versus non-County responsibility, you have arrived at a percentage based on number of animals in either category?

Ms. Cistaro: Yes.

Ms. Yukimura: Okay.

Ms. Cistaro: And in certain categories, building and grounds, for example, utilities, overhead, we did it at a 50/50 split rather than 69%.

Ms. Yukimura: There was some issue about cats versus dogs or dogs versus non-dogs, something like that. So what is the breakdown in responsibility of the County?

Ms. Cistaro: In our County contract, there is a clause about us handling small animals, and so that is where we are handling the cats, as well as small animals?

Ms. Yukimura: Okay?

Ms. Cistaro: And that is primarily cats and actually cats is a greater number than dogs. Dogs take up 46% of the animals coming in, versus cats.

Ms. Yukimura: Okay. And 46%. So then the other policy question and I do not know maybe all of you can answer is what is the public policy or the public safety and health issue with respect to cats? I mean, why should the County...?

Chair Furfaro: Excuse me, can we just focus on understanding the financials first JoAnn and I will tell you this, because the same question will apply that I would like to have and I ask that every year is what is the public concern about wild chickens and I would just like to understand the financials first. Because what I hear so far and if I am interpreting this right, Steve, there is an agreement somewhere that says common area utilities are split 50/50. There is another condition that talks about the operational costs is basically that the County incurs 69% of the operational costs and basically, we do not have a budget here. We have a projection that says for nine

months, and I have not seen the financials, they are going to be short \$308,000 based on this 69% allocation. I am not sure where we are getting that information and you do not need to answer me now, because I do not want to be cutting in line. Mr. Hooser is next and I do not want to jump into conditions about animals until we first understand the financial picture.

Ms. Yukimura: Mr. Chair, if I could just finish?

Chair Furfaro: I will give you the floor back, but I am asking you for a courtesy, can we keep the questions to the financials?

Ms. Yukimura: I feel like I am talking about the financials, because the cats are covered in these costs, right? So I do not have many more questions, if I could just...

Chair Furfaro: I just want to say to you that if we are going to get into detail about the specific animals and we do not understand what you presented to us in the financials, we are not going to get to the right understanding of what the needs are.

Ms. Yukimura: Well...

Chair Furfaro: Excuse me, JoAnn you have a projection that says you are \$308,000 short for nine months. I want to understand how you put this together as you have not presented us a budget, Steve, and that is what is here. It is also along the lines of what Mr. Rapozo is saying is, should we not be negotiating what we cover first?

Ms. Yukimura: Mr. Chair, I am sure those things will come up in questions.

Chair Furfaro: I am sure I am not going to convince you of what I need, so I am going to step out. Mr. Rapozo, run the meeting. And then Mr. Hooser has the floor.

Ms. Yukimura: Thank you. So I guess because I believe that public policy determines budget, I am asking this policy question about how the cats come under it the rubric of "public health and safety?"

Ms. Esaki: I think in the past and I do not have the total recollection, but in the past I think the public would come to the Council and ask that the cats also be covered. If there are some minutes in the Council records that indicate that the public was looking at having the cats spayed as well.

Ms. Yukimura: Okay. Maybe you can explain what is done with the dogs in terms of the service, because I am going to assume that is what is done with the cats and that might give me a clearer idea of what we're funding presently. What is being asked to be funded also in the future?

Ms. Cistaro: Cats are handled very similarly to dogs. And they present as large if not a greater problem in the community than dogs. They are a health issue. They do cause damage to both property and humans, they are...they do create a traffic hazard, cats get hit by cars, sick, injured, and we respond to calls to pick them up. They are victims of cruelty in the same fashion that a dog is. So with the community's perception of cats they are also household animals as well as companion animals and again cats are typically a greater cost to an animal control program than dogs are, but they are handled in the same fashion.

Ms. Yukimura: So thank you. How are cats hazardous to health? How do they interface with the health issue?

Ms. Cistaro: They can bite. They can carry disease. They can cause toxoplasmosis and they carry parasites.

Mr. Hunt: Just to be clear on the contract itself the spay/neuter only covers household pets and not feral. So we are not taking about spay/neuter of feral dogs or cats, but household pets.

Ms. Yukimura: But it does hopefully prevent feral cats because if you do not spay/neuter the household cats you have the problem of overpopulation that spills over into feral often, right?

Ms. Cistaro: Yes.

Ms. Yukimura: Owners have been known to take the spare or extra cats to a park and let them loose, right?

Ms. Cistaro: Yes. There are two different pieces in the contract. One is the spaying and neutering component for household dogs and cats and then the other component of the contract is the piece that speaks to small animals and that is where cats are covered under the contract.

Ms. Yukimura: They are covered in the contract...dogs. Let us talk about dogs. Basically this program called County Animal Management, which is the column that adds up to what is presumably County responsibility. This column applies...so what is a typical service? There is a stray dog and people call you about it and your Humane Officers go pick them up, bring them in, and they are treated/held and some are them are put to sleep.

Ms. Cistaro: Yes. They either...the Officers either pick them up in the field or the public brings in stray animals that are a nuisance to them or they found somewhere, or showed up on their property.

Ms. Yukimura: So that happens to both dogs and cats?

Ms. Cistaro: Yes.

Ms. Yukimura: Thank you.

Mr. Hooser: Thank you, for the record I love animals and I love the Humane Society. I have a cat and dog and two chickens and like all of us, we value the service that you bring to our community. But like all of us, we are concerned about the budget, management of the funds on many levels, many Departments, and the fact we are in a situation being asked to raise taxes to pay these costs. Given that is the underlying motivation for myself anyways. There was some talk about process earlier, and it seems like we are making it up on the fly here. Even though the discussion is helpful for a little bit, I think for me it would be more helpful if the Humane Society and the Administration, who is charged with managing contracts and managing working with Departments, if you folks would get together, work it all out, and present the Council with a budget and present it and justify it and give us all the rationale you need for that. That would be helpful to me. Correct me if I am wrong, we do not have that. Is that correct?

Ms. Cistaro: That is correct. And I requested that because for us to present a budget, we cannot present a budget back that will be a deficit budget to the organization. So we have requested the opportunity to sit down and negotiate a contract and part of negotiating the contract is in negotiating the scope of service. For me to be able to present something to Council I have to have feedback from the County telling us exactly what services you will cover and what services you will not cover, so then I can develop a budget that meets what you are asking for, or to be able to say, we cannot do that scope of service for that amount of money. I am coming in new to this. I have been with the organization for a month. I am trying to learn not only our budget, but what the County is requesting. So I have requested the opportunity to sit down and negotiate a contract so that I can formulate a cost to that contract. But I cannot move forward until I get information and feedback for what those scope of services will be.

Mr. Hooser: Okay.

Chair Furfaro: I'm going to ask Mr. Hooser for a second, can I interrupt on something?

Mr. Hooser: Sure, go ahead.

Chair Furfaro: I just want to make sure, so would the question that Mr. Hooser posed rather than getting into specifics, should we not be asking to reschedule you, because I have never seen your request. Your request went to the Mayor's Office?

Mr. Hunt: No, just myself and Ernie Barreira met with the Humane Society about a month ago.

Chair Furfaro: It kind of sounds like to me, you did not present a budget, and I have a pretty sound financial background, and the reason you did not present it is because you see some glaring issues about what the scope of the budget should be covering.

Mr. Hooser: Chair, my questions were following along your lines and if I could continue, that could be great.

Chair Furfaro: You can actually have the floor and now I know we are talking along the same lines.

Mr. Hooser: Director, will you be asking for to us defer this issue to allow you to meet with the Humane Society and I believe what is being said, when the County...meaning the Administration to start with and the Humane Society and the Mayor's Office and the Administration will come up with a unified proposal and bring it back to the Council and then you will justify that and make that request at that time? Is that what you are asking? I do not want to put words in your mouth.

Mr. Hunt: I guess my concern is first what we are operating with is a variable cost. It is open-ended, right now we are getting information that if we budget for 4,000 animals, but they service 5,000 animals on behalf of the County, and we only budgeted for 4,000 under their proposal, we are sort of working off a budget that is open-ended. I think in the past this has almost been treated more like a grant and here are the funds and work within it and the scope of work that is in the contract is kind of cover all. I am a little concerned if we prepare a budget and the budget is not actual and there are more animals or population outbreak or something that we are then saying on the contract we are responsible for, when it comes to budget, you have only given a finite amount of money for that function.

Mr. Hooser: Right. I appreciate the complexity of all the moving parts. I would say though that it is a lot more efficient and I think appropriate for all of those questions to be addressed at the Administration rather than across this table at this time. and so whatever you could conclude is the right way do it, I would say have those discussions and figure it out, figure it out as best as you can, which is my perspective on it and I do not speak for the Council, and then come back and present whatever conclusions you come to, rather than try to figure out here, which is not really a very productive use of the time, I believe. It is a good conversation to have for background, but to get down to the nitty gritty, it is not going to happen, I do not think here.

Mr. Hunt: Another thing that is a little bit interesting to me too, this is a contract. A service contract. The County has various service contracts and no one else is being asked to present at the budget. They are not a Department. So even I am a little perplexed why this is on the floor other than it is an HRS mandate and we are supposed to be working on a contract that would eventually be approved. It is not one of my Departments, but a line item of Professional Services within the Administration's budget.

Mr. Hooser: I get that and thank you for bringing that up actually, and I also believe if I remember correctly there are times when contract providers come and they may sit in the audience while you do a presentation and they may or may not come forward to address issues. It comes down to the budget and you are the budget guy and I

am looking for direction from you that you are comfortable with the budget to fulfill this contract. I think it would be much better use of everybody's time. Thank you. Thank you, Chair.

Mr. Rapozo: Councilmember Nakamura?

Ms. Nakamura: Just to follow-up, I would agree with Councilmember Hooser. I think there is some work that is going to be involved, too. But I really appreciate your approach, Penny. I think that if you are operating at a deficit, then we really need to evaluate the level of service and expectations of the County. And we need to be aware of what those trade-offs are going to be when we make that final budget decision. So I really thank you for... I think this is my third budget, but it is the first time I am actually hearing...and I know it has been brought up before, but in terms of sitting down and working out those trade-offs, we have not had those discussions before. So Steve, lucky you. What I think and what I would like to see at some point, this is the State Law. This is what is mandated. This is what we would like to have in our scope of work and this may... this part may be just to execute State Law and this may be beyond State Law, but what we find is necessary because things have changed or would be an added benefit to this community and then we need to decide based on the budget whether those extras are feasible under this budget? And then to break it down, labor and expenses for each service, so that we can make those trade-offs. And I really appreciate that approach.

Mr. Rapozo: Mr. Chair?

Chair Furfaro: So first of all, thank you Mr. Hooser for summarizing the approach that I wanted to talk about first. And I think he did a very good job at that. But I also want to add a couple of things. You people are in front of the Council and this is my twelfth budget, okay? Because of the amount of money involved, and the great, great appreciation the citizens of Kaua'i have about animals, and the Humane Society. So that is why you are here in a little different way than maybe some other allocation of money. In my understanding that if we were to give you a new date Steve, let us say, the afternoon of the 19th. 2:30 p.m. You would have the time to work out with the Humane Society some of the minimum requirements covered in our contract? And also, would we have an opportunity also then to see more than the nine months projected loss and show something of their ability to raise funds to cover the operating costs. Would we be there by the 23rd?

Mr. Hunt: I cannot speak as to their ability to raise funds. I mean I could only speak to whether we can look at entering into a contract within that period of time and redefining the scope of work. Now clearly I would love some input as to what that amount would be. Because if, in fact, that the current level of service needs to be \$1 million to cover their operational loss specifically to County services, then that affects my budget on the revenue side and I need to find revenues. If we have a cap that says you need to customize your services to meet the \$660,000 or another amount that will give me direction. I am concerned because this is open-ended and the 69% is nowhere in the contract, the fifty percent sharing it is just how it is working out based on their actual operations.

Chair Furfaro: I understand it is a trend and not a contracted amount?

Mr. Hunt: Correct.

Chair Furfaro: What I am asking you and I would like to hear from you as well, Penny, would giving you that time allow us to have a better discussion and maybe a budget in front of us, rather than nine months actual either one of you?

Mr. Hunt: The budget would be derived from them because I do not have access to their actuals and projected.

Ms. Cistaro: If we can sit down and discuss and negotiate, we could come to some agreement by that date. I do want to point out that the first nine months is an actual. And that we have lost \$308,000 on this contract. And so we need to come to some type of agreement based on what the County can fund. We need to raise funds for our own operating programs. We cannot raise funds to subsidize the County.

Chair Furfaro: I understand. There are programs that the County subsidizes, but it is also possibly based on your picture financially and your ability to raise money and what I want to also say to you, you agreed with us last year and you have come up with a \$308,000 loss. That was agreed. Maybe also we can find some way to *kokua*, help, but we have to understand what we can do going forward before we can go back and say we need *kokua* here. We need to understand that. And I am just asking and maybe this meeting is premature, because it has not been hammered out with the Administration and rescheduling will give you time. I am going to recognize everybody. You can hear from the Council of the kinds of things that we would like to see you negotiate with the administration. Does that sound reasonable?

Ms. Cistaro: That sounds very reasonable and that was my initial request, because I knew I would not be able to bring a budget into Council today without direction and guidance from the Council or from the Administration.

Chair Furfaro: I want to make sure that I am not here promoting a grant for \$308,000 to make up the deficit. I am saying we would like to understand how we can help, and then be very clear on what we can deliver based on a mutual agreement.

Ms. Cistaro: Yes.

Chair Furfaro: Mr. Bynum...I am sorry, Mel, you still have the floor.

Mr. Rapozo: That is fine.

Mr. Bynum: Penny, congratulations on being the Humane Society Director.

Ms. Cistaro: Thank you.

Mr. Bynum: Pleasure to meet you. I think Steve said the key thing here...this has been treated almost like a grant. Here, here is the money and thanks a lot. But the structure you have given in this letter and I am speaking as someone who worked a lot with non-profits and was a non-profit Executive Director, it is very common to have that kind of formula, where positions are funded by multiple sources, and there is some kind of decision about how to do that. What I have heard from the Humane Society over the last few years is coming and saying how difficult it is to maintain the current level of services when the funding stays the same. And the Humane Society is saying hey, our fundraising is subsidizing these County programs. This year you are giving evidence to that, or rationale. I believed that to be true all along, given the amount of money that the County has given the Humane Society and the dynamic 24/7 services that the Society...you can just look at that and say in this day and age, is that really enough money? But it needs to be, in my opinion, broken down, like you are suggesting in a contract that is very clear and specific about cost divisions and in my experience, non-profits you do that position by position. "X" amount of the Executive Director's salary maybe it's 20% or 30%, and that is part of the contract negotiation, right? And I think neglectful that the County has not done that prior to this and expected that to happen. Did you want to say something, Amy?

Ms. Esaki: Yes. Councilmember Bynum, in the contract we do state that this is a grant and it is referencing Article 3, Chapter 6 and this language has been in the Humane Society contract for many, many years, going back to...

Mr. Bynum: I understand that. And so Steve is correct. It is just a grant and there has not been this kind of specific, okay, what is the County funding? You know, but the Humane Society has been asked to document that in the past. They have said hey, we have said Humane Society said it costs us a lot more to provide the service than you are giving us and the Council says well show us the books and show us the numbers, but we never negotiated a contract in that form, right? Have I got this right? This year, I hear that the Humane Society is coming and saying look, we cannot just go on this, because your costs increased. The amount that comes from the County stays basically the same. It is like, hey, we have to get more formula for the arrangement that is what you are saying right, Penny? That just makes sense. If we are not...anyway I think that I believe what the Humane Society said, because I know what a dynamic organization and the passion behind that organization. Perhaps other organizations would not have let it go this many years being behind. There is probably not a more passionate group of people and supporters than the Humane Society and they just make it work, made it happen and then focused on the mission. I believe that they can, any analysis will determine that we have not fully funded the operations that they provide for us. Now if we cannot do that, we have tough choices. But apparently there is a minimum level of services that we are required to fund. If the services are above and beyond that and we choose not to fund it, the Humane Society cannot offer it is what I am hearing from their Director now. We cannot continue with this kind of deficit. And so if we go back to bare minimum services than we have to deal with the fact to the community that we are not providing the left level of service that we had before, right? So I agree with the comment of my colleagues today, if we want to keep leaving it as a grant. The Humane Society is saying that at this number it does not work anymore. So we need to treat it differently this year and it is time to do that.

Mr. Hunt: I think if we were to revise the scope of work that would be workable, the way we would have to do that is basically have an analysis broken down for services. So much for spay or neuter a dog or cat. Therefore, you are allowed an allowance of so many dogs or so many cats under this fiscal year. So much to pick up animals. Because right now it is open-ended and they have a variable cost and if they exceed the budget they are upside down. In a good year if they do not exceed it, they are in a surplus. We are essentially providing a grant and we need to sort of match the amount to what their actual services are and we can specify that either at a hard dollar amount or treat it as a grant and just have them live within that.

Mr. Bynum: Cannot the contracted say, I mean rather than set target limits of numbers of services, say that the County contract will fund these many positions at this percentage of cost and provide a service and then we do an analysis at the end of the year and if the number exceeded that, I mean does it have to be targeted to "X" amount of dollars for each dog pickup?

Mr. Hunt: If the budget process were open ended and gave me a range of amount that I could provide them, we would not have to, but you are giving me a dollar amount every year to award this grant, if you will, to the Humane Society and obviously it is variable costs. The more animals that they take care of, the more they are upside down and the less, the more they are in the black. I do not think it is possible to manage that if you are given a fixed dollar. Yes, the salaries can be fixed and some of the positions, but the actual number of animals, food, care, and shelter of animals while they are there, there is no control over the numbers.

Mr. Bynum: You have a sense of the numbers. If you negotiate with the County and say this is the amount of staff we need to maintain current needs, I think tying it and this is just from experience, tying it to those numbers that fluctuate gets problematic for both sides, right? It is more like we provided "X" amount for this number of positions and at the end of the year, we were able to meet the need or really pressed because the numbers have exceeded?

Mr. Hunt: I think what we do have control over in the scope, maybe say there is no service on Saturday/Sunday or maybe it is a five day a week and there are some things you can control in terms of costs, but other things are variable in terms of services.

Mr. Bynum: I do not remember the details, but a few years ago the Executive Director said if some of these things do not get funded, we will stop picking up dogs and it will be up to your Police Department. So that is a little bit of hard ball from their side, but that is the right thing to do if you are sitting in the Executive Director's chair and you have the responsibility to your Board and funders. Anyway, I hope it work out and it is good we have a more formal look at what we are buying because I think it is absolutely true that the Humane Society has been subsidizing the County's responsibilities for some time. And I hear them saying that we cannot continue do to do that and if I were a shareholder, I would say you bet.

Mr. Rapozo: Any more questions? Mr. Hooser?

Mr. Hooser: My question is to the Director. Just to restate so that I understand, the intention is for your Office to meet with the Humane Society and look at their number and proposal and give it some good thought and come up with some kind of unified presentation that the Administration supports?

Mr. Hunt: At this point we submit a balanced budget. And that balanced budget was based on a grant of \$660,000. If we are going to alter that, that will be reflected in the May 8th budget submittal and we may have to find additional revenues if in fact we want to maintain the level of service that they are providing. Given where we are constraint, if I am going negotiate toward a contract of services it has to fall with what we submitted in the balanced budget. So if you are asking me to come back and present on the 19th, I am either going to be out of balance with the budget at that point if we have a contract that differs from what I submit or we are going to have to craft something that falls within that \$660,000 budgeted line item that is currently there?

Mr. Hooser: Okay. I would suggest that if possible the Administration could look at the needs. There was some discussion earlier about policy and the ultimate policy document is the budget. And if the policy is chosen to fund any operation, therefore, we are deciding what level of service to provide basically. So that is why I am looking for the Administration to tell us what level of service that they want to support providing. If it exceeds the existing budget, then we would either the Administration could suggest reallocation of resources, or if they want to raise more taxes we can suggest that or the Council can do that, I suppose. But it is a policy statement at the end of the day, how much we want to support animal care? It is HRS and we are required by law and the law says that the public government is responsible for this. That policy has already been established. So our question is what level of support we want to give? If you could look and there is a lot of factors as you know, not just how the contract works, but is the organization being properly run? Is the money being spent prudently and you are in the position of deciding that and I expect it to be that the answer is yes, but if those questions are addressed and money is being spent prudently and it is either it is sufficient or not sufficient to meet minimum needs and if minimum needs are, in fact, what we are seeking or we are seeking greater than minimum needs because we want to provide greater support. So that statement from the Administration Would be very helpful as a starting point for us to move forward.

Mr. Hunt: That kind of opens the door to a lot more issues than I anticipated for a resubmittal on the 19th and now we are talking policy...which that is...I am the Finance end, not the policy end, so I have to look into that. If you are talking about auditing the financials of the Humane Society, that is going to take some time and understanding their operations. So you have kind of expanded that scope a little bit of what I was thinking for the 19th.

Mr. Hooser: Two things quickly, Chair and I will be done. Number one I am not looking at auditing, but a level of comfort that would come from the Finance Director, looking at the proposals from the Humane Society. As you would any grant request or recipient or contract. Am I correct?

Mr. Hunt: I would think so.

Mr. Hooser: If we are going to give any organization money, it would be through your responsibilities, your authority and we would look at the books to a certain level. I am not saying audit. I am just saying level of comfort and I would argue that the budget is a policy document. It determines what we spend on buses and highways and every single element of our public responsibility. I am not asking you to set policy, but I am reinforcing the fact that budget is a policy document and the degree of support we give any organization is a reflection of the policy that the County is putting forward. Thank you, Mr. Chair.

Mr. Rapozo: Mr. Chair?

Chair Furfaro: If you could continue to Chair this, I have a 10:00 with the County Attorney. I just want to summarize a couple of things for the Vice Chair while I am out. First of all, I am willing to reschedule you folks at 2:30 on the 19th. I know that is eight days from now, but I am going to block that window for you. Number two William, right?

Mr. Earnshaw: Yes, sir.

Chair Furfaro: So let me ask you on this reforecast here for the current year, if that trend continues, you are basically saying the Humane Society will be short \$410,000 by year-end?

Mr. Earnshaw: Correct, sir.

Chair Furfaro: And I would hope Steve that you understand, I am not saying that is something that we can cover, but that may be something that we can participate in. No promises, but it is something that we can participate in. Do not know where that will go, but when we come back, I want to ask...you do an audit annually?

Ms. Cistaro: Yes.

Chair Furfaro: If you could just provide us a copy with your most recent audit. That would be appreciated as well. And then let me offer a little bit of a comment on my behavior. I am sorry and I apologize to Councilmember Yukimura and your group about stepping out, but I did not want to talk about cats. I wanted to talk about dollars. And I do not want anybody to hold that against me, because I am a very proud owner of a German Shepherd, I do not own a cat. The fact that you presented not a complete budget, but a scenario that says you folks are in trouble and need help not only going forward, but in arrears as well. I would like to say that we will look at that \$410,000, but I think we need to regroup with the Administration and I think both Mel's original request about doing the project concerns up front and Mr. Hooser's summary, puts me at a good place that I am prepared to come back on the 19th at 2:30. Thank you very much, Mel.

Mr. Rapozo: Thank you. Any more questions? I guess Steve, for me, it makes sense to start with the State mandate. That is where it should start. That is the scope of work and it is very clear. What is that scope? What does it cost? What is the per dog cost? To pick up a stray dog or unlicensed dog? And like now you guys do not operate 24/7 unless it is an injured dog?

Ms. Cistaro: We operate...we are available 24/7.

Mr. Rapozo: But they do not come out unless the dog is injured?

Ms. Cistaro: The after-hours is for sick injured animals in distress and agency assist.

Mr. Rapozo: Agency assist, meaning?

Ms. Cistaro: Police Officers stop someone for drunk driving and there is a dog in car. There is an arrest of some sort, there is a house fire, there is an emergency with a person and there are dogs or other animals and we are asked to come and remove the animals and house them. That is part of what we do.

Mr. Rapozo: Last week I called, and I work at hotel part-time and I called very nice lady, I forget her name and basically what happened, the guest in the hotel left the dog unattended in the carrier no food, no water, did not answer her cell phone and so I called KPD, they said you have to call the Humane Society, so I called. They said they do not come out unless the dogs are injured. It is somebody's pets and I will be honest, we have received a lot of complaints, I have anyway in the last six to eight months regarding and I have one that I will actually give this one to you, because this was actually sent in. About the lack of response, and I met with Kaua'i Police Department because there is a memorandum that KPD and the Humane Society came back in 2010 where the Humane Society responds to those type of calls and not KPD and I am not sure if you are aware of that memorandum?

Ms. Cistaro: I have the memorandum.

Mr. Rapozo: So my concern is what is level of service Monday through Friday and when I heard no service Saturday and Sunday that concerns me because I do not think we have an option because of the State mandate. So I just wanted to share that as well that...and I am not sure if the rest are hearing them but I am. I have never met you Penny but I have had some discussions with the previous Directors and it was not pleasant. I guess she did not like me. My job here is to make sure that the taxpayers' moneys are used efficiently and we provide the core services. I have not seen any supporting documentation with numbers like we normally do, Steve. We always get the numbers and the increase. I was looking at the prior's years and obviously the deficit has increased quite a bit, close to \$100,000, what caused that in numbers? More dogs? More cats? I am not sure where that lies. So Steve, I guess for me I think we need to start with the mandated service for the scope as far as the County is concerned. The other part of it is these other services that are being provided spay, neuter, animal care, everything outside of the 143-15

of the HRS, and Amy this question is for you, 143-15 allows the Counties to contract with the Humane Society or an animal protection agency and it is actually specific to dogs, but 143-16 mandates the County of Kaua'i to contract with the Kaua'i Humane Society.

Ms. Esaki: That is correct.

Mr. Rapozo: I am not sure what the legality of that is Amy. How can the State Law mandate? I am not sure, but the question is outside of the scope of this State Law, is there not a process that you would, like spay/neuter would that not go out to bid? How did we get the spay/neuter program into a contract in a non-competitive...?

Ms. Esaki: That is a good question.

Mr. Rapozo: I asked it before and nobody seems to answer and I am like Gary, believe me, I love animals, I have a dog and love dogs and really appreciate what the Humane Society does. But in contrast, the Family Violence Shelters for humans, we funded it this year, \$115,000, \$65,000 for the Family Violence Shelter and \$50,000 for the Sexual Assault Treatment Program and this year's budget from the Mayor, it has dropped combined to \$40,000. \$40,000 to operate a Family Violence Shelter and to do a Sexual Assault Treatment Program. From \$115,000 to \$40,000. Does the \$115,000 cover the Family Violence Shelter? No. My point is this, this County has to focus on the mandate. What is the cost to impound unlicensed dogs, maintenance of the shelter for unlicensed dogs? Lost stray or homeless dogs and for destruction or other disposition of seized dogs. What does that cost is what I want to know? That is the question I have been asking for quite some time. What does that cost? Not the cats, not the rabbits or whatever else out there, the dogs? That is where we start. At that point you frame a scope of work and negotiate with the Humane Society, what is that number? It might be \$660,000, I do not know and if you want to add stuff then it becomes a policy issue. But at this point it is not policy, it is required. I do not know the negotiation. This is what we need. We need 143-15, we need that covered. How much does it cost including all the expenses to pick up a dog? What does it cost including all of these expenses that are required to pick up a dog during working hours? What does it cost to pick up a dog after hours? And if it is \$660,000, the County might have to change the Law and might be cheaper for the taxpayer to go back to the dog pound system. Because at \$660,000, I am trying to do the math in my head, how much would it cost to run a dog pound and that is all I am talking about is running a dog pound, because that is all that is required. At that point really what does it cost to operate based on the numbers of dog to be picked up? So those are the questions that I ask of you Steve.

Mr. Hunt: I do not know that answer?

Mr. Rapozo: Moving forward, because there comes a point we have to say what is in the best interest of the animals for the taxpayers? And it is concerning. And it is a lot of money and I know it is not cheap to take care of animals, but everybody is taking a hit in this County. We are not going to be able to provide core services in the Police Department right now. You heard the Chief based on the budget that they submitted, they are going to be cutting services as well. So unlike any other Department or Division, this

one is required by State Law, which is incredible. I still do not know how that happened that Kaua'i was separated. Maybe JoAnn knows it was that long ago. I do not know. I did not call you old. You are experienced. There was a reason why that was done.

Ms. Esaki: I think before, Councilmember Yukimura's time, 1953 and 1955.

Mr. Rapozo: She was Councilwoman at the time. Anyway, Steve, I do not want my comments to be taken as anti-Humane Society. I want my comments to be taken as Councilperson, overseer of the budget because that is exactly what our job is. Right now, I would write a check for \$900,000, \$1 million to get it done, because it is so much easier for the County to do it that way. But it is hard to tell the YWCA, we are going to cut your budget by \$60,000 or \$70,000 off a \$115,000 budget that is a huge percent and it is difficult for me. We have to figure out a way to get this done in the most effective and efficient way possible. I do not know how much time that gives you until the next meeting, but we need to figure it out...and again, for the Humane Society, I really would appreciate the numbers. I guess you can use the format that you use every quarter?

Ms. Cistaro: I am not familiar.

Mr. Rapozo: The contract requires quarterly reports to you Steve.

Mr. Hunt: I have not seen one yet.

Mr. Rapozo: Do you know where it went? Do you know where you provided it because he said he has not received it?

Mr. Hunt: They may not have done one since then.

Mr. Earnshaw: I hand deliver those reports by the due date to the Finance Director's Office.

Mr. Rapozo: When was the last one? Maybe it was before Steve started?

Mr. Earnshaw: End of the last quarter, December, which meant it was due February 15th. So I delivered it to the office on February 15th.

Mr. Rapozo: Steve, if you could follow-up with that, to look at the numbers. Mr. Bynum?

Mr. Bynum: I do not know how this can happen by the 18th or 15th, because you made good points, Steve. But I agree with Councilmember Rapozo in terms that you would start with the core services. And then what are the current level of services, negotiate with the Humane Society what that cost is, and I would hope that there would be options. You would make a recommendation. This is what we can fund for the current amount, but then be real clear about what we are going to lose. Because I would really like to maintain the current level of services. Of course I would like do that with all of the

County's services. This clearly has to be more formalized than it has been in the past to understand those things. But I think that you are getting those negotiations and there will be a range of options here is what core services cost? Here is what it will cost to fund the current services, whatever the Humane Society is willing to do? And then okay, we do not have that money. What will we lose and be really clear with the public what services we are not going to do, right? But I would hope...and my guess is that the Humane Society cannot subsidize every penny like they have, but they still probably would be willing to put some of their resources into maintaining a level of service. But that is what negotiation is all about, right? Just because the contrast has been made, I cannot live with those cuts at the YWCA. Having said that the circumstances are different. This is clearly a County responsibility. Where the State primarily, the domestic violence and sexual assault treatments is critical to keep a certain level of services and if the State does not fulfill that, it is does make a difference because this is a State responsibility that the County is bolstering because we are not pleased with the level of services that the State is willing to provide. It does not provide enough for our community and that may be the same circumstance with the Humane Society. This is what we are required to fund but that is not sufficient for our community. We want a higher level of services and if we do, it is fair for the Humane Society to expect us to pay for that. These are tough decisions we are going to have to make. If I were the Humane Society Director, I would be taking this position and saying, okay enough with this informal stuff and we have shown you from our perspective how much we have to subsidize this current level of services. I hope this works out really well and we can maintain current services.

Ms. Nakamura: I just wanted to bring out last year when we looked at the spay/neuter services we were kicking around the idea of the Kaua'i Humane Society charging a fee, but under the current contract it would impact the grant if you raised funds and it would impact the grant amount and we would have to deduct. So I just wanted to, moving forward, Steve, I wanted you to be aware of this April 17th County Attorney Opinion that I hope...Amy wrote it, so hopefully she can share it with you to look at other creative ways to fund these important services. So there are some limitations under the current contract and we may need to look at amending it to provide some flexibility.

Mr. Rapozo: Because Amy cannot provide that copy to you, you are going to have to ask her. It can be verbally. It takes an act of congress to release it and it is so much easier for you to have that discussion with Amy. Councilmember Yukimura?

Ms. Yukimura: Council Vice Chair's point has raised for me just the question about how the spay/neuter services are rendered. I have forgotten. Can you refresh to me how you do it with respect if you could charge for fees, you would...or maybe Council Vice Chair is leaving, but I guess I am not really clear what the issue is on that?

Mr. Rapozo: Without going into the Opinion, the question was can the Humane Society charge fees for the spay/neuter program, but the way the contract was written, anything over and above what they raise for the spay/neuter program, any extra money would have to be returned back?

Ms. Yukimura: To the County?

Mr. Rapozo: To the County. Just for the spay/neuter program. So that was the issue.

Ms. Yukimura: By the terms of the contract?

Mr. Rapozo: Yes. But that was the issue that triggered the request for an Attorney's opinion and that is what she was talking about and obviously we are not allowed to release that. Anyway, that was that issue. That is what Councilmember Nakamura is saying, Steve, or asking, that explore that and see if the Humane Society can, in fact, charge a surcharge, a fee and that is fine. Whatever it takes to continue that program would definitely be appreciated. It is really just an issue with the contract. Amy, do you recall? I actually forget about that thing she added here, but that is something that you can discuss as far as if it is possible. I do not think that the Humane Society would have a problem with being allowed to charge a little service charge, administrative charge, providing that you could keep that?

Ms. Cistaro: There can be a co-pay on surgery.

Mr. Rapozo: Correct.

Ms. Cistaro: And we can set a cost to each surgery, so a male costs "X" amount and to offset the costs to make the grant monies go further.

Mr. Rapozo: Exactly.

Ms. Cistaro: So we would just put that back into the grant and continue to use the monies for spay/neuter surgeries.

Mr. Rapozo: I guess the question is if it is possible, that we incorporate that in or legal, I guess is the right word, because everything is possible. Go ahead.

Ms. Yukimura: So what you said, Penny, you are not doing right now?

Ms. Cistaro: No. We are not. We are providing a free surgery with a co-pay or a payment on the microchip. But they are receiving the surgery for free.

Ms. Yukimura: No matter what the income of the person bringing in the dog?

Ms. Cistaro: Correct.

Ms. Yukimura: So it is conceivable that a more cost-effective program would require co-pay on the surgery.

Ms. Cistaro: A co-pay on the surgery, or an income-level that looking at...

Ms. Yukimura: According to income of the family.

Ms. Cistaro: The income of the family and then how many dependents are supported by that income. So that you can target your moneys at the population most in need. And you can ask for a small co-pay on each surgery dependent again on the level of income from that person. You do those types of programs to extend your funds.

Ms. Yukimura: Right. So the Humane Society would be willing to look at that type of way to expand the funds?

Ms. Cistaro: And actually, that is a more effective way of running a spay/neuter program.

Ms. Yukimura: So then the only question is whether the contract terms prevent that? To me that is not the question because you can determine the contract terms in the new contract, except if those contract terms that are now limiting are mandated by Charter or some kind of...some kind of higher law.

Mr. Rapozo: Councilmember Yukimura, that is the opinion that they already provided and they are going to work on that and I apologize for cutting in and it is 10:30 and they are here until 10:30 and they are coming back. Go ahead.

Ms. Cistaro: One of the questions or recommendations that were in the letter that I presented to Council was the recommendation to charge a fee for service for people that are using the Animal Management Program. And I was hoping for some feedback from Council as to whether that would be an avenue for us to pursue?

Mr. Rapozo: That question will be forwarded over to the County Attorney's.

Ms. Yukimura: It is a question for us.

Ms. Cistaro: It would be an Ordinance change, because through State Law Council has the opportunity to change the fees or implement fees.

Mr. Rapozo: Okay.

Ms. Cistaro: Is that something that Council would entertain?

Mr. Rapozo: Definitely.

Ms. Cistaro: Thank you.

Mr. Rapozo:

Mr. Hooser?

Mr. Hooser: I know we are running short of time, but I wanted to reinforce, you are coming back with a proposal. I think it is safe to assume that there will be more money being requested, but it is also safe to assume it will not be enough. So what I would like to see what you come back is addressing, moving forward, how the Humane Society intends to fill the gaps? What actions/fundraising, fees for services, any list of actions that you are going to be proposing. And also I would like to hear why you will not be in this situation again next year. How there will be additional oversight from your Board, on the financial management of the Humane Society? So similar to the County, quite frankly, here we are at the end of the day and we have got the sky falling and we have got to find all of this money to stay alive. So that is the situation that the Humane Society seems to be in. And so just some reassurances how the lessons that the organization has learned and steps that you are talking to make sure that the funds are handled so we do not reach the end of a time period like this and have to resort to these kinds of measures. So when you come back, to be prepared to for that also.

Mr. Rapozo: Thank you very much, Penny. I hope we did not scare you away. We have an opportunity to have a great relationship and get services to the community and it is going to cost money, we know that, but it is what it is, you know? So I am not sure what date the Chair said?

Ms. Cistaro:

The 19th.

Mr. Rapozo: The 19th at 2:30 p.m. The good thing about coming at 2:30 p.m., the Councilmembers are already tired. Exhausted. First in the morning is the rough one. Thank you very much. Let us take a ten minute caption break. I am sorry, public testimony, anyone from the public wishing to testify? I apologize. Okay. Let us take a ten minute break for a caption break and be back at 10:40 a.m. for Liquor Control.

There being no objections, the Council recessed at 10:32 a.m.

The departmental budget review reconvened on April 11, 2013 at 10:45 a.m., and proceeded as follows:

Department of Liquor Control:

Honorable Tim Bynum
Honorable Gary L. Hooser
Honorable Nadine K. Nakamura
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro

Excused: Honorable Ross Kagawa

GERALD RAPOZO, Investigator: I am here on behalf of Director Eric Honma; he is still out on medical leave.

Mr. Rapozo: Did you have a presentation?

Mr. G. Rapozo: I can do a fast presentation.

Mr. Rapozo: We had you here last week on the revenue which still went into other discussions. Does anyone have questions? We covered the revenue and we covered a lot of the presentation in the last meeting, so in the interest of time if you have any questions on the presentation.

Ms. Yukimura: I just wanted to follow up on your Liquor Commission room and ask if during this year you might look into the possibilities of the prepare and maintenance of that room. I do know that there were some tables with legs that were unstable and there actually might be some risk management issues.

Mr. G. Rapozo: That 1 table that you are talking about is a table on loan from somebody and I know that 1 of the legs does come out.

Ms. Yukimura: Okay, thanks for confirming that.

Mr. G. Rapozo: The tables, skirts, and the sound system, that was provided by Boards and Commissions about 2 years ago.

Ms. Yukimura: Well I am thinking if you might check with Finance and work with them there might be a way to get that under your budget because you clearly... it is known as the Liquor Commission room.

Mr. G. Rapozo: Yes.

Ms. Yukimura: And that is where you do your business. To me, it seems like a legitimate expenditure of Liquors moneys. That would help Boards & Commissions but first priority would be you folks. That was my main question.

Mr. Rapozo: Any other questions about the chairs and tables?
If not, any other questions?

Ms. Nakamura: I wanted to ask you about the work that you do with the Life Choices Office and what you plan to do in the upcoming year? The reason why... as I recall from the last discussion, was it last week, where we were talking about the amount of revenues raised through the Liquor licenses and the amount that is return to the State, that it was a sizable number.

Mr. G. Rapozo: It was returned back to Licensees.

Ms. Nakamura: Oh, okay. What was that number again?

Mr. G. Rapozo: \$445,000.

Ms. Nakamura: And according to the use of the funds that you raise from the Licensees is limited by State law?

Mr. G. Rapozo: Correct.

Ms. Nakamura: And I do not know if I have that information in front of me but does the prevention of alcohol use, is that a qualified use of those funds?

Mr. G. Rapozo: For alcohol use?

Ms. Nakamura: Yes.

Mr. G. Rapozo: Yes, it can be used for educational purposes especially for the Licensees and those types of things.

Ms. Nakamura: Can it be used for the general public as well – education?

Mr. G. Rapozo: Not really but we do programs like... they just finished the Town Hall Meetings with Life Choices and we participate with that.

Ms. Nakamura: Do you provide funding?

Mr. G. Rapozo: Not through that program. The Department has in the past the Shattered Dreams Program. The Department provided the funds for the training for the people who put on the production and it was about 2 years ago.

Ms. Nakamura: About how much was that?

Mr. G. Rapozo: I think the Department spent \$5,000.

Ms. Nakamura: And so if it is related to alcohol prevention/education, it would be okay or a legitimate use under State law?

Mr. G. Rapozo: Yes, it could.

Ms. Nakamura: Well, it seems that and I thought I saw that in your upcoming initiatives to collaborate more with Life Choices and KPD.

Mr. G. Rapozo: Yes, it is and on the State law it does provide that fine moneys not to exceed 10% a year for fines accumulated may be use to fund public liquor related educational or enforcement programs.

Ms. Nakamura: What is your enforcement – approximate fine moneys?

Mr. G. Rapozo: How much?

Ms. Nakamura: Yes.

Mr. G. Rapozo: Currently there is \$125,352.

Ms. Nakamura: Okay, so you could go up to \$12,000.

Mr. G. Rapozo: Correct.

Ms. Nakamura: And that would help to fund Life Choices Program relating to alcohol.

Mr. G. Rapozo: Possibly.

Ms. Nakamura: Are all of your funds... what are the sources of your Office funds?

Mr. G. Rapozo: We get all through licenses fees. What happens in June, all the Licensees pay their basic fees – we average about \$480. In the month of July they submit their annual sales report to us in which we calculate a percentage fee and that is how we get our funds. Basic fees in June and then by September 30th we get the percentage fees.

Ms. Nakamura: Okay.

Mr. G. Rapozo: So, that is the funding for our Department.

Ms. Nakamura: What does it average out to be?

Mr. G. Rapozo: Percentage fees?

Ms. Nakamura: So, it pretty much covers your operation?

Mr. G. Rapozo: Yes. Just last year current basic fees we got \$92,000 and the percentage fees we got \$552,000. The percentage fee is spread out to all Licenses, whoever has a liquor licenses it is a percentage fee. Last year's percentage fee was – based on rate of .008167, so it is less than 1% of their annual sales.

Ms. Nakamura: Okay.

Mr. Rapozo: I am not that good in math.

Mr. G. Rapozo: Me too.

Mr. Rapozo: What are the total liquor sales?

Mr. G. Rapozo: Liquor sales for last year were \$99,372,917.

Mr. Rapozo: \$99,000,000?

Mr. G. Rapozo: Yes, liquor sales... gross liquor sales for Kaua'i.

Mr. Rapozo: 99 what?

Mr. G. Rapozo: \$99,372,917. I did not believe that when I first heard it too.

Mr. Rapozo: \$99,000,000!

Mr. G. Rapozo: It was up from \$82,000,000 the year before.

Mr. Rapozo: Our economy no can be that bad then, my gosh.

Mr. G. Rapozo: Liquor is recession proof.

Mr. Rapozo: Do you guys want to pick up dogs on your spare time? \$99,000,000? I apologize... when you said the percentage, less than the percent and you said you get \$500,000 plus, I knew that was huge... so \$99,000,000.

Ms. Nakamura: Under your other services line item, could we add 10% of the... put in \$12,000 for the Life Choices to be used for anti-drinking programs?

Mr. G. Rapozo: I believe we could if something could be discussed.

Ms. Nakamura: Thank you.

Mr. Rapozo: Any other questions pertaining to that matter?

Mr. Hooser: Does your Office have a plan or goal to make sure you spend all the funds that you can prior to returning it?

Mr. G. Rapozo: I do not think there is a goal. Whatever is budgeted, I think the expectation is to spend the money.

Mr. Hooser: You budget spending the entire budget?

Mr. G. Rapozo: Usually the budget is... you know they keep it as tight as can.

Mr. Hooser: Okay. But you normally return funds in the end?

Mr. G. Rapozo: We do.

Mr. Hooser: Okay. So, you maybe can sharpen the budget process a little bit? Because if we are able to spend more on education, outreach, or Life Choices then I would think we would want to do that as much as possible, right?

Mr. G. Rapozo: Yes.

Mr. Rapozo: Any other questions?

Ms. Yukimura: The rule that you articulated about "fine money."
Is that in the State Statutes?

Mr. G. Rapozo: Yes. Chapter 281.

Ms. Yukimura: 281 what line or section? Do you have it in front
of you?

Mr. G. Rapozo: Yes. The one that the money can be used just for
the Liquor Department expenses, 17.5(b).

Ms. Yukimura: No, I am looking for the one that says "not more
than 10% of your fine money."

Mr. G. Rapozo: Okay. That is 31.17 Subsection 3.

Ms. Yukimura: Thank you. I want to go back to the Liquor
Commission Room, if I may?

Mr. Rapozo: Okay.

Ms. Yukimura: I just want to clarify that I am not only talking
about chairs and tables but if you need curtains to stop the light for shades.

Mr. G. Rapozo: We do have shade.

Ms. Yukimura: Or painting the walls or whatever... the whole
thing. Look at keeping it up and maintain it. Okay.

Mr. Rapozo: I did not notice the 3 legged table but I know the
chairs, the last time I was in that room it was relatively new so I am not sure...

Mr. G. Rapozo: The chairs are in pretty good condition.

Ms. Yukimura: They may have gotten some new ones. I am not
being specific but whatever needs maintenance, I guess.

Mr. Rapozo: I was just hoping that somebody did not go swop
out the good chairs and put in rubbish chairs. I just wanted to make sure that we are all
talking about the same chairs.

Ms. Yukimura: Oh.

Mr. Rapozo: You know how that happens. But those funds on
your license fee funds could definitely could be used for your Office, correct?

Ms. Yukimura: Yes.

Mr. Rapozo: Because as I read this relating to operational administrative costs actually incurred by the Liquor Commission collecting owe... maybe not. It is weird the way it is written. It says "may only be used for costs and expenses directly relating to operational administrative cost actually incurred by the Liquor Commission collecting or receiving such liquor license fees." Sounds pretty limited.

Ms. Yukimura: But the decision making is part of the collecting. The decision making of the Liquor Commission.

Mr. Rapozo: I guess you could stretch it as far as you want but... we probably will have to get an interpretation on that.

Ms. Yukimura: Yes.

Ms. Nakamura: I am looking at your monthly auto allowance line item and I wanted to find out how does that work? What kind of allowance do you give to your employees?

Mr. G. Rapozo: Currently the Investigators get \$300 a month that is for the Field Investigators. I get \$200 a month and that is for the basic use of their... they do not have a mileage fee. It is flat rate \$300 a month. We also provide gas. Gas is based on 1 gallon for every 10 miles traveled.

Ms. Nakamura: How does this compare to other Counties?

Mr. G. Rapozo: Currently the Big Island is the only ones with subsidized vehicles and they have \$600 a month. City and County of Honolulu have department vehicles.

Ms. Nakamura: So the Investigators and yourself, do you go... how often are you using your vehicles?

Mr. G. Rapozo: My vehicle?

Ms. Nakamura: Yes.

Mr. G. Rapozo: Because I am in the Office now, anytime there is a license application, I have to do a pre-inspection so I have to go to the site and check out the area but that is about it.

Ms. Nakamura: And for the Investigators?

Mr. G. Rapozo: They do their daily inspections.

Ms. Nakamura: Using their own vehicles?

Mr. G. Rapozo: Yes.

Ms. Nakamura: And do you think that that \$300 a month is sufficient?

Mr. G. Rapozo: No. Just the wear and tear... like my van in the last year - 1 repair is \$600. The upkeep of the vehicle is expensive.

Ms. Nakamura: Right. And this would be covered... all of these would be covered under...

Mr. G. Rapozo: It is currently being negotiated... we have a supplemental agreement with the union and they are working on an increase.

Ms. Nakamura: That is being negotiated now?

Mr. G. Rapozo: Yes. It is in the Director's hands. He is deciding on that.

Ms. Nakamura: Okay. So, that number is not reflected in the budget in front of us?

Mr. G. Rapozo: No.

Ms. Nakamura: We may want to look at that or there might be a change in the supplemental budget?

Mr. G. Rapozo: It will.

Ms. Nakamura: Okay.

Mr. Rapozo: You said the Big Island is getting \$600 a month?

Mr. G. Rapozo: Yes.

Mr. Rapozo: And they get the gas?

Mr. G. Rapozo: Correct.

Mr. Rapozo: Do you know what the... I forget what it is now, we had this discussion at last year's budget and I strongly recommended to your Director that we look at getting fleet vehicles. I guess that fell on deaf ears but if we are going to go on the monthly allowance system which I would agree, I think \$300 is definitely insufficient. Do you know what the Police... anyone remembers what the Police number was when the Police was here?

Mr. Hunt: 562, I think.

Mr. Rapozo: Police is 562?

Mr. Hunt: Correct and just to add although this is covered by the union and the supplemental agreement, the intent too is to go into mileage rather than vehicle allowance. We are also considering looking at motor pools because many of the County fleet is available and certain areas like Liquor work primarily in the evenings when many vehicles are available but that is part of the negotiations which I cannot discuss here.

Mr. Rapozo: Okay. Well, I guess if we are going to... I would assume there is going to be some allowance there in the May submittal because I do not think you are going to get anything done by May, correct?

Mr. Hunt: I am not sure at this point, probably.

Mr. Rapozo: I see Ernie nodding his head but I guess my recommendation would be to bring parity to these numbers, I mean \$300 is simply not enough. The Field Investigators, they are on the road consistently because that is their job and it is not like you do not have the money. I would definitely look at increasing that to at least \$500. I do not see why they should be any different than the Police at 562.

Ms. Nakamura: If we are looking at developing a motor pool, could this source of funding be Liquor's contribution to the motor pool?

Mr. Hunt: And again, that is what we are looking at. If there is a shared use then there is a shared cost of fuel that is being used from our fuel yard. There is a shared cost of the... it is a lease vehicle, a shared portion of that... all things that would need to be worked out as part of the negotiations with that.

Ms. Nakamura: How many cars do you need at any given time?

Mr. G. Rapozo: Right now we have 4 Investigators. I would say if we went into a motor pool program, we could get away with 3 vehicles.

Ms. Nakamura: Thank you.

Mr. Rapozo: You folks carry equipment?

Mr. G. Rapozo: Yes, it is one of the things with motor pool program and in speaking with Amy Esaki on this, is because the Liquor Funds can be used only for liquor operations, if we lease those vehicles with liquor funds, it would not be able to be used by other departments. That is one of the concerns and because... like the Building Inspectors, they have their tools in their vehicles, same thing with us, we would have... when we go out, we take our evidence equipment, and sound meters those types of things.

Ms. Nakamura: What is the hesitancy to use these funds that are available for vehicles dedicated to the Liquor Commission?

Mr. G. Rapozo: It is just a decision that has to be made. It is something that I will be looking into in the next year.

Ms. Nakamura: It seems that if the funds are there and if it a better way to... I know all the users... it is the users funds but if it is going to carry out the work more efficiently and I think it should be explored.

Mr. G. Rapozo: It is being explored. One of the things with using our own cars, our cars is marked. One of the Investigators one night he got 4 tires slashed in Hanalei and found out about it in Kilauea. It is one of the things about private vehicles for our use. One year our license plates numbers was at Waimea High School in the restrooms, these are the Liquor Inspectors license numbers...

Ms. Yukimura: That is why if you have a motor pool, you can keep changing cars.

Mr. G. Rapozo: And one of the things if we go into our Department cars, it would be unmarked. Maui Liquor Commission, their Investigators take out the County seal and county plates and they get complaints about why is this vehicle outside of this bar and then they see it at this bar... it is hard to do surveillance with a nice County seal on your door.

Mr. Rapozo: You cannot use that excuse on Kaua'i.

Ms. Yukimura: In your goal number 2 "maintain below 10% non-compliance rate for compliance checks," you are referring to the checks on grocery and other liquor vendors who sell alcohol to below age, right?

Mr. G. Rapozo: Yes, that is the compliance checks.

Ms. Yukimura: That does not use the \$12,000 or the 10%?

Mr. G. Rapozo: No.

Ms. Yukimura: That is another category of expenses?

Mr. G. Rapozo: We do it the regular shift work so there is no overtime cost.

Ms. Yukimura: Do you have the range of success? How often do you do the compliance checks?

Mr. G. Rapozo: Throughout the year we probably do 6. It is done in phases so 1 contract will be for the on premise – the restaurants and the bars and then one contract for the retails. It averages about 6 a year.

Ms. Yukimura: Who do you contract with?

Mr. G. Rapozo: The University of Hawai'i Office of Health Studies, they get the grant money so they administer the program. We work with Police Department and that group.

Ms. Yukimura: Is it possible to do more frequent checks?

Mr. G. Rapozo: We could do our own but we work with the University.

Ms. Yukimura: If we did our own though, who would do it?

Mr. G. Rapozo: We could do it.

Ms. Yukimura: You would organize it?

Mr. G. Rapozo: We could.

Ms. Yukimura: But you would need some kids who would participate?

Mr. G. Rapozo: Yes. There trick protocols that you got to follow. There is training and everything involved but we could do it.

Ms. Yukimura: And would you be able to give to us a report of the checks over the last 5 years?

Mr. G. Rapozo: I did...

Mr. Rapozo: I think it is in the presentation, the last 2 pages.

Mr. G. Rapozo: I just went back 3 years. 2006 is when we really began the program and I can get that information for you.

Ms. Yukimura: But you went from 2011 1% non-compliance to 24% non-compliance?

Mr. G. Rapozo: Yes, that is the retail stores. Yes, for that 1 year, we did good.

Ms. Yukimura: You have 2 different lists and one applies to?

Mr. G. Rapozo: On premises at the top, that is the bars...

Ms. Yukimura: Oh okay. So, on your on premises which you said restaurants bars that is 11% non-compliance and then 22% non-compliance and your goal is to be 10% non-compliance. Do you think these compliance checks actually work?

Mr. G. Rapozo: It has to be consistent.

Ms. Yukimura: Yes.

Mr. G. Rapozo: They do National studies and everything shows that it has to be consistent; it is not like you do it now and then 6 months later.

Ms. Yukimura: That makes a lot of sense. What about how they are fined or what the consequences are of compliance or non-compliance?

Mr. G. Rapozo: In the Courts from what we understand, the fines have been between \$250 and \$500 for the offender. The Liquor Commission side currently they are getting \$2,000 fine with \$1,000 suspended for a year. In the last few years, we have caught a few within that year.

Ms. Yukimura: When you say there is a \$250 or \$500 fine for the offender that is the person who is selling?

Mr. G. Rapozo: Yes.

Ms. Yukimura: That is the individual and then the grocery store, etc., gets a fine as well?

Mr. G. Rapozo: From the Commission.

Ms. Yukimura: Right. And this is standard throughout the State for the fines?

Mr. G. Rapozo: No. It is always at the discretion of the Commission.

Ms. Yukimura: So, a combination of more frequent compliance checks plus fairly stiff fines might drop the underage...

Mr. G. Rapozo: I would think so.

Ms. Yukimura: If it is your goal to stay below 10% compliance rate, are you folks going to be working on a strategy that increases the compliance checks and the fines?

Mr. G. Rapozo: I will discuss it with the Director.

Ms. Yukimura: And see if that is something that can be done because if it is your goal already which I commend, how achieve that goal is going to be the question, I guess. If you need more budget for that it may be a matter of taking from your Fund Balance, if you have one.

Mr. Rapozo: They do not have a Fund Balance because everything gets returned.

Ms. Yukimura: All it means is budgeting. Would you check with the Director and see if you can come back with a proposed budget line for reaching your goal number 2.

Mr. Rapozo: The nice thing about your Department is that we do not have to worry about looking for money to fund the programs. That is the only Department or Division that is like that. I guess the encouragement and I think I speak for all the Councilmembers that we encourage you guys to take advantage of the resources and work with partnering with other agencies to get that percentage down. It is interesting because you have an employee that sells liquor to an underage person, most of the businesses would terminate that employee, so next employee comes in and she just starts working again versus the employee that gets fired, never had the chance to learn the lesson. You are dealing with a new crop of employees and it is interesting that we even have that rate that is so high because they change the licenses now. They changed it to where if you are underage, your license is like this, the underage is this way and they are still selling them the liquor to the underage people, which is really no excuse.

Mr. G. Rapozo: A lot of it comes down to training. Like the Licenses, they are responsible to train their employees. We offer training and they do their managers testing and all that. It bothers me that when people get caught, they do have a managers card to show that they did come to the training, and I did cover compliance checks and so... when I see the names that came to the class, it sad.

Mr. Rapozo: Hopefully the Commission takes that into account and... those should not be suspended. If it is a manager, the \$1,000 part of the fine should not be suspended; they should revoke the licenses for a week or weekend to really make it impacting to the business, if it is a manager.

Ms. Yukimura: And you could develop rules like that. To really achieve the goal and make it really serious because it is like drunk driving which used to be... the Courts used to just tap people on the hand and let them go and then I think primarily because of Mothers Against Drunk Driving, the Court treatment of drunk drivers have gotten very different. That might be what your Commission needs to look at. They could even say if it is a manager is involved, the fine is bigger or even a day suspension would get the message out.

Mr. Rapozo: With \$99,000,000 of liquor sales in a year, I would think a day suspended would be tremendous. I still cannot get over that \$99,000,000.

Ms. Yukimura: So, if you could talk to your Director, you could actually and it would be a really interesting experiment to do a very focused and concerted year to bring down that number and to see what you can learn from it. It will take time and somebody's attention.

Mr. G. Rapozo: It can be done.

Ms. Yukimura: Thank you.

Ms. Nakamura: From the prior years when we have gone over this Department's budget we have always talked about going back to the State law to see if funds can... if more funds could be diverted to prevention. Maybe this is a question for Councilmember Hooser but are you aware of attempts recently about trying to broaden the use of the funds, the amount of the fine funds that could be used to, not just education or enforcement programs but prevention programs?

Mr. G. Rapozo: I understand that there was a proposal this year the Legislature and it did not pass. It died in one of the Committees.

Ms. Nakamura: Could we get a copy of that?

Mr. G. Rapozo: Okay.

Mr. Rapozo: Ashley, could you check on that?

Mr. Hooser: Would you like me to respond? I was not aware of it. It has not been brought to my attention but certainly for next year we could track that and try to promote it. I think it is a good idea.

Ms. Nakamura: I would like to try to get it on the HSAC package, if possible. I will work with Staff to see if we could maybe work off of what is existing but to increase rather than 10% of the fines collected to bring it up to as high as we can, and to add the word prevention in the language. If we have support, I would like to pursue that.

Mr. Hooser: I would like to throw in treatment if we were looking to broaden the scope.

Ms. Nakamura: Yes.

Ms. Yukimura: I believe the last HSAC package there was a County that proposed... Maui to do something with this particular Chapter and I guess it did... did it become part of the HSCA package?

Mr. Rapozo: No, that was different. That was a gallonage tax. They were trying to increase gallonage tax for...

Ms. Nakamura: I am not sure if there is any time in our HSAC conference here to do some brainstorming with the other Councils about this but it would be a good use of our time, I think.

Ms. Yukimura: That is a good idea.

Mr. Rapozo: Sure, we can invite the Liquor Commissioners to come too and we can have a discussion. I agree, we need to take advantage of those... it is like the forfeiture funds. Let them pay, not the taxpayer. Good points and we will try to track the bill. Maui's one was gallonage but I believe they wanted to use the proceeds for training or prevention. I think Honolulu may have voted against it. We will definitely pursue this one 28117 is the Statute. Good points. Anything else on the budget? If not, thank you very much.

There being no objections, the Council recessed at 11:22 p.m.

The departmental budget review reconvened on April 11, 2013 at 11:22 p.m., and proceeded as follows:

County Attorney:

Honorable Tim Bynum
Honorable Gary L. Hooser
Honorable Nadine K. Nakamura
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro

Excused: Honorable Ross Kagawa

ALFRED B. CASTILLO, JR., County Attorney: I have a short presentation and then we can open it up for discussion. I wanted to start off by saying that it is a nice day out there, nice beautiful and sunny and aloha to all of you and all of you out there for the people of Kaua'i. I just want to start off by saying that I am in a... some people say hard position, peculiar position but I wear the hat of the County Attorney. Because of that, I bear full responsibility and accountability for the Office that I hold. The Charter says that I am the Chief Legal Advisor and Legal Representative of all Agencies including the Council and all Offices and employees in matters relating to their official powers and duties. The reason why I mention this is because it does put in smack dab in the middle of everybody. The Charter goes on and says that I shall and not may represent the County in all legal proceedings. It also says that I shall represent all other services that are incident to the Office that I hold. I would like to touch a little bit upon what I am talking about which this raises the issue of conflict of interest. I just wanted to take this opportunity to educate some of the people out there that may not know the Charter, may not know the conflict of interest. I am at Council almost every Wednesday and I do observe the people that come up here and testify. There is a broad spectrum of testimony that talks about conflict of interest, where it concerns the Office of the County Attorney. There are people who come up here and say that if there is any sign of any conflict, we should conflict out. The other end of the spectrum is, we should not have conflicted out because... but the decision to conflict or declare a conflict, it is not a random subjective decision. It is rather a legal one and based on a case by case basis, we look at Charter; we look at the rules of professional conduct. That is what we look at in declaring conflict. When we ask for Special Counsel, the Charter basically says that the Council may by vote of 5 members authorize the employment of Special Counsel for any special matter necessitating such employment however... what that means is, we present our case or our request to the Council and based on our presentation, the Council decides whether or not to grant such a request. If you look historically at our data, we do not always go out and ask for Special Counsel and let me give you an example. We recently went through our Federal case for the Shearwaters – the Endangered Species Act case. A couple of years ago we were indicted and that in itself raised complex issues that the County of Kaua'i never encountered. However based on the litigation experience that I had both with the Prosecutor's Office and both as defending cases and the people that worked in our Office, we decided to handle that case in our own. In our recent case against the County of Kaua'i and the Police Department, 3 of our Deputy County Attorney's represented Police Officers in their official and personal capacity. We asked for 1 Special Counsel in that case. To me, that was a success because we ended up with a minimum amount at the end of the day with Special Counsel at that time costing us only \$10,000 and we concluded that alleged police brutality case. Even yesterday at the regular Council Meeting, I was not present and the reason why

I was not present is because I always involved with litigation with the Circuit Court again defending the Kaua'i Police Department and the County of Kaua'i. 2 of our Deputy's represented the Police Officers and I represented the County of Kaua'i. If we had a litigation team, we definitely would be able to curb or alleviate going out for Special Counsel because according to the Office of Disciplinary Counsel there is a method of separating our Office in creating a litigation team that can legally function within the County of Kaua'i. Again, there are times when Special Counsel is not for the County Attorney's Office and I will give you an example, the Planning Commission needs a hearing officer, the Ethics Commission needs investigation, the County Council needs Special Counsel, the Police Commission needs Special Counsel and the Kaua'i Police Department has matters outside of litigation or other Departments. I bring these to all of your attention and the people out there because there are concerns out there about why this and why that regarding the County Attorney's Office. In terms of settlement, we assess the case and we present the any settlement proposition to the Council for authorization. However, if you look back historically in the past budgets and we have saved the County money in resisting to go out with Special Counsel and it is a two edged sword. Normally when you budget and to me it is a good criticism of the County Attorney's Office when at the end of the day we are told that we did not spend "x" amount of dollars for Special Counsel but then the complaint or the concern is why am I not budgeting appropriately. We have taken on a lot of cases and that is pretty much taken us away from all of the other County business that we do. Let us talk about legal opinions. Ever since I have started here I have made an effort to encourage release of County Attorney opinions, it is not a fear of us. I see it as an opportunity for our Office to demonstrate to the people out there that we are making decisions based on the law. When we write our opinions we do not write it for someone or against someone. You may disagree with the opinion or you may agree with the opinion. The legal opinion is done as legal advice that we feel... we determine that it is legal and that it is defensible. The successes that the County Attorney's Office has had over the past 4 years and yes, I have been here for 4 years and it is pretty fast, we have been able to keep everyone on board – Amy Esaki, Jennifer Winn, Mona Clark, Marc Guyot, Ian Jung, Mauna Kea Trask, Jodi Higuchi Sayegusa, and Andrea Suzuki. Shortly, we will be adding another Deputy County Attorney to replace Justin Kollar and he may be coming onboard at the end of this month or the beginning of next month. But he is coming onboard shortly. I would anticipate within the next week, he should be onboard.

Who departed from the County Attorney's Office? 2 Deputy County Attorney's – Michael Dahilig, Justin Kollar and to me that shows the... and they left for one as a Planning Director and one that is now a Prosecuting Attorney. That to me shows the high level of caliber of Attorney's that we have in the Office. The major projects that we have been able to accomplish are the... we are going like heck in the acquisition of the land in Hanalei adjacent to the Black Pot Beach. We are doing the best that we can to tackle the legal concerns for the landfill. The landfill is a rather large project not only here on this side of the island but on the Westside from where I am from. We are working really hard in developing a Human Resources Department. One of the things that is an accomplishment is the Kaneiolouma Project in Po'ipū and if you have had the chance to go down there it is really amazing and you can feel the land. As Deputy County Attorney's enjoy going out in community outreach projects that we attend with the Mayor because it gives the people an opportunity to see us, meet us, and talk to us and voice their concerns about the island. I specifically wore this purple tie because it is Kaua'i's color, because I am from Camp 7 McBride and I know you have heard this before... I look at the numbers - the budget and what it brings me to think about are these things. One, I am thankful for the Mayor for appointing me. Two, I am thankful for the Councilmembers who confirmed me. Three, I am so thankful for the Attorney's and Staff that I work with. Four, I am very thankful of the

relationships that I built here with the Council Services and the Staff. The numbers before you in the budget are the numbers and the numbers that we have been dealt with. I told my Staff, we have jobs and we can continue to make this place a happy place that it is and that is what I endeavor to do at the County Attorney's Office. Thank you for allowing me this opportunity to say a speech that I do not normally get a chance to do, thank you.

Mr. Rapozo: Thank you, Mr. Castillo. Any specific parts of the budget you wanted to address? I notice that the training, the investigator, Special Counsel has been drastically reduced. I basically heard you say that you told your Staff, you guys will continue to work with these numbers. One of the numbers that actually concerned me is the training. Year to date showing you spent almost \$21,000 in training.

Mr. Castillo: Thank you for asking that question, Councilmember Rapozo, because the demands on us sometimes can be really overwhelming. The more training that we do helps us. We are looking into other methods are acquiring money so that we will be able to do more training. There is a real big difference between the County Attorney's Office and the Prosecutor's Office as you know. There are more grants available to law enforcement as compared and contrasted to grants for County Attorney's. I have recently attended a National Conference and the reason why I did that was, I wanted to reach out to other County Attorney's, other municipal Attorney's and find out how they are able to survive in this economic times. Those are the types of things that we have been looking at. I do not know if that answers your question but I realize that we have been cut drastically.

Mr. Rapozo: I guess my question really was, how do you get through a year with a dollar in training that is the real question? That basically tells us that you are not going to be training your people.

Mr. Castillo: Like I said I...

Mr. Rapozo: I understand the parameter, I understand the restrictions that we have because of the fiscal times but I think training especially for Attorney's, Police Officers – as laws change... I do not know why we get it but we get the flyers all the time from that one company in Honolulu that does the training litigation and it is like \$400 for the session. I went to 1 of them for land use and this was years ago but I was up there for HSAC, I was able to attend the session and it is all high powered Attorneys. In fact the one I went to was land use SMA types of litigation and it was quite impressive the lineup of Attorney's that they bring down. It is quite expensive but the discussion and information - \$400 plus their airfare \$600, I guess, and you get an attorney that gets up-to-speed on different types of law. You have a dollar.

Mr. Castillo: Yes...

Mr. Rapozo: You can buy a soda.

Mr. Castillo: I agree.

Mr. Rapozo: Not even a soda.

Mr. Castillo: What can I say? I realize the importance of training and the reason why I do... you know I spent 15 years at the Prosecutor's Office, 10 years as the First Deputy.

Mr. Rapozo: I remember.

Mr. Castillo: And I did a lot of training with detectives and after my 10 years at the Prosecutor's Office when I did... I went out and had my own private practice. I had hoped that the training that I had done with the detectives that they would do the things that I trained them to do because there were cases where... the training really makes a really big difference. In fact, in the many litigation cases that I have participated in especially with outside Counsel, the County Attorney's Office is really an important component of defending the County so I understand where you are coming from and I certainly agree. I guess it is a year to year basis, if something comes up that is really important than we would be asking or moving moneys but with the budget that we have moving moneys, you cannot move \$1 to another \$1, I understand that too.

Mr. Rapozo: I am assuming that when we retain Special Counsel, that we are getting some training from... and it may not be direct or formal training but I would assume that your Deputy's or yourself is able to get some as an added benefit.

Mr. Castillo: Councilmember Rapozo, your comment is spot on. The reason why I say that is because there other methods in getting trained and one of the negotiations that I get into with Special Counsel is, we just do not want someone to represent the County and that is it. We need to have a good relationship and there needs to be some sort of mentoring. So, it does happen and it is a focus on what we do.

Mr. Rapozo: Okay, that makes me feel a lot better.

Ms. Nakamura: Thank you, Al, for your presentation. I wanted to go back to the Special Counsel line item and it was interesting to see the actual expenditures for Special Counsel from 2010 from \$525,000 then it went down to \$27,000 in 2011, then up to \$115,000 in 2012. Last year we budget \$750,000 do we know what the actual expenditure is as of March?

Mr. Castillo: Yes we do. I believe it is approximately... I am not going to give you exact numbers. It is \$1,200,000.

Ms. Nakamura: Okay. So, that is being absorbed by other items in your budget?

Mr. Castillo: I believe so.

Ms. Nakamura: When you project out what is happening over the next year, is that \$534,000 in this next year's budget adequate?

Mr. Castillo: Let me answer that by informing you that I believe we have about \$60,000 left in our fiscal year budget now.

AMY I. ESAKI, First Deputy County Attorney: To date, we anticipate having left \$39,000.

Mr. Rapozo: At the end of the fiscal year?

Ms. Esaki: At this point.

Mr. Rapozo: Today?

Ms. Esaki: Today.

Mr. Rapozo: \$39,000.

Ms. Nakamura: Currently, you are under... okay, I see.

Mr. Castillo: Yes, she is correct because I remember the other number which I saw their which \$59,000 was but it has been corrected to.

Ms. Nakamura: When you project out, what do you see? Is \$534,000 adequate?

Mr. Castillo: I got to thank the budget team for giving me at least that \$539,000. I really appreciate of that. What I know is historically before me the former County Attorney's used to come in for money bills on Special Counsel. We are going to do the best that we can to cover what we can but there may be a time and I do not want to predict the future because I do not want to say yes we are going to come in and ask for more money but in these times of heavy litigation, all we can do is have our clients do the best that they can.

Ms. Nakamura: Is it more cost efficient to hire an another lawyer and reduce your Special Counsel or we need the Special Counsel line item because of conflicts that come so we have to keep it that high?

Mr. Castillo: See that is the balance and for the past 4 years I have been tackling this issue. When I look at certain departments, it is natural that when you have a lawsuit then you have at least 2 or 3 or 4 defendants so it makes sense to me in terms of what I know and how our Office is run and that is the reason why in my budget I did mention a litigation team. That would alleviate some of the other pressures that we have and it does make financial sense because the Deputy County Attorney, the total expense for that Deputy County Attorney is a \$143,000 a year –someone that is making \$94,000. If you do the math and plug in one of the other cases that we have multiple defendants then you will quickly realize that there is an argument for a litigation team that will be able to save the County money. In addition to that it does not necessarily mean that the litigators will just do litigation that comes up. There lots of litigation and a lot of research that needs to be done.

Ms. Nakamura: That is why I wanted to find out could you reduce the Special Counsel by the \$143,000 in order to make that additional body in litigation happen or do you have to maintain the level of Special Counsel? Would you feel comfortable doing that in this upcoming budget?

Mr. Castillo: The way that I look at it is this, if a Deputy County Attorney comes in that does litigation than that would help alleviate the need for 1 Special Counsel. It does make a difference. It makes a big difference to me.

Ms. Nakamura: I think you wrote a compelling argument in your write up the fact that doing litigation takes away from servicing departments and Council

and I see that because I am trying to schedule meetings with the County Attorney assigned to Planning but he is doing a lot of litigation and have very little time to do the work that my Committee needs.

Mr. Castillo: Ian Jung is extremely successful.

Ms. Nakamura: And it sounds like it is a time consuming thing to have to do litigation and so I just want to throw that out, is that something that you would consider in this budget? Reducing Special Counsel to increase a line item. The other question I had dealt with the Deputy County Attorney line item E87 funded by Water Department and it is dollar funded. Can you explain that one?

Mr. Castillo: It is a statutory thing where the Water Department and Deputy comes from us whether it is funded by the Water Department.

Ms. Nakamura: Oh okay, I remember that. Going back to my original question.

Mr. Castillo: It does in a way. Your original question to me, it does but in my effort not to predict the future, I think it does help but all depending on how many actual other cases come in? Going back to Ian Jung, we have depositions scheduled on the mainland quite a lot coming up and his availability – we are really concerned about him having to be on the mainland for an extended period of time.

Ms. Nakamura: I guess I want you to think about that and respond to that.

Mr. Castillo: Basically you are asking me if the five hundred some thousand if you minus that money, how would that... it would be, right now, a logistical question for me in terms of who is assigned and why. The reason why I hesitate a little bit is because to replace Justin Kollar, it has taken me a whole lot of time to advertise and look at all the applicants that came in to find somebody who is willing to come over to Kaua'i and be a litigator. Litigation was an important component of the advertisement. I was not going to hire just anyone that... you had to be qualified and you had to be... to me in my determination fit to be a Deputy County Attorney because of the rigorous demands. I would do my best. I am asking for a litigation team so I will do my best to create one. I do have people who wanted to come in and not litigate and that would fill our Deputy County Attorney spot who are not a litigator.

Ms. Nakamura: I think that is a strategic direction and that is a good one. That is why if there is a way to move in that direction, I think we should try to do that.

Mr. Castillo: Thank you.

Chair Furfaro: I just want to put something's into prospective on workload at the present time. You did get my correspondence about the urgency to fill Justin's position and I heard your answer. It is a good one, Al, you want to make sure you got the right skill set to fill that Office that supports the Police Department but in the meantime you divided up the work amongst 3 Attorney's including Mr. Jung, am I correct?

Mr. Castillo: Yes.

Chair Furfaro: He is going to get some relief there and then the other piece that he is doing with Planning and doing these depositions, are they related to the current challenges we are having and will hopefully will resolve as it relates to the transient vacation rentals?

Mr. Castillo: No.

Chair Furfaro: No, it is not related to that.

Mr. Castillo: Okay. It is an addition to that.

Chair Furfaro: But there it is, you just said that it is an addition to that.

Mr. Castillo: Yes.

Chair Furfaro: He is doing some of that work now?

Mr. Castillo: Yes, absolutely.

Chair Furfaro: And the whole goal, the phases was that we are trying to get to a point where 393 applicants that they have been inspected, all the verifications, applications, receipts existed on those applications and then at some point we would hope through attrition, it is not requiring that kind of attention because we put everything in order. Is that not the case?

Mr. Castillo: Yes, Council Chair, it is a big project and originally we had 2 deputy's.

Chair Furfaro: I do not disagree with that. But, do you see the light at the end of the tunnel is my question?

Mr. Castillo: When I hear encouraging remarks regarding for training and encouraging remarks that we may someday have a litigation section, those are encouraging remarks that I kind of see the light at the end of the tunnel but it is almost when I hike at...

Chair Furfaro: Okay, the train I am talking about is the transient vacation train. Do you see the light at the end of the tunnel?

Mr. Castillo: Yes.

Chair Furfaro: I have been a proponent before many of the members that are at the table right now about your training budget and so far but I specifically want to know about transient vacation rentals?

Mr. Castillo: Yes.

Chair Furfaro: Are we a year out?

Mr. Castillo: I do not think a year.

Chair Furfaro: You have answered my question.

Mr. Bynum: Thank you for the presentation, Al. One dollar training, one dollar travel? I know we cut training 4 years ago when we moved into this for a couple of years, that is the kind of thing that you look at when we... but a sustained reduction of training ends not nurturing employees and then costing you in a long run. I had hoped that this year we were back to... like the Mayor said in his last budget message, it is time to get back to normal. Some of those kinds of reductions, it is not big bucks. You had \$10,000 last year and you went to a dollar. Even if it was five – it would give some latitude. I am concerned about that but we will see what happens. My questions are more about the Special Counsel stuff because I have really been impressed that in cases where some of our Deputies handled some of them and there was a Special Counsel because it allows that kind of mentoring, you talked about that before, specifically, tried to find those opportunities. Basically, sometimes you have to go to Special Counsel because of conflicts?

Mr. Castillo: Yes.

Mr. Bynum: Just like the Public Defender's Office, right? They are going to have a certain amount, no matter what and then there are other times you have to get specific expertise, right? Those are the two reasons and those really cannot be predicted.

Mr. Castillo: Yes.

Mr. Bynum: That is the nature of the legal stuff. We go into an Executive Session and find out there was this whole issue happen in the County and you can see that it will be complicated and cost a lot of money. You cannot predict those things.

Mr. Castillo: That is true but as time goes by I am glad to say that we are developing expertise in areas that the County Attorney's Office has not in the past.

Mr. Bynum: I have been here long enough to see that in action. I agree with that and I think that is something that we do not want to lose momentum on. Training around the County – cut the training budget, you are going to have more Special Counsel. That is my opinion because it is well trained and nurtured employees that are more attentive and do not get us in trouble in the first place, do you agree with that?

Mr. Castillo: Yes, I agree. As an example, we had maybe a year or so ago an Endangered Species Act Training in the State of Washington in Seattle. It enabled us to not only go to the training but it enable us to meet with the Federal Government where we had a really big meeting with all of the people involved with the Shearwater concern. To me during the training and being able to be there and meeting with the Federal Government a big step in defending the County of Kaua'i. It was material to us.

Mr. Bynum: We all followed that closely and it was in my opinion it was proactive outreach from the Office that saved our butts big time. I think one of your huge successes is the management of that over the last few years starting with the outreach which having much more consequences.

Mr. Castillo: Yes.

Mr. Bynum: But I like that link to training and even if Councilmember Nakamura's idea take 143 from the 5 and get that person to help booster this and keep the momentum going, right, is a good one but realistically my guess is given what is pending, before the end of the year you would have to come back because the 543 would not be enough. On the other hand, you may save a \$100,000 this year but 3 years down the road save several hundred thousand.

Mr. Castillo: Yes and if you study the budget that Councilmember Nakamura talked about the years where we were low, hopefully that can happen again.

Mr. Bynum: I think it can. Some of that is just the even flow of this litigation. Some of that is unpredictable because litigation costs can get quickly expensive.

Ms. Yukimura: About the litigation team, this is a long-term goal. You are not trying to accomplish that in this budget, right?

Mr. Castillo: I had that on my mind for a long time. It is a long-term goal.

Ms. Yukimura: Are the positions in this budget?

Mr. Castillo: No.

Ms. Yukimura: For example you have litigation costs - those are not in the budget for a litigation team.

Mr. Castillo: That is right, it is not.

Ms. Yukimura: Okay, so if it is the long-term goal have you actually created the end in mind in terms of the costs of the litigation team? How much would it cost? How much bodies you would have in it? How many people and what types of people?

Mr. Castillo: To me the appropriate section would be 2 attorneys and at least 1 clerk.

Ms. Yukimura: I do not think we need to hear that right now especially if it is not in the budget but I would like to see a sheet of paper that says what the litigation, who would be involved, and how much it would cost, and what would it do? In terms of what kinds of litigation you are looking at, would it build a certain expertise around certain kinds of cases or would it just be your general litigation team to meet whatever needs you need in litigation?

Mr. Rapozo: (inaudible) got it, Al?

Mr. Castillo: I got it.

Ms. Yukimura: I have a question regarding your investigators but if there other follow-up on the litigation.

Mr. Rapozo: Councilmember Nakamura.

Ms. Nakamura: I have a question regarding the services you provide to the Liquor Commission, can you explain what your attorney's... do they do anything with the Liquor Commission?

Mr. Castillo: Yes.

Ms. Esaki: They attend the Liquor Commission meetings and provide advice and counsel.

Ms. Nakamura: How often are those meetings?

Ms. Esaki: Generally, once a month.

Ms. Nakamura: Do you charge the Liquor Commission for those services?

Ms. Esaki: It might be part of the Administrative costs that Finance charges to Liquor.

Mr. Rapozo: The direct services – the hundred and twenty-five thousand.

Ms. Nakamura: Is it? Is that reimbursed? That is charged to the Liquor Commission, so it is part of their line item? Okay, thank you.

Mr. Castillo: One of the ideas that we had previously and I think maybe some of you may remember was that we had tried to... when Eric Homna was here making his presentation, have the Liquor Commission pay for half of the County Attorney and the County pays for half. It would help us. I do not know if it was last year or the year before.

Mr. Rapozo: It was the year before.

Ms. Nakamura: Could you justify the...

Mr. Castillo: Yes, we did.

Ms. Nakamura: Then why did it not have...

Mr. Rapozo: Because the Council said no. You had to have been here. It was just the 50% that I had a problem with and I think others did that you have 1 meeting a month and how do you justify the... it was a matter of trying to be in compliance with the State law. It was very difficult to justify 50% for 20 hours a week dedicated to the Liquor Department. That was some of the concerns.

Ms. Nakamura: And your Office does not get involved with fines and follow-up and so forth?

Mr. Castillo: No.

Ms. Esaki: We did get involved with litigation, there was a Court case that our Deputy had to represent the Liquor Commissioners in a denial of a liquor permit.

Ms. Nakamura: Did those fees get charged back to the Department?

Ms. Esaki: I am not sure.

Ms. Nakamura: Only because that is a source of revenue for the County that we have the opportunity to use if there is a legitimate need. So, if we could charge back for those services then you could have training moneys for your Staff. I just wanted to make you aware of that.

Mr. Castillo: Okay. For me, we support the Liquor Department in many various ways.

Ms. Nakamura: I think the more you can... I would like to see a justification of a typical year what you provide and are we charging them for those services?

Mr. Castillo: Thank you and we will look into that.

Ms. Nakamura: I think that would be a great source of training funds for your Office.

Mr. Castillo: Thank you.

Mr. Rapozo: Do we have the ability, Al, to track your services to a specific Department. Say your Staff go and staff a Commission meeting, is there some kind of billing, well I would not say billing but is there... what do you call it?

Mr. Castillo: We have a tracking number but I got to go ask if we can do that.

Mr. Rapozo: What do you call it in the private sector – the Attorneys? It is a standard program the Attorney's use in the field... time something... whatever it is. So, you log in the case number and then it tracks your phone calls and all of that, but maybe that is something you can consider in the next FY keeping track of that so you can hit that 50% mark. If you can hit the 40% mark then we can actually fund that percentage of time from that fund.

Mr. Castillo: Okay.

Ms. Nakamura: I will be sending that over as a question because if we are able to incorporate it into this year's budget, I would like to.

Mr. Castillo: Okay.

Ms. Yukimura: The Court case that you mentioned where the County Attorney's represented the Liquor Commission, that was not a sexual harassment case or was it?

Ms. Esaki: No, it was not. It was a liquor permit case.

Ms. Yukimura: In one way of charging is, if the regular services are small still the big cases could be charged back one would think on this billable hour system that... and right now there are charged for indirect cost but your services are not reimbursed to your office, right? So, that is the link that you have to work with Finance? Okay, thank you.

Mr. Rapozo: And there is still that question on those funds – the usability of those funds for none-collection or inspection. It goes back to the same question we had earlier that we need to interpret the actual availability of those funds for stuff like that. I can see General Fund reimbursement if it is a none approved use based on State law and that is the question and Amy, you were here this morning when Liquor was here... we will send it over in writing but the State law is somewhat broad and how far do you stretch that activity in the Department to allow for the use of those funds? That would have to be the first thing and then at that point it is just a simple reimbursement, like you said, if you spent "X" amount of hours on a case representing if it qualifies then we just transfer the money. That would be the first step trying to figure out what is the allowable authorize use of that fund.

Mr. Bynum: When you started out you assigned 2 Attorney's to Planning.

Mr. Castillo: Yes.

Mr. Bynum: And now we are down to 1 and he is covering other things and I think it is clear from the experience of the last few months that there is still some very serious issues regarding TVR's and permitting that we are going to have to follow up on. Do you have a plan for back stopping the planning?

Mr. Castillo: Luckily we do have a lot of crossover and it is not all on 1 attorney's shoulder.

Mr. Bynum: Who would backup Ian if he was... do you have that kind of thing?

Mr. Castillo: The primary person right now would be Mauna Kea.

Mr. Bynum: Who is also the lead on the Solid Waste issues, right?

Mr. Castillo: Yes.

Mr. Bynum: That is almost a full time job right there. Thank you for that answer.

Chair Furfaro: Can you give us some of these unusual pieces that have taken so much of your allocated time and kind of... the length of future... for example, you got public condemnation going on, environmental compliance with the feds, we have the landfill and to me these are pieces that you are addressing but they are not typical of the scope of issues that are typically are on. Could you give us something that helps us understand the process that you see in a way of a timeline for future?

Mr. Castillo: Yes.

Chair Furfaro: But you know what kind of cases that I am talking about, they do have some end in sight but it is a while out there.

Mr. Castillo: Yes, based on what you have stated that we could give you some sort of timeline on what we experienced as far as the County Attorney's Office.

Chair Furfaro: Unusual legal and court requirements. The next one that I am also going to ask you as the discussion came up, I believe it started with Nadine about available hours and so forth. Please piggyback with IT on there is a module that you could use for your Office and Steve, if you do not mind following up on this because you could get a time in attendance mode that records billable hours. You might want to piggyback on to what IT is doing for us right now with the actual attendance model. You could actually convert it where you are keeping time and attendance of electron records on billable time. Can do?

Mr. Castillo: Can do Chair. I used to do that on Quick Books Pro.

Chair Furfaro: But, it is just a module and it is something that IT is looking at right now.

Ms. Yukimura: I neglected to really acknowledge you folks on your achievements, I do believe those listed there and others like the Black Pot Beach Park acquisition, the support for Human Resources, and for TVR enforcement... all of that are very significant accomplishments.

Mr. Castillo: Thank you.

Ms. Yukimura: I just want to commend you for that. The other thing I was noticing this morning as I looked at... I had to make a call to Jennifer, of the positions you have now apparently 5 out of 11 of your Attorney's are women which is almost 50%. I hear you are going to be filling your vacancy with a man so that goes down a little bit but still among County Offices, it is a very significant equity achievement, so congratulations on that. My question is about your Investigators to investigate personnel claims. That is not in your budget right now that is part of your long-term wish list?

Mr. Castillo: Yes.

Ms. Yukimura: I do not understand exactly what this is about.

Mr. Castillo: Basically the Investigator can come from any Department, not exclusive to us and it is because in personnel matters...

Ms. Yukimura: Yes, that is what I want to know, how it is related to personnel.

Mr. Castillo: Especially in personnel matters, when the Deputy or Deputies get involved in investigating what happened then they potentially become witnesses also. It then presents a conflict situation where it becomes concerning to us where how can we investigate and also defend? That has come up in cases that we have litigated in the past in personnel cases. To me Investigators helps us in our litigation also would help us in personnel matters which happen every day.

Ms. Yukimura: And it would be more cost effective to hire 2 Investigators than to contract investigations?

Mr. Castillo: I believe so because it is almost like going out and getting Special Counsel each time.

Ms. Yukimura: Okay. I do not understand fully of the need or how it all works but I do have a better idea of what you are looking at.

Ms. Nakamura: On page 4 of your report where you talk about some of the challenges. Your Office is always responding to issues but the need to educate the public about the Endangered Species Act and you anticipate the growing need for contract management and oversight training, I think that is the proactive things that you folks can do to reduce all of these problems in the first place. I think that is a good strategic direction to move. I know it takes resources to do that but I think it is so important for your Office to recognize that and act on it. And I would add to that is sort of the personnel management piece because that is what we are seeing here on the backend.

Mr. Castillo: And notes to myself, I put there, I know I stated anticipate a growing need. I put down a note to myself that anticipate may be not being a correct word... there is a need. It is here and now and we are experiencing that every day.

Ms. Nakamura: So, anything you folks can use your resources to train our mid-level management and higher management is so critical.

Mr. Castillo: Yes, Amy and Janine just came back from an employment seminar and it did stress needs that we have already identified throughout our County.

Mr. Bynum: It is not really a question but I will be really quick, for anybody in the public that might be watching this in your report you talk about the number of documents and I do not have it in front of me at the moment but 144 opinions last year, thousands of documents, 500 contracts, that is the stuff that we do not see over here that you guys are doing every day. I think that is what you were talking about earlier, it is like we got all of this, we see the litigation and those issues because they come to us and sometimes we see the consequences of not having a good contract review or good contract management. So, I just wanted to make that point that there is a huge volume of work happening that we do not see every day and I want to say from the Department's, the people on the ground here, I heard nothing but increasing support and feeling like their needs are being met really well. That is a pretty big contrast from a few years ago.

Mr. Castillo: Thank you. We really appreciate that.

Mr. Rapozo: Anymore questions? If not, I will turn it back over to the Chair, Mr. Furfaro.

Mr. Rapozo, the presiding officer, relinquished Chairmanship to Chair Furfaro.

Chair Furfaro: Thank you, Al, and I would also like to add the Staff in your Office has always been top notch and every cooperative in calls that I have sent over and it is much appreciated.

Mr. Castillo: Thank you.

Chair Furfaro: I have a couple housekeeping items before we break. One is that is going to crossover with Finance and it is going to crossover with the County Attorney and this has to do with the fact that when we were talking to the Human Society, and Steve, you said something like you do not know why this assignment is yours. Well, looking back over the financials, maybe Amy can help us all understand this, in 2001 the Humane Society just became a line item. Prior to 2001 it looks like there was an interpretation and this fits both with Nakamura and Bynum's piece, they must have been some legal interpretation because up till 2001 that grant and other grants prior to that was managed by the Council. For example, if you go back to 1998, you will see what Mr. Bynum was referring to as an itemized staffing level for the Humane Society and at that time it looks like the Council managed a lot of grants. There must have been something that occurred that just turned it into a line item and it took it out of the Council's hands. If I could ask the County Attorney's Office to also be involved with your discussion when you come back on the 19th.

Mr. Bynum: What is our amount?

Chair Furfaro: Let me just finish up the rest of the point here... we are at a point that at one time it showed up as \$192 as a line item, the first time it did. In the last budget shown up as \$660,000 and now they are telling us that they have that \$308,000 nine month deficit. It would be good to have some research on what happened there and I would also like to make note before we adjourned, Mr. Bynum is going to be excused from the afternoon session, am I correct Mr. Bynum? I have your excuse letter for departure at 2:00.

Mr. Bynum: Unfortunately, that is correct.

Chair Furfaro: No problem. Mr. Kagawa, I failed to make notice this morning of his excused absence for today. I also want to go on record that there is no one in the audience that is here for any testimony but when we start up at 1:30, I failed to do that this morning so I will ask the question "is there anyone in the afternoon subjects that wishes to give testimony?" On that note, I will see you all back at 1:30.

Mr. Bynum: One more thing, I just want to point out that Mr. Furfaro just gave us a sheet that says in 1997 the County's contribution to the Humane Society was \$500,000. Here we are, how many years later, and it is only 660,000? I mean in 15 or 16 years, if you look at the salary line items here, \$20,000 salaries. In any job by this... anyway... to me this just makes the point that I believe the Humane Society has

been subsidizing substantially the services that they provide us. You just expect on the face this could almost doubled in 18 years...

Chair Furfaro: Thank you for that but I want to make sure, you need to research it because there is not a line in there for even what percentage of these salaries. These 14 years ago, this might be a hundred percent of the receptionist who is in the line item and we also do not know if they included PT&E, taxes, and benefits. But to answer your question, it looks like the change occurred about 2001 and it was allocated to Finance and that the Council no longer managed that grant. Just some history.

Mr. Rapozo: One more thing... it also includes \$19,000 and this goes to Mr. Hooser's concern, it also included \$19,700 for a performance audit of the Humane Society, so that was included in the line item as a separate item in the budget.

Chair Furfaro: We did ask them when they come back on the 19th if they can share with us their most current audit. On that note, it is good to look back on some of those things and do some research. We are adjourned for lunch.

There being no objections, the Council recessed at 12:27 p.m.

The departmental budget review reconvened on April 11, 2013 at 1:47 p.m., and proceeded as follows:

Office of Economic Development

Honorable Gary Hooser
Honorable Nadine K. Nakamura
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro

Excused: Honorable Tim Bynum
Honorable Ross Kagawa

Chair Furfaro: Welcome Mr. Costa. I want to go through a little bit of housekeeping items before we start. To those of you in the audience that are here, welcome. For Budget procedures, we take testimony at the beginning of the Budget hearings. For this time right now, we can address anything in the Office of Economic Development that you came to give testimony on, simply by signing up. We will do that upfront before we have any presentation. We also have three (3) people signed up and present, I believe, Gregg Kravitz, Linda Vass, and Renee Hamilton. Is there anyone else who would like to sign up? Come right up. You can drop it right at the podium. Now if others of you are here for the purpose of a resource for Mr. Costa, he can call on you afterwards, but if you want to give specific testimony at this time regarding anything I will start by calling the first speaker. Let us start with Renee Hamilton and then we will go to Linda Vass, and then to Gregg Kravitz.

RENEE HAMILTON, Executive Director for YMCA: Renee Hamilton for the record with Young Women's Christian Association (YWCA). Linda Vass is one (1) of our board members and she still may be at court. She was hoping to be here.

Chair Furfaro: Renee, I hope you understand because we have different rules and we take the testimony upfront.

Ms. Hamilton: I understand, thank you, Chair. Thank you, Councilmembers for the opportunity to testify. I am here on behalf of the YWCA of Kaua'i. I put together some handouts that I believe you received that summarize the services that are funded through the Office of Economic Development, which are our Sexual Assault Treatment Programs and our Family Domestic Violence Programs. I just wanted to highlight the services and numbers served for you and the work that we are doing with the County funds that we receive, especially the continuum of care that we have for the victims of domestic violence and sexual assault. Know that each dollar that we are funded because of both programs being under one (1) roof, we are able to provide services for both populations. The same staff is cross trained, so we are really able to serve two (2) populations with the same funding whereas in other locations and other Counties, you had different programs that do the different funding, and then have to compete. I think we are

very fortunate to have this under one (1) roof and feel like we are able to better serve our community then. We do have the 24-hour hotline phones or in person crisis counseling available. The County funds do help support that. We had over one thousand three hundred (1,300) calls come into our hotline in one (1) year. These are statistics from 2012. We also had two hundred fifty-six (256) hours of in person crisis counseling. Our 24-hour year round Family Violence Shelter that does provide the shelter, meals, clothes, and other basic necessities, maybe diapers, depending on who is coming into the shelter at that time. We had four thousand (4,000) bed days this past year, so women and families coming in for a total of four thousand (4,000) bed days, eleven thousand (11,000) meals, and so on. For our Clinical Counseling Treatment Services, two thousand one hundred (2,100) counseling hours were provided, and that included men, women, boys and girls, or anyone who came into our program for issues relating to domestic violence or sexual assault receiving counseling services. Forty-one (41) children specifically came in for specialized treatment for interfamilial sexual abuse. In the initial Budget, there is a reduction to the funding for our programs, which I wanted to share my concerns about. I did share in this handout, as well other funding reductions that we continue to face. We have reduced expenses basically to the amount that if we have any further reductions, our continuum of care will change. We will not be able to provide all of those services, which will put our community, I think, at greater risk and not provide the services for victims and their families that are so important. We have taken the steps, as you can see, to reduce our expenses and at the same time, doing our best to find other funding sources, but the support from the County is really crucial for us. We appreciate that and the Office of Economic Development for the past few years now. Thank you.

Chair Furfaro: I have a couple of quick questions. I do not need to have a lot of questions but just some clarity here. How does the YWCA actually count bed days, for example? Is that related to a 24-hour period or is it related to mother and child being counted as two (2) bed days?

Ms. Hamilton: For each day a person is there, for a 24-hour period, yes.

Chair Furfaro: You count it by the person?

Ms. Hamilton: Yes.

Chair Furfaro: If a mother comes in with two (2) children and stays with you for two (2) days, we are going to count that as six (6) bed days?

Ms. Hamilton: Correct.

Chair Furfaro: Got it. Just very quickly; because your Budget goes to the Administration and then it goes to us in their format, what was the dollar of the total reductions?

Ms. Hamilton: The initial request was for one hundred ten thousand dollars (\$110,000).

Chair Furfaro: For all programs?

Ms. Hamilton: Yes, for those two (2) programs.

Chair Furfaro: We have more questions, but we are just going to limit to just understand your presentation right now. JoAnn, did you have a question on her presentation?

Ms. Yukimura: Yes.

Chair Furfaro: Go right ahead.

Ms. Yukimura: First of all, thank you for your work.

Ms. Hamilton: Thank you for your support.

Ms. Yukimura: We know how crucial it is for the well being of our people here. Your family violence shelter, those four thousand (4,000) beds, has it been increasing?

Ms. Hamilton: Yes.

Ms. Yukimura: Are you at a max?

Ms. Hamilton: We have had a spike this past year and it fluctuates up and down. I do know that there were, I believe, two (2) periods of time throughout the year where we were full. We do our best to find other locations and try to find other resources for those families, but we do everything that we can. We throw the futons on the floor and put as many people into our shelters as possible.

Ms. Yukimura: The lost of its Violence Against Women's Act (VAWA), the Federal VAWA moneys...

Ms. Hamilton: Correct.

Ms. Yukimura: Is that part of the sequestration or a general decline because of the Federal budgetary situation?

Ms. Hamilton: The first couple of Budget cuts were because of the general Budget situation. We do not know the impact yet on the VAWA money because the bill was just reauthorized. There has not been funding of the reauthorized VAWA Bill yet in the Federal level.

Ms. Yukimura: When will you know? Do you know when you will know?

Ms. Hamilton: We do not know. I do not know what that timeline will be for them.

Ms. Yukimura: How much of a lost is there from last year to this year? Or is there of VAWA moneys?

Ms. Hamilton: We did not have VAWA money last year either. We did not get that funding.

Ms. Yukimura: Okay.

Ms. Hamilton: This will be the second year in a row. Before in the past, we averaged between sixty thousand dollars (\$60,000) to eighty thousand dollars (\$80,000).

Ms. Yukimura: Other Federal sources have not really popped up either?

Ms. Hamilton: No.

Ms. Yukimura: Okay. Thank you very much.

Chair Furfaro: Are there other questions as it relates to the presentation?

Mr. Rapozo: Thank you, Renee. You said your original request was one hundred ten thousand dollars (\$110,000)? The current funding is one hundred fifteen thousand dollars (\$115,000)?

Ms. Hamilton: The same amount. I am sorry. I will make that correction.

Mr. Rapozo: It is one hundred fifteen thousand dollars (\$115,000)?

Ms. Hamilton: Yes.

Mr. Rapozo: On the shelter...I do not know if you folks have—I am sure you do. How much does it cost to run the shelter?

Ms. Hamilton: The total Budget for the shelter in a year is about three hundred thousand dollars (\$300,000).

Mr. Rapozo: Three hundred thousand dollars (\$300,000)?

Ms. Hamilton: Correct.

Mr. Rapozo: Obviously, that is with other grants and private donations?

Ms. Hamilton: Yes.

Mr. Rapozo: What is the total cost for the Sexual Assault Treatment Program?

Ms. Hamilton: Two hundred thousand dollars (\$200,000). It is because of the 24-hour crisis services and having the shelter staffed twenty-four (24) hours a day.

Mr. Rapozo: Okay. For the two (2) programs, it costs around five hundred thousand dollars (\$500,000)?

Ms. Hamilton: Yes.

Mr. Rapozo: If not for this County funding—and I share the frustration with the Federal government, but it is what it is. The current Budget proposal is showing twenty thousand dollars (\$20,000) for each program. What impacts do you see in the shelter program?

Ms. Hamilton: I do not believe that we will be able to offer in person crisis counseling.

Mr. Rapozo: In person crisis counseling would probably be the first to go?

Ms. Hamilton: Yes. We already cut the prevention education from those two (2) programs, which have already been reduced because of the other Budget cuts. We have to have somebody at the shelter but I think going out into the community island wide, on a 24-hour basis, we would not be able to do that.

Mr. Rapozo: That is a pretty vital part of your operation?

Ms. Hamilton: Yes. That means there would be no support for victims who are sexually assaulted who make a police report or forensic exams; there would be no support for them, none. Or even domestic violence victims who want to meet in a public place before they come to the shelter and things like that. There would be no support for them.

Mr. Rapozo: Currently, if a victim calls the police and they are taken—prior to the physical...what did you call it?

Ms. Hamilton: The forensic exam.

Mr. Rapozo: You folks would provide support people there?

Ms. Hamilton: Absolutely.

Mr. Rapozo: That is the in person crisis?

Ms. Hamilton: Right. Actually, what happens frequently is that a victim calls our crisis line first and they hear about their options. They are offered the in person crisis counselors, and they are very grateful for that. I think it helps encouragement them to continue with making a police report. If they do not have support, I believe our reports will go down because there is no victim centered support with them at that time.

Mr. Rapozo: Okay. Thank you.

Chair Furfaro: Are there any other questions? I would just like to go one (1) time because we have a long day. Are there any other questions just on the report? Renee, thank you very much.

Ms. Hamilton: Thank you very much for the opportunity.

Chair Furfaro: Ms. Vass is not here?

Ms. Hamilton: No, she must still be—you know how it is with lawyers and court. Thank you.

Chair Furfaro: Thank you, Renee. Let us go to Gregg Kravitz. You have six (6) minutes to give testimony. At three (3) minutes, the alarm will go off and I will just acknowledge that we're at the halfway point. You have 6 minutes.

GREGG KRAVITZ: Thank you for allowing me to speak this morning. Gregg Kravitz is my name and I am a paddler with the NāmoloKama 'O Hanalei Canoe Club up on the North Shore. I just want to take a couple of minute and share sort of a success story with you. I know a lot of times you hear a lot complaints and everything else, so maybe this will be an upbeat thing for you. Six (6) years ago, NāmoloKama was a financially struggling canoe club like most of them here on the island. The idea came up about “how to do a fundraiser?” Some of you may know Barbara and Dick Smith. They have been in Hanalei now for twenty-five (25) years. They came up with an idea other than just doing a bake sale; they thought how they could have some impact to the community. As a result, they came up with a swim meet, and perhaps some of you have been there or your kids have gone there. For the last six (6) years, I just want to share with you what has taken place. For the first year, there were sixty (60) swimmers that took place. Every year it has grown. Last year in 2012, we had one hundred eight-four (184) swimmers show up at Hanalei Bay. Dick is no longer going to be president of the club and Barbara has thrown her hands up after six (6) years to let somebody else do this. We have got sort of a new team that has stepped in to handle this, and we decided that while we could continue in their footsteps and just have basically Kaua'i residents show up every year, we thought, “How is it possible to generate more interest in the swim meet?” “How can we get more than one hundred eighty-four (184) swimmers coming to the event?” “How is it that we can

meet the greater needs of the community, raise better awareness of swimming, and also have some sort of economic benefit while doing that as well?" The concept was simply to set a goal this year of three hundred (300) swimmers coming to the North Shore. You probably know some of the swimmers here, the Coach for the YMCA, Billy Brown. I spoke to him and spoke to some of the other competitive swimmers and they came up with a couple of ideas. I just wanted to share with you the ones that we took in. One (1) was to change the name. Instead of the "Nāmōlokama Open Water Swim," we changed it to the Hanalei Bay Swim Challenge." The other is that we reduced the races from three (3) to two (2); left the *keiki* in there for two (2) races, but reduced the adult swims from three (3) to two (2). We also changed the way we refer to them in miles. Most people refer to swim in meters, so we have done that. We wanted to bring more of an international flavor to it. The whole concept was how we could bring more attention to the North Shore and swimming if we sort of maxed out on all the swimmers here. The idea was to focus on other islands, as well as the mainland. That has been our goal. Those things take money and so I would just tell you what we done recently as...

Chair Furfaro:

First three (3) minutes. Continue.

Mr. Kravitz: Okay. We have created a website that is up partially. We have a Facebook networking and creative things like that, that we all have got going. I will just sum up and tell you how the system is working, not dealing with County or City at all here in Hawai'i, being a full time resident for just a couple of years. I have been a homeowner since 2004. I have been popping over two (2) blocks away and talking to Jay in his front yard about our ideas of bringing something to the North Shore and he seemed encouraging. I talked to the folks at the Office of Economic Development, George and Nalani; great people there. I saw Sue walk in from the Visitors' Bureau. Everybody has been real positive about, "How is it that we can take this swim meet and roll it into something greater than just a local event." "Can we make it some kind of a North Shore type of signature event?" As a result of that in talking with other people, I brought along today—maybe can you hand these out here. This is the new logo for the swim meet. Also, there are a couple of ads that were now on in the Summer Edition of the Kaua'i Family Magazine. We are trying to strive to get more of the *keiki* tuned into swimming and coming to the swim meet, so we can have our own local swim meet. I met with Coach O just two (2) days ago for lunch. It would be great for those kids not is to have to fly everything for all these events, but to have an international and national event here on Kaua'i; that is what we are attempting to do. The impact economically, more people and these swimmers, if you know swimmers like Dr. Potter, these people will go anywhere for a swim and they do not need to drag a surfboard or skis. They just simply bring their Speedos and they are ready to go. What you see there is the magazine ad that is in the California Family Edition that is coming out in the summer issue for the kids. The other full page is a magazine you are familiar with, maybe only a year and a half old, the Kaua'i Lifestyle Magazine. It is a real glossy, high end piece. She has offered us a full page, full color ad in there which is the piece that is going in there. We have got a couple of sponsors there helping us along. In conclusion, I would just like to say that we are an agenda item for today for a five thousand dollar (\$5,000) grant from the County, and we could certainly put that to good use in bringing more attention to the North Shore. We can be the preeminent event up there and generating more and better interest from swimmers and their families, and not only local

keiki, but the local swimmers as well and other people who are looking for Kaua‘i to be a destination resort on an annual basis. Thank you.

Chair Furfaro: Thank you, Gregg. Are there any more questions on Gregg’s presentation?

Ms. Nakamura: Thank you for being here and for educating all of us about this new program. I think it sounds like a good opportunity and it is good to see that you have corporate sponsors behind you on this one, like Hanalei Plantation Resort, St. Regis, and Oceanfront Realty. It was part of the recent study that we did on sports and recreation opportunities on this island, which kind of points to projects like this that will help to—when is this going to be held?

Mr. Kravitz: It will be on July 27th. It is always going to be the last Saturday in the month because, one (1) reason is, that it seems an optimum time for Hanalei Bay. Where else can you swim in an area that gorgeous and that flat for open water swimmers? There are also no canoe races that weekend. It is a bye weekend.

Ms. Nakamura: Not quite the shoulder season. Okay. Thank you very much for pursuing this.

Mr. Kravitz: Thank you.

Mr. Hooser: It sounds like a very exciting program and again, thank you. There is a lot of (inaudible) on water safety and educating people in the community, and visitors and residents alike about how important it is to be safe in the water. My question would be, “Are you in communications with the lifeguards, water safety?” “Do you have a water safety educational component that would be woven in if not already?”

Mr. Kravitz: The answer is yes. Hopefully by next year, we will have that a lot tighter. I stopped at the hospital...and what is his name?

Mr. Hooser: Dr. Downs?

Mr. Kravitz: Yes. In trying to work with him, I think we can put something together there. The other is just the fact that we are more tuned into about safety here with our own race. We have one (1) of the local vendors up there, Hanalei Beach Boys, Janet Mitchell up there. Her and her husband rent standup boards and they have agreed to donate for the morning event of twenty (20) standup boards, because that is sort of how you outline the race because you have floating craft up there. We have got that working and we have somebody who is going to work with our standup people on doing safety issues, so if there is an issue in the water, they can learn how to pull somebody out on the water on a board and so forth. We intend to move more into that and make certainly a day of it. There is no question that this is perhaps a highlight in all the bad press we are getting on water issues. Here is something that we could point to as stepping up and doing something about that.

Mr. Hooser: Dr. Downs and the lifeguards are involved in the competition?

Mr. Kravitz: The point is that have I discussed with him the possibility of doing something. At this point, I do not know if we could put something together in next sixty (60) days, but it is certainly a start for that.

Mr. Hooser: Thank you very much.

Chair Furfaro: I am going to need to take care of a Council matter. Can I turn it over to you, Vice Chair?

Mr. Rapozo: Okay. Are there any questions for Mr. Kravitz?

Ms. Yukimura: Thank you very much for your presentation. It is a wonderful community based entrepreneurial effort from what I can see and very good for the community. What is your involvement? How is this race being run? Do you have a paid staff or is this basically a voluntary effort?

Mr. Kravitz: You are pretty much looking at the lead guy here.

Ms. Yukimura: Good for you.

Mr. Kravitz: There is nothing paid whatsoever. I paddle with NāmoloKama quite frankly, and with Dick and Barbara bowing out so the club looked around for somebody to step in and help move this thing. I have been in Sales on the mainland so I raised my hand. It seems like I just sort of stepped up to that. It really is not a paid thing. It is all volunteers that want to put this together. The idea started as just a swim meet and I think looking at it, for me stepping in to see this thing that has been run so well for six (6) years, it does not seem like it is much more of a step or two (2) to get this thing to have a destination buzz about it. That is what I got excited about, in sorting of creating a wheel. We have the wheel rolling; it is just a matter of making it a little quicker, fancier, and fine tuning it. I would love to bring the Kaua'i Lifeguards, Monty Downs, and that whole group. I have to tell you that everybody whom I talked to has really been upbeat about this. Sue has given me a whole list of people, and George as well. If we can get some support from the County just so—I would like to have the seal on our website, just to show that it is a legitimate thing here. This is sort of a watershed year for us, coming from simply hanging flyers, and the coconut wireless telling people about it to actually bring in people. I should just mention that Hana Hou just sent me an E-mail yesterday. They are not doing an article but they have got our pictures in there. They have got two (2) great pictures that are going to be in the June/July issue about the event. There are people who are picking up the buzz about it. Nobody is getting paid, just a lot of hard work.

Ms. Yukimura: It is a wonderful reflection of the North Shore community. Thank you very much.

Mr. Rapozo:
Kamealoha Hanohano-Smith.

Thank you very much. Our next speaker is

KAMEALOA HANO HANO-SMITH: *Aloha mai kākou āpau. A laila, makemake wau e hāpai ka leo ma hale iā kākou āpau no kēia wai me hiki iā mākou nā kumu nā po'e hana ma Ke Kaiāulu 'O Anahola. E wala'au me 'oukou e pilina ka mākou papahana ma Anahola.* My name is Kamealoha Hanohano-Smith. Thank you very much for giving us the opportunity to speak about our program that we do in Anahola. I guess in the Western perspective, we would be considered a project based marine science project, but we are really more of a traditional resource management project that teaches kids different aspects of marine resources that we have in the area. The presentation I can give to you folks today can be done in three (3) sections. The first section of course is the introduction of the geographic area known as Anahola, so you folks can become familiar with our program. The second is the abstract that we brought forward to propose for possible funding, and then the third is to talk a little bit about the community impact and that would be the community that we work in, the students or the youth that we target, and talk a little bit about the impact that a program like this could have on the population that we work with. Just to let you know, in terms of population, although we are based in Anahola, I would say two-thirds of the kids that we work with actually come from the Puna District, which is a district just below Anahola or just below Ko'olau. On the island of Kaua'i, I think we have six (6) districts and most of the students come from the Kapa'a area actually. A third of the students come from the Ko'olau area, primarily from Anahola. We are a project based program and we use two (2) places to do our program; one (1) is a Ko'olau Hui at Church. That is where we house our classes when it rains. Outside of this, *mahalo* to the Department of Parks and Recreation. We also hold our classes in Anahola County Beach Park, where we gather to start protocol. We use the bay as a living lamp to conduct observation, science experiments, and gather data about near shore marine vegetation and marine resources. Anahola County Beach Park encompasses several cultural *kīpuka*. *Kīpuka* is kind of a historical site. That includes Anahola Bay, Kanahawale, Kāhala, Halaulani, 'Aliomanu, Kuaehu, and Kalaiokali'u. These are some of the names that most people do not even know, but these are some of the place names of places in Anahola and around Anahola Bay. Depending on the movement of the water, we kind of go up and down the coastline on the North East side of Kaua'i, and also depending on where the fish go. We kind of follow that pattern as well. The program works to monitor coastal marine vegetation.

Mr. Rapozo:
three (3) more minutes.

That was your first three (3) minutes. You have

Mr. Hanohano-Smith: Okay. How about if we just go to the second part. Let us do that. Anahola like other communities is looking to strengthen its accountability for the health and long term sustainability of its marine resources. In 2011 and 2012, in partnership with the County of Kaua'i and others, Kaiāulu staff work with students on a Hawaiian language emergent on 'āina/kai stewardship program, here in Anahola, to revitalize local fishing traditions and cultural resource management practices. We came together at the beach and one (1) of the project deliverables that we had is a

calendar. If I could give one (1) to each of you, that would be great. You guys like? It is free. *Mahalo* to the Western Pacific Management Council for underwriting the costs. We were able to get enough for people in the community. This year, we only did it in English, but our real goal of course is that we believe in Kaiāulu ‘O Anahola that Hawaiian language is an essential and necessary component of indigenous stewardship and environmental stewardship conservation practices. This year we did it in English but next year, our goal is to put one in Hawaiian as well. The other project deliverable that we have is a book called ‘O Anahola Ku‘u Kulā‘iwi. We work with the children to do research on different place names in Anahola and other areas in the Ko‘olau District. That was a lot of fun. In terms of some of the impact on at least with the kids who came to our program—I think ninety-five percent (95%) of the students self reported an increase in use of Hawaiian language and traditional resource management practices and seventy-five percent (75%) of the kids indicated a strong desire to incorporate some of what we learn there, into their academic studies. For this coming year, we have three (3) project deliverables that we are working on. One (1) is in the area of Cultural Stewardship. The other one is Environmental Stewardship, and the last one is Economic Sustainability and Resources. Economic Sustainability and Resources refers to the project deliverables and the ability to sell some of those materials. We are working with a nonprofit on the island of O‘ahu and that is helping us put together a marketing and business plan. We understand that we love doing the nonprofit stuff and it is good, but the program has to be able to sustain itself. For us, that is a really big component of what we do. Does that mean it is *pau*?

Mr. Rapozo: You can summarize.

Mr. Hanohano-Smith: I can summarize? Okay, *mahalo*.

Mr. Rapozo: Maybe like thirty (30) seconds or so.

Mr. Hanohano-Smith: Right on. *Mahalo* to the County of Kaua‘i, but really the strategic result that we are trying to address is the issue of conservation and environmental sustainability. We seek to increase awareness of cultural uses of natural resources and historical sites, increase the availability and access to cultural knowledge and develop strategies to promote sustainable management of resources in North East Kaua‘i and neighboring coastal areas in collaboration with local government agencies, area businesses, and other like minded community based organizations. *Mahalo*.

Mr. Rapozo: Thank you very much. The reason I was smiling when you started to talk in Hawaiian is because we have a captioner.

Mr. Hanohano-Smith: Oh, hello. She was reporting all of that?

Mr. Rapozo: I do not know where she is, maybe in North Carolina or something. I can only imagine what came on that screen.

Mr. Hanohano-Smith: *E kala mai*.

Mr. Rapozo: Were you guys watching? It goes to the mainland and the person types exactly—like if you look at the monitor right now.

Mr. Hanohano-Smith: Oh, hello.

Mr. Rapozo: I was smiling because you were funny; I was smiling because I was thinking that this lady must be going crazy. Are there any questions? Go ahead, Councilmember Nakamura.

Ms. Yukimura: Kamealoha, thank you for the presentation and for the program. I do not know if you mentioned it, but it is mainly immersion or it is mainly taught in Hawaiian?

Mr. Hanohano-Smith: Everything that we do, we have a commitment to at least the two (2) languages, which is English and Hawaiian, so we offer the program in English but the hope is that when the kids come, they will be inclined to also jump in there and learn Hawaiian. Kids are great. They learn. They do not ask too much questions. They kind of just follow what the *kumu* says so we like that. Yes, so two (2) languages.

Ms. Yukimura: How many young people are enrolled in your program?

Mr. Hanohano-Smith: Last year, our target was only fifteen (15) because that is the amount of resources that we had. We ended up serving, I think over one hundred (100). It was not popular because we are popular people or anything, but it was popular because there is such a need and such an interest in being able to parlay what the kids do in their daily lives to something academic. It also adds another program in the community in which the kids are able to come to for either afterschool or intersession.

Ms. Yukimura: This connection you are making between science and cultural knowledge and everyday life is really a wonderful thing. I believe you have some scientists who are working with you as well? Or people with some science background?

Mr. Hanohano-Smith: Yes, okay. We always have guest lecturers who come and work with us to help us with the science. We do not have anybody currently working for us fulltime because we need money. Anyway, we do not have anybody currently working with us fulltime, but we, like for myself, Hawaiian immersion—my background is not—I am not a classically trained science teacher or anything like that, but I am familiar enough with principles that we have to do when we are teaching elementary school kids that the level of science that we teach is comfortable. The best thing about this is the kids. You cannot imagine—you really do have to come out and see. These kids are pretty amazing and the amount of connections that they are able to make with things that they do in project based learning and in the class; it is nothing short of phenomenal. To be able to do it in Hawaiian language—it is pretty good. It feels good and feels like it is the right place to be doing it.

Ms. Yukimura: My last question is that you were talking about an underwater *imu* or what do you call that?

Mr. Hanohano-Smith: Yes. That is the fish trap. Every year we want to increase their understanding of different fishing techniques, so we did like an underwater aquarium and use rocks and stuff. Where we live, most people have *imu* in their backyard. This is an underwater *imu* in which we are able to catch fish. That is the easiest thing to do with little kids. I think this year, we are going to be working a lot on actually showing them how to do nets and we are going to align that with math standards.

Ms. Yukimura: Thank you very much.

Mr. Hanohano-Smith: *Mahalo*.

Mr. Rapozo: Are there any more questions?

Ms. Nakamura: I just wanted to clarify. This is an afterschool and intersession program?

Mr. Hanohano-Smith: Yes, we partner with several different program and organizations so it is really that we work with their schedule. If their schedule allows to us have classes afterschool, then we have classes after school. Some do not, so we have those during the day and then also definitely during intercession. Yes.

Ms. Nakamura: It sounds like a great cultural place based learning.

Mr. Hanohano-Smith: Yes, it is a lot of fun.

Ms. Nakamura: Thank you.

Mr. Hooser: In terms of the County Budget, how much County funds are and what percentage of your Budget is County funds?

Mr. Hanohano-Smith: How much can we ask for?

Mr. Rapozo: The proposal is five thousand dollars (\$5,000).

Mr. Hanohano-Smith: Yes, I know that the proposal is five thousand dollars (\$5,000). We actually get a grant from—the Castle Foundation renewed our grant so we have been receiving funds from them. We are waiting for word from the Office of Hawaiian Affairs, and then of course from the County. You folks put down five thousand dollars (\$5,000).

Mr. Rapozo: That is what is in the proposal.

Mr. Hanohano-Smith: Yes.

Mr. Hooser: Your overall program Budget for the year is?

Mr. Hanohano-Smith: It is about one hundred twenty-five thousand dollars (\$125,000) a year. That is a dream. We are not there yet. Our goal every year is to make sure we can at least make that much amount of money to underwrite the difference in costs. The biggest expense—salaries and stuff like that aside...we are mobile. The kind of equipment that we need is kind of expensive. Nowadays, there is a lot of technology. That kind of stuff is kind of expensive.

Mr. Hooser: To operate the program right now, it is about one hundred twenty-five thousand dollars (\$125,000) a year?

Mr. Hanohano-Smith: One hundred twenty-five thousand dollars (\$125,000) a year. Thus far, we have been able to raise a little over half of it with other moneys. We are real excited as we start this new year with everything that we got thus far.

Mr. Hooser: Sounds like a great program.

Mr. Hanohano-Smith: Yes. It is a lot of fun. You should come and check us out.

Mr. Hooser: Thank you.

Mr. Rapozo: Thank you, Mr. Hooser. If nothing else, thank you very much.

Mr. Hanohano-Smith: Thank you very much.

Mr. Rapozo: Say a very short closing.

Mr. Hanohano-Smith: You want me to say it in Hawaiian?

Mr. Rapozo: Yes.

Mr. Hanohano-Smith: Okay. *Mahalo nui loa. A hui hou.*

Mr. Rapozo: What is her name BC? Carol. Hi, Carol. This is Jay Furfaro. Okay. Our next speaker is Keao NeSmith.

KEAO NESMITH: *Aloha kākou. ‘O wau ‘O Keao NeSmith no Kekaha, Kaua‘i. Good luck, Carol. If she needs help let me know. Mahalo for this opportunity. My name is Keao NeSmith. I am from Kekaha and born and raised there. My purpose here is to tell you a little bit about this project, that with the collaboration of Mayor Carvalho and Nalani Brun of the Office of Economic Development, have been working together on. This is a project that I called “Kaua‘i Nui Kuapapa.” It is an old phrase found in chance with regards to Kaumuali‘i and Kaua‘i in particular. The phrase*

Kaua'i Nui Kuapapa is a phrase that talks about the entirety of Kaua'i as a place, as our center. What this is, is a project where we are going to do signage on each *moku* and *ahupua'a* of Kaua'i on the sides of Kaua'i highways. There are five (5) *moku* or six (6) depending on what time period you are talking about. I forgot the exact number but there are about fifty-three (53) *ahupua'a* on the island. This project stands from lots of conversations with friends and family around tables at the beach around fires, about these places that we were born and raised around our surroundings here. These are things that we do not get taught in school, so we come home and talk about them. From scratching our heads and wondering, "How come we do not know about the names of these areas? We know it is called "Inters" Beach. What is the real name?" These names are actually there. The project involves a lot of research. I have been reading a lot through the Hawaiian language newspapers from the early 1800's, all the way through to the mid 1900's. A lot of other sources, private family collections, and so forth are also the type of research that I have been investing in the project itself. I work with a team. This company in Honolulu called (inaudible - "Past or Projects?"). They are the tech experts. They develop signage and stuff like that. Another guy who is a cartographer, so he develops unique maps, 3-D maps, color coded, or any type of maps you need. He is developing the maps. That also indicate the borders of *moku* and *ahupua'a* for the purpose of this project. Essentially, it entails *moku* signage, which will have a particular shape to it so that it is identifiable as a sign, and then the *ahupua'a* signage will be of another shape so that they also can be identifiable because you are driving along the road. Each will be color coordinated. In other words, five (5) different colors representing five (5) *moku*. Ultimately, what I hope this will do is create an opportunity for Kaua'i people, especially businesses, community associations, churches, and the Boys and Girls Club to come to take on the identity of the area. Also inclusive in the project is that I am reminded by the emblem we have on the wall over here, which are those unique features that are uniquely Kaua'i. Nowhere else will you find those particular things? You will not find those types of *poi* pounders, you will not find Mokihana, and will not find Nounou and all of those stories associated with it anywhere. Our unique identity is our economic base. If we are going to have all of these icons that we can take and use as branding and marketing aspects that businesses can take on, no matter what they are here on Kaua'i, they can now be identified by a simple icon; simple logo that they will create that hopefully can be linked to their part of Kaua'i. There is a website that we are working on that will encapsulate the entire project from beginning to end, and also in segments. There will be pages on the website that will talk about each of the *moku* and identifying features of the *moku* from ancient times to modern times. It will have history, cultural icons, that are symbolic of the area and it will have these slogans. For instance, for America, they use the phrase "Land of the Free." You do not even say the word America but everyone knows what place that is. We have slogans like that from ancient times that are unique to each *moku* and each *ahupua'a* on Kaua'i. We want people to first of all know what these are and then use them. These can be slogans that the high schools can use. They can take on these icons. I want to feature a native plant that is unique to areas—not necessarily unique, because our native plants are found everywhere; however, Nā Pali has some native plants that are only found in Nā Pali. Again, an icon and symbol of the area. Because of our strong connection with *mauka* and *makai*, not only do we have a native plant but also a fish that again will be associated with each *moku*. Again, we hope that this type of knowledge will become a part of us in our homes and in our communities. The full name of the project is Kaua'i Nui Kuapapa, with a

subtitle, "Talking About Our Island." What we want to do is get our people talking amongst ourselves, "Yes, by the way, what is the name of this ridge? What is this whole flat plain that we pass by all of the time and do not know the name to?" *Moku* signs; *ahupua'a* signs, and not only that, but beach signs where Kaunuali'i and Kūhiō Highways pass along the beach. We want people to know what the traditional names of these beaches are. For County parks and State parks, we want to add the traditional names of these areas so that people do not just know Salt Pond as Salt Pond, but as Kaunakaiole. We are not looking to remove any signs, but we are looking to educate the public as to what the real name of this place is, inclusive of Lydgate Park or any park.

Mr. Rapozo: Thank you. Are there any questions for Mr. NeSmith?

Ms. Yukimura: That is a wonderful project. I am recalling that years ago...ten (10) years ago, then Councilman James Tokioka and I introduced a Resolution asking for proper Hawaiian spelling and use of Hawaiian place names. You are taking this to a whole other level with signage, interpretation, and connection. That is so exciting. I am always correcting people who are saying "Secret Beach." I say, "No, that is Kauapea." To have that now in signs and with stories and conversations as you described, within the island; that will embed the knowledge even more.

Mr. NeSmith: *Mahalo*. Of course, it does involve this thing of a sign you put up there. I am very concerned about the impact on the environment so we want to minimize the impact. I do not want to be making more signage when I prefer less signage. It is just these are very special signs and we do not want to make them intrusive.

Ms. Yukimura: It is wonderful that you are thinking about all of that because that is reflecting the whole Hawaiian approach; the indigenous approach.

Mr. NeSmith: Right, because in the past, we did not need the sign because it was common knowledge. Now that knowledge has been brushed off to the side for the past several decades, we would like to reintroduce.

Ms. Yukimura: Thank you very much.

Mr. Rapozo: Thank you. Any other questions?

Mr. Hooser: I just have a Budget question. For the length of the project and the overall Budget, where your major funding is coming from?

Mr. NeSmith: *Mahalo* for that. There are two (2) or three (3) phases of the project and we are towards the end of phase 1 at this point. Phase 1 is the research involved in this whole project. Inclusive of searching for maps, whatever maps there are to be found, we want to find them all that make references to what the borders are. We do not want to say that one (1) is correct and the others are not. We just want to report and cite what all the data is. That is an example of the type of research. Then we have my team members who are the tech special visits, and they professionals at what they

do. There are these cost factors. Phase 1 is for research to find out what the numbers are supposed to be. Phase 2 is the actual work and putting up the signs. The cost of the signs themselves—the cost of replacement signs, if one (1) should get taken out for whatever reason; we worked with Ray McCormick of the Kaua'i Office of the Department of Transportation to go over what considerations we need to keep in mind as we do this. We have had meetings with him. Phase 2 is the actual work. Phase 3 which will come later is the curriculum development, and I will work on that after the infrastructure is already put in place. I worked with the Nalani Brun of the Office of Economic Development on that and again, much appreciation to Mayor Carvalho who has been very supportive. The funds so far have come through the auspices of the Office of Economic Development. As part of the end of Phase 1 and going into Phase 2, we are going to talk some more, so I am talking more with Nalani about that. The numbers are not definitely set yet, and we do not know how much it will cost for Phase 2 but we are in discussion for that.

Mr. Hooser: We are looking for funding support for Phase 1 right now?

Mr. NeSmith: Funding has already come from Nalani Brun's office, and we are not done with Phase 1 yet, so the deliverables for that are for instance, having the website up and generating a report that will inform Phase 2, as far as funding is concerned.

Mr. Hooser: The approximate cost of Phase 1?

Mr. NeSmith: About twenty-five thousand dollars (\$25,000).

Mr. Hooser: Do you have an idea on the cost of Phase 2? I understand there is a lot of work to go before you get there.

Mr. NeSmith: There is a lot of work and there is much more involved. An example is that we also would like to have interpretative signs at only a few points, so maybe only five (5) points around the island. The interpretative signs will be pull over points where you can pull over, and we want to take advantage of those pull over points that already exist. For instance, we would like to have it be a bigger sign about like this, made of natural wood. On it, we are going to have this type of—you know what a Quick Response (QR) code is? It is kind of a code where you can use a smart phone. We want something like that. Dave Deluca of Castle Projects in O'ahu; we have been in discussion and are working on this particular feature where if you have this app that goes up to your smart phone, there is a code that will appear on the interpretive sign with some instructions there. With this app, you take a picture of it, download the app, and then hold your Smartphone up to the scenery you are looking at, say Kahili mountain, and it will be preprogrammed and capture and generate a video, maybe a forty-five (45) second video with someone, maybe a *kupuna* from the area taking about the names of the rains, winds, and story particular related to the area. It can get expensive. We do not know what the costs will be right now. One (1) sign, we found from Ray McCormick's office, can cost from four hundred dollars (\$400) to five hundred dollars (\$5000 just for one (1)). We are talking about five (5) *moku* and fifty-three (53) *ahuapua'a* so it gets very expensive. We will be in

discussion with the members of the Department of Transportation at the State level. Hopefully they can take care of the cost of that itself. We are hopeful that we can actually get them to do that so it lessens the burden on our end. There are lots of moving parts.

Mr. Hooser: Thank you. Sounds like a very exciting and worthwhile project.

Mr. NeSmith: It has been really enjoyable so far.

Mr. Hooser: Thank you.

Mr. Rapozo: Thank you. Are there any other questions?

Ms. Nakamura: I just wanted to thank you very much for this briefing and I want to thank the Office of Economic Development and the Mayor for putting this in the Budget because it is something that will benefit everyone; residents, visitors, and everyone to just be educated about our culture and our places. There is a Visitor Industry Plan for Kaua'i, and I am looking at Sue and Nalani because we worked on it a while back. This is one (1) of the priorities in the plan as a way to communicate and educate our visitors here. I am hoping that we can approach Hawai'i Tourism and Authority (HTA) for funding to leverage the County funding and to help us implement this really important piece. Thank you so much for your very good work.

Mr. NeSmith: *Mahalo nui.* It has been a pleasure because the primary target audience really is our local population, probably over our visitors because there are already thousands of sites out there for visitors. There are thousands of specials and they can go to hundreds of sites. But our local population is in need of this. It comes from this whole idea that an informed and educated community is a healthy community.

Ms. Nakamura: I am just thinking of ways to pay for it.

Mr. NeSmith: Yes, awesome. *Mahalo* and I am glad that you have I excitement that I can see.

Mr. Rapozo: It is a great project and we as Councilmember have to tie it into Economic Development somehow. I think that was what Councilmember Nakamura was aiming for. I agree with you one hundred percent (100%). Kids today and even myself; we do not know a lot of these areas. We never knew because it was not taught.

Mr. NeSmith: Right.

Mr. Rapozo: There is so much culture and history here. I just had one (1) Budget question. You said you have already received funding from the County?

Mr. NeSmith: Right, through Nalani's office.

Mr. Rapozo: How much was that?

Mr. NeSmith: Twenty-five thousand dollars (\$25,000).

Mr. Rapozo: This is the second twenty-five thousand dollars (\$25,000)?

Mr. NeSmith: Yes, second twenty-five thousand dollars (\$25,000) and really, that does not cut it. It is great, *mahalo nui*, but whatever you guys can slate for it would be excellent.

Mr. Rapozo: Yes, we have the tough job of having to balance this out at the end of the process and it is tough.

Mr. NeSmith: Right.

Mr. Rapozo: It helps when it is in the Budget to begin with.

Mr. NeSmith: Absolutely.

Mr. Rapozo: With the Mayor's support, it definitely helps a lot.

Mr. NeSmith: Absolutely.

Mr. Rapozo: I appreciate the session. I wish we could have you here longer. That is so awesome. We will take a recess for ten (10) minutes.

There being no objections, the meeting was recessed at 2:45 p.m.

The meeting was reconvened at 2:57 p.m., and proceeded as follows:

Chair Furfaro: Our next testifier is Kēhaulani. Welcome.

KĒHAULANI KEKUA: *Aloha mai kākou* on this beautiful day. My name is Kēhaulani Kekua and I am the *kumu hula* of Hālau Palaihiwa 'O Kaipuawai but I am here today to talk about Ka 'Aha Hula 'O Halauaola, which is the fourth world conference gathering on *hula* that has been scheduled for July 10-18, 2014 to convene here on Kaua'i island. I have some information to share. I was not really sure if I was going to speak, but I thought might as well take advantage of opportunity since I am here. *Mahalo nui* for giving me this time. Ka 'Aha Hula 'O Halauaola was founded by master *kumu hula*, Hōkūlani Holt from Maui, Pualani Kanaka'ole Kanahale from Hawai'i island, and Leina'ala Kalama Heine from O'ahu island. With *hula* as being the most recognized cultural art form of Hawai'i, is through *hula* that countless generations the masters and practitioners have maintained and passed on invaluable insight and wisdom of Hawaiian culture and lifestyle practices. Even what the two (2) gentlemen, prior to me spoke about; we come from an oral culture, so everything was orally documented and passed down from generation to generation through *mo'olelo*; oral tradition stories, *hula*, and chants. Today we continue to

see that as a very valuable conduit to maintaining the ancient wisdom and what makes us very unique here in Hawai'i. The first world conference on *hula* took place in 2001 in Hilo. It happens once every four (4) years. In 2005, it traveled to Maui. In 2009, to O'ahu and it is coming to Kaua'i in 2014. The reason why we skipped—it would have been this year, but it was the 50th anniversary of Merrie Monarch, which we are all still on a high about. Therefore, the conference gathering will take place next July. We are here to ask for the support of the County of Kaua'i. We had an opportunity to meet with the Mayor, as well as George Costa and Nalani Brun from the Office of Economic Development. They were very supportive and quite excited about this endeavor. I am not exactly sure but I think the original funding request went in for thirty-five thousand dollars (\$35,000), and I think it has been cut down to ten thousand dollars (\$10,000). Anything that can help to support this endeavor is greatly appreciated. I know that for the last conference on Maui—I do not have the exact amount, but I believe the County provided support of at least fifty thousand dollars (\$50,000). The conference does not happen until next year. We are currently ongoing, seeking funding sources through grants, OHA, HTA, and other fundraising sources. One (1) of the unique aspects about Ka 'Aha Hula 'O Halauaola is a year route, which actually we are starting at the end of this month. We will hold training sessions to train *kumu hula* and their *alaka'i* and their students on Kaua'i first because we are the host island, and then we will travel to all the other islands, eventually to the east and west coast on the continent, as well as overseas to Japan, Europe, and anywhere else where there is an interest. We do this training a year in advanced. We teach all the protocols for the ceremonies and the chants so that everyone has an entire year to prepare themselves. When we convene for the opening ceremonies for the conference, we will have people literally from around the world, in mass, participating in the opening ceremonies that will kick off the conference. The opening ceremonies are based on the *hula kuahu*, which are ancient ceremonies that have been perpetuated through the guild of traditional *hula* practitioners. The funding that we are seeking is to support that training. On the second page of the handout that you have, there are six (6) goals that are bulleted. Of course they include: the encouragement of preservation of ancient art forms, and learning and enrichment platforms for people from Hawai'i and around the world. Most importantly, I believe that we have an excellent opportunity to promote and showcase Kaua'i island as a distinguished destination and repository of authentic Hawaiian culture, history, and the renowned traditions of Kaua'i's primordial *hula* knowledge. The conference gathering will feature one hundred (100) master *kumu hula*, artisans, and practitioners who will be teaching and presenting. We anticipate at least one thousand (1,000) participants to this world gathering of *hula*. It is with great anticipation that the *hula* world is really looking forward to coming to Kaua'i because Kaua'i has a very long standing history of *hula* excellence. We appreciate any consideration that you can offer to support our endeavors to begin going out into the community, and then throughout the archipelago of Hawai'i, and towards the continent and overseas to being to teach the Kaua'i selected chants, protocols, and ceremonial dances, all of which will focus on Kaua'i. *Mahalo nui.*

Chair Furfaro: Thank you very much. Let me see if we have any questions. Your funding cycle will fall in the FY2014-2015 budget because we start July 1. Your dates again?

Ms. Kekua: It is July 10 – 18. We are currently before the Council and the Council to ask for support for planning and for the preconference training which will enable us to not only do the training but to promote Kaua'i as a cultural destination.

Chair Furfaro: I just wanted to make sure that everybody was clear.

Ms. Kekua: Yes.

Chair Furfaro: There 2 phases to that.

Ms. Kekua: That is correct.

Chair Furfaro: Questions?

Ms. Yukimura: This is very exciting. How often does this world conference happen?

Ms. Kekua: It happens once every 4 years because we literally invite the world to come. It is once every 4 years. The first one took place in 2001 and the most recent world gathering... and it is not just for hula practitioners, it is for anybody who is interested in Hawaiian culture. There is a spectrum and myriad of offerings for people to engage in learning about the Hawaiian culture and because hula is a major conduit that connects us to every aspect of Hawaiian culture, history, and lifestyle that is the platform that we are utilizing for this.

Ms. Yukimura: You are applying for funds from OHA or Hawai'i Tourism Authority?

Ms. Kekua: Yes, as well as through other grant funding sources but definitely we are submitting large grant proposals and presentations, to the HTA as well as to the Office of Hawaiian Affairs.

Ms. Yukimura: Excellent, thank you.

Ms. Nakamura: Thank you very much for your presentation and for educating all of us. I wanted to ask you what is the percentage of off-island visitors that you expect at this conference?

Ms. Kekua: Well I do not exactly have that number in front of me. But I think on the fourth page of the handout that you have, in the second paragraph, it indicates the most recent gathering which was on the campus of Kamehameha Schools in 2009 on Oahu, we had 4,483 people attend this. Of that number, delegates came from Hawai'i, 21 States from the continent and 11 Countries including Japan, Mexico, Canada, French Polynesia, Poland, Switzerland, Germany - some of the most oddest places you would think they would even know about hula, but it is so

widespread around the world and we wanted to invite people back to the nucleus and birthplace of hula and learn from the best. Masters that are still living and able to pass on the information and the knowledge. So I do not have that exact number, but I can definitely get back to you.

Ms. Nakamura: Thank you very much. Offhand is it more than half?

Ms. Kekua: Yes. A good number of the participants come from the continent and outside of Hawai'i and we have seen those numbers grow tremendously and we are quite happy about that.

Ms. Nakamura: That would be good information to have. Thank you.

Chair Furfaro: Kehau, it is very nice to see you. Thank you very much for your testimony. Mr. Costa? George, I do not know if my staff informed that we would like to go to 4:30 today. We got good feedback and testimony, but I would like to give you the hour and a half and is it possible that your office can take appointments for you so we can spend the next hour and a half on your presentation?

GEORGE K. COSTA, Director of Economic Development: We will try to go through our presentation as quickly as we can. I have a 4:00 appointment but I will reschedule that. Thank you for this time to present our Fiscal Year 2014 budget. First of all, I just want to purpose our presentation by saying that first of all I want to acknowledge Mayor Carvalho for the opportunity to work in Office of Economic Development. Not in my wildest dreams did I think I would be working in government and public service, but I have settled into my role and I feel that the short time that we have within County Government and on this planet Earth, I want to do my part to see what we can do to help our people. We have so many opportunities. I know we have a lot of issues that are controversial, but I know in working with the Administration, with the County Council, I know we can come to a really good place. So I wanted to start with that and I also I wanted to acknowledge the Office of Economic Development, we have a really good team. I have been in Office for 4 years and really come to embrace the team members that are there and today, they are going to have an opportunity to share their portions, their sectors of the Office.

First of all, for the Office of Economic Development we want to stress it is in our annual report and on our website, but to stress our mission which is the Office of Economic Development works in partnership and I want to emphasize "partnership" with the community, with business, and government sectors to create economic opportunities towards the development of a healthy, stable, and balanced economy of the County of Kaua'i. OED promote and nurtures sustainable economic development that is consistent with the community's needs and priorities and also our goals and really, we try to live these goals almost on a daily basis and it is assisting businesses. That Office is unique. We work with so many different organizations within our community and I want to thank them, whoever maybe watching this presentation for their continued support and their collaboration throughout the years. Also, we our goal is to improve Kaua'i's economy

through economic diversification, economic self-sufficiency, and economic opportunity for all. I firmly believe 4 years ago when I started with the County, I was here before you, I have been with the County for only 3 months and I was asking for \$1,000,000 to help market Kaua'i because our visitor industry was really suffering through the global recession that we were experiencing. I am very pleased to say that what we are experiencing today was far beyond my wildest dreams that we would recover as quickly as we did. However, our economy is so tenuous, so fragile, that every day is an opportunity to try and diversify our economy. Our visitor industry, our main economic engine relies on people coming from other places and with the rising cost of fuel, that could change in an instant. We also want to maintain and provide access to statistical data and I will cover that later on in my presentation and also carry out of functions of the 6 sectors in the Office of Economic Development - tourism, energy, sustainability, workforce development, agriculture, and film. I looked at the number of business and community partners that we have and I counted 48 and already in looking through the list, I noticed I missed quite a few, but in our daily lives in the Office of Economic Development, I can honestly say that throughout each month, we almost least one time during the course of the month meet with at least 48 of these different organizations and it is truly a collaboration in the community. And what I would like to do is have 4 specialists come up and present their sections. What I did, I revised the presentation, which you have there, so that each specialist will come up and give the entire presentation, their accomplishments, their challenges, their improvements and then their initiatives. And if you have questions for them at that time that would probably be the best opportunity. And then once we are done, then we move on to the next one. So in that order, I would like to introduce first up would be Nalani Brun for tourism and Ben Sullivan will cover the energy piece. And then Glen Sato will be presenting the sustainability portion and then after that, it would be Kaeo Bradford our newest member in our Office of Economic Development who is our Workforce Development Specialist and I will come back and cover agriculture, film and wrap up the Office of Economic Development.

Chair Furfaro: George before you go any further, I want to make sure that on April 16th everybody understands that is a separate meeting on CIP.

Mr. Costa: Right.

Chair Furfaro: And in the CIP is where we discuss the CEDS projects because that is CIP-funded.

Mr. Costa: Correct. So, at this time, Nalani Brun.

NALANI BRUN, Specialist IV – Tourism: Aloha. As you know tourism has been doing very well lately. As you can see from your little chart there, we were up on arrivals 7.3% and more updated information we have even up 10% in arrival through February of this year. As you know, with more arrivals it gets more and more crowded so we do have challenges that come with being crowded. I want to definitely -- my first thing I am going to be talking about is my fabulous other half, Sue Kanoho and all the wonderful work she does. A big part of my job is not marketing, thank goodness. She and her team do gangbusters for this island and a lot of these numbers are all about her staff and her and

the partners that she has, our industry and thank goodness for them, because they handle it with zest and zeal and such wonderful ways that they do it. It is a very nice partnership between all of us. I can honestly say I went to meeting with other islands, and they love to watch Kaua'i work because we work together and it is like magic, so we are kind of the *bruhaha* of the islands. I am proud of that. When we give money to the islands, last year \$200,000 to the Kaua'i Visitors Bureau and we can actually target that money to where we would like it to go. A lot of times the Visitor Bureau's hands is tied by what the HVCB wants them to do and County money gives them a chance to target money where they think the money should be going and it allows them to get creative and to quickly react to opportunities that they may not be able do. So we are very grateful for any money to give to them. For example, they were able to help push the Royal Coconut Coast up this year. They have been kind of lagging behind and as you can see they are starting to pick up and it is because we are allowing them to get direct-marketing to the people that they are able to market to and actually use their properties. That is really important. They did a California miniserries, which are is always important, one of our big markets and the Canadian sales blitz is another big market for us. They are outdoorsy like we are. The money goes to the MCI market. A lot of the money that comes from HVCB is cut often in convention areas and the money that we give them helps to boost that area. Again this year, that is what we will be asking for. It also went this last year to the Kama'aina Program and our "Kaua'i loves Elvis" I think sue did all by herself practically and of course we always try to boost military travel to the island because they are big fans of the island and they like to relax and we are all about relaxing. In our copy you will see the other things that they have done. When we beg, they are right there at the door to help us. In addition to that, tourism, the Hawai'i tourism money is put together with our money and we do an RFP and ask for what great ideas does the community have for festivals and events and product enhancements and we have a great committee that gets together and what we can do in next year? That is basically what we do. We do about 33-35 projects per year, that get funded and then we kind of manage that. So at any one time I probably have two years' of grants I am trying to manage at one time. We did complete – Po'ipū Sand Study with the Parks and Recreation Division that did just finish. Which I am so happy because I can apply to the HTA for Hawaiian resources and cultural money again. I do plan on doing had a because as you can see we have fabulous projects in the pipe. We did sponsor a grant program, because one of our challenges is that the HTA plans on cutting off all funding to any grantee that has had funding for four years. So as of 2015 a lot of the festivals and events are just not going to get any grants at all. I am not a proponent of that and I believe that if you invested money for so long, you want to stay in there least to keep them running, but they do not want to do that at this point. So it is been much of a rush of trying to train them, as much as I can to get their money or ways of making money up as high as they can. So they will survive in 2015. We are updating our Kaua'ifestivals.com website through one the CEDS Programs, the cultural and arts program. We are changing it from Kaua'ifestivals.com the Kaua'i signage program is a big one for us and it is been the best, program ever and we are working with them to teach them how to do budgeting and how to connect with all the different government agencies. So learning process for us, learning process for them and for sure the best project we are going to put out there in a long time. Of course...

Chair Furfaro:

Excuse me, you do a very good job.

Ms. Brun: Thank you. We have great projects. So moving right along. A lot of our big challenges are getting crowded and with being crowded comes horrible things, like drownings and all of those things. So we really want to put every effort into getting those ocean safety guys and ocean safety information out into the hands people to get them. Everybody has been wonderful as far as our partners are concerned. Of course you saw the TV, the TVs went up in the baggage claims area and all the rental cars are taking our brochures to stick in the cars. Realtors have taken them and I am delivering them to the Realtor Association and they are sending them out to their vacation rentals it is not for lack of people trying. They are trying to get that information out there and it is just a matter of hitting the right people at right time. They want to maintain that momentum of trying to get that information out there. So that we do not lose anyone. And improvements are we are aisle trying to up update the RFP process and getting the money out to people as quickly and easily as possible because we want them to do the work more than being tortured by the paperwork. That is my *kuleana*, to make it easy and train them and build capacity while we are at it. Our upcoming initiatives we want to continue to build the kauaifestivalsandeasts.com and we are changing out the logo to include the events that are much more encompassing. We are initiating the next round of CPEP Programs earlier. We are going to do it earlier and each has required us to include for-profits in the mix. We do that for their funds, but we do not do for County fund. It does not work for our Charter.

Ms. Yukimura:

I am sorry what is CPEP?

Ms. Brun: County Product Enrichment Program (CPEP). We are doing periodic training programs to help the festivals and events as they look at losing funding in 2015. We are looking at how to do better merchandising. We had our zero waste guys in there, if you can name, it we have done it trying to help them out. In addition to that, I am trying to get CFEC Certified a Festival and Event Certification that. I have done one year and it basically gives me access to all the great information that I can move over to our festivals and events. We are going to continue do the grant workshop and the signage project will continue on, but we want to start the signage phase. So I am in the mode of prepping for grant writing to HTA, because they should be starting earlier this year and is in several other spots, OHA and others that we will look for other funding sources for a lot of different programs this year. My daughter is graduating this year, so I expect I will need to be keeping myself very busy. So I have lots of ideas of what I am going to be doing.

This next year we have in the budget \$170,000 to go to the Kaua'i Visitors Bureau as this year's consumer promotion grant. \$100,000 is in there for golf television show. We have not had a television show in a long, long time and we sure would like to have one. Luckily, my other half, Sue Kanoho, is here in case you want to ask more questions about that. There is so much that she can and cannot say, but that is in here in the budget. We have \$30,000 for the NCI support. \$18,000 they would like to use as an online romance program and that is because we were named the most romantic island and you want to use that to your advantage. \$5,000 is for the Iwaki City Marathon and the Admin fee. We have the County Product Enrichment Program which is \$65,000 which is the match that we use. This year, I am a little boosted up in the Product Enhancement Program, and that is

because I am going to be doing so many new projects this year, because I need to keep busy and basically, I want to use \$40,000 of that as a match to go after the HTA's natural resource or Kukui'ula Project and I want to use the other \$40,000 a match to go after another project. I have a lot of great ideas of what I want to do, but it is a matter of timing when the grant becomes available and which is ready? I have a list of ones that I think might be ready. In the CPEP Program, ideas were we had a great program with Waipa that was not ready to be funded. They had one they wanted to do - we established native plants in the area and kind of fixing up the area. That was another one not ready yet. There is a shuttle idea that we are pondering over to kind of pilot during the summer months when it is really bad out there. We have a lot that maybe we can get to use, we have got to get agreement from DLNR to use it and see if we can run a shuttle back and forth as a pilot and if that work we may be able to expend it out further. That is just a pilot project that might be one of the things that we would like to look at. Some other moving forward on Hawaiian curriculum program. So those are just some of the ideas in there, but though are where we would use the two slots of money. Other than, that we have the airport greetings program that many, many times has saved us with a visitor and the entertainers. We have the Kaua'i Marathon in there for another \$25,000. And I know that they have been funded for three years and it is the same theory I have with the c pep programs that are going to lose their funds. I think once you have funded them for several years and I wouldn't pull out completely and to leave enough in for advertising, if you can, to make sure that the numbers stay there. Because without that little bit of advertising, you have kind of thrown your investment out the door.

Chair Furfaro: Nalani, I want to remind you, when this started we agreed to three years and if it did not breakeven we were going to walk away from it. That was understood. We gave it a fourth year to see if we could get to breakeven. So I want to make sure that was the original discussion and we are doing it a fourth year.

Ms. Brun: So, we are looking for a break even.

Chair Furfaro: We are looking for a break even event.

Ms. Brun: A challenge, I like that. I take that challenge.

Mr. Rapozo: Mr. Chair, I just want to clarify, that is what the guy said. That was not the Council saying, we are going to pull out. He said he only needed 3 years.

Chair Furfaro: I want to make sure that we are really clear on what we did. It was their piece. Because they were losing money, too.

Ms. Brun: I agree. Thank you. The other one is of course cannot Kaua'i Nui are place names project \$25,000 and I have - I have the Hawai'i Canoe Racing Association. The State Championships coming in August. They had applied to the CPEP Project too, but they had a glitch in their grant and it could not go through. And I hate to not fund them because that is a huge event. You have 1700 canoe paddlers depending on Hanalei Bay along with a ton of canoe and they are really operationally

needing some help. So it would be really great to help them out a little bit. Other than, that of course we do have the hula conference, which this year that money would be used basically as a marketing tool. They are going to go out and try to get them to all learn the chants and to me, if they learn the chants they are probably going to come. So you are probably nailing your audience there and next year look at supporting the conference itself. Other than that, I am open for questions.

Chair Furfaro: Okay. I will start on a couple of questions for you. Related to tourism in particular, I disagree with everybody's perception that we are on a roll. It is going full forward. In fact, I think we have a situation in the economy right now where the stock market is doing so well right now because on the other end the Feds are flooding the market with low-interest.

Ms. Brun: I know.

Chair Furfaro: So, people in the banking world are now investing in the market and because they are finding significant quarterly earning they are now traveling using that growth. Because they had a lot of pent-up demand. Who at the State Office of Economic Development might be able to dissect that more and tell us what is driving that peak? I think you know after 38 years in the hotel business I know how to read the statistics, but on the flipside is this a permanent swing or pent-up demand and that very scary situation in Korea and I do not need the answers now, but to see something that tells us what they think is in the State Office of Economic Development is happening, you know?

Ms. Brun: I agree, I think there are a lot of scary things out there and we do have a really great relationship with a lot of the relationships Dr. Tyan and Dr. Agnus with questions like that and this is a great time to start asking.

Chair Furfaro: I would like to make that request and I would like you to prove me wrong about that this growth is going on. We would love to fill up May and early December, maybe we have got to start shifting the occupancy if we got this kind of growth curve. But what is really going on in this trend and should we not try to analyze it a little bit more? Did you place any funding for the new Royal Coconut Coast kickoff? Are we just kind of in there as a complimentary partner now with our golf course being a member? Because we are still going to have to talk about, did we put any money in there to that membership or to get it kicked off? I know they offered us one-year membership?

Ms. Brun: For the royal coconut coast association?

Chair Furfaro: What do we have there are we riding this first year free membership?

Ms. Brun: We do not have anything in there? But we can adjust that for sure.

Chair Furfaro: I think that is going to be an important question that we get to review the golf course, the Pro-shop and the restaurant. I hate to be burning this free membership when we do not have the amenities to serve the visitors. The restaurant is closed, the Pro-shop is closed. You answered my two questions and Nalani, thank you very much. And I love your enthusiasm at the table. JoAnn, you wanted questions? You good?

Ms. Yukimura: Only thank you for your good work.

Ms. Nakamura: Thank you, Nalani for your wonderful work and I am glad your daughter is graduating. The North Shore Transportation Feasibility Study, I saw that in the budget here. Recently when we worked on the Multimodal Transportation Plan and had a chance to talk to the consultant who worked on that plan. And his take on this, because we talked about the need for shuttles, not only in North Shore, but in Po'ipū – Kōloa area is that you should not design separate shuttles that it should be part of the existing transportation system and that there is a need to integrate it and that makes it more financially feasible.

Ms. Brun: Yes.

Ms. Nakamura: I just wanted to find out, is that kind of the approach you taking with this?

Ms. Brun: Yes, we are working with Celia. So right now we are working with Celia and going back and forth on how this would integrate with the bus system? So really we have not gotten that far yet. We are just trying to get over the hump with DLNR and properties. Because really, it is a property issue of where things would run out of? We knew that from even the North Shore Plan that had just come out, where would it stage? Whether anything that we have, where will the shuttle stage at? That has kind of been the discussions are where would it be? And study itself did pick out a couple different places and we have not had enough time to plant people around a table and to agree to where we could actually do it.

Ms. Nakamura: Okay.

Ms. Yukimura: I have similar concerns, if you will, total support as I think Vice-Chair is of the idea of a North Shore shuttle. We sort of touched on that subject in the parking workshop at Po'ipū, because there is a potential need for the shuttle in Po'ipū and the consultant for the Po'ipū parking was also the consultant for the multimodal, Jim Charlier, and he said there were 3 models on the mainland of a resort area that handles an area shuttled through a public-private partnership. Celia was part of the conversation. So I think the way to approach it is from a system-view of how you could make that work? Not just solving the problem at Kē'e Beach but how a whole system might work and my take from Celia is that the... and we will hear on Friday is that tomorrow? The next level is for what was she calling? A short-term plan for implementation. That may bring in these shuttle ideas, but it needs to be done, I think, in study with the whole bus system and looking at models of the public-private partnership that might help incubate

such an idea. So I am not sure one it should be in Economic Development. It might be better off in Celia's budget and I think the timing part might need some thinking. Whether it is a this-year project or next-year project as they address the immediate elephant in the room, which is no base yard space? But in the search for base yard space they might be providing a component for the North Shore shuttle, too. So I think it is a matter of integrating it with the planning and system development that the Transportation Agency is doing.

Mr. Rapozo: Is this study – this item in the current budget?

Ms. Brun: It is. It is not in the tourism section. It is in the “other” section. That is why I am a little loss.

Mr. Rapozo: How long has it been in the budget already? How many years?

Ms. Brun: I do not know.

Mr. Rapozo: Is this the first year? Now, I am confused because I asked you if it was in the current budget... so, it is not in this current fiscal year? It's a new item?

Ms. Brun: It is in this budget.

Mr. Rapozo: The proposed budget.

Ms. Brun: Yes.

Mr. Rapozo: It sounds familiar that is why, I do not know why it sounds familiar.

Chair Furfaro: We have had discussion.

Mr. Rapozo: What is this study to do... just the shuttle? To determine if it is feasible to have a shuttle on the North Shore?

Ms. Brun: I am... can I yield this question to George?

Mr. Rapozo: Okay. I question why it is even in OED.

Ms. Yukimura: It is on page 44.

Chair Furfaro: Wait a minute, Mr. Rapozo has the floor. George, he has a question for you.

Mr. Costa: As Councilmember Yukimura mentioned, I guess this has been talked about for a while and the State actually has ongoing right now looking

at just the Kēʻē Beach shuttle, if any of you have been done there over the last few years, there is just no parking and people are backed up all the way to the park. So in addressing that, and it is part of the Mayor's *Holo Holo* 2020 Plan. Because Nalani, I and Celia have attended those State meetings, talking about the Kēʻē shuttle. When you look at the North Shore, you are really talking about the Hanalei area, too. Because you know, if they control, I guess, parking in Kēʻē, at some point it is going to backup somewhere and it is eventually going to back up in Hanalei. So this was just to plant the seed and look at a North Shore Transportation Plan. And it would really need somebody, a professional seasoned transportation, like Mr. Charlier, to look at that whole thing. So we have, I believe \$30,000 in the budget and I do not know if that is enough, but it's something to start the discussion and really look at that?

Mr. Rapozo: Is the State contributing at all?

Mr. Costa: Well, the State is doing... when we inquired with the State, they are just looking at Kēʻē.

Mr. Rapozo: That is the bigger problem. If you had to do it in phases, that is obviously the first phase but Kēʻē is a State Park? And they are not contributing?

Mr. Costa: Not right now. They said they would be willing to be part of the discussion but their concerned with just Kēʻē.

Mr. Rapozo: For them it is a concern. That whole highway is a State Highway and we are struggling here with money and I just am wondering if now is even the time to do that? I guess that is what frustrates me, George, the State wants to do a lot of things and they force us to do a lot of things and they do not fund it and we are cutting stuff in your budget, like for the YWCA. We are cutting for what I believe are important services. And that is what I am struggling with. I wanted know if the State is even going to participate? 50/50 would be nice, but to just come and say we have to fix Kēʻē and have the County pick up the tab, I am having a rough time with that. Thank you.

Ms. Yukimura: When you look at parking as we were doing in Poʻipū, you tend to focus on the place with a parking problem, but if you look in the region, there are many parking problems and to just address one is not really taking the proper scope probably. And the other thing this is related to planning, and how many visitor units we have slated for this island now and into the future? And what kind - how we are going to handle it and it is not just about Kēʻē, but the turnout point and everywhere that has to be involved in our planning.

Ms. Nakamura: I was just going to say for Mr. Rapozo's edification, it was part of the Hāʻena State Beach Part Master Plan and that is where these recommendations came out and we are a little more refined. But it is just in a very preliminary state. That plan has not even been formally adopted yet. The issue here though is a timing concern. Because when we met with Jim Charlier about, talking about Hāʻena, North Shore and Poʻipū and the need for shuttles and his point was before you can

work on that, you really need to have someone in the Transportation Agency, who is a Planner, a Transit Planner and you also need to deal with the current issues of scheduling and you have to deal with those issues first and then secondary work on those shuttle issues. So he saw this as a few more years out in priority. That was our recent discussion anyway.

Mr. Costa: Yes and that is my understanding it is a few years out, but we have a problem now. And so we have a property owner that has come forward and said, hey, I would be willing to open up my property at least to have a parking lot now while we are working on this plan. So it is just a matter, like I said, Nalani and I being part of these different meetings and then people are starting to look at us and saying can you help? So that is where we come in.

Chair Furfaro: George, I think in 2006-2007, it was a period of time when Mr. Rapozo and Councilmember Yukimura were not on the Council. I will selectively get some stuff for you. That study was 6 years ago and I will tell you, it was Kēē Beach with the State and Hanalei Town and the middle of town. Okay? That to keep cars out of the lower area. It is been complicated now where this Saturday activity in Hanalei. I live in Hanalei. I was at the bridge last Saturday to get into town to go to Aunty Lydia's house took me 45 minutes because of the activity in the park. 400 cars, okay? The permit is for 25. That does not sit well with me. That needs to be resolved. But we have other landowners that are coming forward, because they see the similar problem. Then there was the plan up at the parcel near the *heiau*. Okay? That was going to be the center park-and-ride. And it was going to serve also the employees of the North Shore, there would be a shuttle to Kīlauea Town from that area. So as hotel workers got off and so forth, somewhere I have all of those pieces and we will gather them up, but I agree with Councilmembers Yukimura and Nakamura that we need a professional Planner to put those pieces together. The hotels need worker shuttles and the community of Kīlauea needs access just in and out to the workforce area in Princeville. We have got traffic problems in Hanalei with the narrow bridge, the road repairs and then of course we have the parking issue down in Hā'ena. So I will collect those things. There are actually some maps to that effect from that discussion. On that note I would like to move on. Go ahead.

Ms. Yukimura: I will tell you there is also this Long-Range Transportation Plan that the State is updating for the island of Kaua'i. And most of that route is State highway so it should also be on their agenda to address. They are setting up a plan that will govern the funding for road development for the next 10, 20 years. And you need to get on that list for that kind of funding. It should be an issue that is brought up. The Public Works Engineer and others are on the Committee and Citizen advisory Committees that need to put that on the agenda for the State to look at. Because they have resources they should be using to address that.

Chair Furfaro: Nalani, thank you for your presentation.

BEN SULLIVAN, Specialist IV – Energy: I am the County Energy Coordinator.

Chair Furfaro: Ben, before you go too far, may I extend to you my appreciation for what you are doing and with Mr. Sato in energy. We have an electric bill that is remaining constant while the Kilauea consumption is dropping, which is great because the rate keeps changing based on oil, but we are watching the kilowatt usage in year-to-year it is been pretty much maintained and I think we are making progress. Is Glenn here?

Mr. Costa: Yes.

Chair Furfaro: Glenn, thank you very much.

Mr. Sullivan: We appreciate that and I want to pass that praise to Glenn and the other employees because I have only been here a year and getting if I feed on the ground and happy to the progress and looking forward to more. One of the biggest priorities that we have had since actually I took the position is establishing a better data system, so not only we look at total kilowatt hour consumption for the County, but look at it by Department and by building. So last year we did a lot of research and I think we came back to you in December and asked for approval to proceed with a tool, a one-year trial. I am happy to report that we have that tool in place. It is taken a little time to learn it and I am getting up to speed on it and we are cleaning up the data, but I expect this Summer into Fall we will be training other County employees how to use it and take advantage of it. So, I am very excited about that. So that was bullet number 1 with the "successes." I as you think you are aware, we worked with the Energy Policy Advisory Committee over 2012, with yourself Council Chair and Councilwoman Yukimura and Councilmember Hooser and discussed the next set of recommendations for that KESP in terms of keeping that effort alive and making sure we are headed in a positive direction. I think at this point we are working very hard to make it come together. There is quite a few things that happened that were positive. We continued to work with Kekaha Community Benefits grant recipient out there in Kekaha to get their project, which they had identified as using a lot of those moneys that have been allocated as a result of the impacts of the landfill in the community. Their vision for that is primarily for solar photovoltaic, but we have also voiced concern and we want to make sure there is consideration for solar hot water as well. They have been receptive to that in general, but again I want to emphasize that is their project and we are there to facilitate and make sure it is administered responsibly. One of the things that we accomplished this year with a lot of support from the Mayor and the transit agency is following right up with the approval of the MLTP, the Transportation Coordinating Committee is in place. I am sorry, the Multi-Modal Land Transportation Plan.

Some of the smaller successes, but ones that we thought were worth pointing out, myself and Glenn, worked with the Staff Level Green Team on Refrigerator Replacement Program. It was the first time we closely monitored the specific saving down to a good level of granularity and we were happy with the result and our intention is to continue going forward with all the energy-efficiency programs that we implement. Interestingly the new software we put in place has a function to allow us to input projects and saving and you can see those as they align with usage, which we think is very valuable going forward. We have continued to get ourselves educated and trained in appropriate areas and the Mayor has

made it a priority within the *Holo Holo* 2020 to get more lead buildings in the County and I was fortunate to get my lead accreditation, that allows us to interface with consultants in terms of what is possible in the lead system and should we consider that in various facilities? That has been a resource. Overall the communication has gotten better and really the whole team is embracing how do we solve this energy problem? It is obvious to anyone looking at the system that we cannot do it alone, but every department is stepping up and we are in the process of establishing a system where every department can really clearly communicate an internal plan and work with us in Economic Development to execute a plan to reduce their own energy consumption by department. So that is something that we hope to report more detail and success on next year. As far as challenges, it is really similar to a lot of other areas. You know, the scale of the energy opportunity, I think is enormous. We have tremendous opportunities to continue savings and there is only so much band width we have. And the other aspect of that is because of the small scale of the community, we only have so much expertise. So where we can, we reach outside to other resources, but that is always a balance that we have to try to find and strike. One of the other challenges that I think that is unique to energy, although someone may argue differently that the industry is dynamic and we set in motion plans that often take year those implement and while that is happening, the market changes dramatically, whether it is the amount of tax credits available or the price of a given service or even the way the service is offered as a practice can change in short order. So that is a challenge that we're working always constantly to resolves. Improvements, as far as what we have improvements over the last year, we are working hard on a sustainable operations plan that is actually very far along and we are very excited about it. Again, this relates to each department participating and committing to energy reduction opportunities, and we will be looking forward to coming out with more of the outcomes of that soon. I think I will leave that for Glenn, because he is actually the one leading that effort internally. The staff level green team, this I think you have an opportunity to interface already, is doing great work and they have identifying change and giving people an outlet and County employees an outlet to say here is an opportunity and that work its way through the system and it's really a success. Let me talk about upcoming initiatives. In the next Fiscal Year there are several big items that we hope to be tackling and on top of the list are developing the methane for use at the Kekaha landfill. I think this has come up for discussion numerous times before the Council and it has to be developed by the Navy and the County would be basically receiving some sort of benefit from giving the methane to the Navy to use to generate electricity. That has been an arduous task, but we are looking at the possibility of utilizing the methane in the County Transportation Agency and buses and other vehicles that we hope to capture in that way. That is very exciting and can I give more details on that, if you would like. PV project at the Police facility at the Police, Civil Defense, OPA facility is high on the priority list. The County Street Light Replacement Program - excuse me, "project" is very high. We identified I think 2800 high pressure sodium street elements and those - the energy consumption on those we think can be cut almost in half if we swift to LED's. And another nice thing about the dynamic market, LED like solar photovoltaic have been dropping in price. You will see that in the request for funding. I think I touched on most of the item and you can see those in the budget. Consulting services at \$62,000. That is - we do not know which project is going to break first and I cannot say for sure which will go to one or other, but street elements will take experiment help and Kekaha landfill will take experiment help and those money will be allocated to the project that

appears ready to go in the order that they appear as an opportunity. And we are obviously always pursuing outside resources to help get the job done there. Federal government has an excellent program called the landfill methane outreach program that we have signed up to be participants in and once they get our paperwork and application, they should get back to us in the next month and offer us a free resource. There are plenty of other examples of example projects, there is the municipal solid state street lighting consortium to basically learn from other municipalities as to the best way to go about this type of project. The last item in the budget request, energy monitoring pilot program. You guys have already given us the authorize to proceed on a one-year trial of software and either proceed with that vendor or select another vendor and we will need funding to continue that, \$10,000 to \$15,000 and the remainder will be likely used for sub metering at strategic locations. We could probably do three or four locations and perhaps a few more depending on the cost and complexity of each location. We heard you last year when you said it was an important priority. We are going to start doing that more and more as we go forward. That is the presentation. I imagine there are some questions.

Chair Furfaro: I just have one follow-up question. First of all, I want to thank Mr. Hooser for replacing me on what originally was Councilmember Yukimura and myself. Thank you, Mr. Hooser.

Mr. Hooser: You are welcome.

Chair Furfaro: On the second piece, you and I had some thorough decision about the Navy situation because the methane gas provides us an opportunity to really do something with the cost of our buses. Okay? I want you to know, at the event that I was with Councilwoman Yukimura and Councilmember Nakamura on dealing with Boys and Girls Club, I had an opportunity to sit down with the Congresswoman and I turned over your projections that you shared with me to her. And I asked her to intercede on our part to find out is the Navy going to pursue this opportunity? Because we have an opportunity and we want to make sure that the federal representatives are aware there is mutual benefit for both of us there. And we need to get an answer. I have been on the council 12 years and this has been a discussion item for 10 years. Thank you for what you and the team do. I will give you the floor. You were the first one to raise your hand.

Ms. Yukimura: Thank you, great job, Ben. You spoke highly of this Refrigerator Metering and Replacement Program. Can you tell us how much energy you are trying to save? Are you measuring that?

Mr. Sullivan: I am going to let Glenn provide that information because I believe he brought some of the specifics actually.

Ms. Yukimura: Alright, I will ask that when he comes up. And I want to second what the Chair has said about the methane project. It is been languishing for too long and the idea that we might be able to use it as an alternative fuel for our buses is an exciting one. Our Multimodal Transportation Plan has pointed out that it is 30% of our budget and if the price of gas doubles, it will be most of the bus budget and we cannot

afford to have that be that way. So an alternative fuel is something that we should urgently pursue. And if this landfill gas, which is escaping and causing global warming now, could be used instead to fuel our buses, go for it. Thank you.

Mr. Sullivan: Thank you.

Mr. Rapozo: So what is the deal with the PMRF in it is our land; right?

Mr. Sullivan: The dynamics are such that the best economic return on the resource is to utilize the electricity locally. So certainly one opportunity would be to sell the methane to KIUC and they put it on the grid, but because Navy is there, they could capture the electricity but also capture the waste heat and that would dramatically improve the project's economics. The reason I think you guys have been talking about it for ten years, because they go round and roundabout with procurement issues and things like that and previous view that county that was there wasn't another economic way to develop it if the navy was not involved. So we have been waiting for them with a lot of frustration and Glenn has worked tremendously with them, being patient and with pressure, but it has not happen because of the system dynamics. What has changed in terms of opportunity, we were doing research and there has been a significant development in terms of manufactured projects and the ability to extract methane and use it in vehicles and that opens up the door for a direct use. It does not messily imply we cannot do the project because the percentage that would go into a bus is only a small percentage of what is this, but it does let some things start to happen. When we believe will accelerate the benefit.

Mr. Rapozo: We are basically waiting for PMRF to pay for the infrastructure?

Mr. Sullivan: We had been. At this point, we are moving forward with this in parallel. So it is our view there is plenty of resource there and we can continue to look at it for the bus.

Mr. Rapozo: And they can buy whatever?

Mr. Sullivan: Yes.

Mr. Rapozo: So, what is the cost of a methane system out there?

Mr. Sullivan: I have done some research I have some preliminary numbers that I would be reticent to put out to the public right now. We are talking about the investment for a fueling system being maybe \$3 million. Certainly we have to cap the landfill and there are expenses with that.

Mr. Rapozo: Are you saying right now we could get an equivalent of 800,000 diesel gallons?

Mr. Sullivan: If we could capture everything there, that would be the equivalent. As you are aware, we could not utilize that because you have to think about the logistics and transformation of the vehicles themselves. You would have to go in and convert the vehicles for use with methane. But yes, there is a lot of fuel there.

Mr. Rapozo: Probably a discussion for another time, but ten years, I think it is time to tell the Navy, enough is enough and let us get it done.

Chair Furfaro: We did extend the courtesy to Congress Representative to query that for us.

Ms. Nakamura: Have there been any discussions with KIUC about the methane?

Mr. Sullivan: Yes. KIUC has been very involved and actually one of the points that the County was clear to emphasize to PMRF when we discussed this with them, again, Glenn has more of the history than I do in the last year one of the point we made it is critical to us that KIUC be at the taking whole time, because this is this aspect of the project that certainly PMRF is a big customer to KIUC and that it benefits everybody and that they are cooperative and we rely on them for electricity. So they need to be involved. I think I am answering your question although I am not certain if there is more.

Ms. Nakamura: If we are going to use the methane to power our buses do they need to be involved?

Mr. Sullivan: No, no, no; the other use for the methane is to generate electricity. If we were to build generators and more likely scenario is that PMRF builds generators that puts electricity on the grid and PMRF would have the heat coming off those generators.

Ms. Nakamura: So what we need is a feasible study to see what strategy we are going to pursue?

Mr. Sullivan: That strategy has been pretty well explored and there are several study on that and what has not been explored and some of the funding that we'll like lay use this year is the feasibility of the vehicle use? and so there is plenty of publicly documented information that says this is feasible in general term and talking to the transit agency and they say it is a good idea, but we have not been able to access an expert and in our analysis, which is really a preliminary analysis and say what is going to get in the way of doing this here? What obstacles will we see and how do we proceed? That is the stage we are at. It is our view that the opportunity for electricity generation is there, but we need to leverage development of the resource one way or the other and the only way we see is to develop it for direct use for ourselves and that will open the door for whatever will happen with the landfill ultimately.

Ms. Nakamura: So, what is the budgeted amount for this line item?

Mr. Sullivan: The budgeted amount is for consulting services inclusive of the various technical assistance that we need - I think it is \$62,000.

Ms. Nakamura: Thank you.

Chair Furfaro: Thank you very much. And we wish you a good day and George, you will bring up who next? We are not going to finish on time, Scott – you and I should talk about options here.

GLENN SATO, Sustainability / Green Manager: I guess as you have heard from Ben, we work as a team and I am so glad he has the background and knowledge. The transitions had been very, very smooth and, in fact I think you see the acceleration in the number of project and scope of projects and you can see the increase because of his background and knowledge. And I just want to give kudos to Ben. At the same time, I am trying to work on developing a very different type of program. It is such a broad scope, more generalized. So just let me kind of go down the line. In the last year, it has been mentioned that we have worked a lot with the staff-level Green Team and that is the first step in trying to develop internal programs to make county operations for more sustainable. Part of that work was to complete data-collection to do a carbon footprint analysis for electricity and fuel. It was good with electricity and KIUC and fuels was another one. I think you know what the problems were. We ended up just using bulk fuel purchases; with the new fuel management system that is coming into play right now through public works, we hope to improve that metric. And actually get fuel consumption, which I think is a better indicator. But with that kind of baseline information, we completed our carbon footprint analysis and we started work with the Administrative Green Team to develop a county operations sustainability and climate action plan. We had a series of 5 workshops starting in October, October, November, December, January, and April. We just finished the last workshop this morning. And from that effort we hope to come up with basically a County operations sustainability plan, which at some point in the future we will share with the Council. We have also worked a lot with local organizations, such as Kaua'i Community College, Līhu'e Business Association, Kaua'i Planning & Action Alliance. To keep discussion on sustainability moving. Those organizations have their own initiative moving ahead and addressing being more sustainable. I think it just help all of us together to just keep the communications going. I am also working with University of Hawai'i, and an organization called the Global Island Partnership. We are trying to develop a follow-up on the Hawai'i Sustainability 2050 Action Plan that was done through the legislative bill and from that we want to try to convene a working group, a statewide working group to come up with statewide metrics. So everybody can kind of report and talk the same language. We also formally joined ICLEI stand for International Council for Local Environmental Initiative and it is basically a statewide organization where they have software and modeling programs that we can use. They also have success stories from other community where we can learn from them and hopefully we can get up to the level of the more successful organizations. You know challenges, I think you know the data-collection aspect needs to be improved substantially. I see movement in those areas. The challenges are there, but

we see movement, fuel master collaboration with KIUC, you know? We keep getting very good information on the billing information and use facility by facility and Ben mentioned the facility monitoring program that he has instituted. So we hope to get even better data that way. Another challenge is - and I think the County operations sustainability plan is going to address that - is the changing the county culture to think sustainability as one of the first steps in project or program planning. That, I think there is a lot of enthusiasm and a lot of people have that thinking in mind. We have to spread the word. The Mayor is 100% behind this and first thing, one of the things that we talked about in the County Operations Sustainability Plan to link the project initiation document, that with a checklist, you know, like whoever does or come up way project proposal, have them look at sustainability in mind? And we actually created a checklist that we hope to institute and hope to make a common practice that everybody goes down the checklist and the checklist basically would ask very basic questions have you thought of sustainability? Have you thought of energy use? All of those things. Improvements, I think the staff-level green team is a very, very great advocate in the organization. It is on the staff-level, and we are working internally in a very proactive manner. Ben mentioned the refrigerator replacement program. Through grant funding we purchased 21 energy star refrigerators and so far we distributed so of those refrigerator and we are doing it by metering each refrigerator or any refrigerator out there. And we are going with the worst, so-called "energy hogs," and we are replacing them systematically. It is not so much what they look like, but the performance that we are interested in. So far the worst one we have seen is a 47-year payback on a \$600 refrigerator, after roughly half a year we are paying that back through the energy savings. So the ten distributed so far, we are continuing the metering and hopefully we can find more bad examples, bad refrigerators out there. Improvements - I motioned the Administrative Green Team, the Management-Level Green team operations plan. We just completed the workshop. So we need to develop the program to the point where we can actually be very effective in implementing action steps. One of the upcoming initiatives is we need to - it is a given. We need to keep improving our data-collection. And the ability to develop better metrics. You know, that saying you cannot manage what you cannot measure is very true. So the more information that we can gather, the more data we have, then we can gage our progress in those specific areas. I think you noticed that I am trying to, in this early phase, I am trying to concentrate on County operations. But at the same time, it is really hard to ignore what is happening around us. So I am very interested in the general plan update process, smart growth planning, complete streets, safe routes to school, and that I think is more islandwide. But it's something that I am trying to get involved in. And I think just talking in more sustainable manner of bringing these topics up in the discussion, with these different groups, I think just helps. And that is pretty much what I wanted to present to you. My budget is very minimal. Asking for \$20,000, and some travel funding. For \$20,000 I hope to provide some matching funds to the sustainability group, that is developing the statewide metrics. I also would like some of those funds, if I do not need to use all of that for the metrics program, just to have to support various initiatives along the way. Very conservative at this point. I think as we develop action plans with various departments, you are going to see more budget requests coming through at that point.

Chair Furfaro: Let me do a little bit of a housekeeping summary. George, we have not had time with you, okay? We still want to cover Workforce

Development. And we have a lot of detail to discuss with you on the items in economic development. So I am thinking if we go to 9-11 on the morning of the 22nd. We can finish these 2 up, we can do the CIP and the CEDS items, if that is acceptable with you? I want to just give courtesy to Diane, to ask her, while we talk, would you look at your availability for Monday? And if that is okay with you, we can do Workforce Housing because at 4:30, I have 2 members who are committed elsewhere and we will lose a quorum. We started 15 minutes late and from your grant projects we had almost 1 hour and ten minutes of testimony. So it was doing the right thing for the right people that were here. But it will affect our schedule. Are you okay for the 22nd?

Mr. Costa: Just from the outset, I think I am. I just need to check my calendar. For the 16th we are scheduled for CIP?

Chair Furfaro: We are look at combining the Economic Development portions of CIP because we are free. We have a two-hour window there in the morning?

Mr. Costa: On the 22nd.

Chair Furfaro: We can do this follow-up and do the CIP for Economic Development, too. We will do the other departments on CIP, but just hold Economic Development. Diane, does that work for you? Okay. I am going to say 9:00 – 11:00. Scott, will you make a note on that. For your Staff that was here from Workforce Development, that date works for you? Thank you so much. On that note, we will send out the appropriate notices when we recess today. Let see, we still have 2 minutes and I will give the floor to Councilmember Yukimura.

Ms. Yukimura: I wanted to ask questions about your Refrigerator Replacement Program. Well, first of all, congratulations on your work and thank you, Glenn. The .7/.4-year payback, that means that you are paying for the cost of these refrigerators in less than half had a year to three-quarters of a year?

Mr. Sato: Yes. That is very extreme case, but it just shows you that we have some really bad refrigerators in County Offices.

Ms. Yukimura: Yes. So, you are in the process... and are you going to document the savings over the life of the refrigerator?

Mr. Sato: That is easy to do.

Ms. Yukimura: I would like to have... it really helps us to have performance results or what the results are of your effort and I think there are some very good result here, but it would be nice to have them quantified and presented.

Mr. Sato: What happens is that we purchased these meters that we can just hook up the refrigerator.

Ms. Yukimura: Right, I have used it at my house.

Mr. Sato: And with that information we create a baseline of what was there and then we put in the new refrigerator and we have actually confirmed that it is actually produces very efficiently. Then we can compare the old one with the new one.

Ms. Yukimura: How long is a refrigerator's life usually?

Mr. Costa: 7 to 10 years.

Mr. Sato: Right.

Ms. Yukimura: Because I just want people to understand because KIUC has a subsidy program for people to change their refrigerators and if you pay off the costs that mean for the rest of the year, you are saving money.

Mr. Sato: A lot of times, but people think that oh, I have this refrigerator and it is lasting me 15 years and they are so proud of it. Like I was really proud that my truck lasted like 17 years. But what I did not realize was I was really paying for that, you know? For that longevity and when I switched to a more efficient truck, I mean, my bills went so far down. The same as the refrigerator.

Ms. Yukimura: Correct. What I want to know how we are incorporating this in our purchasing standards? And now I almost also thinking that most of the refrigerators do not go through Purchasing or do they? They do? So do we have standards to make sure that we are turning offer the faucet, i.e., we are not even as we get rid of bad refrigerators, or energy-guzzling refrigerators we are also buying them? Do you see what I am saying? If the reports go through the purchase process, do we have standards for those refrigerators that ensure we are getting the most efficient refrigerators into our County Offices or operations?

Mr. Sato: That is where I think it will be my job to work with Purchasing and work with the various Departments. Any time we go out and including Ben, any time we go out and purchase something that draws electricity or requires power, that we look at the most efficient model out there.

Ms. Yukimura: But you are very conscious. There is a County of a thousand employees and I do not know how many departments, so if you put it into the purchasing system, you do not have to think about it anymore. You know what I mean? And somewhere there is a sustainability procurement code that some jurisdiction has figured out. And maybe that is also a project for your Office to work with Purchasing and your priorities about where you want to make the first changes in the purchasing process. Because we have standards and criteria for everything, whether it is toilet paper or big equipment. Right? Or cars or whatever. And we should be incorporating those sustainability standards over time in all of our purchasing.

Mr. Costa: To Glenn's credit and with the help of Diane Zachary, I did not attend all those 5 sessions, but the couple that I did attend, that is what they are actually working on, standard purchasing practices and standards on buying green, buying energy-efficient?

Ms. Yukimura: You can put recycling standards on that. But they are not always self-evident, you know? You might think something is better, but you really have to go through whole sustainability analysis to make sure that they really are. Thank you.

Chair Furfaro: Okay. Now, I have a little summary here for a moment, but I want to go around the table, Mr. Hooser are you okay with the schedule that I shared?

Mr. Hooser: Yes.

Chair Furfaro: Everybody else is good with that? Okay. Let me restate it George. 22nd we are back from 9:00 – 11:00. We are going cover Economic Development, the overview with you, Workforce Development, and Economic Development CIP portion. Okay? Now a note for the Administration, Ernie, so that means that the CIP on the 16th, which is scheduled, will now be focused on Planning, Parks, Housing, and Transportation. Okay? We are all good with that. Okay. I want to thank everybody for today and I am going recess this meeting until 9:00 tomorrow morning. We will start with the Prosecuting Attorney, Transportation, County Auditor and Elderly Affairs. We are in recess until tomorrow 9:00.

There being no objections, the Council recessed at 4:35 p.m.