

The departmental budget review reconvened on April 12, 2013 at 9:06 a.m., and proceeded as follows:

**Office of the Prosecuting Attorney**

Honorable Tim Bynum  
Honorable Gary L. Hooser  
Honorable Ross Kagawa  
Honorable Nadine Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura  
Honorable Jay Furfaro, Council Chair

Chair Furfaro: Aloha, good morning. I would like to call back from recess the Budget Review for the County of Kaua'i for today. The Budget Reviews as scheduled for today, we will be starting with the Office of the Prosecuting Attorney (OPA), Transportation, and the County Auditor. As been true to my practice, I will allow testimony on any of the above scheduled items in today's session in advance of actually going into the session. Is there anyone in the audience that would like to give testimony today on any of the three (3) areas scheduled for today? I see Lonnie, your hand is up. Please come right up. A reminder, you will be given a total of six (6) minutes. I will give you a head's up at three (3) minutes.

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

LONNIE SYKOS: Good morning Council Chair, Councilmembers, and the audience, both here and watching this live or later. Thank you very much for the opportunity to speak today. I am here primarily to speak about the Auditor's Office. However, I would like to start by stating that I am quite happy to see the Prosecuting Attorney's Office in here today and I look forward to watching later on the computer, their testimony before you. I do not know what they are going to ask budget-wise. But I do think they are doing a good job and I am particularly impressed that they have been out – the prosecutor himself, kicking something and I will say this politely. I think that the Prosecutor has done a good job and I hope that you look favorably upon their funding requests.

I came in today primarily though to address the Office of the Auditor and my friend Glenn Mickens and I have been talking about this. Some of the fears that the public has have to do with the possibility or the appearance of retribution against the Auditor's Office because of their successes. Some of the people that I talk to assumed in the beginning that the Auditor was chosen as a result of politics, of political decisions. But over time and the facts that have occurred, have demonstrated that our Auditor is apparently free of political influence and has, in fact, done an excellent job for the people and for the County itself. I am here on behalf of myself, Mr. Mickens, and whoever else in the public that agrees with us, that we actually would like to see the budget for the Auditor's Office increased, not stay the same or be decreased and our rationale is quite simple. Of the enterprise operations that the County runs, I would argue that possibly the Auditor's Office generates us the best profit. The moneys that the Auditor has saved us in wages, materials, and all the rest of the things that are public information provides a pool of money and savings that could be used to expand the Auditor's function.

Chair Furfaro: That is your first three (3) minutes.

Mr. Sykos: I do not believe it is appropriate to say that if the Auditor saves (x) amount of dollars that he should get some percentage of that. That is not what their function is for us. But I think as the Auditor saves us money, we should look at the wisdom of putting more money into the Auditor's Office in order to save more money faster. In that context of looking at our County operations through the eyes of business, in businesses, it is quite common that sometime in your annual cycle you look at the ten percent (10%) of your operation that has performed the least and you get rid of it and you focus your attention on the ten percent (10%) or so of your business that is exhibiting the best growth and the best profitability. In that context, I think, that our Auditor is doing a fantastic job actually generating resources for the island through saving. I am here today not to provide a dollar figure, but just to say a matter of policy, please continue to fund the Auditor at their current level. If in your wisdom, you can find moneys to take from somewhere else to expand this budget. If I was going to take moneys from somewhere else, I would go to the Office of Economic Development and I would take the money from the marathon, which I realize the Council is committed to the fourth year of funding for it. But I would simply look in the budget at what does not have a cost-benefit analysis and take the money out of those. Another one is the money that we spend attracting Hollywood to come here and do films. The only cost-benefit ratio I hear is what is in the newspaper and it makes statements, like during the production Hollywood dropped so many millions of dollars on Kaua'i. But the fact that the teamsters that are over here get paid over one hundred thousand dollars (\$100,000) a year to do sets, does not have the fact that they get paid while they are here does not impact our economy. So, for films, I am wondering what actual impact there is on our economy that is measurable in a cost-benefit analysis? When I get stuck in traffic, that is a negative. That is a loss of earnings power. It is a waste of my vehicle time, compounded by all of the people that get stuck in traffic. I would simply say as your people come to you with their presentations and requests for budgets, where is the cost-benefit ratio? If there is not one, that would appear to be money that could be put to somebody who is better prepared to spend our tax money. Thank you.

Chair Furfaro: Any questions for Lonnie? No? Lonnie, let me ask you, do you know how much the Auditor's budget is?

Mr. Sykos: Pardon me?

Chair Furfaro: Do you know how much the Auditor's budget is, you as a citizen?

Mr. Sykos: No, I do not. As a citizen, I do not. I would assume it is probably a couple hundred thousand dollars.

Chair Furfaro: Your assumption is about five (5) times off.

Mr. Sykos: One million dollars (\$1,000,000).

Chair Furfaro: One million one hundred thousand dollars (\$1,100,000).

Mr. Sykos: While, there are five (5) highly skilled professionals, if I understand. We have got five (5) highly skilled professionals.

Chair Furfaro: Let us leave it at that for right now.

Mr. Sykos: It is a big chunk of money.

Chair Furfaro: I just wondered if you knew how much the Council approved for that Office.

Mr. Sykos: A tip of the hat to the Council for helping create the Auditor, your funding, and your support to them through the years. I am certainly very grateful to the Council.

Chair Furfaro: Then with the exception of the Liquor Control Commission, pretty much the rest of the County is – they are all cost centers. They are not profit centers. In government, we approve a balanced budget and we are not required to find ourselves with any Department being a profit center.

Mr. Sykos: Correct.

Chair Furfaro: Okay.

Mr. Sykos: As an observation.

Chair Furfaro: I just wanted to share that. Thank you Lonnie.

Mr. Sykos: Thank you very much.

Chair Furfaro: Is there anyone else in the audience that chooses to testify today on any of the Departments we are reviewing?

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

Chair Furfaro: If not, Mr. Kollar, would you like to come up? On behalf of the Council, we hope your healing process is going well.

There being no objections, the rules were suspended.

JUSTIN F. KOLLAR, County Prosecuting Attorney: Thank you. Good morning Council Chair Furfaro, Vice Chair Nakamura, and members of the Council. I want to thank you all for your promises that you are going to go easy on me since it is my first time here. I really appreciate that. Before we get started I want to make sure that you have the budget narrative in this format because I know it was a little bit late coming over, some questions as to the formatting so that came over a little bit late. But hopefully, you have all that. It is what we are going to work off of. I have brought a number of staff with me this morning to assist either on as-needed basis or just because I wanted them to have a chance to be introduced to the Council. So, that we do not have our Deputy sitting here all morning, I am just going to – right now kind of bring them up two at a time and maybe introduce them to you so you can put names to the faces. Their names are in paper sometime. You probably wonder who is this person or that person. I just wanted to briefly bring them up, introduce them, and get them back on their way for the day.

Chair Furfaro: Why do we not put the lights back on for you and we have three (3) chairs there if you want to bring them up three (3) at a time.

Mr. Kollar: Three (3) at a time works. Kevin, Becky, and Melinda. I am not going to ask them to do any talking this morning. I promised them that much. If you need to – so directly to my right is our First Deputy Attorney Kevin K. Takata. Kevin is somebody that we are very fortunate to have on board in our Office. It is kind of weird me being mister fourteen thousand (14,000) votes, having an employee who got a hundred some thousand votes in Honolulu, something like that. But Honolulu's loss is our gain and we are very happy to have Kevin on board. Kevin has been a Prosecutor his entire career. He is a born and bred career Prosecutor and trains Homicide Prosecutors in Mexico. We are very, very fortunate and I am very happy to have him on board. He will do a little bit of speaking later on today about the Cold Case Unit and some of the things that we are doing to address the unsolved homicide backlog that exists on Kaua'i. To his right is our Second Deputy Rebecca Vogt. Becky has been with the Office for several years now and handles felony property crimes for the Office. In addition to that, she has supervisory responsibilities over the District Court and the Family Court Attorneys. Basically, four (4) or five (5) Attorneys that she has *kuleana* over, tends to be the younger Attorneys that maybe could benefit from some more mentoring or training while they are learn the ropes in District Court and Family Court. We identified that those two (2) Courts have been sort of underserved historically, not just the past four (4) years, but historically. We got the sense from the judiciary that it would benefit everyone if we put a little more resources into supervising and developing those Attorneys before we bump them into Circuit Court. She has been doing an excellent job providing that leadership with that group of Attorneys. We are fortunate to have her on board as well. To her right is Deputy Prosecuting Attorney (DPA) Melinda Mendes. Melinda is another career Prosecutor. She has been the job for more than twenty (20) years, former Deputy County Prosecutor in several Counties, as well as Former Assistant United States Attorney. She handles homicide cases, serious crimes, firearms crimes, and basically other crimes where we know we need someone who is really on top of their game, and including the recent Hilario case, she handled that. I think between Kevin and Melinda, we can say that Kaua'i has the benefit of Homicide Prosecution Unit that is par excellence for the State of Hawai'i and really anywhere else as well. We are very proud of these three (3) as well. So, thank you.

Chair Furfaro: Welcome.

Mr. Kollar: Lisa, Tracy and Shauna. We have got a few Attorneys in court had morning, including Ginger Grinpas who you folks all know. She has been over here for a while. She has a Juvenile Court Calendar this morning. So, that is where she is. Then Ramsey Ross had a return on a bench warrant up in Circuit Court. So, that is where he is right now as well.

Chair Furfaro: Aloha. I want you to know that we sent Ginger to you with very high marks.

Mr. Kollar: We received her with very high mark and we also give her very high marks. We are very happy to have her. To my right is Lisa Arin. Lisa has been an Attorney for a long time. A little unusual in that she was on defense side before coming over to the prosecution side. We are very happy to bring her *mānā'o* and her skills to the realm of prosecution. She handles sexual assault cases for our Office, very serious crimes, crimes that require a lot of sensitivity and passion. It is an area of prosecution where burnout happens, tremendous emotional stress happens, and she

handles it all with skill and with a plum. We are very happy to have her working in our Office right now. To her right is Deputy Prosecuting Attorney Tracy Murakami. Tracy has been a Deputy Prosecutor for ten (10) years. She works on appeals, asset forfeiture, real forty petitions, extraditions, and other miscellaneous missions as we assign. But that area of a practice is actually growing pretty considerably in recent years. We will talk about that later on. But Tracy, what she brings to our Office is a wealth of institutional knowledge. Finding a good Appellate Attorney is not an easy thing to do. Especially in a small community like ours. It is a highly specialized practice, it has nothing to do with trial practice or Traffic Court, or felony cases, in Circuit Court. It is an animal really unto itself. When you have somebody with that kind of experience we really try to foster that.

Chair Furfaro: You know she was the first one you stole from us.

Mr. Kollar: I do not think I can be held accountable for that one. To her right is Shauna Cahill. She is a Deputy Prosecutor in our Office. She handles crimes against persons. She was a Deputy Prosecutor for a few years, left for a while, was very successful in private practice, and we are now very happy to have her back in our Office. She went to law school in Boston just like I did, so we have a little connection there. Very happy to have her skills with us. Thank you.

Chair Furfaro: Thank you, welcome.

Mr. Kollar: Gary, Tim, Jenelle.

Chair Furfaro: Welcome.

Mr. Kollar: To my right is Deputy Prosecutor Gary Nelson. Gary has been in our Office for about a year and a half (1½), two (2) years, something like that. Gary handles domestic violence cases both at the misdemeanor level and at a felony level in the Family Court, as well as upstairs in the Circuit Court. He is very passionate about his work, very invested in his work, and really brings a high level of attention to his work. Excellent marks in law school, which especially in criminal procedure, which made him a very attractive candidate for our Office. Judge Perkins was it?

GARY NELSON: Justice.

Mr. Kollar: Justice Pollack. We take that kind of experience very seriously when looking at candidates. Happy to have him on board. Deputy Prosecutor Tim Tobin. Tim is another Boston expat like myself and Shauna. Family of Boston Police Officers, numerous generations. So, he has a good law enforcement mindset. He works on felony drug cases in our Office. To his right, Jenelle Hughes. Jenelle is the former Law Clerk for Judge Kathleen Watanabe and handles Traffic Court in the District Court here. So, Driving Under the Influence (DUI) cases. Real tough stuff. It is a very demanding calendar. We put a lot on her shoulders and we know she can handle it. Thank you.

Chair Furfaro: Welcome.

Mr. Kollar: I think we have Teresa and John. I think that is it.

Chair Furfaro: You had a Mock Trial Coach in there for one (1) of our Councilmembers.

Mr. Kollar: Yes. Jenelle, I want to applaud her work with the Mock Trial Team and also applaud Councilmember Nakamura's daughter for her work on the Mock Trial Team. Excellent. To my right John Murphy, who many of you probably know. John has been an Attorney here on Kaua'i for a long time on the defense side, general practice, and he worked with the Attorney General's Office in Honolulu for several year before coming back to join us on Kaua'i. John works on career criminal cases so it tends to be repeat offenders, offenders that might also have cases in Federal Court. It is a demanding caseload because in many instances, defenders are facing mandatory minimums. They fight a little bit harder. Also a lot of time we have defends that might be in Federal custody and we have to jump through extra hoops to kind of get them over here and so far John handles that with skill, with experience, and knows his way around the inside of the a courtroom. We know we can give my any case and say you are going to trial on Monday and he will step up to the plate and handle it. So, very appreciative of that. To his right, Teresa Tumbaga, who is in District Court handling the Criminal Calendar. We have two (2) Attorneys in District Court. One (1) handles the Criminal Calendar which is your harassments, disorderly conducts, leash law violations, things like that. Then Jenelle handles the traffic side of the calendar. It is the entry level kind of spot in our Office. High volume operation, great learning opportunity, and we are very. Very happy to have her with us. I will release you to go back to the Office now. Thank you for coming over. Except for you Kevin, and Becky. We just wanted to then get a sense for who you folks are and also have you get a sense of who they are because we are all part of the County team here.

Chair Furfaro: Thank you for that.

Mr. Kollar: Sure.

Chair Furfaro: Thank you everyone.

Mr. Kollar: We will get a little bit in our narrative now, assuming that I can figure out how this work.

Chair Furfaro: Justin, what I am going to do. I am going to turn this part of the meeting over to Mr. Rapozo so I can sit and watch this.

There being no objections, Chair Furfaro, the presiding officer relinquished Chairmanship to Mr. Rapozo.

Mr. Kollar: We will start with our mission statement. It is fairly simple. We wanted to be very clear about what our operation was about when we came in December 3<sup>rd</sup>. It is our mission to promote the fair, impartial, and expeditious pursuit of justice in every case to ensure safer communities and to promote integrity in our profession. It is our mission to temper justice with compassion and to do our work in an open, transparent, and accountable way. That sums up our mission. The Prosecutor's mission is essentially a very simple one, and it is to seek justice. That mission, we believe, only gets complicated if we make it complicated. We try to instill those very simple values in our staff, in our Attorneys, in our support staff, in our victim-witness staff, investigators, and just keep everyone pointed straight ahead with these simple principles in mind. You can find this on our website, too as well. If you go to the County's website, the Prosecuting Attorney's Office does have a couple of pages there and this is up there.

We will talk a little bit about the structure of the Office and how we approach that. The Office of the Prosecuting Attorney is Kaua'i largest law firm. We manage it like a business. We look at it like a business. We are not here to make money, but we are here to seek justice. But aside from that, we are basically a law firm. We have fourteen (14) Attorneys, fourteen (14) Clerical Support Staff, four (4) Victim-Witness Program staff, four (4) staff in what we call Administrative Support, and then three (3) on Investigative Support for a total of thirty-nine (39). Then we have one (1) additional Victim-Witness position that will be coming online shortly, which is a State funded position and we will also talk about that a little bit later on. But that is essentially what our structure is, one (1) to one (1) support between the Attorney and Clerical Staff, as well as the Victim-Witness Administrative and Investigative Units. The District and Family Court Unit, as I mentioned earlier, supervised by the Second Deputy. Consists of DPAs Tumbaga, Hughes, Nelson, and Grinpas. This unit encompasses District Court Traffic, District Court Criminal, Adult Family Court, and the Juvenile Family Court prosecution units.

The Circuit Court Unit, supervised by First Deputy Kevin Takata and consisting of DPAs Arin, Mendes, Cahill, Murphy, Tobin, and Ramsey Ross. That consists of felonies, misdemeanor jury demand cases, grand jury proceedings, as well as felony case screening and charging. So when we get the reports in from the Kaua'i Police Department (KPD) or from the Department of Land and Natural Resources (DLNR) or from whatever Agency they come into us with, the screening happens, charges are filed or the case is taken to the grand jury, and the case is instituted and moves forward.

Appeals and what we call Administrative Services. Again, supervised by Kevin and, consisting of Tracy Murakami, Ginger Grinpas who helps out with some of the overflow, assets forfeitures, as well as our Program Assistant, Ihilani Laureta. These folks work on appeals, Asset Forfeiture Proceedings, Rule 40 Petitions, helping with legislative testimony, and tracking of diversionary program. When we talk about Administrative Services we are not talking about Administrative like management of the Office type of things. But Administrative practice areas, practice that our Office would conduct before an Administrative Agency. For example, Asset Furniture Forfeiture is adjudicated within the Office of the Attorney General. So, those are considered an Administrative practice area. Rule 40 Petitions are petitions that are usually filed by incarcerated persons who are arguing for reduced or vacated sentence. Legislative testimony, we will get into a little bit more later on. But we are trying to be more active and more proactive in the legislative arena, working with legislators at both the County, the State, as well as the Federal level, to try to make our life a little bit easier in terms of the laws that we go out enforce and work with. Then Diversionary Programs, we do have several Diversionary Programs within our circuit that are administered within the judiciary and by other Agencies like Drug Court, Teen Court, and the Juvenile Diversion Program.

Goals and objectives for Fiscal Year 2014. Involving Case Management and our Office Workflow. In a lot ways the Office of the Prosecuting Attorney is still in a transitional time right now. Law offices, historically, were very paper intensive environments. A lot of things done kind of the old-fashioned way. What the Judge says, we write down in the file, we come back, we would make manual entries into the various data systems, and that is how we would track things, is by manual, hard copy, hand written entries in paper files. What we want to do is kind of transition towards the 21<sup>st</sup> century practice environment and basically eliminate some of the paper, streamline things, help people work more efficiently, so the Attorneys can spend more time working on their cases and less time working on their files. That is what we really want to have people work

towards. As our primary goal, we want to implement the New Dawn Case Management System and transition away from HOKU. HOKU is an old legacy system that we sort of inherited from Honolulu. It is no longer supported. We do not really have access to anybody to service that system any more. It results in a lot of duplicative and redundant date entries. What the prior Administration did was locate a vendor named New Dawn which is responsible for the case management software that has been in place on Maui for several years. In the interest of not reinventing the wheel, we have been working them, we have executed a contract, and they have the Notice to Proceed. We are currently in a very ground level of implementing that system right now. We anticipate that it is going to grow over time. But the goal of that system is to interface with as many different State, County, and Federal data systems as possible so that we can reduce the number of time our Clerks have to enter the same piece of data into their systems. We will talk a little bit more about the nuts and bolts of that as we move through the presentation. But that is really our number one goal, is to get that system implemented, to make it happen, and to make it work the way we envision it working. Secondary goal would be to work towards a paperless workflow (receive reports from KPD electronically instead of via hard copy, providing discovery to the defense bar electronically instead of via hard copy). There are several good reasons for this. First, paper, toner, ink, CDs, pictures, those things all cost money and they take time. So, we want to minimize those expenses and take time. Right now, the Kaua'i Police Department has a CAD RMS system for their records management and it is an electronic system. It is a computer system. Their records are created, stored, and maintained in a computerized environment. Within our Office, we are going to have our files maintained and created in at the end of the digital computerized environment. But those two systems do not talk to each other. So, for us to get reports from the Police Department, they do all of their stuff on the computer, print it out, send it to our Office, and then we enter everything back into the system. We need our systems to be talking to one another. I know the Police Department has been going through a lengthy process for implementing a new records management system and we think that system is going to be an excellent system. We want to make sure when we bring our system in, we can get the try to get these two (2) systems to talk to each other or at the very least figure out a way that we can receive reports from KPD electronically. We have already had meetings with Deputy Chief Contrades about implementing that. We applaud their initiative in working with us on that because it will help us with getting cases to Court faster, with getting charges files faster, less paper means less paper sitting on people's desks waiting to get entered into various systems. We think that is a way to really increase efficiencies and save everyone a lot of money. Third would be Mobile Solutions including tying the case management system (CMS) into our tablet devices for Attorneys so that productivity continues regardless of where that Attorney happen to be. We would very much like it if our Attorneys could be able to interface with our Case Management System via their iPads, if they are waiting in Court, either stepping out into the hallway or even we have some of the Judges that are tentatively on-board with having us use these tablets within the Court environment. Also, we have an Attorney's workroom at courthouse. We would like the Attorneys – if they have a break in the action, not have to come all the back over the office, but be able to go over and work in a mobile location. If they are attending a meeting outside of the office, we would like them to be able to continue accessing their information. For example, sometimes when you are in Court, it could be any Court, there will be a last minute addition to a Case Calendar. Right now, if that happens we have got a call back, have the Clerk go and find the paper file, someone comes and runs the file over to the Courthouse. It causes delays. It causes a lot of stress. It causes a lot of running around. If the Attorney can fire up the iPad, open up the case file, have access to the documents that have been created, the complaints, the motions, the calendars, we can avoid a lot of that running around and again, saved time is saved money. These are some of our primary

objectives with regards to Case Management and Workflow. Two, goals and objectives as to our Victim-Witness Program. I think I will ask Diana to come up and give just a very brief overview of what we are looking to do with our Victim-Witness Program in Fiscal Year 2014.

DIANA GAUSEPOHL-WHITE, Victim Witness Program Director: Just as far as where we are in terms of staffing, we are interviewing for a State funded position for an Advocate and then in October, we will be looking at using Victims of Crime Act (VOCA) funds to hire another Advocate. Thank you.

Mr. Kollar: Some of our other goals, as I will go through here, to reorganize and strengthen the Victim-Witness Program by reestablishing the Victim-Witness program Director position, to oversee the day-to-day operations of the program. That is something that can really only benefit the County. When I came in, we had a number of Victim-Witness Advocates, no intermediary Supervisor between those Advocates and myself. So, that resulted in my position having to perform day-to-day supervision over their activities when we already had somebody who is more than skilled and experienced in running that type of program. I have worked with Diana for a number of years and you are not going to find a more passionate advocate for victims and their rights as far as the criminal justice community goes anywhere on Kaua'i. So, to take advantage of her skills and her experience is a no-brainer for us. Secondary, to enhance and improve the program by increasing the number of Victim-Witness Counselors via as Diana mentioned, the new Justice Reinvestment Initiative (JRI) grant State moneys and the ongoing Victims of Crime Act grant which is Federal funds. The Governor, as part of his Justice Reinvestment Initiative, did assure the Counties funding for Victim-Witness Counselors. The theory behind that, I think, is the Governor wants to bring home prison inmates who are housed outside of the State of Hawai'i and I think the idea there is that many inmates will either end up in parole programs or release programs, integrating them back into the community as time goes by. As a corollary to that, we would need in our Office, additional staff to help make sure that the public stays informed as to who is coming back into the community and what the status is of these offends. We are very thankful to the Attorney General and the Governor for helping us at least get these increased funds so we can beef up our staff a little bit. Third, we want to serve victims more effectively by providing increased level of direct services such as outreach. Right now, it is a component that unfortunately we are neglecting. Our current staff is essentially focused on providing day-to-day services to victims of crime and witnesses. We do not have a lot of resources to go out right now and do proactive outreach within the community to reach out to victims of domestic violence or reach out to victims of sexual assault or reach out to other individuals who might benefit from receiving information on crime victim compensation funds, things like that. Maybe victims that we can reach out to even if cases have not come into our Office. That is a sector of the victim community, a sector of the underserved community out there that we would really like to get back into being able to serve and hopefully with our increased staffing levels and again, this is a staffing increase that is not at any expense to the County. But it is a tool that we will be able to use to increase the services that we provide directly to the community. Fourth, to renew and strengthen our partnerships with the related County and State Agencies, as well as the local non-profit service providers that we contract with such as the Young Women's Christian Association (YWCA). They do amazing work in our community with victims of sexual violence, domestic assault, as well as providing information on Temporary Restraining Order (TRO), restraining orders, providing a lot of direct services to folks out in the community that are in need of them, as well as we do a lot of interfacing with the Attorney General's Office, as well as the related Federal Agencies that provide funding to our Agency. Having a supervisory person in the

Victim-Witness Program helps us in our ability to administer the program efficiently and effectively to make sure that we keep good relationships with those funding Agencies, we are getting them the information that they asked for in a timely manner, we are keeping good statistics, and we are adhering to best practices in that field. Then, again, last priority would be to restore relationships with the neighbor island Victim-Witness Programs. In a small community like ours, it often does behoove us to take advantage of the knowledge and the *mānā'ō* that the neighbor island Victim-Witness Programs can share with us. Diana, Jennifer, and Marla in our Office all have years of experience in collaborating with the folks in the different jurisdictions, especially, I cannot say enough positive things about Dennis Dunn in the Honolulu Victim-Witness Kōkua Program over there. Any time we have a question, a problem, a protocol issue, a funding issue, and structural issue, we know we can go to them. They will give us the information we are asking for and we will be able to resolve the problem in a good way for us. Those are our priorities as far as the Victim-Witness Program goes. Thank you.

Ms. Gausepohl-White:

Thank you.

Mr. Kollar: Transition into the legislative arena. One of the things I mentioned earlier, we really want to strengthen our presence in the legislative arena by taking a more active role in working with lawmakers. We think it is real important for us to have a voice in the criminal justice arena. Right now, the Honolulu Prosecutor's Office does a tremendous amount of legislative outreach. But what is the relevant issue or salient issue in Honolulu might not always be the same to us on the neighbor island communities. We partner up, we have worked together, of course, with the Honolulu folks and that is Jon Riki Karamatsu over there who does most of their legislative week and Trisha Nakamatsu, as well as folks like Richard Minatoya on Maui, who have a tremendous amount of experience in the legislative arena. They have a very active voice in the legislative process, talking with our legislators, with our lawmakers, and helping shepherd different priorities and projects through the State House. As you all know, it can be a real interesting process getting that sausage made over in Honolulu. So, we try to keep as close an eye as we can on Bills that we know are going to affect what we do over here. I know that Mitch Roth over on the Big Island, their newly elected Prosecutor, is also very keenly aware of how these issues impact all of us. We really have a good partnership going right now with the Hawai'i Prosecuting Attorneys Association (HPAA). We talk, we get together, we do not always agree on everything, but we try to especially on the things that we do agree on, make sure we let our legislators know how we feel because they really do listen, they do respond to pressure or attention, let us say, and that helps our community.

One of the major priority we were trying to work on this year, something that was a project for our Office in particular, was House Bill 587, which was a Bill that would have increased protection for victims of domestic violence, it would have expanded the reach of the family abuse statute, which is Hawai'i Revised Statutes (HRS) 709-906. It is our domestic violence statute here in Hawai'i. It would have expanded the reach of the statute to include partners or couples that are involved in dating or romantic relationships even if they had never had a child together or resided together. Right now, one of the real *pukas* in that law is that somebody can be roommates for one day and that might make them household or family members for life. Somebody could have a child together ten (10) or twenty (20) years ago, they are still considered household or family members under the statute. But if somebody has been in a dating or romantic relationship, boyfriend/girlfriend or whatever, even if they had been together for twenty (20) years they would not fall under that statute if they lived together or had a child together. One (1) of the things we were

trying to do is tighten that up to include those couples. It actually made it through the House, it made it through the Senate and I just saw an update yesterday, that the House disagrees with the Senate amendments so I am not sure what is going to happen there. But we worked closely on actually drafting the legislation with the members of Domestic Violence Task Force here on Kaua'i. So, that was an avenue where collaboration really helped. We were at a Task Force meeting a couple of months ago and they said, "Hey, we really have to tighten these laws up." We were talking to Representative Morikami, he was willing to introduce the legislation and I said, "Well hey, we can help draft, so call us up." We had internal conversations in our Office, what can be fix, what do we need to work on? It will come up with the draft, Representative Kawakami introduced it and shepherded it a great way through the legislative process. If it does not go through this year, we have next year as well. But now we understand how the process works, how things moves through the system and it is an exciting thing for our Office to be involved in. I am very proud of our Office for being involved in that effort.

Another initiative this year would be to support a State Constitutional amendment establishing a Crime Victim Bill of Rights that was actually introduced not by our Office, but introduced in Honolulu as Senate Bill 509, House Bill 1085. Hawai'i right now, is one (1) of seventeen (17) States without a Constitutional amendment guaranteeing specific rights to crime victims or their immediate surviving family members. We have had a lot of back and forth and a lot of discussion as to what those rights would be, different voices heard on all different sides of that issue. But from our perspective, we believe that something that is very important to us to be a voice for victims and to be a voice for folks who right now do not have a voice and to also work closely are our HPAAs partners to support a coherent legislative agenda. Like I said, we do not always agree on everything, but when we do we want to be coherent, we want to speak with one (1) voice and we want to make sure that our voices are heard.

Ms. Yukimura:

HPAA is?

Mr. Kollar:

The Hawai'i Prosecuting Attorneys Association.

It is a small group and it is fairly informal. But we meet regularly and it consists of the Prosecuting Attorneys from the four (4) islands together with United States (U.S.) Attorney for Hawai'i, Florence Nakakuni as well as the Attorney General. Community oriented prosecution is something we are also sort of dipping our toes into this year. Basically, what that consists of is to continue and strengthen our community outreach efforts and listening efforts by participating in community and neighbor group meetings and just being responsive to inquiries for service and information in a timely fashion. What this means is really not us going out and saying we are going to have a meeting and we are going to show you some stuff and put on a presentation for you. But have our Representatives go out to meetings that are already happening, of various community associations, hearing what their concerns are about crime, listening to their issues, bringing that information back to our Office. If there are questions that people have that need to be answered, we bring those questions back, we get them answers, and we respond in a timely fashion. That is something that our Program Assistant Ihilani Laureta has been working on. You know here, she was over here at Council. She has worked for the Courts, very involved in different community efforts, is a very passionate voice for justice in our community, and has busily attending meetings over the last four (4) months whether it is Kilauea Neighborhood Association, meetings in Hanapēpē, all over the island, Kōloa Neighborhood Association. Hearing their concern, bringing them back to our Office so we can make sure we are servicing those areas effectively, and make sure that we are basically just getting people

the information that they want, and furthering our mission statement of being open, transparent, and accountable.

Our goal for this year is to attend at least forty (40) community meetings. I think we are off to a good start on that initiative and we are looking to keep it up. It is a good low cost way for us to stay in touch with what the community – take the community's pulse, basically. Some different community concern. I am sure none of these are any surprise to you folks. North Shore folks are concerned about property crimes and drug crimes happening especially near schools, concerns about drug houses, and other nuisance properties that trouble makers tend to congregate in. South Shore, rock theft from different cultural areas, culture preserves, and *heiaus*, and property crimes. Property crimes are going to be a consistent theme across the island right now. From the West Side, a lot of concern about genetically modified organisms (GMO) operations, agricultural theft, and as well as drug crimes.

The Property Crime Unit, again several – what we believe to be achievable goals and objectives, to reduce the amount of time it takes to get repeat property crime offenders through the court system and the way we have done that is simply by increasing the number of Prosecutors we have working on property crimes. These crimes, really, whether they affect visitors or whether they affect residents, they draw a lot of attention because in our community, it is a community founded on values of trust. We trust one another. Our carports are open, we do not like to lock our cars when we go to the store, we like to feel that we can trust our neighbors and depend on one another and when that trust is violated, it hits the heart of the community. We really want to address this problem of property crimes from West Side to the North Shore, is something that is on the rise over the last few years. Usually, tied to drug abuse/drug addiction and folks looking to steal different items to sell and get money to support a drug habit.

We are looking to expand our Career Criminal and Property Crime Prosecution Unit. We are requesting enhanced Career Criminal Prosecution (CCP) funding from the Department of the Attorney General and hoping to expand the Property Crime Prosecution Unit from two (2) Deputies to three (3). We will talk about that funding later on because we did get some disturbing news from Honolulu about that funding the other day. So, some of that funding might potentially be in jeopardy which is going to create some questions for how we handle that. Number three, to eliminate the screening backlog. You often hear the sentence or the phrase, “justice delayed is justice denied.” So, just from a nuts and bolts perspective, we want to move cases through the system faster, we want them sitting on Deputy's desks shorter periods of time, and we want to be able to get cases to the grand jury or to the judges for issuance of the bench warrants in a more timely fashion. Any time there is a transition between Administrations, there is inherited caseload, inherited screening backlogs and things of that nature. What we inherited is not any worse than what happened four (4) years ago or probably what happened during any transitional period that has ever happened. But there was a certain amount of backlog. So, one thing we really wanted to do when we came is do triage, look at the reports, see the things that we can look at and dispose of very quickly either because of a statute of limitations problem or some obvious identifiable problem, get rid of those cases, and focus on the ones that are fresh, that have the impact right now and kind of get those into the Court process. One way we have attacked that problem is by increased use of the Felony Information Charging process. It enables us to file charges in felony cases without going through a Grand Jury process. We prepare Declarations and send them to Judges. The Judges review them for probable cause and issue the warrants. Grand Jury only happens twice a month, every other week. You have to get your witnesses lined up, you have to make sure everyone is

available, and there are a lot of stars that have to line up to get a case into the Grand Jury. We still do that because there are many crimes you cannot charge without going through the Grand Jury. So, we continue to use that process. But the Felony Information Charging is something that you can do every day. So, we try to make increased use of that. Our report maybe only has to be in our Office for a week or two (2) as opposed to a month or two (2). We have been very successful in reducing that backlog with property crimes. It has been almost eliminated. Sexual assaults, drug cases, we still have some backlog to deal with. But we are making progress and we are getting things done.

Lastly, again, to partner with the community organizations and law enforcement to recognize and respond to trends in the property crime area. These things tend to be streaky. You tend to get a group of three (3) or four (4) people that will go out and hit maybe vacation rentals in a particular area. You have to work very closely with your Detectives in determining what kind of operations happen out there. Whether it is going to be to be a sting operation or whether there are folks in the community who can give us information on who is committing those offenses and go from there. So, it does go from there. It does come back to partnerships both with the folks at the Kaua'i Police Department and people in the community who are often a very valuable source of information for law enforcement and we need to make sure we are paying attention to them.

Our Cold Case Unit is something that we are extremely happy to be working on within our Office and I think I will ask Kevin Takata to come up and talk a little bit about what we are doing with the Cold Case Unit in Fiscal Year 2014.

KEVIN TAKATA, First Deputy Prosecuting Attorney: Good morning. The first thing we did was to form a team that consists of Police Officers, Prosecutors, and Prosecutor Investigators. You must understand that this team has taken on this task in addition to our normal duties. None of us have especially assigned to just do cold cases. The first thing that we need to do is to identify the case that remain unsolved on Kaua'i. There are approximately eighteen (18). We are also looking at missing person cases which contains specify circumstances, which we believe to be homicides and include death on our unsolved homicide list. The next thing we intend to do is to have reports prepared on the cases. A summary of the victim's background, the crime, it would include the Medical Examiner's Report, evidence and property that was collected to make sure that evidence or property still exists, and lab reports. Then what we need to do is verify whether witnesses are still alive and available and able to testimony. We need to create a list of potential suspects. I say list because investigations go astray when you believe you know who did it and you try to make the evidence lead to that person. We are going to avoid that. Then we need to create a list of follow-up that we need to do and do that follow-up. One of the primary things that we will be focusing on is to look at available evidence and see whether we can have that evidence can be analyzed. Unfortunately, we do not have a crime lab here. So, what we need to do with the moneys available to us through a grant from the Attorney General's Office and Kaua'i is fortunate in being the only Prosecutor's Office in Hawai'i to have received this grant, is to use this money to analyze the evidence. Specifically, probably deoxyribonucleic acid (DNA) evidence to solve these crimes. What we also intend to do is create a three (3) tiered priority list based on the probability of solving these crimes. Now, we also intend to look at crimes where we believe the prime suspect has passed away. Why? Although, the suspect has passed away, if we can tell the family of that murder victim that we believe we know who killed your loved one, it was this person and he has since died, at least that gives them a sense of knowing that their case was looked at and closed rather than the uncertainty of not knowing who did it and to live with

that and nagging doubt. Among the things I would like to see done here is to publicize those case and get the public's assistance. Those cases will remain unsolved unless we keep it in the public's attention, just the way KPD and the County did with the Justin Klein case. It was publicized, people were reminded that KPD was still looking for that suspect, and he was apprehended. So, that is our Cold Case Unit and that is what we are up to. Thank you.

Mr. Kollar: The Cold Case Unit is an effort that we undertake in partnership with the Kaua'i Police Department. We have two (2) Investigators within our Office that work on these cases and that would be John Burgess and Joe Adric. We are extremely happy to have Mr. Adric on board. He had retired from the Kaua'i Police Department last year and has a wealth of experience investigating homicides. We felt like there was more work he could do, more ways he could benefit our community, so we brought him on about three (3) months ago and he has been a huge addition to our team. So, very happy to have him, as well as John Burgess, who is sort of the lead in our Investigative Unit. Many years of law enforcement experience. So with them, working with Kevin, working with Melinda and on the KPD side working with Detectives like Bryson Ponce, James Miller, and Assistant Chief Asher, we feel like it is well over one hundred (100) years of experience to bring in to bear on these cases because the public does not every forget these case and we want to make sure we do not every forget them either. We also want to make sure that we continues to make wise use of the existing grant funds for sophisticated forensic testing including cases that might be quite old. What little evidence still remains, we want to make sure that we are using that wisely and judiciously.

One thing I did forget to mention earlier when I was talking about our work on legislation, was to mention that we do make use of, as folks probably do over here, the Hawai'i Legislative Tracker and we did want to thank Paula Morikami and her staff at Boards and Commissions for providing training to our staff on making use of that resource. It is a tremendous asset, as you undoubtedly know. Having these Bills moving through the system can be very confusing and rapid thing. So, anything we can do keep on top of that to make sure we are getting notifications is a benefit to us.

Successes and achievements. Our staffing, I feel, has been a very great success at this point. The team that we have put together is something that makes my job so much easier and I think makes our public – make our community a much safer place. We were able to fill or staff vacancies in a short amount of time with highly qualified individuals. What the result of this is, is that we decreased the amount unspent salaries that will lapse at the end of the fiscal year and we increased the level of services provided to the community. It also enables us to appropriately route tasks to the proper staff, which again, using money smarter, using money more efficiently. If we have tasks that can be done by a Legal Clerk III, as opposed to Supervising Legal Clerk, we want to have those tasks done by that person or clerical tasks that can be done by Support Staff instead of having to be done by Attorneys. Routing the appropriate task to the appropriate staff member.

One priority for us and one area we are asking the Council for support on is for the Council to restore the full funding to our vacant Deputy Prosecutor position so that we can fill it and create, essentially, a Zoning Enforcement Unit. That position, I indicated in our narrative, that is E-88, which shows in the budget for next year, I think, as a dollar funded position. It is currently in our budget as a funded Deputy position. So, we are not asking for a new position here. We are just asking for that position to not be cut. This Deputy, we envision working fifty percent (50%) on the Transient Vacation Rental (TVR) and zoning

matters in conjunction with our Planning Department and our Police Department and fifty percent (50%) on other Administrative practice areas. As I mentioned earlier, Administrative practice areas include the Asset Forfeitures, the Rule 40s, and the appeals. Why that matters is because Asset Forfeiture funds constitute an important source of training moneys for our Department. As the County's available funds to provide training dwindle from year-to-year, it is incumbent on us to find other sources to pay for that training and the Asset Forfeiture Funds do help out with that. We also note that KPD has been really increasing their Administrative Asset Forfeit case load in recent years. Sergeant Carvalho over at KPD has been really doing an outstanding job. But it does result in increased volume of work coming into our Office. So, having that Deputy could absorb some of that caseload would really help us process those petitions faster and potentially take some of the load off the County funded training budget areas.

Now, as far as the TVR and zoning enforcements, I am sure we will have a chance to discuss that later on. But we have had meetings since December with the Planning Department, with the Planning Director over there, and with Marisa in Planning who has been helping them with these issues in identifying particular avenues to conduct enforcement. We have even got together and met with the Kaua'i Police Department to see what avenues there might be for collaboration there because this is going to have to be a collaborative and it is going to have to be a joint effort. Like I said, we have two (2) Investigators in our Office that are working on servicing the day-to-day needs of our Attorneys as well as servicing the Cold Case Unit. I am going to be reluctant to pull them off of unsolved homicide cases and put them into zoning cases. We need to rely on the Planning Department's investigative staff. I know they have folks like Les Milnes who are extraordinarily talented and smart people who we have worked with before on investigating cases of a criminal nature, who understand what search warrants are and how to work with the Detectives. We want to make sure that we continue working together with them, but also maintain the resources in our Office to move these cases forward independently.

A picture of our staff there. This is where I was going to call them up to say "hi." But that was done earlier. So, a picture of all of our smiling faces in December. Another one of our successes, enhancing our relationships basically within the Kaua'i Police Department. We feel that we have improved and increased communications within the Department especially with the Detectives in the Investigative Services Bureau. We have reinstated the practice of holding weekly informative meetings where we get together with the Detectives, discuss cases, discuss ideas, discuss case law, and investigative models, procedures and different things. Those meetings are really a tremendous benefit, I think, both to our Office and their Office. We have also fostered an atmosphere of communication. We have let KPD know that they are free to call our staff anytime, make the connection, reach out, stay in touch. If they have got a question at 3:00 p.m. on a Saturday afternoon, just call us. We would rather answer it than have it become a problem in a month or two (2) months or six (6) months. So we are trying to really make sure that we keep the lines of communication open and we feel we have been successful in that. Also, another way we have increased our partnerships is by providing training to KPD new hires including forty (40) hours of training on the Hawai'i Penal Code for each new recruit officer and sixteen (16) hours of training in the Hawai'i Penal Code for all new Police Dispatchers. Like I said earlier, we are the largest law firm on the island. We have fourteen (14) Attorneys on staff. That is a tremendous amount of knowledge, experience, and wisdom. So, what we want to do is take that, share that with the folks who are coming into the law enforcement environment, and even if they do not absorb everything that we tell them in that forty (40) hours and memorize it, they at least have a face, they have got a name, they have a phone number and E-mail address, somebody that they would feel comfortable reaching out to if

they have a question about a statute or something later on throughout their twenty (20) to twenty-five (25) year career. For us to provide that training on the ground floor, I think, the benefits just multiply themselves.

Operational efficiency and process improvements. Completed a smooth transition into a new Administration with continuity of all operations. We knew that was expected and we are not patting ourselves on the back. But we are very happy that we have kept everything going. We had a major murder trial that was set to go a month after we took office. We were able to make that happen, basically, keep things moving seamlessly. Successfully implemented new filing system, completed the procurement of the Case Management System, re-purposed dozens of old filing cabinets to other County Departments and disposed of tons of archived documents via secure shredding. Also, transitioning to the use of the County's SharePoint Portal. This is something the County already pays for, it already exist, it is already out there. It is a good way to share documents securely within an Office so we do not have to rely on old shared hard drives which are less secure and more prone to failures, outages, service interruptions, and things of that nature. So, just trying to take advantage of the tools that are already handed to us, make sure we are moving forward.

I have included a few photos here. On the left you have got a before photo of what our conference room looked like and on the right, you can see what it looks like today. All the documents on left there, they were all scanned as parts of the last Administration and we do thank them for getting that project done. They were all scanned and in January we were finally able to complete procurement of shredding services and dispose of all of those documents. So, what you see there is probably fifteen (15) filing cabinets and twenty (20) bankers' boxes and that is just what was in the conference room. Now, we can actually use our conference room as a conference room which is nice. Another before and after shot. On the left you see what the back of our Department used to look like. More filing cabinets stuffed with old files going back to 2004, 2005, 2006, and even older stuff we found, as well as spiders, cobwebs, and things. On the right there, you see what our new mobile filing system looks like. Again, that is a procurement that was completed in the last Administration. Installation was completed after we came in, in January. That is one of those rolling file systems like they have down in the Police Records Department. It enables us to store our documents in a much more sensible way and a much more organized way. It saves us a ton of space. Just another before and after. Our hallways before was filing cabinets, stuffed with documents, questions as to whether they complied with disability access issues which I am profoundly sensitive to over the last two (2) months and now our hallways are clear again. It just contributes to it be a more organized work environment, less cluttered, people know where things ware, and there is a less sense of "oh, my gosh, what is all of this stuff."

Upcoming plan and initiatives for Fiscal Year 2014, Case Management System implementation we talked about that already. Estimated start date of April, 2013 and again, a Notice to Proceed on that contract has been issued. Right now, we are in the groundwork of talking with the vendor and figuring out how to implement the system within our Office. We do expect it will be a fairly quick implementation. It is a cloud hosted system so it is not hosted on County servers. There are no adjustments to the County's infrastructure that we have to make, which is another positive. So, really they just need to come in, give us the client on our systems, and make sure we have the right data fields to plug in information into. So, happy about that. Victim-Witness Program reorganization, which we already discussed. Continuation of efforts to investigate and clear cold cases. Continuation of efforts to work with KPD, U.S. Marshals, and Attorney General

to bring non-compliant registered sex offenders into compliance and prosecute where appropriate the violators. There are non-compliant sexual offenders on Kaua'i. We do have some grant funds coming into the Office that we are going to be able to use to make sure that staying on top those cases and monitoring that situation, initiating prosecution and bringing people back into compliance. Also, integration of the mobile devices, the tablet computers into the courtroom environment and providing increased technical training to the Deputies. One thing I am really excited about, especially with the tablet computers is right now – I want to thank, I have to thank Brandon Raines and the County's Information Technology (IT) team for working with us on this. Right now, we have only got sort of limited support for the iPads as you folks know. They turn out to be basically glorified E-mail checkers and internet surfing kind of things. But we are really determined that we are going to use these as business tools the way that they are intended to be used. We have been working with Brandon very closely. I have to praise his level of responsiveness and support. Nothing, but a pleasure to work with and Kelly and Jolene and his whole staff. Every morning you see our Deputies tromping over to courts and they have these books, big plastic bins full of different paper materials. Thanks to Brandon and thanks to the iPads now this book, it is right here. So, we do not have to carry these things around. We can go into court. If we have to look up what is 291-E61, we can just open up the electronic version of this book, go right to it, and the language is right there. Our Deputies do not have to sit in court and fumble back and forth and find things. It is a much more organized and professional work atmosphere. So, very happy to see that moving forward. As well as providing training for the Deputies, making sure that we are getting them the skills and experience, making sure that we can send people like Lisa to learn how to prosecute juvenile sexual assaults. It is a highly specialized practice. There is not a ton of it that happens in Hawai'i, so sometimes we need to send people to the mainland for training. Sometimes we need to send people to Honolulu for training with the other Prosecutor's Offices across the State. So, we want to make sure that we focus on sending the Deputies work in those practice areas to get the appropriate training. Just in the last four (4) months, we have been successful in accomplishing that.

Challenges, there are challenges as always working in a government setting. First is dealing with the ever increasing and changing systems and interfaces on the State level (Criminal Justice Information System (CJIS), Juvenile Justice Information System (JJIS), Hawai'i Integrated Justice Information System (HIJIS), National Crime Information Center (NCIC)). There are all different computer networks that we use to gather information on people's criminal histories, criminal records, files, and information that we need to move cases forward. We have a lot of folks that come to Hawai'i from other States, from the mainland, we might need to find their criminal information. So, we need to go to different kinds of systems to location that info. We want to make sure that our Case Management System talks to these systems. Again, so that we do not have to have everybody booting up ten (10) different systems on their computer every morning. So, that is a challenge. Especially as these things are perpetually morphing, the State is continually upgrading their systems. Sometimes it helps and sometimes it throws us a curveball so we need to keep one step ahead of these things. As well as just making sure our system talks to the Police Department system. Coordinating within various Agencies of the County, State and Federal level to ensure efficient and effective operations within our Office. Like we said, as far as the TVR piece goes, making sure we can work with Planning, making sure we can work with Police, and making sure we can work with the Council in terms of legislative things that come up for whatever issue it might be. Third, contending with issues presented by a lack of space in the Office. This is something that is not so much a problem right now, but it could potentially be something on the radar screen for the coming years. We have basically maxed out our space envelope within the Office. By the

time we add the new Victim-Witness Counselor and if bring on this Deputy Prosecutor we are asking for, we are going to be basically maxed out and not have space to put additional staff beyond that. We are a little bit constrained in what the layout of the building is. We have a secure area that is separate from what KPD secure area it. So it is not a very flexible floor plan. What is the solution to that going to be? That is a question for future years. But it is something that we least have to have our or radar screen and think about how we are going to contend with it when it comes up. Getting rid of all of those documents, papers, and filing cabinets did actually help us free up a lot of space in the Office. But that is kind of a one (1) time fix. That is not something that we can really do again. Continue to find meaningful opportunities for training and education for our Deputies in tight fiscal times. As I just mentioned, not a lot of appellate law practitioners on the island, not a lot of sexual assault prosecution specialists on the island. We do have to look elsewhere for our training opportunities and we know it is a challenging fiscal environment. We are not asking for you to come in increase our training budget. But we are trying to be creative and resourceful in how we apply the moneys that we get, as well as look for grant funds or external funds to make sure we are keeping our people educated and up to speed on their practice areas. Then, finally, just institutional resistance to change. Working with government sometimes you hear the phrase, "this is the way we have always done it." We try to make that a "no no" within our Office. That is not a good reason I want to hear come out of my staff's mouth and it is frustrating when you hear it from other people because we need to innovate at the County level. We need to innovate within our Department and we are constantly looking for ways to do that. But sometimes it is a challenge and you need to be flexible to do that.

We have got some statistics here as far as our budget overview goes. As you can see the vast majority of our budget consists of salary and wages, almost all of it. The numbers speak for themselves there. The numbers, as sent here from the Administration indicate a Fiscal Year 2014 budget of three million four hundred forty-four thousand five hundred ninety-six dollars (\$3,444,596), which is a decrease from Fiscal Year 2013's roughly three million eight hundred thousand dollars (\$3,800,000) budget. I would note that even with the funds provided for the Deputy Prosecutor position we are asking for we are still requesting less than what we got last year. We are requesting a decrease. We are trying to be prudent. We are trying to do some other things as far as truth in budgeting, especially with regards to one important area. You will notice in this year's budget, we budgeted the Deputy Prosecutor positions to reflect the actual salaries, building in a small cushion in case of very modest increases. But rather than budgeting them all at the statutory maximum of one hundred one thousand dollars (\$101,000), budgeting them closer to what they are actually paid and then taking the difference to provide funding for some of the previously dollar funded positions so that we do have Clerical Staff that is adequate to meet our operation's needs. Also, what that does is it prevents us from lapsing the unspent salaries at the end of the fiscal year because we have got bodies in the positions, the salaries are being expended, and the County is receiving the benefit of that money that was allocated to our budget. So, that is one important thing that we have tried to work on. I know if you look at past three (3) years and look at the amount of moneys that have lapsed between OPA in unspent salaries, we have taken very meaningful, concrete and measurable steps to make sure that is not a problem in the upcoming fiscal year or in future fiscal years. We know it has been an issue in the County, not just our Department. We are trying to be mindful of it and we are trying to adhere to the best practices as Ernie and his staff asked us to do, and as we know that the Council also considers a priority. So, we are very mindful of that.

Here are some pie charts. Again, salary, wages, and benefits comprise almost our entire budget. Not a whole lot of fat to trim in the other areas. I want to thank you all of you for listening, for your kind attentions, and for being so gracious to my staff. I appreciate having the opportunity to come here and present this to you and look forward to answering any of your questions or inquiries. Thank you very much.

Chair Furfaro: Thank you very much as well. Mel, thank you for holding it while the presentation was there. First of all, before I go any further, I want to thank you for a very complete presentation. I want to also make sure that we understand that this is the beginning of what are four (4) budget schedules for today. I want to really stay focused on mission and objectives versus hearing about future philosophies because we do not have that generous amount of time this morning. We already have the Transportation people here.

Mr. Kollar: Yes, sir.

Chair Furfaro: It will be our format to go around the table cure those questions. I also want to say that we appreciate and I appreciate more than anybody about filling vacancies that existed so it does not contribute to the surplus. But on the flipside and this is my question, I know how I am measuring the outcomes here, now that I am using those staffing positions. I want to make sure that you realize that next year we will be asking for some very measurable completions of goals.

Mr. Kollar: Absolutely.

Chair Furfaro: I know you will focus on that.

Mr. Kollar: Thank you.

Chair Furfaro: We will start our first round around the table. Again, thank you again for bringing your staff over and the presentation was very professional.

Mr. Kollar: Thank you.

Chair Furfaro: Mr. Kagawa, we will start with you.

Mr. Kagawa: Thank you, Mr. Chair. Justin, thank you for your presentation. I have been getting a lot of E-mails about the Attorney for the TVRs and I am kind of surprised that I have not received any testimony or communication from the Planning Director, Mike Dahilig. We talked a lot and he has not told me that he supports what you are doing. In your presentation you say it is very critical that the Prosecutors work with the Planning Department. I am wondering if you had those discussions with him and that he supports that in this current time?

Mr. Kollar: I want to thank you for that question. The Planning Director and I have had frequent and numerous conversations about this. I do believe he is in support what we are asking for as I know he wants to move forward with an enforcement piece to the TVR situation. He and I were actually on the radio last night discussing this issue. We talk frequently about it between the two (2) of us. We have had a number of meetings with his staff and my staff at my Office trying to figure out what we can do to work together to make that happen. I know he is in support. If you want

testimony from him or have particular questions for him, I know he is coming in next week. Also, we can ask him to provide some testimony or perhaps when we come back for our follow-up we can do that. But I can tell you he is in support of what we are asking for.

Mr. Kagawa: Well, apparently some of the members of the public – there are a lot of people interested in this issue.

Mr. Kollar: Absolutely.

Mr. Kagawa: I am chasing it also. I want to see some justice done for people the abuse the laws. But I am just surprised that Mike has not told us that we should support it or help in because we have also been grilling Mike also on trying to do more in the area.

Mr. Kollar: Undoubtedly, and if you would like to hear it from his mouth or that would be beneficial, I think that is something that can happen without too much stress. Like I mentioned earlier, it is going to be all of these Departments working together and I know he has certain staffing needs. We have certain staffing needs. The Police Department has certain staffing needs and between the three (3) of us, we need to make sure that we have the qualified staff to move forward on this situation. Like you said, getting justice because there are people there – it is plain to say are abusing the process and we want to make sure we are stepping up to the plate and doing what we can do. I appreciate that very much.

Mr. Kagawa: On that line, I had a little difficulty trying to track the salaries because there are a lot of ups and downs with the Attorneys and with the dollar funded assistance that you have actually put moneys put in. I was just wondering, are those Law Office Assistant position 9104, 9085, T2822 have all of those positions been filled?

Mr. Kollar: Yes, sir. Those are essentially Support Staff positions, Clerical Support staff positions and we do have all of those filled. The only position that we have that is vacant right now is the position that shows up on next year's budget as E-88 which is the Deputy Prosecutor Attorney position. That is the only vacancy that currently exists.

Mr. Kagawa: Last year there was eighty thousand dollars (\$80,000) in that position and this year, what happened was you went to the Department of Finance and it got cut?

Mr. Kollar: Basically.

Mr. Kagawa: Okay, because you have not filled it yet?

Mr. Kollar: Correct.

Mr. Kagawa: Thank you.

Chair Furfaro: I am just going to change my rule a little bit here. Let us get this TVR question around the table completed. If you have a follow-up question for that, that will not count as your question. But let us get the TVR question gone. Mr. Rapozo, did you have a follow-up JoAnn, did you have a follow-up? Go ahead.

Mr. Rapozo: Thank you, Mr. Chair. Thank you, Justin for your presentation. First of all, I am not convinced that Mike is interested in pursuing this because this Council funded the position last year to go investigate and he chooses not to do it. So, I am not convinced and action to me speaks louder than words. So, maybe Mr. Kagawa needs written testimony. I do not because I am fully aware of what their priorities are and it is sure not the TVR enforcement. Last night you folks were on the radio, that sparks the community to send us E-mails because I noticed, and I had planned to listen to that show when I left here but by the time we left here I forget. But anyway, it is a big issue, especially in the North Shore. But it is actually happening all over. I am not convinced that is a priority of Planning. A few months ago, within this year, I learned that the Planning Department stopped sending the Notices of Violation to our Office.

Mr. Kollar: I cannot speak for what happened last year.

Mr. Rapozo: No, no this year.

Mr. Kollar: Since December 3<sup>rd</sup>, we have not received Notices of Violation from the Planning Department.

Mr. Rapozo: Now, Justin, does that sound like somebody that is interested in prosecuting violators?

Mr. Kollar: You would have to ask Mr. Dahilig about what his operation does. I know that I am interested in prosecuting them.

Mr. Rapozo: Yes, I know. But I am responding to the question that Mr. Kagawa asked you and that you spoke for Mike saying that you know he is interested. I am saying, I do not get that.

Mr. Kollar: Well, I can clarify then. I cannot say what his plan is for his operation. But he has indicated to me that he would be happy for us to have the resources that we are looking for. So, I have to take that at face value.

Mr. Rapozo: I understand that. I had the discussion with Ihi last week. I said, "I am having a hard time funding a position to prosecute violations that will not be sent over."

Mr. Kollar: Well, there are other ways to build case and build investigations. If for some reason, and I do not see this happening, if a County Department was going to refuse to cooperate with us, again which I do not see happening, there are ways for to us get information anyway. I mean there is a subpoena process. It has been used before and it has worked before. I know that is one of the things that you worked on with the Prosecutor's Office before.

Mr. Rapozo: Yes, but we got the violations. We did not need subpoenas. We got the violations.

Mr. Kollar: I can remember about seventy-five (75) subpoenas sent over and they were complied with after a fight. But they were complied with. I would hope there were lessons learned from that situation in terms if we are asking for information, we expect to receive the information.

Mr. Rapozo: Well, again, Justin, I guess if, and if Planning is not – it is like saying that the cops are not going to sending over to the reports to the Prosecutor’s Office for whatever reason. I do not know. But that is what is happening with Planning. We do not want these cases prosecuted, so we are not going to send it to the Prosecuting Attorney’s Office. That is what is happening. This is not at you, I am saying that I cannot see funding a position that relies on the Planning Department’s cooperation that they have clearly showed that they do not want to do.

Mr. Kollar: Right and we expect the Planning Department’s cooperation and we do not – it is not like we cannot do without it. We do expect it and if we are not getting it, you can bet that we will be back over here to talk about that. But what I can say is cases like this are very paper intensive and once we get the paper, we may be able to find enough to move on even if they do not have an investigator write up a report and send it to us. It may be enough to subpoena a file and say, “We can tell right now, we have a violation. We have all we need to establish probable cause. We think we can prove beyond a reasonable doubt.” I understand your point though.

Mr. Rapozo: Like you stated earlier, you are not going to pull off your Investigators from real crimes, violent crimes, homicide crimes and I do not think that is your job to investigate zoning violations. I really do not.

Mr. Kollar: I do not disagree.

Mr. Rapozo: Unless it comes across from the Planning Department and this is major point. Planning is not doing their job. They have chosen not to enforce TVR violations. Why would we just say, “Planning we are going to let you go and, here Prosecuting Attorney’s Office, here is some money. Why do you not go do Planning’s job?” That is not what we do. That is not what – I am not going to support that. Believe me, I will pursue this with Planning. But we already had the discussion here and it is clear, when someone in Planning said, “Mel they are not even sending the stuff over to the Prosecutors.” I said, “Really?” So, we are working on that, Justin. I am working on an amendment that will require them to do so like we did with the grading grubbing. But that will take time. But in a perfect world, think about this, imagine if Planning went out and did their job, went out and did the inspections, signed the notices, sent the criminal side to you, took care of the civil side, our County Attorneys would process the civil penalties, fine them, and we would have a pot of money to pay for this Prosecutor.

Mr. Kollar: I do not disagree with any of that.

Chair Furfaro: Justin, I want to say, you can see this is a discussion that we are going to have a Planning.

Mr. Kollar: I get that sense.

Chair Furfaro: This is the Prosecutor’s Office that we are talking to now.

Mr. Kollar: Yes.

Chair Furfaro: But make sure you understand and you have three (3) E-mails from me on this subject, April 3<sup>rd</sup>, April 5<sup>th</sup>, and even as late as yesterday. It is a concern for the Council. We have to address that with Planning.

Mr. Kollar: Yes, and again anything I say, I can only talk about what we are going to do and what we are willing to do. My comments and what I said last night and what I am happy to say here today is, we are willing and able to move forward. We cannot control what other Departments do. We can control what we do and we are not saying let people off the hook, do not let people off the hook in other Agencies or other Departments, but give us the tools that we need to do our job and we are going to go out and give it our best shot. I think that is my best answer for that.

Mr. Rapozo: That is all I have for now.

Chair Furfaro: That is just a follow-up question. That was not your turn. JoAnn, you have the floor. We are staying on the TVR.

Ms. Yukimura: Yes, thank you. Hi Justin.

Mr. Kollar: Hi.

Ms. Yukimura: Thank you for your presentation. About the position E-88, you said you do not want it to be cut, but do you not want more than that? You actually want it refunded?

Mr. Kollar: Yes, I want it funded. Yes, to be clear.

Ms. Yukimura: You want it funded at what level?

Mr. Kollar: Ideally, in a perfect world that we do not live in, would I like it to be funded at the maximum level. But we would be surviving if it was funded at the eighty thousand dollars (\$80,000) level as it was last year. I am confident we would be able to get a qualified candidate at that level.

Ms. Yukimura: Thank you.

Chair Furfaro: Mr. Bynum, then Mr. Hooser.

Mr. Bynum: When this was dollar funded, was that after dialogue with the Administration?

Mr. Kollar: Not about this specific issue. But during the course of our budget discussions within the Administration, it was indicated and I know they are in a tough spot. So, I am not bad mouthing anybody. I know they have to make cuts and they said, "Well we are going to dollar fund this."

Mr. Bynum: But it was parts of a dialogue? It was not a surprise to you?

Mr. Kollar: Well, if you mean there was a dialogue in that we said we do not want you to dollar-fund this and they said we are going to dollar fund it, that was pretty much the dialogue.

Mr. Bynum: I think the previous Prosecutor made pretty strong arguments about the need for this level of staffing and had support of the Council. I

said earlier in the budget before I looked at this, I was concerned that the Prosecutor's Office not get stuck in transition that a position happens to be vacant because like any Prosecutor of a new election, making a transition. Regarding TVRs, we need to be honest and talk turkey. There is a lot of evidence or allegations that are in the media that the TVR Ordinance is being mishandled at Planning and potentially at the Public Works side because of two (2) really serious issues in my mind. One being a manipulation of the process that leaves habitable units in the flood zone, which I think is a very serious health and safety issue. I think we all know that you can be grandfathered in at that low level, but when you do a certain level renovation, you have to comply and not have habitable units. I think the evidence is that TVR owners are renting habitable units to visitors in the flood zone and that is a very serious health risk if that is true. The other side of that is that I am very concerned about that this Council passed a law that said you have to demonstrate active involvement in TVR prior to March 7, 2008, particularly in the year prior. The law says provide these documents, the allegation is that the documents have not been provided and permits have been issued anyways. I am very upset if that is true. I have already asked and I am brainstorming as how, as a Council, we can investigate that and follow-up. I am very supportive of having this position for two (2) reasons. One is to keep the level of funding that previous Prosecutor said was required to be sufficient. The Council bought that argument and funded this position and I do not think we want to step back from the level of service that the Prosecutor's Office is providing. But particularly because you are willing to focus on these issues and others that maybe have not had the attention that they deserve. In terms of the Planning Department making a choice to not routinely refer every zoning violation, I believe that was done for a specific purpose that had to do with the relationship between the previous Prosecutor and the Planning Department and misuse of that. I do not think there will be those communication problems between your Office and the Planning Department. I think this is going to be a hot topic when the Planning Department is here and it is going to be a hot topic going forward because I want more answers to the questions that are out there.

Chair Furfaro:

Can you pose that in a question?

Mr. Bynum:  
position would not be just doing TVRs.

I am supportive of this position. But this

Mr. Kollar:  
more like fifty percent (50%). But my hook on this, what really got my attention was we live on an island where tremendous rainstorms happen. We live on an island where tsunamis happen and we live on an island that people have been killed by raging walls of water before. When I think of unsuspecting individuals in an unpermitted structure in a flood zone, that is what kind of make my heart race a little bit because people have died on Kaua'i before from water being where we do not want it to be. I do not want people to die. For me, this is not a political question of I hate TVRs, I want to throw every TVR owner in jail, and I am philosophically opposed. No, none of that is true. It is not the number one priority of my Office. But when I think about this from a health, safety, and welfare perspective, I do not want people to die.

Mr. Bynum:  
past, zoning violations have been selectively enforced and that is not appropriate. If there is a violation, it needs to be handled appropriately and I do not believe that has been the case. I believe that the current Planning Director is trying to move to that goal. But I think there are likely some serious problems and it is not just whether – it is whether these laws were properly enforced by the County people. It is not just a question of what the

applicant has done. But it is a question about the integrity of that process and justice being equitably applied. We have a fourteenth amendment that says there is equal protection. If this type of zoning violation gets lots of attention, then this gets none, then that is wrong.

Chair Furfaro: We need to pose that as a question, Tim.

Mr. Bynum: Do you agree with what I just said?

Mr. Kollar: Yes.

Mr. Bynum: Thank you.

Chair Furfaro: Mr. Hooser.

Mr. Hooser: Mr. Kollar, thank you very much for your presentation. Since we are talking about the TVRs, to be clear, the position you are asking for is not in the budget that came over from the Administration?

Mr. Kollar: It is not funded under the budget. The position still exists, but it exists at a dollar fund level.

Mr. Hooser: Did you discuss with the Administration, the Mayor's Office, that you wanted to pursue TVR violations and that was the purpose of this position when you asked for it?

Mr. Kollar: Without getting into the specific details of our conversations we indicated that we needed the position to be able to do our job.

Mr. Hooser: But not specific to TVRs?

Mr. Kollar: Correct.

Mr. Hooser: Okay. I was trying to figure out because we are being asked now to support the funding half for the TVR. So, I was wondering if the Administration was asked the same question. Now you are telling me not as specifically as you are asking us?

Mr. Kollar: Correct.

Mr. Hooser: So, the Administration did not deny your request to support TVRs?

Mr. Kollar: I do not think it was anything like that, no.

Mr. Hooser: A couple of things for me, as Councilmember Kagawa so eloquently put it, there is a lot of people are chasing the TVR issue. We are all concerned about it. One of my main questions would be some assurance given the situation with some reluctance from the Planning Department that if this position was funded, what assurances I would have there would actually be prosecution with or without the cooperation of the Planning Department?

Mr. Kollar: Again, I cannot say what anybody else does with their Departments. But I can say and I have also been pretty clear in talking about what we want to do with this position that is not going to be a situation that Grand Jury warrants will go out a week after we get the position or penal summons are going to go out a week after we get the position. These are going to be paper intensive cases. This is uncharted waters we are venturing into. How long will it take to build a case? I cannot make any promises about that. Are we going to give it our best effort, that is what I can promise you.

Mr. Hooser: I would hope that next year, when we sit here, that there would be some cases, and it is clear. I think if we cut to the chase, so to speak, Joan Conrow her blog KauaiElectric has apparently documented, I think eleven (11) cases now that seem egregious. It is citizen investigations apparently going on and they are very clear step-by-step, that two (2) things, I believe are clear. One is that violations are blatant and egregious and are there and that this would not have occurred without the Planning Department at the minimum, being inefficient in fulfilling their role. At the worst case situation, they would be complicit. I mean it is just out there in everybody's face, these cases and there are probably more that will be coming. The County is not doing its job, the Planning Department, more the Prosecutor at this point given that it the information is public. My question is what happens when the Prosecutor's Office investigates a case, you mentioned, I think, that there is apparent clear violations and it is also maybe clear that there are some issues within the Planning Department in terms of enforcement. While your Office is doing the investigations, how much is that going to investigating the role of Planning Department, not just the role of the homeowners?

Mr. Kollar: Well, I will back up a little bit. Again, my primary function here is to look into issues that are threatening the health, safety, and welfare of people who live mostly on the North Shore and Wainiha and areas like that. So, that is where we start. We have all read or most of us have read the same blog entries and believe me, I wish I could print this out and walk into Court and say, "That is proof beyond a reasonable doubt." But it is not. I think some people think that is all that it takes. But we have to do a little bit more work. So, that is where we start, investigate the case and what it leads to, it leads to. I am not saying that we are going to find corruption in County worker and I am not saying that we will not find corruption in County workers. I am going to say, if we uncover evidence that crimes have been committed we deal with that. I can only be accountable for what happens in my Department and making sure when we use resources, we are going out and what we find is that we find, and we prosecute criminals. If we find that people have committed crime along the way, we would take of that as it come. It is not like we are going to go out looking for corruption. It is not like we are going to shy away from it. I think that is the best way I can address that right now.

Mr. Hooser: Thank you. Just to restate that with or without the cooperation from other Offices, your intention is for approximately fifty percent (50%) of this person's time to investigate TVR violations and to prosecute as may or may not be needed, I guess?

Mr. Kollar: To see what cases we can work up. It is clear from the evidence that we have seen, that the process is being abused. But we have to take that paperwork and distill it down into some kind of violation of a criminal statute applicable under State or County Law or Ordinance and that is the process that that person is going to work on.

Mr. Hooser: Thank you.

Mr. Kollar: Thank you.

Chair Furfaro: Members, I am going suggest something here for us and that is on this issue, I am going to make a request for you to be present when we meet with Planning.

Mr. Kollar: When is that?

Chair Furfaro: April 16<sup>th</sup>, Tuesday.

Mr. Kollar: That may be a travel day.

Chair Furfaro: May we have someone, one of your Deputies present?

Mr. Kollar: Yes.

Chair Furfaro: Now I want to move on to other things dealing with this and there is no one at this table with the exception of maybe JoAnn Yukimura and myself, who convened the first TVR Conference to resolve these issues with stakeholders, that was twelve (12) years ago. Twelve (12) years ago, my first year on the Council. And talk about paper trail, you have heard it in my E-mail. But I do not want to carry this dialogue without Planning hearing the issues and you hearing it first time. That was the message in my original E-mail to you. I have to make sure you guys are talking.

Mr. Kollar: Absolutely.

Chair Furfaro: On that note I am going to go to...yes. I am going to come back to other questions on the presentation. You will be after Mel or do you want to continue on TVR?

Ms. Nakamura; I thought he asked his question.

Chair Furfaro: No, I said it would not count as his question. We will get all of the TVR stuff out of the way.

Mr. Rapozo: My question is really brief. You talked about the lobbying the legislative relationships. In this last session did the OPA provide testimony on the proposed Bills regarding the legalization of marijuana and gambling.

Mr. Kollar: We did testify on the gambling Bill. We did not testify on the marijuana legislation.

Mr. Rapozo: Why was that?

Mr. Kollar: There were already a lot of voices in that mix.

Mr. Rapozo: I understand, but...

Mr. Kollar: We did not have a position to take on that legislation. There were a lot of Bills. We stayed out of it.

Mr. Rapozo: You do not have a position?

Mr. Kollar: We did not have a position on any of that legislation, correct.

Mr. Rapozo: And gambling you did?

Mr. Kollar: I had asked to have testimony submitted against that legislation. I hope it was done. If it was not, it was our intent to provide testimony against that because that, I do not support.

Mr. Rapozo: But the marijuana as you sit here today you do not have a position either way?

Mr. Kollar: I did not have a position on any of the Bills before the legislature at this time.

Mr. Rapozo: Thank you.

Chair Furfaro: Nadine, you have the floor.

Ms. Nakamura: Hi Justin, thank you for the presentation. I wanted to ask you, what is the difference between, in your budget, the Deputy Prosecuting Attorneys and the Special Prosecuting Attorneys?

Mr. Kollar: The Special Prosecuting Attorneys are paid partially or in full with grant funds and are technically contract positions. They are not Deputy positions created under the Ordinance or the Code.

Ms. Nakamura: Thank you. That is my question.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: We are going to have another round?

Chair Furfaro: If there are that many questions. But I am trying to get to our original calendar. Do you have a question on the presentation now? I could come back to you?

Mr. Bynum: I do. I actually have two (2) that I am hoping to do. I actually only have one (1), but I wanted to follow-up on Mel's question. The legislation to legalize marijuana failed. But I believe that the legislature does seem poised to decriminalize minor possession and make it a fine. Does your Office have a position on that legislation?

Mr. Kollar: We did not support – well, our technical position here, we do not have any position on any of those Bills that are pending right now. Of the two (2) that I would be less questioning of would be the decriminalization Bill because it does maintain some sanctions, it does maintains keeping it away from young people, away

from kids, and does maintain a sanction which realistically is pretty much equivalent for what you see for petty misdemeanor level offense today. It would be going from one hundred fifty dollars (\$150) fine to a one hundred dollars (\$100) fine. That is a fight that I made a policy decision for our Office not to have a dog in this go around.

Mr. Bynum: I am more interested in what impact, if that law passed, and that would reduce the amount of misdemeanors that your Office has to prosecute, is that correct?

Mr. Kollar: Not dramatically. There are very few cases – this is not a thing that is clogging up our court calendar, basically. So that was an argument that troubled me a little bit from the pro-legalization side was that this was something that is something that is clogging up our Court docket. It is really not clogging up our Court docket here on Kaua'i. We do have case coming up involving juveniles and we have to make sure that we continue address that situation. But as far as petty misdemeanor marijuana cases, those are not something that is really bogging down our Criminal Justice System, which is why I am not particularly invested in us losing those fifty (50) or whatever misdemeanor case a year versus pick them up as civil violations. It is not something that I want as a distraction for our staff.

Mr. Bynum: I understand and part of the testimony that I read said there was a study that there was a fifty percent (50%) increase in criminal prosecutions for simple possession in the State of Hawai'i, apparently not on Kaua'i though.

Mr. Kollar: Well, there has not been a fifty percent (50%) increase during time I have been in Office. That is all I can work on.

Mr. Bynum: Okay. Thank you.

Chair Furfaro: JoAnn, you have a question?

Ms. Yukimura: Yes.

Chair Furfaro: Everybody, I am going to go around the table one more time. JoAnn, you have the floor.

Ms. Yukimura: Thank you. First of all, I want to say that your presentation was very well organized and informative and I appreciate the clarity of purpose and the clarity of your organization. It feels you have sort of mastered your job quickly. I also wondered if you would introduce the other two (2) staff that is here that have not been introduced?

Mr. Kollar: Absolutely. Still here, Art Williams, who is our Administrative Officer, as well as Jamie Chong, who is our Grants Coordinator. I just asked them to be here because they may have more of an understanding of the nuts and bolts than I do especially as far as the grant funding, contract things, and other Administrative issues.

Ms. Yukimura: Thank you. My question for you is about the Asset Forfeiture Fund, which you said you use or will use for training?

Mr. Kollar: Sometimes we do make use of those funds for training purposes.

Ms. Yukimura: I am just not clear about how it works because the Police come and request, I think, our permission to use the Asset Forfeiture Fund, is that same process you would use too?

Mr. Kollar: It is the same thing.

Ms. Yukimura: It is the same fund and did we ask for how much is in that fund right now, staff? Anyway, let us do that, if we did not. But whatever the amount is, it is there and it is available for use by either the Prosecutor or the Police Department in this procedure that comes before the Council, gets the approval, and then uses the money, is that how it goes?

Mr. Kollar: Correct.

Ms. Yukimura: Okay, alright, very good. Thank you.

Chair Furfaro: We will look up that number, JoAnn and we will share it when we get to the end of the meeting today.

Ms. Yukimura: Thank you.

Chair Furfaro: Mr. Hooser. We are going to go around one more time now. Mr. Kagawa.

Mr. Kagawa: Thank you. Regarding the salaries of the Deputy Prosecuting Attorneys. I do not really want to go back in time. But I noticed in last year's budget a lot of the Deputies were paid at that one hundred one thousand dollars (\$101,000) rate and there was one that was paid half time fifty thousand dollars (\$50,000), another one was at eighty thousand dollars (\$80,000). Basically everybody else was one hundred one thousand dollars (\$101,000) and then this year, I noticed in yours, E-43 went down twenty-five thousand dollars (\$25,000), E-41 went down twenty-five thousand dollars (\$25,000), E-89 went down ten thousand dollars (\$10,000), E-93 went down ten thousand dollars (\$10,000), E-94 went down twenty-five thousand dollars (\$25,000), and E-95 went down twenty thousand dollars (\$20,000). I am just wondering what was the rationale? Less job importance?

Mr. Kollar: No, it is not necessarily that the Deputies are actually paid less because historically the Council has budgeted the positions at one hundred one thousand dollars (\$101,000) and then maybe they were only paid sixty thousand dollars (\$60,000), sixty-five thousand dollars (\$65,000), seventy thousand dollars (\$70,000), eight thousand dollars (\$80,000), ninety thousand dollars (\$90,000), whatever and that is why we have the huge amount of unspent salaries that lapses at the end of the fiscal year. What we did is, this year, we are budgeting them at close to what they are actually getting paid and then we have an amount of saving that comes out of that that we can use to pay the previously dollar funded positions. So, we are getting more positions, same pay, for the same budget.

Mr. Kagawa: Are you saying in the previous years' budget, the salary amount in the budget was a lot more than they actually got paid?

Mr. Kollar: Correct.

Mr. Kagawa: So, this year you are closer to the actuals?

Mr. Kollar: Correct.

Mr. Kagawa: Makes sense.

Mr. Kollar: Call me crazy.

Mr. Kagawa: Thank you.

Chair Furfaro: This is a follow-up question from Vice Chair on that same question. You have the floor, Nadine.

Ms. Nakamura: Maybe this is for Councilmember Kagawa, but we had asked about that last year and were told that they had to show the upper level amount in the budget even though that is not what they were paid.

Chair Furfaro: It does not mean we agreed with that observation. But you were the beneficiary of that. Mr. Rapozo .

Mr. Rapozo: New question, last question. This year, in this budget, do you folk have any fund going to Young Women's Christian Association (YWCA), whether grant funding or...?

Mr. Kollar: Yes.

Mr. Rapozo: How much and for what?

Mr. Kollar: Jamie, possibly Diana.

Mr. Rapozo: I was under the impression that the funding was not going to happen this year to the YWCA.

Mr. Kollar: No.

Chair Furfaro: Jamie, when you come up, could you tell us also how that compared to last year.

JAMIE CHONG, Grant Coordinator: Currently we have a contract with the YWCA and the amount that they are receiving up until I believe it is July 31<sup>st</sup> is ninety thousand dollars (\$90,000). Then starting August 1<sup>st</sup>, the new amount that will be going to the YWCA from VOCA which is a grant fund, is going to be seventy thousand dollars (\$70,000).

Mr. Rapozo: Seventy thousand dollars (\$70,000)?

Ms. Chong: Seventy thousand dollars (\$70,000).

Mr. Rapozo: So, a decrease of twenty thousand dollars (\$20,000)?

Ms. Chong: Yes.

Mr. Rapozo: And those funds are for?

Ms. Chong: It will go for the YWCA Sexual Assault Treatment Program and Family Violence Center.

Mr. Rapozo: Thank you.

Chair Furfaro: Thank you, Jamie. Nadine, it is your turn.

Ms. Nakamura: Under "other services" and on your budget, page 27, there is Diversion Program ten thousand dollars (\$10,000).

Mr. Kollar: I think that is the Teen Court, yes.

Ms. Nakamura: Thank you.

Chair Furfaro: Mr. Bynum.

Mr. Bynum: So you are increasing the Victim-Witness staffing?

Mr. Kollar: We are attempting to, yes. We should be doing some interviews before the end of the month.

Mr. Bynum: In your presentation you said restore outreach, which is – so I wonder, is that where it was in the past where even victims of crimes who are not going to have prosecution because the former Prosecutor said Victim-Witness is just for the cases that we are actively prosecuting. I know in the past, there was outreach because many cases where crimes happened, sometimes you do not know who the perpetrator is. But they are eligible for Victims of Crime Act compensation or Victim-Witness services or I you may decline prosecution in past and those folk got Victim-Witness services, is that the restoration you are talking about?

Mr. Kollar: Well, I am not here to comment on philosophical approaches from previous Administrations. But our intent is to provide services where possible to folks that are in that situation, where maybe a suspect has not been identified, but person might still be eligible for compensation under Crime Victim Companion Fund or situations like that, yes.

Mr. Bynum: Are you aware that Kaua'i's Crime Victim Compensation has gone down dramatically over the last three (3) to four (4) years?

Mr. Kollar: I am not surprised to hear that.

Mr. Bynum: So, one outcome we might expect of outreach that happened again, is that the amount of eligible victims that receive compensation might go up again?

Mr. Kollar: As we provide increased services, that would be the hope, yes.

Mr. Bynum: Thank you very much.

Mr. Kollar: Thank you.

Chair Furfaro: JoAnn, before you go to your question. The joint fund would go through in about eight (8) months that you both share from, is around three hundred sixty thousand dollars (\$360,000). But if there were deduction yet prior to January, that is not reflected. I hope that answers your question, JoAnn.

Ms. Yukimura: Yes, thank you. What you are saying, Chair, is that our latest figure that in the Asset Forfeit Fund, there is three hundred eighty-six thousand dollars (\$386,000)?

Chair Furfaro: That is what it looks like, through January.

Ms. Yukimura: Yes, thank you, through January. May I ask my question then?

Chair Furfaro: You have the question. It is all in the Police.

Ms. Yukimura: I am being told on the Asset Forfeiture Fund, that that is only the Police's fund. Are they two (2) separate fund?

Chair Furfaro: No, it is one (1) account, they are both used by both. Are we all clear now?

Ms. Chong: OPA receives Asset Forfeiture Funds separate from whatever KPD receives. But we both...

Ms. Yukimura: Oh, interesting.

Chair Furfaro: You both have access to it?

Ms. Chong: Right. We both have access. But our account is set up separate from theirs.

Ms. Yukimura: This total that we have been given, which I think is Police, is different from you have?

Ms. Chong: From what we have, yes.

Ms. Yukimura: Can you provide that information?

Ms. Chong: Yes.

Chair Furfaro: We will send that over a question. But I wanted to let you know, when you send it over as a question, we just got notice that we received our eight (8) month update. So, when you send it back, so we are not referring to January, the whole report, and use the eight (8) months for the balance?

Ms. Chong: Okay, will do.

Ms. Yukimura: Thank you, Jamie.

Chair Furfaro: That is good, JoAnn?

Ms. Yukimura: Yes, thank you. May I ask my question now?

Chair Furfaro: Yes, of course.

Ms. Yukimura: I am interested in the point that Mr. Takata made about the crime lab and using grant moneys to analyze the evidence on the cold cases. Apparently the situation that handicaps both the Police Department and the Prosecuting Attorney's Office is the lack of a crime lab and lack of access to quick analyses. Is that correct?

Mr. Takata: Due to the lack of a crime lab within the Kaua'i Police Department, we have to pay for things such as DNA analyses. Honolulu has not only a crime lab, but their own DNA unit. So, we have to go outside to get that work done. It also includes analysis of fibers and anything else that we want done.

Ms. Yukimura: Is this the case of all of the neighbor island Counties, Big Island and Maui as well do not have a lab like Honolulu's, so they also go out?

Mr. Takata: I am not sure what the situation is on Maui. I believe that the Big Island also lack a crime lab. We have to pay for things, like, if we are charging someone with driving with an open container, to get that open container such as beer with a notorious case recently, we have to send that to Honolulu for analysis.

Ms. Yukimura: To Honolulu?

Mr. Takata: Yes.

Ms. Yukimura: So, you do use the Honolulu Crime Lab for some things?

Mr. Takata: Right.

Ms. Yukimura: But for the more sophisticated or more difficult lab analyses, you go to the mainland for that?

Mr. Takata: It depends on the situation. If we need something more quickly because we have to stand in the back of the line many situations when we send things.

Ms. Yukimura: In Honolulu?

Mr. Takata: Right. Then we may have to go elsewhere. Honolulu's DNA lab cannot do certain types of analysis so we have to contract with labs that are capable of doing that type of analysis.

Ms. Yukimura: And Honolulu has to also, if they are not capable of doing that analysis?

Mr. Takata: Right.

Ms. Yukimura: So, it is either they do not have the capacity or the line is too long for your purposes?

Mr. Takata: Right.

Ms. Yukimura: Has there been any discussion of expanding Honolulu's lab and the neighbor island Counties paying for part of that, but then having quick access to some of the more fundamental lab tests? I mean has there been any discussion about that because I have been involved at this table about this issue before and that appears to be one of the stumbling blocks to your case investigations.

Mr. Takata: I do not have information to answer that question.

Ms. Yukimura: But when you have your HPAA meetings, is that possibly an item of discussion that could lead to that joint work or payment? The other question at the top of my head is, are there labs in the private sector or elsewhere in Honolulu that for other reasons do it or could rev up their capacity to do it that would give us quicker feedback?

Mr. Takata: Well, to answer your first question, whether we can discuss that within the Prosecutor's Association? Yes, we can. But the crime labs are within Police Departments. So, perhaps that discussion is better left to the Police Departments to work out. As Prosecutors, we do not get involved with investigation. Our expertise is prosecution.

Ms. Yukimura: Right, but you were saying in the pursuit of the cold case, you need crime lab analyses?

Mr. Takata: Right, because there May have been evidence that was untested. DNA was being used in prosecution in late 1980s. There are cases that occurred that where the evidence was not analyzed or perhaps even after then for whatever reason was not analyzed and we need to take a look at those cases and analyze the evidence. As to the availability of other testing labs in Honolulu, there are. The State has their own lab now and they do some testing for drugs and we can send evidence there for testing also. We also look at the availability of testing for free, if possible, such as if the Federal Bureau of Investigation (FBI) can do it for us. We will ask them to. But again, we are at the back of the line.

Ms. Yukimura: I see, thank you. One (1) of the reasons I asked these questions is because I am aware that in the 1980s Wilcox had a lab that was so well run that hospitals from O'ahu were sending their lab work to Wilcox Hospital and that was run by Dr. Quinton Belles, who is Mike Belles' father. I think he did work many Honolulu. But when he moved to Kaua'i to work at Wilcox, the business all moved too because he was such a reputable person. It just made me wonder if there was a potential for getting the economies of scale by putting all the work together and then creating a lab.

Mr. Takata: That would be great if there were a so called essential lab. But I think again, that discussion is better left to the Police Departments.

Ms. Yukimura: Thank you.

Mr. Takata: You are welcome.

Chair Furfaro: We are already back with Transportation. If I went around the table one (1) more time, would that satisfy you folks?

Ms. Yukimura: I am done.

Chair Furfaro: Okay. I will give you one (1) more question,  
Mr. Bynum. You have the floor.

Mr. Bynum: You are familiar with the Children's Justice Center?

Mr. Kollar: Yes.

Mr. Bynum: I was Director there years ago and then involvement by Agencies waxes and wanes over time. I just wanted to know if you have a commitment to engage with that system?

Mr. Kollar: Absolutely. We actually just attended a proclamation with the Mayor and with the Representatives just two (2) days ago, I think. But also, we do meet with them regularly. Kevin, and Lisa Arin and myself, when I am available, we do meet. It is a monthly basis, yes?

Mr. Takata: Yes, we do meet on a monthly basis. We do meet on a monthly basis with the Children's Justice Center, other Agencies, and also with the Director, who I believe has done an excellent job on her brief time at that position. She meets with the Police Department and our Deputies to go over cases whether they are being prosecuted or in the investigation stage to make sure that nothing falls through the cracks.

Mr. Bynum: So, there is that front-end interdisciplinary team case reviews happening?

Mr. Takata: Yes, our meetings are now attended by, I think, a dozen (12) people. It is a really good working group.

Mr. Bynum: I think from a victim's perspective and to have these inter-Agencies understanding what each other's goals, it is incredibly important. I watched this clearly because I was the guy for a few years. Sometimes it has worked like gangbusters and it has huge – but if one Agency just kind of reduces their commitment, then it loses that synergy. I am just glad to hear that you are committed to following through with that and being parts of that process. Thank you.

Mr. Takata: If I may make a pitch, they have of a drive for slippers to represent the victims on Kaua'i. Their goal is eighty (80) pairs, they are at thirty (30), and they would like those slippers by next Thursday for a presentation. If you can help, I would ask you to contribute.

Mr. Bynum: And that is Friends of the Children's Justice Center? Thank you.

Mr. Takata: Just the Children's Justice Center. You can drop it off there.

Mr. Bynum: They also have this community group that raises funds to support the needs of victims. Thank you very much.

Mr. Takata: Thank you.

Chair Furfaro: Kevin, I am going to wrap this up. You can probably stay there to hear the wrap up here because we are going to be finished. Thank you for sharing that with us. If we have additional questions that have not been raised, we will be sending them over in writing. I also want to say that Kevin, we are very, very happy to have you with us on team.

Mr. Takata: Thank you

Chair Furfaro: In fact in the Honolulu's Prosecutor's Office, you worked with my cousin, Donny and he told us how lucky we were to have you here. I would like to say how appreciative we are that you came to our community to come to work.

Mr. Takata: Thank you, Chair. We are related in a way because Don is like a brother to me.

Chair Furfaro: I also want to say that this is the Prosecutor's team first budget process and I will not have a lot of questions for you because you presented us your plan. But I do want to note, we will be looking for measurements next year against what you presented to us. On that note, we are going to adjourn for the Office of the Prosecutors. We are going to take a ten (10) minute break. But thank you for a very professional presentation.

Mr. Kollar: Thank you, Chair.

There being no objections, the Committee recessed at 11:17 a.m.

The departmental budget review reconvened at April 12, 2013 at 11:31 a.m., and proceeded as follows:

**Transportation:**

Honorable Tim Bynum (*Present 11:34*)  
Honorable Gary L. Hooser  
Honorable Ross Kagawa  
Honorable Nadine K. Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura  
Honorable Jay Furfaro

CELIA M. MAHIKOA, Executive on Transportation: Before I proceed, I would like to introduce our Operations Manager Kaleo Carvalho who has been with us for over twenty years now.

DUANE KALEO CARVALHO: Twenty years, yes.

Ms. Mahikoa: He is part of our foundational staffing that we have.

Chair Furfaro: Celia, a little staffing commentary here on the presentation, this is a budget presentation and I want to make sure as we cover issues related to Transportation and the Transportation Budget, I do not necessarily want to take this meeting that goes into philosophy and things that you have to come and so forth. That can be done in the Transportation Committee.

Ms. Mahikoa: Okay.

Chair Furfaro: I want to hear the narrative that supports your operating budget.

Ms. Mahikoa: Alright.

Chair Furfaro: And you have the floor.

Ms. Mahikoa: Thank you. Just to give you some background on our Agency and our mission. Our mission to provide the Kaua'i community accessible transportation services with professionalism and the Aloha spirit. We all commit to doing that to our best each day as we have the privilege of serving the public with the service that we provide.

The Goals and Objectives that we have set up for our Fiscal Year 2014 are first of all to get the bus stops sheltered. That is one our major initiatives that we are taking on to accomplish by the year 2020 for the benefit of our passengers who need to wait at the stops each day. This upcoming year, we are going to look at achieving completing construction on eight bus stops shelters and initiating construction of at least one volunteer – built bus stop shelter. That is certainly something that we want to encourage. Another goal that we have is looking at our revenue structure and refining it as far as the regular fares versus the discount fares structure that we have set up right now with ways that we can better serve

the community. At the same time, remaining compliant with the Federal Regulations that apply to a public transit operation. The third goal that we have is in getting a short range transit plan set up for our operation and that will involved contracting with a consultant to initiate the plan development.

Going into our successes and achievements for this past year as far as the bus stop passenger shelter project goes – we are currently managing a design and engineering contract that is scheduled to provide plan and permitting for 49 bus stop passenger shelter locations. It was initially scheduled to be completed by the end of this month however they are going to need to ask for an extension of a few months. So, that is in the process right now. Once the contract is complete, the Agency can proceed with the construction of passenger shelters as funding become available and as I just mentioned, we are looking at eight bus stop shelters for this upcoming year. With this, I needed to acknowledge our CIP Manager Keith Suga, Lee Steinmetz, our new Transportation Planner, as well as the Public Works leadership for the guidance and industry knowledge that they have been sharing with us as we attempted to go through this project which has been outstanding. We appreciate it very much. Another success that we had this year was having bus pass sales at convenient locations for the public. In addition to Pono Market in Kapa'a being the first retail outlet to offer selling bus passes last year for which we are extremely grateful with Mr. Bob Kubota for allowing that to happen, really breaking the ice in that whole initiative. We also had the opportunity to meet up with Representative Kawakami who is instrumental in allowing us to be able to start selling passes at the Menehune Food Marts throughout the island. That allowed several more retail locations to become available in excellent locations – we have Kekaha, Lāwa'i, Kapahi, and Kilauea now as locations that bus passes are being sold. An additional benefit that came from this was the fact that the sale of over three hundred and sixty passes are occurring at these retail outlets, they have additional customers coming in the store and the Treasury Division is not needing to sell three hundred and sixty of these passes each month. So, it has lightened the load on them as well. I also needed to acknowledge them for their contributions through these years and addressing that demand here in Līhu'e. Another success that we have had this year is the KCC bulk rate discount bus pass program, the Resolution allowing the County and KCC to proceed with a bulk rate discount bus pass program was accepted last fall and I thank you for your support in that. We have initiate an agreement with the University of Hawai'i after they have received an approval from their Board of Regents in February 2013. To proceed with an agreement that will take effect for the fall 2013 semester. So, that will be for August of this year. It will start up, I believe registration for that semester just started this past Monday, the 8<sup>th</sup> and therefore the fee that we had agreed upon is being collected currently and throughout the registration period. Another initiated that we took on this year was restructuring the Kōloa Shuttle Transit Service. What we wanted to do was accomplish setting up a regular schedule so we set it up where it was once an hour now and that greatly helps to serve the visitor industry working population as well as the visitors staying down there and would like to use public transit to explore the island. Another great accomplishment we had was the Kaua'i Multimodal Land Transportation Plan that was completed. It is the first land transportation plan in the State that compressively addresses a multimodal approach to transportation planning. A future scenario analysis was used to guide development of programs and action items described in the plan. What we are trying to do in this plan, which we went through with all of you, is managing the growth and establishing the preferred scenario to identify interventions that would

be required to keep the vehicles mile traveled on island stable and try to address it in different ways instead of simply addressing through addressed roads and additional roadways. From that plan, we have the Transportation Coordinating Committee that was formed which meets monthly at this point and we will be working together to coordinate and integrate their activities for efficiency and cost savings, and we will be responsible for advising County Departments and Hawai'i DOT on transportation system development and project priorities.

Another success we had was in having the small equipment repair and maintenance moved over to our Agency. That is the small equipment used by the Public Works and Parks and Recreation – it was transferred over on October 1<sup>st</sup>, formerly. The first five months resulted in a 139 pieces of equipment being submitted for repair of which a good 60% are from Parks and Recreation, another 40% from Public Works. Thus far about half we were able to complete within a week and a fourth of them are completed within two days. The turnaround in this equipment – the users expressed a lot of appreciation for our mechanics ability to have a quick turnaround.

Further success, we have been mapping out the service demand for public transit on the island. It has continued to increase steadily each year is what we have been observing. Even with no significant increases in additional public transit service implemented in this last fiscal year, ridership continued to increase to where 20% of day time routes have reached levels where several passengers are needing to stand for at least a portion of the trip. I have provided line graphs that illustrate the pattern of growth on ridership. Increases of fixed route transit service have also resulted in corresponding increases in paratransit service demand to ensure adequate levels of service for senior citizens, and those individuals who disabilities prevent them from being able to utilize the fixed route transit system. That has gone up about 15% since 2008 – is the other chart that I have provided for you there. Naturally, with an increase of ridership, there is also increase in revenues, the fares, and the monthly pass sales that go on. Right now we anticipate approximately \$870,000 in revenue to be collect this year and possibly looking at collecting more than \$900,000 for the upcoming fiscal year. Part of that, we see being generated by the implementation of the KCC bulk rate discount bus pass program, as well as anticipated continued increases in ridership will contribute to the additional projected increase in revenue.

As far as our upcoming plans and initiatives for the bus stop passenger shelters, I went over with you, as far as our goal for this year's going for the 8 bus stop passenger locations and getting those sheltered. We are also looking for additional grant funding opportunities to carry out the construction of additional shelters as they are made available. We have also been periodically been provided opportunities to review developer plans being submitted for approval, in an effort to address the anticipated transit needs of different areas prior to construction. This allows for the inclusion of bus stops with passenger shelters and amenities in the planning stages of areas being proposed for development.

One thing I wanted to share as far as the bus stops and how things are currently operating right now with maintaining them, I wanted to take this opportunity to acknowledge the North Shore Lions who continue to do such an excellent job maintaining the facilities that they have provided out on the North Shore. Additionally, there are many unidentified people out there who go out and

through their goodness and taking care of certain areas in different locations at bus stops, whether it be picking up the trash, or some just completely do good work in maintaining the areas, and they unfortunately are unnamed individuals who do not do it for the recognition but just for... just doing it to take care of the land and we really appreciate that. Another upcoming initiative that we have is the bus pass price restricting that we are looking at accomplishing this year. We are seen the level of public transit service again increasing over the past several years which has prompted corresponding increases in the funds required to operate the service which you see by looking at the pattern of the Operating Budget and the funds that we are asking for each year. There has not been a correspondence increase and the cost to transit users since 2010 which is prior to several initiatives including service expansion which took place in 2011. In reviewing acceptable industry ratios of per trip bus fares as compared to bus pass prices, one of the short-term recommendations included in the Multimodal Land Transportation Plan's transit chapter was that the price of bus passes needs to be increased. Therefore, a bill proposing an increase in the price of bus passes has been submitted also to recover a larger portion of the additional funds required to sustain the existing levels of public transit service on Kaua'i. Even with the increase in price, bus passes will still represent a significant savings for regular riders.

The Agency has also been researching the requirements and common practices within the transit industry to determine the best way to restructure the existing fare and bus pass policy. Once completed, a proposal for additional changes to the fare structure of fixed route and paratransit service will be submitted for consideration.

The Short-Range Transit Plan is one other thing that we are wanting to accomplish in this upcoming year. The completion of the Kaua'i MLTP in September 2012 provided the short, mid, and long-term recommendations for implementation, which will contribute to achieving the County's shared goals of leveling off the number of vehicle miles travelled on Kaua'i. We are asking to proceed with the short-term range transit plan this upcoming year. The MLTP short-term action plan for public transit includes 18 transit program action items. Some of these items will require extensive research and consultation with the public and other agencies. To accomplish this, the Transportation Agency would like to proceed with a short-range transit plan, for which Federal Transit Administration grant funds are being requested from the State Department of Transportation. The local match required for these grant funds is being requested through the Highway Fund.

At this point, I would like to give you an update on HoloHolo initiatives that we have for our Agency. The alternative fuel vehicles that are listed is one of them. We are currently researching industry pilot projects on B20, Honolulu has recently completed a research project on B20 and they are providing us their information. We are looking at exploring the potential of compressed natural gas also as an option here and what it would take for that to be a viable option for our fleet. Another initiative that we have on our Agency is increase alternative transportation and we are one of the several players in getting this accomplished. We have been going through the ongoing work through our Transportation Coordinating Committee, the Built Environment Task Force and the diligence of Planning and Public Works in getting the rules changed so that we can operate to address things differently. Public Works with the living streets manual and Planning with the Subdivision

Ordinance. An additional one that we have is the passenger shelters which I have covered extensively already and another one that our Agency is tasked with is involved with Kē'e Beach shuttle service. With that, we have been in contact with OED and communicating with them. They have been taking the lead as far as communicating with the community and as different issues come up as well as staying in touch with the consultant who has been working with the State for the State Park Master Plan.

Chair Furfaro: Excuse me; is the State involved potentially to the point that not only planning but sharing a financial portion of this?

Ms. Mahikoa: I would think that ideally they would be but we have not gotten down into the weeds of the issue yet.

Chair Furfaro: Okay, I will send that over.

Ms. Mahikoa: Okay. Going into challenges that we have... ongoing challenges that we have is fleet replacement procurement delays due to a vendor protest. We have been unable to procure vehicles and it has been going on close to two years now but however just on this past Wednesday we were able to get a determination from the State Department of Transportation on the use of a certain restriction within HRS that will allow us to proceed. With that, I am extremely grateful for Purchasing stepping up and helping us to kick this in high gear so that we are able to get this done this fiscal year and get new buses on the road that will relieve our shop operation, our operations as far as whenever we need to fill in. If buses fail on the road and they are filled with passengers that is always an unfortunate situation, so we need to get that taken care of. As far as an additional challenge – there is a demand for service. Ongoing demand for service and we are all talking about the greening of Kaua'i and trying to find better ways of moving people around and that means that there inherently be an additional need for transit. We receive several reports each week of incidents where buses are so full that the agency dispatcher on duty needs to attempt to locate another bus in the area that might be able to assist. This special effort is successful most of the time, but occasionally there are no other vehicles available in the area and passengers need to wait for the next scheduled bus. Our scheduling right now arrives about an hour later. Additionally, there are concerns about possible future increases in fuel prices due to the fact that in the past, these increases have prompted significant increases in ridership as well.

Ongoing growth in demand for public transit, along with corresponding expansions in bus service has brought the Transportation Agency to a point where significant capital investments will need to be made in order to further expand bus service on Kaua'i. Additional transit service will required expanding the bus fleet, and the existing base yard facility is already at its maximum capacity. To address this, the recommended next step included in the Kaua'i MLTP is the establishment of two satellite base yards – one located on the Westside and the other on the North Shore. Establishment of the satellite base yards will allow additional space to accommodate expansion of the bus fleet, which will then allow for the expansion of future transit service.

Satellite base yards would not only address the need for additional fleet parking space, but would reduce the number of out of service vehicle miles. Fewer

vehicles miles means less fuel and carbon emissions, fewer vehicles repairs, fewer manpower hours, and less frequent vehicle replacements. Another benefit to this investment would be that additional space would then become available for the expansion of the Agency's fleet repair shop that would be necessary as further increases in the number of vehicles will expand the ongoing attention required to maintain vehicles for reliable service. The short-range transit plan, scheduled to be initiated next Fiscal Year (FY) will provide a detailed strategy on achieving the transit-related short-term implementation steps included in the Multimodal plan, including how to obtain and effectively implement transit system satellite base yards.

From this point, we will go into our budget overview for which there is... our funding has been broken into two separate sources this year. In the past all County funds have come from General Fund and this year we have been funded through the General Fund as well as the Highway Fund. So, you will see one spreadsheet that covers... or charts that covers our General Fund. One on page eight that covers our impact to the Highway Fund and then page nine is the combined General Fund and Highway Fund impact. I would like to speak to the combination of the General Fund and the Highway Fund resources for our Agency operation of which if you look page nine up at the salary and wages line item, you will see an increase of 10% there. In explaining that, over the past year to address the increase in demand and some changes that we have had to implement over this past year, we convert five positions from on-call to full-time and anytime we do that, it is an additional twenty thousand dollars per position. Because of the fringe benefits and that come into play when we convert to a full-time position. Additionally to that is the fact that the small equipment operation was funded for a partial year – this current fiscal year and it is funded for the full FY for next. That has also contributed to that. If you look at the vehicle/equipment amounts, it appears to have increased significantly however if you take into account the fact that we needed to double up on our procurement this year because we were unable to procure last year, we actually have six hundred thousand dollars that we have asked for in match, this year total, now since we came in for that additional three hundred thousand dollars. This is strictly matching funds for the Federal funds that are required in order to keep our fleet replacement plan current. The operations you are looking at about four hundred thousand dollars difference there, the increase of 34% of which due to the age of the fleet, we have looked at an increase of repair and maintenance cost of over two hundred and fifty thousand dollars in order to keep the vehicles in a safe operating condition and to continue to providing the reliable service. We have also projected in a fifty-one thousand dollar addition in fuel for the upcoming FY. We are asking for thirty-three thousand dollars for the matching funds for the short-range transit plan. That covers the significant items that prompted the increase from FY 2013 to FY 2014.

Beyond that, we go to page ten just summarizing our fleet management plans for the next... including this fiscal year and the four upcoming fiscal years along with the local max that we are asking for and the total cost that is required to keep our fleet in good working order. Just concluding, we have our Agency position information of which shows that we have right now, we are recruiting for substitute bus drivers. We anticipate having that filled within the next month. That is the only vacancy we have in our Agency right now. Contractual positions that we have, in actuality, our entire Agency is considered appointed, however, all of the positions that you see listed on page eleven, in the center there, the positions are grant

funded. We needed to restructure the layout of our positions within the grant which I mentioned at a prior visit to you regarding the audit results this year. We need to ensure that each position is showing a correspondence match to General Fund so that is what was needed to be changed in the way we addressed it this year. As far as succession planning goes in our Agency, there is currently no pending employee retirements or departures that have been communicated to management. Our standard operating practice is to ensure that sufficient backups available for critical duty so that absences whether short-term or long-term will not hinder operations. So, we try to do our best to accomplish. That is about it. Any questions you might have?

Chair Furfaro: I am going to do what we did with the Prosecutor's, we are going around the table with a question, each one and then we will take it from there.

Mr. Kagawa: I was a little confused when I first looked at it. The General Fund – the Admin went down \$281,000 but in the Highway Fund it went up \$633,000 for Admin. So, basically our Admin costs went up about \$350,000. Operations, we went down in the General Fund one point five million, however, in the Highway Fund, it went up one point nine million. So, our operations we increasing our operations by \$400,000; small equipment, we somehow added that Department under your Department and that is an increase of \$38,000; and I do not know what kind of small equipment we fix with a bus service but okay, it is there. In analyzing that, you are one of the few Departments that, I guess, Finance has not kept to last year's numbers or even lowered and that tells me that it is a priority of the Administration to increase our productivity in Transportation. Can you tell me what are the major differences that the public will see regarding bus service or is it; we are just basically increasing the cost and offer the same service? You mentioned newer... we are going to increase our buses, we went up in our auto from \$310,000 to \$600,000 so we are spending about \$300,000 more in automobiles – that is buses?

Ms. Mahikoa: Yes, 20% match that we are required.

Mr. Kagawa: So, it is just a match... how much buses will \$600,000 will get us?

Ms. Mahikoa: We have grant funding for 20.

Mr. Kagawa: 20 buses, that is terrific. Now, obviously your Repair & Maintenance (R&M) is going up \$300,000 over last year. So, our R&M we go out to a private repair person to fix that?

Ms. Mahikoa: We have our own repair shop on cite.

Mr. Kagawa: No but it is under R&M vehicles.

Ms. Mahikoa: Yes.

Mr. Kagawa: The R&M vehicles... it is not salaries right?

Ms. Mahikoa: No, that is parts and supplies that we need in order to repair the vehicles, that is what that is. Payments to vendors for purchasing parts.

Mr. Kagawa: So, we do not send our buses for tune up to any private vendor. We used to right?

Ms. Mahikoa: Back in the late 90's.

Mr. Kagawa: Okay. So, that is just for parts?

Ms. Mahikoa: Parts and supplies.

Mr. Kagawa: And we have how much mechanics?

Ms. Mahikoa: We have 3 transit fleet mechanics.

Mr. Kagawa: And they basically can do everything they need?

Ms. Mahikoa: Yes, thankfully. We have a great team out there.

Mr. Kagawa: Are we increasing our mechanics being that we have 20 more?

Ms. Mahikoa: Actually, the 20 are fleet replacements.

Mr. Kagawa: Oh, just replacements.

Ms. Mahikoa: Yes.

Mr. Kagawa: So, we are not increasing our bus service, not this year? We are just replacing old vehicles?

Ms. Mahikoa: Yes.

Mr. Kagawa: Okay, I am good. Thank you.

Mr. Rapozo: I will send this over in writing but I would like to see the breakdown of those R&M vehicles because \$600,000 seems quite high.

Ms. Mahikoa: Sure.

Mr. Rapozo: And that is just parts?

Ms. Mahikoa: Parts and supplies and if we have to do full engine change outs, yes.

Mr. Rapozo: Oh, so the engine change outs would be done by a contractor? Do we do it in-house?

Ms. Mahikoa: We do a cost assessment to determine what would be the wisest way to proceed first and then whatever the result is...

Mr. Rapozo: Okay, thank you. And I have a question of the small equipment repair...

Chair Furfaro: That came from Mr. Kagawa, go right ahead.

Mr. Rapozo: I know it says that it was done last year, what was the rationale because you are dealing with Parks & Recreation and Public Works?

Ms. Mahikoa: Because we have a repair shop operation and there were efficiencies that were observed that we thought the County could benefit from applying a similar practice.

Mr. Rapozo: Do we bill back the Departments?

Ms. Mahikoa: No, we have been given... you will see a line item for purchasing the parts needed to supply that.

Mr. Rapozo: So, the Department does not absorb of the...

Ms. Mahikoa: We have the staffing and we have been provided the line item to purchase the parts for the...

Mr. Rapozo: Right, but they do no work on Transportation, right?

Ms. Mahikoa: We have one mechanic who can, we have structured the operation to operate that way so that if ever transit needs a little bit more assistance, they can do that and vice versa.

Mr. Rapozo: Alright, well it just seems like, if we look at direct services and how Departments should be accountable for their expenses, realizing even though it is your shop, it is still a cost that comes out of Parks and Public Works. Something that we can explore when going into Decision Making.

Ms. Nakamura: Before the change in the Po'ipū Shuttle, what was the frequency?

Ms. Mahikoa: We had a Kōloa mainline which for the most part duplicated what our mainline service is from Kekaha to Līhu'e and back during commute hours and then we had...

Mr. Carvalho: The mainline that Celia said, we had about 3 coming in from Kalāheo into Līhu'e and roughly about 3 or 4 heading back in the afternoon. That was considered a mainline. Within the Kōloa area, we had a shuttle going on and that was not quite... it was not on every hour. It is depending on the time of day. So, it is the bulk in the afternoon about 4 or 5 shuttles going on and in the morning, was not as many.

Ms. Nakamura: So, you had major gaps in your service?

Mr. Carvalho: Yes.

Ms. Nakamura: And so now it is down to an hour?

Mr. Carvalho: Now it is every hour, yes.

Ms. Nakamura: Thank you.

Ms. Mahikoa: If you compare the General Fund and put it together with the Highway Fund, you will see that in actuality it was taken to, I believe, eight hundred and fifty. If you put them together then you will see the real picture.

Mr. Bynum: Have you been able to gather any information on our Menhune bus stop guys. The people building these benches?

Ms. Mahikoa: I am sorry; I have not been able to get any further information.

Mr. Bynum: So, it is still a mystery?

Ms. Mahikoa: Yes.

Ms. Yukimura: Thank you for an excellent report and also excellent work, huge accomplishments in a short year. My question is about the bus stop passenger shelters, you are doing engineering work on 47?

Ms. Mahikoa: 49.

Ms. Yukimura: And that is to be completed soon which will enable you to then start on construction?

Ms. Mahikoa: Yes.

Ms. Yukimura: And your plan for the next year is to do at least 8?

Ms. Mahikoa: Yes.

Ms. Yukimura: And 1 volunteer group constructed?

Ms. Mahikoa: Yes.

Ms. Yukimura: Like the Lions and others who have been waiting but you could not really use their help until you got the engineering study done, right? So, you say in your success and achievements once the contract is completed, the engineering contract, the Agency can proceed with construction of passenger shelters as funding becomes available. My question is what is the average cost of 1 shelter?

Ms. Mahikoa: Just for a shelter? Because it is vastly different than what will be required to prep the area.

Ms. Yukimura: No, the whole thing. To go from the Engineering Study to completion of the shelter so that it will be complete and people can use it.

Ms. Mahikoa: That is a challenge because you have these really nice areas like Kukui Grove where you can bulk up a shelter versus the more challenging areas.

Ms. Yukimura: I understand that it will be a range...

Ms. Mahikoa: For 8, we are looking at using funds that we have available right now, so you are looking at about \$30,000 averaging out anything to the simplest to the most complex.

Ms. Yukimura: Right.

Ms. Mahikoa: You are probably looking at about \$30,000 per location of which we have CIP funds available. What we are trying to do is allow the CIP funds as much... to go as far as possible by utilizing existing grant funds that we have available for bus shelter.

Ms. Yukimura: Right, so you are putting a variety of sources to get your 8 done but on the average it would cost about \$30,000?

Ms. Mahikoa: Yes.

Ms. Yukimura: If you wanted to do another 10, we would look for \$300,000?

Ms. Mahikoa: That all depends on which 10.

Ms. Yukimura: Right, so we might get instead of 10, we might get 6 or 8 depending on how difficult sites are to develop.

Ms. Mahikoa: Right.

Ms. Yukimura: Okay, thank you.

Chair Furfaro: A number of people walked into the room during the budget session we take the testimony in the beginning of the day, is there anyone here from the group who wanted to talk about Transportation? Just wanted to check, thank you.

Mr. Hooser: I wanted to see how it might be improved because I agree I see lots of full buses and talk to people and there was some discussion about bus shelters. If the Department wanted to expand or improve services, are bus shelters your priority or is it adding fleet or is it personnel? What would be your priority if there were additional funds available?

Ms. Mahikoa: Based on the point where we are at right now, I believe our priority needs to be to get additional space for additional fleet which could provide additional service. That as far as the service side goes the actual transit service side. If we look at the amenities available to the quality of the facilities that we are providing the public right now, our priority is to get those shelters done. I feel for them when I drive by them and it is raining or it is a hot day.

Mr. Hooser: In terms of the next 12 months, the shelters will be your priority and as you are probably aware the way the budget process works the Administration sends us their priorities and then the Council has the prerogative of changing priorities. A thought of mind that comes to mine for me actually is there is a bridge in Kapahi that I am not particularly fond of that is a four hundred and some thousand dollars of Transportation funds in the CIP budget for that bridge. It is conceivable that it is a transportation fund that the Council if the majority agreed could reallocate those funds to bus shelters but I think we would have to know that those improvements would be ready to go. That we could actually spend the money and would you say that... 10 additional shelters and then on top of the 8 are ready to go? If the funds were available, are you ready to go?

Ms. Mahikoa: That is our goal with this existing contract that we have, that we will have plans for 49 locations ready to go. When funds become available, we have the plans available and we can just contract with the construction company and go. That is our strategy. As far as the operational side, if provided additional funds for same addressing transit service and improving transit service, basically we need to go through the step of the short range plan to give us the good strategy on getting the additional satellite location setup and exactly which steps we need to take to do that wisely. These are big investments that I would not want to go into half heartily.

Mr. Hooser: The satellite locations would take a longer process to plan out properly before you are ready for CIP funds for example but the bus stops would be ready now?

Ms. Mahikoa: Yes, as soon as this contract is wrapped up within the next several months.

Ms. Nakamura: In this current proposed budget, you are saying that you do not have any bus shelter funding in this current budget?

Ms. Mahikoa: We have existing CIP funds remaining that we are going use that we are pairing up with existing grant funds through FTA and State DOT that we are using.

Ms. Nakamura: How many bus shelters do you think you can build with those existing funds?

Ms. Mahikoa: With the existing, we believe we can build 8.

Ms. Nakamura: Oh, that is the 8.

Ms. Mahikoa: Yes.

Ms. Nakamura: So then you will have 41 additional bus shelters that would not be funded but you would have designs for?

Ms. Mahikoa: Exactly.

Ms. Nakamura: Okay, thank you.

Ms. Mahikoa: Our goal is throughout the year is to also be looking for additional opportunities that come down through FTA.

Ms. Nakamura: Thank you.

Chair Furfaro: Just a minute, let me give a little clarity here for everybody. The bus shelters are going to come up in the CIP discussion on the 16 and I am assuming that you will be returning for that.

Ms. Mahikoa: I can.

Chair Furfaro: No, Transportation is in that discussion. Am I right, Mr. Barreira? Okay. And on your equipment aging report, we have 20 new buses planned; could you give me an actual fiscal inventory of the buses and those inventories that are ADA compliant?

Ms. Mahikoa: Actually, every bus is.

Chair Furfaro: Every one?

Ms. Mahikoa: Yes.

Chair Furfaro: Okay. Please indicate that in the report.

Ms. Mahikoa: Okay.

Chair Furfaro: The mileage on the bus, and which 20 are going to be retired for the 20 new ones that are coming, and then the last part of that is and maybe you need to talk with Finance, do we get any salvage credits for the buses the retire?

Mr. Kagawa: Thank you for your presentation and a lot of good work that you do with the price of gas rising rapidly, I would be foolish not to support the bus at its current level or even increase level because more opportunities that we can give to the public, I am sure they are going to take advantage as prices of gas rise. I have a question and this focuses on the fact that we change our method of funding the bus by taking more out of the Highway Fund which I think it is the intent of the Highway Fund to provide for better public transportation however I think in the past we used the Highway Fund primarily for fixing roads, bridges, whatever... was that the recommendation of the Mayor that we start tapping into the Highway Fund? Obviously everything is a give and take, if you take out of something to benefit something; the other things are going to be lacking funding. Was that the recommendation of the Mayor?

Ms. Mahikoa: Actually, I would need to hand that off to Finance as far as the strategy. We were asked for what our budget would need to be this year and the strategy was employed by Finance as far as how to address those needs.

Mr. Kagawa: That is a good answer.

Ms. Mahikoa: I would be doing a disservice trying to answer that myself.

Mr. Kagawa: I understand.

Mr. Rapozo: Is Steve going to come up?

Chair Furfaro: Do you have a question for Steve?

Mr. Rapozo: Well the question was from Mr. Kagawa and she said that she would defer to Steve. I just wanted to finish that question.

Mr. Hunt: Certainly when we went through the budget exercise in looking at each Department's budget and looking at their fiscal 2012 plus a 10% as sort of a target, when it became clear that we could not make those types of cuts with Transportation, we had to leverage all the sources we had and Highway Funds was a good way for us to leverage to keep the level of service where they are at.

Ms. Yukimura: Steve, I think the concern is that using the Highway Fund will take away from the resurfacing of the roads and that is why I was questioning Mr. Renaud so carefully because I want to see what their plan is for road resurfacing and make sure we have enough moneys for both functions. The Mayor is proposing a \$.02 increase to the fuel tax which goes into the Highway Fund and we are trying to see... the jury is out yet because I have not received the information from Roads, so I cannot even say that we are covering them adequately because I do not know what their plan is. On the other hand, Transportation has come forward with a very well founded plan and documentation of costs and intention, so we know how much money they need to achieve their goals for this year. Have you folks verified that with the proposed financial plan that we are not going to harm or take away from our Road Resurfacing Project is my question.

Mr. Hunt: Well again like you, I do not have a long-term plan for what the roads requirements are going to be. I know we have discussed it with Public Works in terms of implementing that plan in two year increments to leverage and accumulate funds to get the most we can when we do go out for these bids. Again, I cannot speak as to what their overall needs and requirements are.

Chair Furfaro: Excuse me; let us keep that question for the 16 for CIP.

Ms. Yukimura: Right.

Chair Furfaro: Does that work for you?

Ms. Yukimura: Yes, it does and that is why I pushed to have that information so I just want a real clear message to the Administration that we need to see that information. I was hoping that it would be ready when Roads made their presentation but it was not, so we have this next date?

Chair Furfaro: Yes.

Ms. Yukimura: Thank you very much.

Mr. Kagawa: So, we are taking a lot out of the Highway Fund if I add it up... it is about 2.54 million to use for the bus. Is that based on the assumption that the increase that you are proposing to the fuel taxes goes through?

Mr. Hunt: Yes, that is included in that, correct.

Mr. Kagawa: If we do not pass that rise in fuel tax, where will we get that extra moneys to... is that a question that ask...

Mr. Hunt: It is somewhat rhetorical as well because collectively we have to decide where we either going to cut or raise the moneys to meet those needs.

Mr. Kagawa: Like I said earlier, I am very hesitant to raise the prices of gas when it is already uncontrollable and I am just very worried about that fact. Thank you.

Ms. Nakamura: On the short-term transit plan, I wanted to find out what is the anticipated cost of the plan that you are seeking grant funds for and what would be the County's share?

Ms. Mahikoa: Actually State DOT has an existing amount, I believe, it is about a hundred and thirty thousand approximately and we are asking for \$33,500 to service the 20% match required to accomplish that.

Ms. Nakamura: And that is in this budget?

Ms. Mahikoa: Yes. It is in the Highway Fund line item.

Ms. Nakamura: Okay, thank you.

Mr. Bynum: Funding coming from the proposal, funding coming from the Highway Fund that will help funds these buses, right? And his question was if you do not fund the fuel tax increase, what happens?

Mr. Hunt: I do not recall off the top of my head what that exact contribution of the two cents is... if we do not fund that two cent increase than we will be short the five zero nine in the Highway Fund.

Mr. Bynum: So we could decide which bus routes we wanted to eliminate? Would that be the option?

Mr. Hunt: Or other sources of revenue, if you want to rely more on the General Fund to subsidize Transportation than we would have to find either cuts or revenue resources from a General Fund. There are alternatives, it is just a matter what decisions that you would like to make.

Mr. Bynum: Well, if we did not do the fuel tax and we wanted to fully fund the services, we would have to increase property taxes or some other fee, correct?

Mr. Hunt: Correct. Or find cuts elsewhere within the General Fund to fund...

Mr. Bynum: Or decide which one of the buses will not run, right, after July 1. Those are our options right?

Chair Furfaro: Just a reminder to everyone before I go to Mr. Hooser, remember this is the statement I made in the very beginning if we are planning to add or delete, we have to be thinking in terms of what and where we find that revenue.

Mr. Hooser: Just a follow up, I think we should be clear of the options that we have. The options are not to raise... our options are not limited to raising other taxes or eliminating bus routes. Also included are options to restructure existing funds for example, I mentioned the Kapahi bridge is Highway Funds that is slated for a bridge for \$400,000 - \$500,000. I believe there are other Highway Funds over a hundred thousand dollars toward a bypass plan for Līhu'e. So, there are funds that we can redirect and not raise gas taxes or not raise property taxes if we choose to redirect funds from projects that we may not feel collectively as valuable or as pressing in today's budget. Those are options also, am I correct?

Mr. Hunt: To some degree. Some will remain Capitol projects if they are in CIP; they may not be used for certain things in the budget.

Mr. Hooser: Right. But the Highway Funds that are in the CIP budget that those are not Bond Funds?

Mr. Hunt: Correct.

Mr. Hooser: Can be used for other Highway projects, is that correct? Operating or Capitol projects?

Mr. Hunt: Yes and again depending on whether there is matching funds or those types of situations that you just have to be aware of all the intricacies of those funds and how they are being used.

Mr. Hooser: Right but just to clarify if there are Highway operating funds, we can reallocate those funds as the majority of the Council deems important?

Mr. Hunt: Yes.

Mr. Hooser: Thank you.

Chair Furfaro: Mr. Hooser is rephrasing exactly what I said in the beginning, members, if we are going to find a need to add or cut, we also have to come up with a solution where to find it and Mr. Hooser just gave us the perfect example.

Mr. Rapozo: It is a follow up to Mr. Hooser's comments, really, about what our function on the Council is and I think Steve, I do not think the... and maybe you will disagree and that will be the question. The matching fund issue is of some relevance but it could be of no relevance if this Council felt that... and I will use the bridge \$400,000 an example, just because there is an opportunity to access a matching grant with the Federal government and that would require us to kick in \$400,000 that in it of itself is not a prohibition for us to say that we cannot touch that money. At the end of the day and this is clear for everyone and I know Mr. Bynum kind of associated the fuel tax... if we do not support that, we are cutting bus routes. That is absolutely untrue. I am not advocating any reduction. In fact, Mr. Kagawa and myself were talking on the break, is there a way to expand the bus routes especially on the Westside where people are complaining that we are losing some routes. The fact of the matter is, I want the people to understand that at the end of the day, it is this body that is going to determine the funding for this County with the necessary votes, obviously, but it is not this or nothing... it is "we" collectively with the Administration are going to do it. I just wanted to expand on that because I think it is important for the public to understand that "we" this Council has the ability to take funds from projects even if it is a priority of the Administration and relocate it to Transportation. One more thing, we keep talking "two cents fuel tax" the Bill on the floor was amended, Councilmember Yukimura amended it to go up to six cents in 3 years of which four cents would go to Transportation. All of the fuel tax for the first year would go to Transportation and not to paving roads. That is what is on the table today, not a 2% fuel tax increase. Thank you.

Chair Furfaro: I want to remind everybody that this is the operational portion of the meeting. Transportation is in discussion again with CIP and as pointed out, we have an amended Bill that talks about a \$.03, \$.02, and \$.01 over a 3 year period. Operational questions should be focused now; expanded talks on CIP will come up again on the 16<sup>th</sup>.

Mr. Bynum: I think what I said was if we do not have the fuel tax, what are our options? Find revenue elsewhere or make cuts in services. Of course Mr. Hooser is correct where we can reprogram some existing funds but then those services that are proposed are cut, right? A political person and I really highly admire said more than one time when you hear a politician say there is no money; they are really saying it is not my priority. Mr. Rapozo is correct as well that in the long run this Council will decide but if we do not except your revenue proposals and we do not have alternatives, something is going to get cut, correct?

Mr. Hunt: Well, again the budget is predicated on the \$.02 increase.

Chair Furfaro: End of story.

Mr. Bynum: So, if we chose to do something different, something has got to give somewhere? Either increase revenue somewhere or some other program that we do not value is high as the bus, right? That is the point I was trying to make.

Chair Furfaro: Mr. Bynum, thank you for that. We were going around the table and I have no questions for right now. I was about to recognize Councilmember Yukimura and when we come back, we will have the Audit on our agenda but please remember that Transportation is coming back again on the 16<sup>th</sup>. You have the floor for 1 more question.

Ms. Yukimura: I will not ask it since we are at 12:30.

Chair Furfaro: Okay. When we come back, we are coming back to Audit after lunch. Celia, I am going to close by saying to you and Kaleo, I want to commend you for what a great job you do at our Transportation Agency. We have expanded pretty rapidly here to have more services out there but you folks have done a great job and I want to you know that the Council appreciates it. Please be available to us on the 16<sup>th</sup>. It sounds like we are going to have more discussion on CIP Transportation on the 16<sup>th</sup>. Thank you for your presentation. We are on recess.

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

The departmental budget review reconvened on 1:44 p.m., and proceeded as follows:

Chair Furfaro: *Aloha* and good afternoon. We are back from recess, and this is the ongoing Budget Presentations for the Fiscal Year 2013-2014. Typically, it has been announced that my practice is that we take testimony in the morning on all items for the agenda for the day, but I believe we have three (3) people here to testify. I also believe that we have other testimony coming in. I am going to stick to the rule about accepting testimony. Ken, you brought Walter Lewis' in? Yes, ok. We will accept that for the record. Is there anyone else who has written testimony from others, either on the Auditor or the Elderly Affairs agenda item that is later this afternoon? Okay. If not, can I just see a raise of hands again of who is going to give testimony? There are three (3) people. Okay. Great. You will get your six (6) minutes. I will announce when we are at the three (3) minute mark so you have a halfway mark. I will go in the order as follows: Ken, I will go with you first. Mr. Rosa, I will go with you second. Mr. Bulatao, I will go with you third. Please come right up.

KEN TAYLOR: Chair, members of the Council, my name is Ken Taylor. Before I get started, I would just like to make sure that you all got Walter Lewis' written comments.

Chair Furfaro: Yes, we have it.

Mr. Taylor: Thank you. I am here today in support of the Auditor's activity that has taken place the last few years. It is my understanding that in the Mayor's Budget, he has considered cutting one (1) staff person from the Auditor's staff, and I think that is really unfortunate and out of line. I hope you folks will see to reestablish that position in the coming Budget. I have currently read the Audit for Fuel Cost, Consumption, and Management Interim Report, Audit Capital Project Management, Fire Station Project, Performance Audit, Building Division Development, Department of Public Works, Audit Capital Project Management, Road Maintenance Program Fiscal Year 2006-2007 Phase 1, and also the Audit of implementation of the recommendations for the Cost Control Commission Energy Savings. I think all of those reports were very well-done. Unfortunately, you folks have not seen—if I recall correctly, and I am sure you will correct me if I am wrong, but none of these Audits have been on the agenda of the Council for discussion and consideration of making sure that the Audits' recommendations are followed through. This Budget hearing process should be a situation where each of these audit recommendations, as they relate to the different Departments, should be well taken into consideration as you accept budgets. As I looked into the importance of the independence of the audit, I find that in the Institute of Internal Auditors—the definition of “internal auditing” states the “fundamental purpose nature and scope of internal auditing, internal auditing is an independent, objective assurance, and consulting activity designed to add value and improve the organization's operations.”

Chair Furfaro: Ken, that is your first three (3) minutes.

Mr. Taylor: Thank you. “It helps and organization accomplish its objective by bringing a systematic discipline approach to the evaluating and improving the effectiveness of risk management control and governance processes.” This is why I really think it is so important. As you know, our Audit Department is fairly new to the County, voted on by the people, and I think this independence of this Department is really important and the community benefits greatly from having this activity take place. Not only does it make for a better operation and saves money, but it benefits all of the people of the community. Again, I hope you see fit to make the Auditor's Department whole because I am afraid if one (1) small Department like this—I believe he only has three (3)

employees plus himself. I think that take one (1) of those individuals away, you might as well just eliminate the Auditor's Office because there will not be much of anything accomplished over the next couple of years. In the Institute of Internal Auditors Code of Ethics, "internal auditing is independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic disciplined approach to evaluating and improving the effectiveness of risk-management, control and governance processes." As you move forward with the Budget Process, I hope and pray that you see fit to keep the Auditor's Office whole. Thank you.

Chair Furfaro: So that we both understand it, in the Budget Process, the Administration reviews budgets and submits them to us. We do not necessarily initiate the first submittal, but we certainly have the plus and minuses at the end. We have not gotten there at this point. I want to make sure you understand. On the Audits that have been complete like the gas, building, Capital Improvement Project (CIP), and those that are ongoing; we will ask the Auditor to give us a reconciliation of those as part of the questions coming back, that he gives us the reconciliation of those completed and so forth. I think that is all I wanted to make sure you understood.

Mr. Taylor: Can I ask you one (1) question?

Chair Furfaro: Sure.

Mr. Taylor: On this issue, will there be another time during the Budget Process that we would have an opportunity to...

Chair Furfaro: To talk about anything on the Budget?

Mr. Taylor: Yes.

Chair Furfaro: Yes.

Mr. Taylor: Thank you

Chair Furfaro: Also, the last one is that the Council is not required to post his Audit reports, but may post them if the Auditor desires. If the Auditor desires it to be posted—because his office puts everything on the website access, but the Council is not required to put into Council of every Audit that he does. We are not required to but he may request us.

Mr. Taylor: I understand that, but you are also the holder of the purse strings and it seems to me that the Audits and the recommendations from the audit are very closely tied to...

Chair Furfaro: I am not going to get into a discussion with you on that. I just explained to you how it works. The Council is not required to post in our normal Council Meetings every Audit review, but the Auditor does have the authority to make a request for to us put that on. The information on the completed audits is available on the web. He is required to provide a plan. The Council is the authority that approves his yearly plan. We can modify it at that time but once we approve it, it is his plan.

Mr. Taylor: Thank you.

Chair Furfaro: You are welcome. Joe, you were going to come up?

JOE ROSA: Good afternoon members of the committee. I wanted to testify against the cutting of the Budget on the Auditor's Office. Six (6) years ago, I know the people of Kaua'i voted to establish the Office and it has hereby been established, headed by Ernie Pasion. I think he has done a very interesting job on his investigations. One he really looked into was the Fuel Cost Consumption. That is something that is always hard to fulfill and explain. A lot of times they say it is by evaporation but it is more than that from what I read from the investigation. It was improper use of things or cards and keeping tabs on the consumption of fuel. To cut one (1) member of a committee that is doing an outstanding job, I think it is ridiculous. They should cut something from the Engineering staff where I see people who are inadequate to do the job in those positions, from what I have been hearing. Why not cut those high-paid people and keep a secretary or another worker that can do something that is worthwhile doing, like Ernie has been doing? I read the reports on the Kaiākea Fire Station, the gas consumption and the CIP. I am going to get one that has been completed that has to do with the road projects. I think everyone should read it. If anybody has a chance, like you mentioned, Jay, to go on the web. I am not a web man because it is way beyond my time. I do not have the fingers to look into the web, so I depend on my knowledge, papers, and at these Council Meetings through Hō'ike. I often wonder now if you are going to cut staff, is it going too hot for people in the County that he is rocking the boat and shuffling up some people's feathers? They are going to cut so that the work will slow down and he will not have his people to go out and do the jobs themselves? Those are the things that bring thoughts to myself and some people who have asked me about it. I say I can find out. I will go to the meeting and make a testimony. I think Mr. Pasion has done remarkably well for the staff he has. Like I said, sure, it will rock somebody's boat. What he is doing to me is a right. Why do you have to correct a right? There is no wrong. That is the kind of thing I look for in good government like how management should run a business. That is why I am here to testify on Mr. Pasion's staff; of him and his staff and that they are doing a remarkable job. I have his reports all here because this is something of interest. I have worked with government. I know how government runs. Like I say, there are a lot of things that they do which they do not do it according to the Union. When they bring people to positions for temporary assignment, there is nothing wrong to bring from up-down. If you bring them down-up, you have to compensate the person in that position. That is a cost item.

Chair Furfaro: Joe, that is your first three (3) minutes.

Mr. Rosa: I was a union steward and those are the things we look into. We could bring from up-down with no compensation. When you bring from down-up, you compensate that person. That is part of management, like I say, somewhere they are lacking that responsibility and looking at things like that there. I did not come to the meeting because I had an engagement two (2) weeks ago on a Wednesday, but I heard about overtime when they pave. I do not see any need for getting the guys from the refuge to come in and work overtime. All you need is an inspector and your project engineer. There will need no overtime because you work within the limits of the paving company. I worked with the State Department of Transportation (DOT) and if they worked overtime on Saturday or Sundays, the company would pay for my overtime, not the State. Those were the things that were negotiated. If the contractors and subcontractors wanted me to work, they would pay for my wages. The County is bringing somebody else—somebody is getting

too much overtime. That is why I hear. Even in Honolulu City and County, they have so much overtime. It has not been looked at and checked so they need more auditing and things like that there. Overall, as I say, they should look into it and I think they should have basic knowledge of these reports. I am pretty sure most of you have real talent or can go through your computers and see those reports. I saw Ernie and I told him, "Very good reports. You hit the nail on the head. You are rocking a lot of boats and things in this Department." I myself would like to see things learned from it and the operations of the County be better. With that, I will close and say, please leave the staff member on. Cut some of those high engineers that you have because we do not need mechanical engineers in the County who do not have mechanical engineering to be done. We are not running a sugar mill. I thank you.

Chair Furfaro: Hold on, Mr. Rosa. Members, can I have a personal privilege for a moment? Joe, I want to let you know that Planning did respond to us on your Rice Street. I have the documents.

Mr. Rosa: Thank you.

Chair Furfaro: We can meet any time after the 26<sup>th</sup>.

Mr. Rosa: Okay. I will mark that down on my calendar.

Chair Furfaro: Thank you very much. Jose, you have the floor.  
It is nice to see you in town.

JOSE BULATAO, JR.: It is good to be here. Good afternoon, Chair Furfaro and Council members. My name is Jose Bulatao, Jr. from Kekaha. In the realm of public service, the importance of clarity, transparency, and accountability must be held in highest regard. To do that, auditing processes and procedures need to be established and maintained with integrity. Having the right person to do the right job is what it takes. We here on Kaua'i are fortunate indeed to have Ernie Pasion serve in the capacity as Auditor of the County of Kaua'i. As an accountant, as a public servant, and as a person involved in a variety of community, and church-focused programs and activities, Ernie has impeccable credentials. Having the honor and privilege to work with Ernie in collaborating the yearlong array of projects, programs, and activities in conjunction with the centennial celebration of the presence of Filipinos in Hawai'i provided me an opportunity to work side-by-side with him, extensively, in coordinating a myriad of details and an array of responsibilities with focused intensity. With boundless energy and unparalleled reliability, Ernie's consistency in meeting his responsibilities was steadfast. Undoubtedly, this comes naturally with Ernie. Ernie obtained professional credentials in his field of expertise, first in the Philippines where he was born, and later on the mainland where he lived for a while before he and his family chose to come to Kaua'i to make this place his permanent residence. While here, Ernie has attended workshops and seminars to update his credentials wherever and wherever possible. In the County of Kaua'i, he has served in various positions with consistent reliability. We have seen him at work in the Elections Division. He has had high visibility in the arena of Council Services. His new position of Auditor is where his consistency and reliability prevail at high-performance levels. He has taken on the roles of leadership and involvement in response to community endeavors and church programs and activities. In his interaction with the people of Kaua'i, he has been able to gain their respect, confidence, trust because of his work ethic and his congeniality. Specifically in focusing upon his roles and responsibilities in being the Auditor for the County of Kaua'i, Ernie has provided the means by which his leadership skills is reflective

in the work that he has accomplished. Where the intricacies of bureaucratic data, records, reports, and receipts must be scrutinized and analyzed with skill and precision, Ernie is at his best, highest-level of accomplishment. Auditing processes and procedures must be objective in nature. Auditing processes and procedures need to be analytic, exhaustively thorough, and as complete as possible. It is in Ernie's nature to have these qualifications but these responsibilities should not rest solely on his shoulders. I have one (1) more thing to add. My sister, Millie Wellington, who was my chauffeur to bring me here to Lihue to the big town, asked me to include this. She said, "Keeping Ernie and his staff person on the job will be saving the County money, not costing the County money." That is from Millie Wellington. I have concluded my testimony. Thank you.

Chair Furfaro: Thank you. Let me see if there are any questions for you on your testimony. May we have a copy of your written testimony?

Mr. Bulatao: With or without my autograph?

Chair Furfaro: Are there any questions for Mr. Bulatao? No.

Mr. Bulatao: Okay.

Chair Furfaro: Thank you. It was good to see you, Jose. We would like to start with your presentation, Ernie. I want to make sure first before we go any further, do you have the narrative for the response on your business plan? The business plan for the Audit Department for the upcoming year?

ERNESTO G. PASION, County Auditor: I submitted that, Chair, as requested subject to change.

Chair Furfaro: Yes. Is there anyone who does not have the Audit Plan? If not, I will have copies made now. Let us have a couple of copies made. Ernie, you have the floor.

Mr. Pasion: Council Chair Furfaro, Vice Chair Nakamura, and Councilmembers, good afternoon. For the record, my name is Ernesto G. Pasion, County Auditor. For the benefit of the public, I would like to read my Fiscal Year 2014 Budget Presentation. I do not have any PowerPoint presentation materials this afternoon.

First I would like to go into the Budget Overview. The Office of the County Auditor's Fiscal Year 2013-2014 Budget of one million ninety-six two hundred ninety-five dollars (\$1,096,295) is four hundred forty-six thousand seven hundred eighteen dollars (\$446,718) or twenty-nine percent (29%) lower than the Fiscal Year 2012-2013 Budget of one million five hundred forty-three thousand thirteen dollars (\$1,543,013). We know that there is a Budget crunch so we have voluntarily cut our consultant fees budget, which I will discuss later in "Operations." We submitted the Budget that reduced our Budget when compared to Fiscal Year 2013 by three hundred twenty-nine thousand three hundred eighteen dollars (\$319,318) or twenty-one percent (21%). Salaries which represent thirty-one percent (31%) of the total Budget show a decrease of ninety-five thousand dollars (\$95,000) or twenty-two percent (22%), which was many due to a Dollar Funding of a staff Auditor II. Benefits which represent eighteen percent (18%) of the total Budget, show a decrease of sixty-five thousand dollars (\$65,000) or twenty-five (25%). It was due to a combination of two (2) factors which were reduced staffing and adjusted benefit rates.

Chair Furfaro: Excuse me, Ernie. I just want to get some clarity. You are comparing your employee benefits to the whole Budget as submitted? That represents eighteen percent (18%)? You are not showing it as a percentage as it relates to just salaries?

Mr. Pasion: I am representing it to the total Budget.

Chair Furfaro: Everybody else has been showing it as a relationship to the payroll, the raw payroll only.

Mr. Pasion: Well, Chair...

Chair Furfaro: No, I just wanted to make sure I understand it. Yours is on the whole Budget?

Mr. Pasion: When I say salaries represent thirty-one percent (31%) of the total Budget, it means when I am referring it to the total Budget. If we are talking about salaries last year and this year, I am saying that it is a twenty-two percent (22%) decrease.

Chair Furfaro: I understand. The first paragraph "benefits which represent eighteen percent (18%) of the total Budget" is different from everything else we have seen. It says the "benefits are fifty-six percent (56%) of raw payroll." That is the difference. I just want to make we are clear.

Mr. Pasion: Okay, Chair. Utilities, which represent one percent (1%) of the total Budget show a decrease of two thousand dollars (\$2,000) or twenty percent (20%), reflecting the economies of scale from the consolidation of two (2) officers previously occupied by the office and energy conservation practiced by the office.

Equipment and Building Leases which represent five percent (5%) of the total budget show, a decrease of one thousand dollars (\$1,000) or two percent (2%), which is achievable to less usage of copier equipment.

Operations which represent forty-five percent (45%) of the total Budget show a decrease of two hundred eighty-four thousand dollars (\$284,000) or thirty-six percent (36%). The Budget for consultant fees reduced two hundred twenty-five thousand dollars (\$225,000) or thirty-eight percent (38%). The Budget for Special Projects show a decrease of twenty-five thousand dollars (\$25,000), due to the elimination of the Peer Review funding, which only occurs only over three (3) years.

The Budget for Continuing Professional Education (CPE) which involves the Auditors to earn eighty (80) CPE hours within two (2) years to be able to do audits virtually remained the same. The Operations Budget includes two hundred twenty-five thousand (\$225,000) for the annual Comprehensive Annual Financial Report (CAFR) also known as the CAFR, and one hundred sixty thousand dollars (\$160,000) for the procurement of outside auditors to perform a Capital Project Planning and Financing Audit. Also included in the Budget is twenty-five thousand dollars (\$25,000) for a survey to be done by an outside professional firm for a Service Efforts and Accomplishments Survey and Analysis project to be otherwise done in-house.

The Operations Budget also includes twelve thousand dollars (\$12,000) for the office's computer and telephone systems security. During the Association of Government Accountants Seminar held in Honolulu, the auditors of the jurisdiction of Hawai'i discussed the importance of having a system to securitize sensitive audit files by having a stand-alone server, firewall and telephone system. The audit restrictions have such a system with the exception of the Office of the County Auditor on Kaua'i. The setting up of the system has been discussed with Information Technology (IT) management.

I am going is to skip the comparative graphs because you have them with you that I sent electronically. "Position Listing." New positions: one (1), Staff Internal Auditor position changed to Auditor II, exempt, without a change in salary. B., Vacant positions: one (1) Auditor II, exempt, and the salary is sixty-four thousand four hundred twenty-four dollars (\$64,424) and was vacant since January 7, 2013. We anticipated filling this position by June 1 2013; however recruitment was terminated because the position was Dollar Funded. We are requesting the County Council to restore the full funding for this position as originally submitted.

During the interview this year, we had a preview of our Budget with the Mayor and his Budget Team. We asked the Mayor if the Mayor would inform us if he intends to do any cutting of the Budget before submitting it to the County Council, and the answer was, "Yes." Again, *déjà vu*. Going back to my first Budget submittal in 2010, I was surprised that the Mayor cut my Budget without him or any member of the Budget Team first notifying me.

First of all in our form of government, there is a separation of powers between the Administrative and the Legislative branches. What is wrong with the Mayor cutting the Budget of the Office of the Auditor? The Mayor's Administration is the primary auditee. The auditee should not be able to prevent the Auditor's Office by doing its work accorded by the County Charter by cutting its funds to do audits. The independence of the Auditor must be preserved. The Mayor should not be allowed to cut the Auditor's Budget unilaterally. Only the County Council as a body, as the Council Chair has put it rightly, has that power.

For Contractual positions, we have none. Critical positions with impending retirements or departures; the County Auditor's position term ends September 15, 2015. On page 3, letter (e.), the education training plan for this position; staff member working on Certified Internal Auditor credentials. The next section (IV.) is "statistics," which shows the actual three (3) years. I have provided that to you already, so I am going to skip that one. It was requested that I provide transfers from various accounts and reasons for transfers for the Fiscal Year. On September 7, 2012, a Request for Appropriation and Allotted Adjustment form was submitted to Chair Furfaro. The funds were needed for registration fees for Continuing Professional Education and approved transfer was as follows: ten thousand dollars (\$10,000) taken out of "Consultant Services" and ten thousand dollars (\$10,000) was transferred to "Other Travel, General." Now, we go to the Mission of the Office of the County Auditor. It is our vision the through carefully selected audits of critical areas that we can promote honest, efficient, effective, and accountable government for the County of Kaua'i.

"Goals and Objectives for Fiscal Year 2012-2013." Goal 1, to serve as a catalyst for positive change throughout County operations. Goal 2, to encourage efficiency and effectiveness of County programs. Goal 3, to inspire public trust by safeguarding the County's financial integrity by having annual financial audits done by outside auditors and

conducting in-house performance audits. Letter (a.), the Departmental objectives were as follows: Objective 1, produce a Countywide Fiscal Year 2011-2012 Comprehensive Annual Financial Report. This objective met the requirements of goal number 3. This objective was achieved. The Comprehensive Annual Financial Report, also none as CAFR, was submitted on December 7, 2012. Obstacles or challenges related to this objective. The loss of an Auditor was an obstacle. The work of the lost Auditor up to an extent had to be performed by County Auditor and remaining staff. Objective number 2, complete two (2) to four (4) performance audits. This audit was intended to meet goals 1 and 2. This objective was not achieved. Obstacles or challenge related to this objective. A reduction in audit staff resulted in the loss of one (1) anticipated audit for the year. Objective number 3, complete a Citizen-Centric Report for 2011-2012. This objective was intended to meet goals 1, 2 and 3. No, the objective was not achieved. Obstacles or challenges related to this objective; the loss of one (1) auditor or half of the audit capacity decreased time available for this project. Letter (d.), "Will objectives be accomplished by June 30, 2013?" We do not know. We had intended to hire a replacement auditor; however, the position was eliminated and was dollar funded for the upcoming fiscal year, so hiring has been terminated. With the loss of half of the auditor capacity, we will endeavor but may not be able to accomplish the objectives by the end of the fiscal year. "If not, what percentage of the audits will be completed by June 30, 2013?" We do not know for the reasons stated above. Obstacles and challenges; as previously stated, we have worked at half capacity at staff auditor level for the entire fiscal year. The number of staff was also reduced by one third. Strategies to address obstacles or challenges; we will be requesting the restoration for funding of the second auditor position.

Item VII, "Successes and Achievements for Fiscal Year 2012-2013." For the first time in three (3) years, the financial audit for the fiscal year was completed according to the original schedule. Credit was also due to the N&K CPAs and KMH, LLP, Auditor for the Department of Water for their efforts to assist the Department of Water in issuing their financial statements as scheduled. Letter (b.), both staff auditors and the County Auditor achieved their certification as Certified Fraud Examiners.

Item VIII, "Upcoming Plans and Initiatives for Fiscal Year 2013-2014." Our goals will remain the same. Our work plan objectives will track our goals. Our objectives will reflect a decrease in the number of staff auditors from two (2) to one (1). Should this situation change, we will revise our objectives. Objective 1, complete the Annual Financial Audit for Fiscal Year 2012-2013. Objective 2, issue audits that result in a seventy-five percent (75%) acceptance rate by auditees for recommendations. This type of objective is used by many audit shops, and is intended to ensure that audit recommendations are relevant, practical, and of value to the auditees. One (1) good example of this is the Road Management Audit. All of the findings and recommendations were accepted by the Administration and are in the process of implementing them.

We plan to commence the following audits in Fiscal Year 2013-2014: Capital Project Planning and Financing. With the current financial pressures, future financial pressures, decreased Federal and State funding, and aging infrastructure; the County needs a very efficient and effective way of meeting capital needs with available funds. The project will review the County's processes for prioritizing and financing capital projects to determine what whether the County follows best practices efficiently and effectively, and prioritizes projects so that the County's most urgent needs are addressed at an appropriate cost. The next one is Service Efforts and Accomplishments Survey and Analysis. The project supplements the Comprehensive Annual Financial Report, CAFR, by providing more detailed and complete information about the performance of County services including

costs, quality, quantity, and timeliness. We will add a survey to our fieldwork to gather input about the public's perception of County services and assist community needs. A similar project was conducted by the Honolulu City Auditor for Fiscal Year 2011. To paraphrase the Honolulu Auditor, the result it provides the Council, the Administration, and the public with an independent, impartial assessment or performance trends that can be used to strengthen government accountability and transparency; improve government efficiency and effectiveness; provide data for future decision making; and improve the delivery of public services. The next one is "County Ethics Polices, Survey and Assessment." The association of Certified Fraud Examiners estimates that a typical organization loses five percent (5%) of its annual revenue to fraud. This in the County's Fiscal Year 2012-2013 Budget, the potential annual loss to fraud could be in excess of six million seven hundred thousand dollars (\$6,700,000). A strong ethical program is a deterrent to fraud. The project assesses the effectiveness and efficiency of the measures used by the County to ensure ethical behavior by County employees and officials through surveys and interviews, including whether an employee tip line or Whistleblower hotline should be established. The next one is the Discretionary Expense Account spending by elected officials. In this project, we will ascertain and review the effectiveness of the County policies and procedures, and other controls that ensure discretionary expense accounts spending by elected officials is consistent with the statutory and ethical requirements governing the use of public funds. In the recent audit conducted by the Honolulu City Auditor, the Honolulu Auditor was able to obtain information on discretionary spending constraints and reimbursements for personal meals, food and beverages, and alcohol for all Counties except Kaua'i. This audit will fill this gap information and provide the public with the information necessary to compare the County's policies and procedures with those used in other jurisdictions and with best practices. Item (b.), "Upcoming Initiatives." The Office of the County Auditor will continue to offer and make presentations to the public through organizations such as the Kaua'i Chamber of Commerce, Kaua'i Filipino Chamber of Commerce, and other community groups to explain the role and responsibilities of the County Auditor and the audit process. The presentations will be similar to the one made to the Lihu'e Business Association for which the Office of the County Auditor received positive response from members and attendees. Item II, the Office plans to continue to offer to the County Department Heads, managers, and supervisors presentations regarding the audit process to help other County employees better understand the role of the Office of the County Auditor, and the ways in which audits are typically conducted. Item IX, "Challenges." Staff vacancy: we believe that two (2) audit professionals are the minimum required to perform audits under the quality control and accuracy requirements of the Generally Accepted Government Auditing Standards or GAGAS, and the office's auditing manual. A minimum of two (2) audit professionals is necessary so the audit results can be checked by an audit professional who was not involved in the audit. That is my presentation and I will entertain questions.

Chair Furfaro: Help me understand this portion of your plan, Ernie. As I read "Discretionary Spending," I remember the situation and you plan to specifically deal with elected officials here?

Mr. Pasion: Yes.

Chair Furfaro: Did you say yes? This portion is directed at elected officials?

Mr. Pasion: Yes.

Chair Furfaro: Let me just ask you this. The situation that the media caught—and maybe a lot of people do not understand that here on Kaua‘i, where the elected officials would be the seven (7) of us, the Mayor, and the Prosecutor. How do we define “discretionary spending?” This is how I know it. In Maui and in Honolulu, each Councilmember gets an allocated amount of moneys. They use that for entertainment. They use that for staffing and so forth. Then, that money is made available to them in the Budget. Now here, we get a fixed amount for a car allowance and a cell phone. That is taxed for us. We do not see that we have a budget to tap or a check request to make. That is it. I think it is made up as car and cell phone allowance together in one (1) check and that comes to us in our payroll. Even that benefit is then taxed. They deduct all of the particulars from that as if it was an earning, but it is an allowance. We do not have any other discretionary funds for us in the way of hiring personal staff. We are different from Maui County and different from Honolulu. I forgot the one (1) Councilmember, but he was using his discretionary money to entertain and so forth.

Mr. Pasion: In the City of Honolulu?

Chair Furfaro: Yes.

Mr. Pasion: Yes.

Chair Furfaro: Those were discretionary moneys. Here, we have to document an expense report and provide receipts and the rationale for the travel and so forth. Is that what you are referring to here in the discretionary?

Mr. Pasion: In part, yes, Chair. If you look at the Mayor’s Budget, there is a discretionary account budget for the Mayor. For the Council, as far as I know because I was here before, there is a Travel Budget and there is an allocation to the different members. That is the one that we would have to audit because we would like to see how the moneys are spent.

Chair Furfaro: I understand. There have been some changes. For instance, I actually allocate that travel to each member here. It is not quite the same the way it was when you were here. They reconcile it like an expense report on a travel authorization but they have that freedom. You are saying that is one (1) of the accounts that you are indicating you would be auditing?

Mr. Pasion: Right.

Chair Furfaro: Okay, you have answered my question. I just wanted to make sure that we understand that some of the other Counties are very different from us. They get money and they hire their own staff.

Mr. Pasion: Right.

Chair Furfaro: We do not have the same parallel. Okay.  
Mr. Rapozo, go ahead.

Mr. Rapozo: For the benefit of the public watching, I think we ought to be careful how we talk about “discretionary” versus “non-discretionary.” The other islands—and the most recent publicized incident with the County Council candidate was campaign spending. He was using campaign spending, his political account, to go out to

dinner with people and his wife and his kids. At the end of the day, the Campaign Spending Commission ruled that it was okay. That was that one. The fund that the Chair is talking about is not discretionary funding. It is allocated to travel. I cannot use that money. It is not our money in other words. The trips and the hotels are all booked by staff. The Councilmembers do not touch that. That is where it is. After today, I do not want the public to think, "Wow, the Council gets all this money and they can use what they want." We have absolutely zero discretionary funds. Absolutely zero. We do not even have the ability. I guess we could try. Let us say I went out to lunch with a constituent. That comes out of my money, my pocket. There is no mechanism for this body to submit a request for reimbursement to the Chair. There is no pot of money for that. In Honolulu, there is. For Maui and Hawai'i island, they all have discretionary funds. Kaua'i does not. That is why I highlighted this because, Ernie, in your narrative, which I am sure the newspaper would pick up because it could be construed as if Kaua'i refused to participate. It said, "In a recent audit conducted by the Honolulu City Auditor, the Honolulu City Auditor was able to obtain information on the discretionary spending constraints on reimbursements for personal meals, food and beverages, and alcohol," which again we do not have that account, "for all Counties except Kaua'i." That is because Kaua'i does not have it. You just mentioned that the Mayor may have. If he does, I am not aware of it. I just wanted to be clear as far the County is concerned and the Council.

Chair Furfaro: That is why I brought the question up. I think you are aware of it. We as the County of Kaua'i, and our seven (7) elected officials; we do not have any discretionary, other than the policy that our staff may book. If we went to lobby the Legislature and a plane ticket, and so forth. We do not have any control on that. I will give the floor to Councilmember Nakamura. Thank you, Mr. Rapozo, for revisiting that piece.

Ms. Nakamura: Just to add onto that, even when the Council meets sometimes at 8:30 in the morning until sometimes 8:00 or 10:00 at night, our meals are paid out of our own pockets. There is no discretionary fund to allow us to pay for incidentals like that. I think the public should know that. It is a very frugal body in terms of what we spend on ourselves. I wanted to find out that if the Council does not have that discretionary fund, who does among the other two (2) elected officials? That will help to narrow your scope.

Mr. Pasion: Right.

Ms. Nakamura: Maybe if I could have someone from Finance here to answer that question. Does the Mayor or the Prosecutor have a discretionary fund? Ernie, did you hear the question?

ERNEST W. BARREIRA, Budget and Purchasing Director: I did. Good afternoon, members of the Council. Ernie Barreira, Budget and Purchasing Director. I am going to place a qualifier on my response saying that I would like to go back and confer closely with the Managing Director but under 30,00 in Mayor's Budget, there are contingencies noted in that line item. I am not specifically certain, as we sit here today, what that is for. I expect my cell phone will buzz shortly to give me verification.

Ms. Nakamura: Do we know what is in Budget for that line item?

Mr. Barreira: It is not detailed beyond that so I would have to research it further and get back to you.

Ms. Nakamura: We do not know what the amount is?

Mr. Barreira: Yes, I could give you that. In Public Relations –, Misc. and Mayor Contingencies, it is five thousand dollars (\$5,000). Like I said, I am not certain if that is considered protocol. I would have to check and give you a detailed response.

Chair Furfaro: I would like to reconfirm as I brought it up in the beginning, the query, and with my explanation of other Counties. There is no such line in the Council Budget.

Mr. Barreira: I was looking as we spoke and I did not see that.

Chair Furfaro: I would like to get that confirmed. Ours written by a policy of an allocated amount, which deals with even taxing us for car and phone. That is what is there right now.

Mr. Barreira: If I do get a response, I would be happy to share it with the Council Chair.

Chair Furfaro: I will send it over as a question.

Mr. Barreira: Very good. Thank you.

Chair Furfaro: Ernie, he is going to investigate that line for us. We are going to send it over. Any other questions on his discretionary budget plan at this point? Then we will go to other questions on the discretionary amount.

Mr. Bynum: Also when I read this that Kaua'i was the only one that did not respond to this Honolulu Audit, I immediately knew that is because we have no discretionary funds. It is important that the public understands that. In my opinion, we should. For every other County here, Councilmembers have personal secretaries and personal staff. They have expense accounts can. For Hawai'i island, you can go online and see how they spend that money. It seems like a Councilmember may want to meet with a community group and have somebody with expertise present, and it is our tradition to get a *lei* for that person or to have some snacks for that evening meeting. Those are minor things, but those things come out of our pocket right now because there is absolutely no discretionary money, which I think is inappropriate. It puts us at a difficult situation. I also would say that Councilmember salaries are about half of what Department Heads are. I know that everybody around this table works as hard as the Department Heads do. When I came on board, I was shocked. I have no secretary. You are one of the chief executive people in the County and you have no personal support. You have no discretionary funds. I would love if we did and I would love to that that accountability like how Hawai'i island does. They can go look at their Councilmember's budget, see what it was, and how every penny was spent real-time online. I do have concern about that, Ernie, because if you do three (3) audits a year and you have around a million dollar budget, it is going to cost three hundred fifty thousand dollars (\$350,000) to study the five thousand dollars (\$5,000) discretionary funds that the Mayor has. I do not know if that would be a good use of audit funds.

Chair Furfaro: We do not need to get into a lot of discussion about it right now. Let us get all of the questions and then get one (1) response from you on only discretionary spending right now.

Mr. Hooser: Ernie, thank you for your report. As I was listening to the questions and relooked at the description, and just to reinforce because it says, "Ensure the discretionary spending," in parenthesis says "expense account." I do not have an expense account. Then it says, "Study discretionary spending on meals, food and beverage, and alcohol." We certainly do not have any of that authority of discretionary spending. I did not think about this at the beginning but after looking at this and recognizing that the Mayor does have perhaps more latitude in discretionary spending, I am a little concerned like it is the six thousand (6,000) pound gorilla in the room, that given the recent discussion on the gasoline situation for the Auditor's Office. I do not want it to look like the Auditor's Office is targeting just the Mayor's Office in looking at this, because it could be construed as that. I understand, you want to be fair and even-handed with everyone, but given that we do not have any discretionary spending—and I am not sure about the Prosecutor's Office. Would it just be the Mayor's Office that would be examined?

Mr. Pasion: The purpose of this, Councilmember Hooser, is the fact that it was included in the Honolulu report and mentioned that way would have been better if somebody said, "We do not have any," rather than just ignoring and did not get any information from here. That is what we are trying to clear for everybody. That is the purpose of it.

Mr. Hooser: Okay.

Mr. Pasion: When I looked at the Budget for the Mayor, there is that such account in the Mayor's Budget. I did not see anything in the Council's Budget because you also have your individual budget, just like the City of Honolulu where each Councilmember has their own budget. They are allowed so much so they could hire their own staff. Here, it is all combined with everybody and then you have to pull travel budgets, and the Chair and you guys agree on how much is allotted to each Councilmember. The purpose was to clear the report that came out of Honolulu. Everybody provided except for Kaua'i. How come? That is the purpose of it.

Mr. Hooser: Okay.

Mr. Pasion: It will be a short report saying that there is no such thing for Kaua'i. Rather than being included in an audit report for Honolulu and say, "Oh, there must be something." Something has to be cleared with them saying and to clear the reputation of Kaua'i with the audit of Counties, as far as this cost item.

Mr. Hooser: Okay. Thank you.

Chair Furfaro: I want to make sure that we all really understand. I just recently got your business report in this form, as far as what your plan was going forward. I did not know that we have no discretionary spending, but it is going to come up as an audit item. I am trying to explain to you that we are not the same as the other Counties. In the future, if something comes up in a report that you find is very different than how we behave in our Charter, I would also appreciate it if you would respond to them and say, "Hey, do not necessarily comment on something that is zero and zero." There is no discretionary—unless you want to say it differently for the Prosecutor or

for the Mayor's Office. That is the only place it exists. Do you have a copy of my travel policy or should I resend it over to you?

Mr. Pasion: I would appreciate it if you would resend it to me, Chair.

Chair Furfaro: I will resend send it over to you. Are there other questions about the proposal here? Mr. Kagawa, you have the floor.

(Did the Chair leave and relinquish his Chairmanship to Mr. Rapozo during sometime after this?)

Mr. Kagawa: Thank you, Ernie. My years right after college, I worked as a CPA for four and a half (4.5) years with Gerald Oshijima. I was fortunate enough to work on a lot of government audits in those years. Just in our small staff of twelve (12) or so, we had two (2) CPAs. Mr. Oshijima was the audit partner at Deloitte and my other audit manager was a CPA with another big national firm. I am just thinking for our County Auditor's Office to be effective, we need to have people who know what they are looking for. Do we have anybody with a CPA license in your Office right now?

Mr. Pasion: We do not.

Mr. Kagawa: Because I would...

Mr. Pasion: Councilmember, there is a difference between CPAs and Professional Auditors, especially Performance Auditors. The CPA auditors are more limited to financial audits, than to performance audits. The performance audits are more like we go into operations where it is not like a program. The audits that we get as far as the CAFR is a program audit, and that is why they say, "It will start on this date and be done on this date." It is because they follow the program. For us, you do not know what is out there until you start going into the field and say, "Okay, there is some possible abuse or irregularity that you have to pursue." Then, you have to now hire investigators to help you if you do not have the expertise in-house.

Mr. Kagawa: I am not saying that all five (5) of your employees should be CPAs. I am saying that maybe one (1) out of five (5). It would be nice to have somebody with a CPA background that has worked on government audits who can help you develop some plans as to how to attack because I know a County Auditor's job is a little different. Like a financial audit you have prior year's work papers to follow, but in your type of audits, it is a surprise element. A lot of people do not know that you are coming. We have to develop our own way of determining evidence. I would think that having somebody with that could help. When I hear people say, "Why are you calling this office? It is an effective office." What I want to see is—I would be glad to support the ninety thousand dollar (\$90,000) position provided that the requirement of that job would be to have a CPA license. At least out of those five (5) employees, you will have one (1) with a CPA license and background that can provide your staff with some help as to have a plan. Ultimately, the best way for your Office to be successful is to do audits in-house because I think it would be your employees that know how to get the information the best, rather than bringing people from O'ahu who do not really know our way of government. If you could do it in-house, that would be nice. This is just my personal opinion that having somebody with a CPA background would be good for our Office. I do not know what your feeling is on that and if you are open to that?

Mr. Pasion: We did have one (1) but that person is not with us anymore. We would look at what is available out there. It took us more than six (6) months to have that position filled when we started the function. We will be doing the same process to get the best that we could get from the field.

Mr. Kagawa: Okay. The second question, Ernie, and this is not regarding personnel so much, but consultant services is one of the big line items because your Budget is going down about five hundred thousand dollars (\$500,000) from last year to this year. Four hundred fifty thousand (\$450,000) of that is your reduction in consultant services, but have you an increase of almost two hundred thousand (\$200,000) with "Other." Can you explain those two (2) and the impact of losing that four hundred fifty thousand dollars (\$450,000) and the impact of gaining the hundred ninety-five thousand dollars (\$195,000) in "Other?"

Mr. Pasion: Okay. We have two (2) line items for consultant fees, Councilmember. The new Budget Team came up with separation of two (2) accounts. One (1) account that we have now is the two hundred twenty-five thousand dollars (\$225,000) which is for the CAFR for N&K CPAs. The one hundred ninety-five thousand dollars (\$195,000) is for Performance Audits. For example, we are providing one hundred sixty thousand dollars (\$160,000) for the Capital Project budgeting and then twenty-five thousand dollars (\$25,000) of that for the survey for the Service Efforts and Accomplishments Analysis Report.

Mr. Kagawa: Okay. Ernie, your explanation is good on those other two (2), but I guess my question is that our CAFR Audit is costing two hundred twenty-five thousand dollars (\$225,000), but in the past, why was it costing us a lot more? It was six hundred seventy-five thousand dollars (\$675,000)...

Mr. Pasion: Okay. Now I understand. We intended to do different kinds of audits. Of the six hundred seventy-five thousand dollars (\$675,000), two hundred fifteen thousand dollars (\$215,000) was for the CAFR.

Mr. Kagawa: Okay.

Mr. Pasion: The remaining amounts were for an audit that we were going to do of the Parks & Recreation Management and Maintenance. We were going to do audit of the Human Resource Management and Hiring Practices. The process for when you are going into these audits, if you have find any irregularity or abuse, then we have fifty thousand dollars (\$50,000) for Investigator Services and twenty-five thousand dollars (\$25,000) for Legal Services if the Office of the County Attorney is conflicted from any of the audits that we go into. We did not have a chance to get into those because we did not have the staff to work on it.

Mr. Kagawa: For the Parks and Human Resources ones, those would have been contracted out, right? Were we going to contract them out?

Mr. Pasion: Yes, we will contract them out because if would require a lot of the Engineering and Technical—we would be working with them.

Mr. Kagawa: Okay. Overseeing?

Mr. Pasion: Right.

Mr. Kagawa: Thank you.

Mr. Rapozo: Are there any other follow-up questions?

Ms. Yukimura: Hi, Ernie.

Mr. Pasion: Hi.

Ms. Yukimura: Let us see. In the plan for next year, is our regular Financial Audits for this coming fiscal year?

Mr. Pasion: It is included, Councilmember.

Ms. Yukimura: Thank you. I think if Financial Statement Audits are conducted, the Charter requires that there would be somebody with a CPA?

Mr. Pasion: It has to be done by an outside CPA firm. It cannot be done in-house because of the fact that if we do it in-house, it would be subjected to bias, especially when we go to float our bonds. It has to be done by an independent CPA firm.

Ms. Yukimura: No, I understand that. I am reading The Charter here and it says, "If the Financial Statement Audits are conducted, the County Auditor shall be a Certified Public Accountant."

Mr. Pasion: That is the reason why we outsource it to a CPA firm. We do not do Financial Audits in my Department, Councilmember.

Ms. Yukimura: No, but it says that the "County Auditor shall be a Certified Public Accountant."

Mr. Pasion: Yes, but we opted not to do it in-house.

Ms. Yukimura: I see, but I thought this meant that if you have to oversee the Auditors, the CPAs, that the Auditor himself or somebody in the Office had to be a CPA.

Mr. Pasion: No, not necessarily.

Ms. Yukimura: That is not your interpretation of the Charter?

Mr. Pasion: Right.

Ms. Yukimura: How many staff people do you have?

Mr. Pasion: Right now, we have Lani, Stephanie, Doreen, and me. That is why we have a vacant position and was dollar funded by the Mayor.

Ms. Yukimura: In terms of title or function, Lani is considered a...

Mr. Pasion: An Auditor.

Ms. Yukimura: Stephanie is?

Mr. Pasion: An Audit Analyst.

Ms. Yukimura: Doreen is?

Mr. Pasion: Clerical.

Ms. Yukimura: Okay. With you, there are three (3) Auditors?

Ms. Pasion: There are two (2) Auditors. Stephanie is support.

Ms. Yukimura: Okay. Two (2) auditors. You are saying that you want back the position that was removed?

Mr. Pasion: Yes.

Ms. Yukimura: What is your intention with that position?

Mr. Pasion: It is to have it refilled and get the best that we can get available.

Ms. Yukimura: That would be an Auditor position as well?

Mr. Pasion: Yes.

Ms. Yukimura: But not a CPA?

Mr. Pasion: Well, it depends on what is available. The way I would look at is that we do more performance audits in-house. Any Financial Audits is being done by an outside CPA. By the way, when we have audits that are done and to conform to The Yellow Book, we go to an outside CPA firm that follows all the requirements of The Yellow Book. They might have to sub a technical. For example, like what happened with the Kīlauea Gym. We hired KMH, LLP, which is a CPA firm, and then because it is so technical, they hired a subcontractor who was an engineering firm to help them with the audit. That is how it would work.

Ms. Yukimura: I guess I am missing something. You are saying that model you are citing from the Kīlauea Gym is how your Office would work?

Mr. Pasion: If we had to outsource an audit, most likely the one that would get the audit would be a CPA firm. For example, if we did the Parks.

Ms. Yukimura: Yes.

Mr. Pasion: Most likely, it would be awarded to a CPA firm, and then they would hire technical assistance.

Ms. Yukimura: I see. You are talking about getting the CPA function by contracting out?

Mr. Pasion: Right.

Ms. Yukimura: That is what you are saying?

Mr. Pasion: Yes.

Ms. Yukimura: What is the balance you are thinking of? This is my last question.

Mr. Rapozo: Really?

Ms. Yukimura: For the first round.

Mr. Rapozo: I inadvertently let Ross take two (2), so in all fairness, go ahead.

Ms. Yukimura: If you had this additional position, you would have three (3) auditor positions, if you include yourself?

Mr. Pasion: Right.

Ms. Yukimura: That sort of indicates you are building an in-house capacity to do audits.

Mr. Pasion: On the performance ones, for example, on the Roads, that audit was done by Lani, but we had to use Manthos to provide the technical. Lani did the audit but required technical inputs of Manthos Engineering. She did that. She did the same thing with the Kaiākea Fire Station, too, and also the Kilauea Gym. We are engineers. We are not experts in every field. According to The Yellow Book, if we do not have the expertise in-house, we are allowed to bring those experts to help us to provide an objective audit.

Ms. Yukimura: I guess I understand the specialized engineering or even legal, if the County Attorney—but auditing skills, I am still kind of looking at that balance. Thank you.

Mr. Pasion: Thank you.

Mr. Hooser: In listening to Councilmember Yukimura's questions, it made me look at the Charter. I do not know whether we need to either ask the County Attorney in writing or ask him to come over, but it does look like there should be a CPA. Since we are talking about a position...

Mr. Rapozo: Today's discussion is on the Budget.

Mr. Hooser: Right.

Mr. Rapozo: His presentation and the Budget numbers. If there is a question about the qualifications, that should be done via the County Attorney. I

do not expect the County Attorney to come here today. The Chair is back, but I would hope that we can focus on Budget as presented and the Audit Plan as was presented. If we have an issue with qualifications and who should be doing a specific audit, I would ask the Chair for his guidance. As far as I am concerned, I would say that should be handled at a different time.

Mr. Hooser: We can do it at a different time. I guess it was in response to the Auditor's request for a position, and for that position, what they are going to do. It kind of leads to a...

Mr. Rapozo: That is perfectly fine.

Mr. Hooser: We could do that at another meeting.

Mr. Rapozo: That is a question that I have, actually. As far as the dollar funded position?

Mr. Hooser: Right.

Mr. Rapozo: He is requesting that we fund it.

Mr. Hooser: Right. I believe in response to earlier questions, the response was it was not anticipated to be a CPA. That led to the question of whether or not the Charter requires a CPA.

Mr. Rapozo: Okay.

Mr. Hooser: That is how I got there.

Mr. Rapozo: I guess everybody can interpret the Charter how they desire, but I think what I heard from Ernie was that obviously, he would like to get a CPA for all of the positions, but he is pretty much reliant on what the market will give. Like he said, it took six (6) months to hire the last person who was a CPA. He is no longer there. As far as whether or not we need a CPA, that should be a discussion for someone who can interpret the Charter. As far as asking Ernie what his intent is to fill that position, that is perfectly fine today.

Mr. Hooser: With regards to the Budget, and again, it might take some time for the County Attorney to look at anyway, but if in fact a CPA is required, that would be a Budget item and then we need to comply.

Mr. Rapozo: Correct.

Mr. Hooser: I think we should figure out how that would determine some clarity on whether or not it is. Then if it is, we can see about how we can comply.

Mr. Rapozo: I guess a good question would be to ask the Auditor what his interpretation is and what he plans on doing.

Mr. Hooser: Right.

Mr. Rapozo: We can use that as far as communication over to the Attorney's Office. I think that would be appropriate.

Mr. Pasion: I will be glad to...

Chair Furfaro: First of all Ernie, before you respond to that, there is a communication and there is some history. We even had Marion Higa over to take a recommendation from her. I just want to let you folks know that it was not something that past. As far as the query on the structure, I did not participate in removing the CPA in the Budget.

Mr. Rapozo: The Auditor, you mean.

Chair Furfaro: The Auditor's position for a CPA. That was initiated by the Administration's review. Subsequently then, we have a question going back to them. I will see if I can get some of the history from our visit with Marion Higa.

Mr. Rapozo: Do you want to proceed?

Mr. Pasion: The CPA certification is mentioned in the Charter, Section 32.01 (B.), which states, "If financial statement audits are conducted, the county auditor shall be a certified public accountant." Since the Financial Statement Audits are outsourced, CPA certification is not required of the Auditor. We do not do any Financial Audits. If you require us to do Financial Audits, we would have to outsource it for sure.

Mr. Rapozo: Right. Again, Mr. Chair, I think that should be enough for that subject because that is an interpretation issue. We will leave that for the interpreters. As far as the Staff Internal Auditor, which was removed—I will not say removed, but dollar funded by the Administration; what is your intent as far as filling that position, if you should get it?

Mr. Pasion: I would have it posted and get all of the candidates, and then assess what is best. Based on what I would see is that I would ask for their audits in the past and get copies of it. That way, we can see how they handled performance audits and things like that. Again, we do not do Financial Audits here. We outsource them.

Mr. Rapozo: Right. That is reflected in the Budget.

Mr. Pasion: Right.

Ms. Nakamura: Ernie, just to clarify, you are not looking specifically for someone with a CPA background, should the funding become available?

Mr. Pasion: I am not saying that, Vice Chair. I am saying that we would assess whoever is applying and then we will then ask for their past audits.

Ms. Nakamura: The CPA requirement would not be a requirement of that position?

Mr. Pasion: That is correct.

Ms. Nakamura: Okay. Thank you.

Mr. Rapozo: Councilmember Yukimura, follow-up?

Ms. Yukimura: Yes. What is the salary or the amount you are requesting for this position?

Mr. Pasion: It is the same amount that we had.

Ms. Yukimura: What is it?

Mr. Rapozo: It is eighty-nine thousand seven hundred seventy-six dollars (\$89,776).

Ms. Yukimura: Okay. Is that enough to get a CPA?

Mr. Pasion: I believe so.

Ms. Yukimura: You may not mean to make it a requirement, but as part of your difficulty in getting a CPA is the salary level at which you are setting.

Mr. Pasion: Like I said, it will be based on what is available out there, CPA or non-CPA, based on their past performance in audits.

Ms. Yukimura: It is your opinion that it is enough to attract a CPA, possibly?

Mr. Pasion: I think so.

Ms. Yukimura: Okay.

Mr. Pasion: I just received a survey from Association on Local Government Auditors (ALGA) on salaries and I can see those rates.

Ms. Yukimura: Even with a place like Hawai'i where there is a high cost of living?

Mr. Rapozo: I am sure we have a lot of CPAs out there looking for work.

Ms. Yukimura: Okay. Thank you. Very good.

Chair Furfaro: Mr. Rapozo, continue with the meeting because I am playing phone tag on another issue.

Mr. Rapozo: Okay. Go ahead, Mr. Hooser, follow-up.

Mr. Hooser: Since we are talking about the possibility of the position that is being requested, just to be clear, CPA aside; are there others in your Office who are accountants or have accounting degrees?

Mr. Pasion: No.

Mr. Hooser: There are no accountants at all in the Office?

Mr. Pasion: None, except me.

Mr. Hooser: Okay. You are an accountant?

Mr. Pasion: That is my background.

Mr. Hooser: Okay. I was not sure. I knew you had some degrees but I did not know that they were...

Mr. Pasion: I have a BS background in Banking and Finance, and then my MBA in Chicago and I was the Chief Financial Officer of a company of an eighteen billion dollar (\$18,000,000,000) corporation in Chicago. I had nine (9) controllers reporting to me, with travel to Japan and Europe, and to all our clients in the United States and Canada. We closed the books on the 7<sup>th</sup> working day and 15<sup>th</sup> working day. The Board of Directors had their worldwide reports in their hands. That is the kind of discipline I had in the past.

Mr. Hooser: I did not want to assume that everyone was an accountant. I just wanted to make sure there was someone had an Accounting Degree or background in Accounting. Thank you.

Chair Furfaro: I just want to make sure that we also understand that we have the decision over the Auditor. The Auditor is mandated to hire his staff, but with the understanding that they will meet the requirements of the Audit Department, whatever that may be. I want to make sure that we understand that for subsequent selections, we only qualify and hire the Auditor. He is responsible to meet the criteria of the rest of his staff.

Mr. Rapozo: I would agree, Mr. Chair. That is why I guess it is troubling when I saw the dollar funding. I possibly thought that maybe you...

Chair Furfaro: No, that came to me as information after the fact.

Mr. Rapozo: That is, I think, a bigger problem in this process. It is no different than the Administration sending over a Budget reducing our Council Staff. It is no different.

Chair Furfaro: I just sent that note back.

Mr. Rapozo: I actually do not even know how to deal with that right now. It is not only disrespectful but I believe it crosses the line of the separation of power. That is a Legislative Department and the Auditor is responsible for his staff, but collectively, they come under the jurisdiction of the Legislative Branch which I do not believe that the Administration has any right to reduce any position, any Budget item, period. That is just my opinion. Councilmember Nakamura.

Ms. Nakamura: Thank you for your presentation, Ernie. I wanted to ask you a question relating to your 2013-2014 Audit Plan. In previous Audit Plans, you have indicated how many full performance audits you plan to complete. I understand there is some uncertainty this year, not knowing whether that audit position is dollar funded now. Under two (2) different scenarios, could you tell us how many performance audits you plan to complete?

Mr. Pasion: I want to give you the information, Vice Chair, that the other jurisdictions do not make a commitment like that. What I have done is researched on how many audits the other jurisdictions have done. If you are interested, I can provide that information to you. The Honolulu's Office of the Auditor, there are eight (8) of them. One (1) is non-audit. There are seven (7) of them and they average—I had copies made, so we can compare ourselves.

Ms. Nakamura: Thank you for being prepared.

Mr. Pasion: We compare favorably to the other jurisdictions with being a young organization, audit shop. In looking at the two (2) years that that we completed, we had six (6) audits. We average three (3) audits a year and with the four (4) people that I have, excluding the clerical person, we have 0.75 report per staff. If you look at Hawai'i island, over three (3) years that they have, they have 6 (6) audit reports. They are averaging two (2) a year and they have three (3) in their audit staff, excluding their clerical. They are averaging 0.67 reports per staff. From the Office of the City Auditor, where they started in 2003-2004 and they have up to Fiscal Year 2012, they have thirty-one (31) reports over the nine (9) years. They had 3.44 average per year and there are seven (7) auditors there. They are averaging 4.91 reports per staff. I wanted to give you that information to you as far as commitments of how many audits we do a year because you do not know when you get into an audit, what is out there.

Ms. Nakamura: I guess why I am confused is that the stated goal for your 2010-2011 work plan was to complete three (3) to four (4) full performance audits. When I look at your list here—so we take away the financial CAFR because that is not a performance audit, correct?

Mr. Pasion: Right.

Ms. Nakamura: We take that out. Then I look at what did you— for that year 2010-2011, what did you complete? I believe you completed the Energy Report.

Mr. Pasion: We completed the Energy Report. We completed the...

Ms. Nakamura: The Fuel Cost Consumption and Manage Report. That is what was completed that first year.

Mr. Pasion: Vice Chair, for 2010-2011 we completed three (3). The Kaiākea Fire Station...

Ms. Nakamura: I am sorry, this is not in order. Thank you for pointing that out.

Mr. Pasion: We have the Audit of the Capital Project Management, Kaiākea Fire Station; the follow-up Audit of the County of Kaua'i Building Division referring to the Kīlauea Gym Audit; and then we have the Performance Audit Implementation of the Recommendations of the Cost Control Commission Concerning Energy Savings.

Ms. Nakamura: Okay, but did you complete those audits? The Kaiākea one in that year?

Mr. Pasion: Yes. We consider our audits when we issue the draft report. The reason why we do that is because remember when we came out before the Council on the Kīlauea Gym, we never received anything from the Auditee.

Ms. Nakamura: Correct.

Mr. Pasion: We issued the report and then the day before they came up with their response—if we wait for them to give us their response, we do not know when we can finish our audit.

Ms. Nakamura: Do we have the date by which the draft Kaiākea Fire Station Report was completed?

Mr. Pasion: Yes. I will get back to you on that one, Vice Chair.

Ms. Nakamura: That would be helpful. My assessment is that Kaiākea Report was completed in 2012.

Mr. Pasion: Maybe that is when the final report was issued, rather than the draft report.

Ms. Nakamura: Okay. Let us use the draft report then as the guideline.

Mr. Pasion: right.

Ms. Nakamura: I would like to just confirm the draft report. That would be helpful. Mr. Pasion, if you could include the date the draft report was issued so that it is consistent.

Mr. Pasion: Sure.

Ms. Nakamura: That is the Kaiākea.

Mr. Pasion: Yes.

Ms. Nakamura: For the follow-up audit, was that a brand-new performance audit or is that relating to the Kīlauea Gym?

Mr. Pasion: That was related to the Kīlauea Gym, Vice Chair.

Ms. Nakamura: Was that generated by your Office?

Mr. Pasion: Yes.

Ms. Nakamura: That was the original report?

Mr. Pasion: The original one, that was done in 2005. It was in the files here in this Council's files until I got the Office established and was issued to me, and then I had to get it out by February of 2010. Then, we had to do a follow-up audit of that audit which is that follow-up audit on the Kīlauea Gym.

Ms. Nakamura: I guess it would be good to just get the draft report date for that.

Mr. Pasion: Sure.

Ms. Nakamura: That would be helpful. Definitely, the Cost Control Commission Report was done that year?

Mr. Pasion: Yes.

Ms. Nakamura: I think the questionable one is the Kaiākea.

Mr. Pasion: We will get that information for you.

Ms. Nakamura: Thank you. For that first year, your goal was three (3) to five (5) full performance reports. According to yours, you did three (3) out of those five (5).

Mr. Pasion: Right.

Ms. Nakamura: Then the next year, your stated goal was three (3) full performance reports. Is that correct?

Mr. Pasion: Yes.

Ms. Nakamura: Okay. What was actually completed was the...

Mr. Pasion: Road Maintenance...

Ms. Nakamura: Fuel Cost...

Mr. Pasion: Fuel Cost...

Ms. Nakamura: I think we both agree on that one. That was completed that year?

Mr. Pasion: The Interim Report on the Fuel Cost was issued that year.

Ms. Nakamura: What else was issued that year?

Mr. Pasion: The Cash Management was issued.

Ms. Nakamura: Okay. I have that completed the following year,  
so can we get the date of this one?

Mr. Pasion: Sure. The third one is the Road Maintenance.

Ms. Nakamura: The Road Maintenance?

Mr. Pasion: Yes.

Ms. Nakamura: Can we just get the date for that one as well? I  
do not have that listed here.

Mr. Pasion: Sure.

Mr. Rapozo: Which one was that, Councilwoman?

Ms. Nakamura: That was the Roads Maintenance Report.

Mr. Rapozo: Okay.

Ms. Nakamura: In the past year—then the next year, your goal  
was for the year 2012-2013. I guess we have two (2) full performance audits.

Mr. Pasion: Right. We were short of Staff on that one.

Ms. Nakamura: For part of the year?

Mr. Pasion: Yes, so we anticipate issuing one (1).

Ms. Nakamura: Which one do you anticipate to issue?

Mr. Pasion: The Furlough Audit.

Ms. Nakamura: The Furlough Audit. Okay. That is what I was  
going to ask about. That is what I was going to ask about. When you do your work plan,  
you have a laundry list of possible projects to work on?

Mr. Pasion: Right.

Ms. Nakamura: It does not mean you are going to do them all,  
but these are possible performance audits?

Mr. Pasion: That is correct.

Ms. Nakamura: What happens to those that you do not decide to  
work on?

Mr. Pasion: They will be on the list to be done in the future.

Ms. Nakamura: I noticed some of them, for example—so you are going to do the Furlough Audit, the partial hiring freeze audit. Enforcement of Planning Permits?

Mr. Pasion: Yes, that is on our list yet to be done in the future. It is based on what is available to us. We cannot do everything.

Ms. Nakamura: Right. I do not see them on this year's list. Is there a reason for that? It was promised—you said in 2010-2011 that these were some you were going to look at potentially, because it rose to the top of importance. Yet, I am just wondering; some of them you are now completing? We are going to get the Furlough. For the others, what happens?

Mr. Pasion: They are on the list to be done in the future.

Ms. Nakamura: To be done in the future, but it is not important now?

Mr. Pasion: For example, we were supposed to do budgeting. Then the fact that the Budget Director was there for a long, long time and then he retired and then they realized they were going to switch to a different system. We said, "There is no point in doing the Budgeting Audit now. Let us give Ernie and his team time and maybe in two (2) years we can look at what they have done to improve the process."

Ms. Nakamura: Okay. The other one is the "Enforcement of Planning Permits and Conditions" that was first on your 2010, in your 2011, in your 2012, and then it kind of dropped off the radar.

Mr. Pasion: Right now, that is an ongoing—we have contracted with BOW to help us on that.

Ms. Nakamura: How long will it be ongoing? Do you anticipate having a report any time soon on that?

Mr. Pasion: It also depends. Again, you do not know how things will materialize until you get into the field and how you get corporation from the auditees. That is why it is so difficult to really commit to a solid number. For example, the Fuel Audit is still not done. We did an interim but the final is yet to be issued.

Ms. Nakamura: True but in it case, it has been on here for three (3) years, yet there is not even an interim or draft. Do you see an end date, I guess is my question?

Mr. Pasion: When we look at staff and we think it is more important than the one we had before, that is when we decide that we will get to that later and here is one that is more important.

Ms. Nakamura: Okay.

Mr. Pasion: It is really the call of the Auditor based on the risk and the impact on the County that we decide. That is the reason why we wanted to do

the Audit of the Human Resources and Hiring Practices because it would have included hiring freeze part of it. We never had a chance to do it.

Ms. Nakamura: Should it appear on your work plan as something to follow-up on? Or is it just assumed that you are working on it since it already appeared on the previous?

Mr. Pasion: What we could do is we could just keep on adding and adding but when I do that, it is a firm commitment to finish everything on the list. That is what the City Auditor does.

Ms. Nakamura: I guess I am not getting a really good sense of what the priorities are of the Department. I am just trying to figure that out. Is it to finish up what were the priorities before, or is it to take on new projects? Where do you put your limited resources now that there are some restrictions on funding?

Mr. Pasion: That is the reason we came up with this. What I presented today is based on what we would do if we do not get the dollar funded position. We would (inaudible) Capital Project Planning and the Service Efforts based on the available...

Ms. Nakamura: Can I just ask one final question on the take-home car policy and compliance that appear both on the 2011 and the 2012 work plans. Could you tell us the status of that audit?

Mr. Pasion: That is ongoing as a matter of fact. Hopefully, it is going to be out before the end of this Fiscal Year. Again, we have that with Pacific Hawai'i LLP (PKF), the outside CPA firm in Honolulu. They have to look at the whole thing. They were just going to look at thirty (30) vehicles and now they are looking at—what they found out is that they are going to go into three hundred (300) vehicles now. You do not know what is going to happen until you get into the field to find out how expansive it could get based on what percentage of what is being investigated by the auditors. That is ongoing right now, Vice Chair. The take-home vehicle is ongoing right now.

Ms. Nakamura: Okay.

Mr. Pasion: It is ongoing with PKF. Like I said, I hope we can get it out before the end of the Fiscal Year.

Ms. Nakamura: Okay. Your policy of stating your goals for how many performance audit—you have done that in past. I guess that is why I was wondering if you were going to do it this year, and I guess you are saying you are not going to do that.

Mr. Pasion: Right.

Ms. Nakamura: Thank you.

Mr. Rapozo: Thank you. The date for the Kaiākea Fire Station was December 6, 2011. The Road Maintenance was August 3, 2012. December 6, 2011 was Kaiākea. That was when the draft was issued and sent over to the Administration and Road Maintenance was August 3, 2012.

Ms. Nakamura: Thank you.

Mr. Bynum: The next draft audit we would likely see is the Furlough Audit?

Mr. Pasion: Yes, Councilmember.

Mr. Bynum: Do you have a guesstimate of when that will be?

Mr. Pasion: I am hoping that it will be by the end of this Fiscal Year.

Mr. Bynum: Before the end of this Fiscal Year?

Mr. Pasion: Yes.

Mr. Bynum: You are still not engaged with the auditee? There is no hold-up on that? At this point you have done all the interviewing that you need to do?

Mr. Pasion: No, we are still.

Mr. Bynum: Okay. Thank you.

Mr. Kagawa: To follow-up on the Furlough Audit, are we analyzing the big question that Councilmembers asked which was, "Is it feasible to put workers on furlough or not to?" Is that what is going to be answered?

Mr. Pasion: Before the County went into the furlough, we provided to the Administration the audit of the California Furlough done by University of California at Berkeley as input. What they found out is that government grants were affected, so it affected the inflow of money into the State of California. They also included all of those that did not depend on the General Fund of the State. What happened here is that it also affected Housing, Elderly Affairs, and people who were getting money should not have been affected. We are looking at that. "We are looking at what kind of savings did we derive from doing the furlough?" "What kind of controls was lost?" By not having the work, there could be controls that were not done or something like that. Those are the kinds of things we are looking into. Also, "How effective was the furlough?"

Ms. Yukimura: Ernie, the plan you offered us is if you do not have the position, right?

Mr. Pasion: Yes.

Ms. Yukimura: The position was not entirely removed. It was just dollar funded?

Mr. Pasion: I do not have the funds that were submitted by the Mayor, so I am saying...

Ms. Yukimura: Right. The moneys were taken out, but the position was not taken out.

Mr. Pasion: No, the position is there.

Ms. Yukimura: If you get the position—it is kind of a follow-up to Council Vice Chair's question, but what is the program you would deliver?

Mr. Pasion: If I get it then I would have to reassess the project that we would be able to submit.

Ms. Yukimura: Yes, but we are telling everybody who is coming before us that if you want these moneys, what will you produce for the moneys given? So you do not have any more of a specific idea of what you would be able to deliver if you had this position?

Mr. Pasion: We would have to look at what we have in our lists. By the way, bringing somebody into the County, you need some time to find out what is going on in the County. Do you know what I mean?

Ms. Yukimura: No, but you are there with three (3) other people right now, so it is not like that person is going to bring in the familiarity or the priorities. That is set by your Office and your leadership.

Mr. Pasion: Councilmember, this is how it works. Let us say I have a project and I assign it to an Auditor. I work with the Auditor, look at the findings, look at the recommendations, and then we make adjustments or look into more stuff. The other Auditor is not involved. When we believe that we have the package, we turn it over to the other Auditor which is for the independent review of the audit. It is the IRR, which is required by The Yellow Book to, make sure that everything we process is all in there; all the pertinent facts and supporting documents. We cannot get the other Auditor involved in that audit. Then vice versa or the same thing. If I am working with this Auditor here, this other one is not involved.

Ms. Yukimura: I do not think I am making myself clear enough. I am just saying, what priorities will you have as the Auditor for this other position that you are asking for?

Mr. Pasion: I would have to look at my list.

Ms. Yukimura: What list?

Mr. Pasion: I have a list of projects that I would take from.

Ms. Yukimura: It is going to depend on who you get rather than what you want to accomplish?

Mr. Pasion: It will depend on both factors.

Ms. Yukimura: Thank you.

Mr. Rapozo: Thank you. Are there any follow-up questions? Go ahead.

Mr. Hooser: I did not have any other questions but after hearing everybody else, I have another question or two (2). It is fair to ask if your Office was to get another ninety thousand dollars (\$90,000) plus fringes, what is that the people of Kaua'i get for that money? When you say to look at your list, is that list of projects that are underway now? Or a list of new projects?

Mr. Pasion: It could be a list of new projects.

Mr. Hooser: You have a list of potential audits/reviews?

Mr. Pasion: Yes.

Mr. Hooser: Could we get a copy of that list, too?

Mr. Pasion: I can provide you that list.

Mr. Hooser: Okay. Great, thank you.

Mr. Rapozo: Thank you very much. You have another one?  
Go ahead.

Ms. Nakamura: I have a question on your work plan or Audit Plan for the coming year. On the County Ethics Policy Survey and Assessment, can you—sounds like you are going to do survey and assessments of County employees and officials?

Mr. Pasion: Yes.

Ms. Nakamura: What kinds of questions would you ask and what are you trying to get out of this?

Mr. Pasion: Us Auditors, we do good networking. For the City of Berkeley, they had an award on that particular audit and so we would look at what...

Ms. Nakamura: What kind of questions would you ask about Ethics? We have an Ethics Code. What are you going to ask related to that?

Mr. Pasion: Like I said, we would refer to the kind of list and we would also look at other lists from other jurisdictions that did this kind of survey.

Ms. Nakamura: What would be the nature of the questions that you would ask?

Mr. Pasion: Let me get that information and I will be providing it to you.

Ms. Nakamura: What do you hope to accomplish with this particular audit?

Mr. Pasion: I want to make sure that we are aboveboard on the way we operate our County government. That is what it would be so that the people of County would say that everything is okay.

Ms. Nakamura: By people self-reporting whether or not they are doing things ethical? Is it self-reporting?

Mr. Pasion: Having an independent report like that would assure the citizens of the County that the County government is operating ethically.

Ms. Nakamura: Yes, but I am going to be self-reporting. I am going to say, "Yes, I get to work on time," or "I do not have a conflict of interest." I am going to report to you through a survey.

Mr. Pasion: It will also require the involvement of Staff to get of the information.

Ms. Nakamura: Right. I would like to take a look at that Berkeley report, if it is available. I just do not understand what you get out of this. Thank you.

Mr. Pasion: I will do that, Vice Chair.

Mr. Rapozo: Thank you. Basically from what I understand about these types of audits or surveys are that they go out and survey the employees. It is not just self-reporting because it is basically saying, "Hey Ernie, Nadine is doing this. Joe is doing that." They compile the information and it is really to determine whether or not in some jurisdictions they have these tip lines where you can report abuse. The military does that and that is where I am familiar with it, from the military, not from government because I think most Counties will not do it. That is my understanding of how these surveys work. It does work in many jurisdictions. That is how I understand that to be, but I would like to see the Berkeley study as well. That would be interesting. Are there any other questions?

Ms. Nakamura: Just as a follow-up on the discretionary, going back to that one. With limited resources, Ernie, and with the Mayor having a limited Budget and I do not know about the Prosecutor, but I really feel that is not a major priority. I would not spend a lot of time or resources or make that a high priority, given in some other things. Maybe we can talk about some of the other items that might rise higher than that. I know this is still a work in progress, so I hope you would be open to other suggestions.

Mr. Pasion: Okay. I will take that into account, Vice Chair.

Mr. Bynum: I know the Council can request through resolution, you to conduct certain audits, right?

Mr. Pasion: Yes.

Mr. Bynum: If we give you that and unanimously the Council says, "Ernie, we want you to do this." How do you prioritize that? Does it bump your priorities? Is it up to you? I do not recall.

Mr. Pasion: According to the Charter, the Council can submit a request for us to look into audits via resolutions, approved by the majority of the body.

Then it comes to us and we look at the thing, and the request and we would then take into account looking at other projects that we have and do a risk assessment. "What is the impact of doing this compared to this one?" We would do that. It does not mean to say that by submitting it to us that we jump and drop everything and we do what you submit to us. We have to look at the impact of what you are submitting to us compared to the audits that we have on the list.

Mr. Bynum: All of what you said makes sense but for the bottom line, is it your determination whether those requirements rise to the level that you are going to slot it? I just do not know in the long run...do you have to do what the Council asks you to do eventually? Is it just another suggestion that you put in and make an independent decision?

Mr. Pasion: I am citing the Charter. The Charter says that it is submitted to the Office of the County Auditor and is under consideration of the County Auditor.

Mr. Bynum: Okay.

Mr. Pasion: Going back to the past, we did some pre-audits for the Council on the Landfill and the hazardous waste. The Chair submitted that to us and we looked into it. We also did another one and one submitted by the Cost Control Commission that we looked into. We welcome the Council submitting to us what you guys want us to audit.

Mr. Bynum: But you are not required to do it or required to assess it?

Chair Furfaro: Let me summarize this because there is a policy I wish you would have referred. You and I have met on this, and I think the way the procedure you responded to is exactly what is in the policy. Let me circulate it, Tim, and then we can review the particulars because the biggest part is that you have to come back to us and say if there are additional costs and what those costs would be.

Mr. Pasion: That is correct. We have to have funds to do that request and if not, then you have to fund it for us to do that audit.

Mr. Bynum: I ask these questions for a reason because I am working on one.

Mr. Pasion: Okay.

Mr. Rapozo: Thank you, Mr. Bynum. We have Elderly Affairs. We have to take a caption break. Mr. Hooser and Councilmember Nakamura have a question. Mr. Chair, if it warrants any more discussion, we can do a Call-Back under your discretion. We still have to do a caption break, so apologize to Carol.

Mr. Hooser: It is a follow-up the discretion. From my understanding, we are here to approve or discuss the Budget, but also the Audit Plan seems linked to the Budget because we are being asked to fund an Audit Plan. At some point we actually vote on the Audit Plan. Is that correct? I thought the Council approved the Audit Plan?

Chair Furfaro: It goes this way, Mr. Hooser. He submits the plan and the Budget that we approve supports which pieces we are doing.

Mr. Hooser: Okay.

Chair Furfaro: That is how it goes.

Mr. Hooser: Okay. We approve the Budget, which plan is linked to it, so indirectly we do. As you come back for further discussions, you had mentioned earlier you will bring a list of other options and audits on your list. I will assume we will have a discussion on that list at some point.

Mr. Pasion: Right.

Mr. Hooser: We will have a discussion and it is possible you might amend your plan to reflect ideas or concerns that were expressed by Council? It is possible?

Mr. Pasion: Possibly.

Mr. Hooser: As opposed to having a resolution passed, that is another way for the Council to exert their prerogative or intent, if you would. Then at the end, it is up to you whether you accept that or not? That is another opportunity for us to bring those ideas forward to you.

Mr. Pasion: Yes.

Mr. Hooser: Yes.

Mr. Rapozo: If you have audit concerns and you want them to consider it, I would suggest getting it to him as soon as possible so he can incorporate it into the plan.

Mr. Hooser: Okay. Like the golf course, I wanted to ask for a...

Mr. Rapozo: I think you mentioned the Humane Society the other day.

Mr. Hooser: Yes.

Mr. Rapozo: He will do the assessment and if it makes the Audit Plan, then fine. If does not, we will do a resolution and with the resolution, should be, if needed, the funding.

Mr. Hooser: Okay. Otherwise, it would be the Audit Plan with the existing funding?

Mr. Rapozo: Yes. The idea is to try to get him on the Audit Plan.

Mr. Hooser: Okay. Thank you very much.

Mr. Rapozo: But he is an independent auditor.

Ms. Yukimura: Ernie, I think you have always told me we have to get it in a resolution for you to do it?

Mr. Rapozo: If it is not in the plan.

Mr. Pasion: If it is not in the plan then according to the Charter, the Council can submit to the Auditor by resolution, where the Auditor can consider doing an audit

Ms. Yukimura: Thank you.

Mr. Rapozo: Ernie, thank you very much. I have one (1) question. Certified Fraud Examiners, all of your Audit Staff is certified audit examiners? You do not need to go into detail. It was in your narrative.

Mr. Pasion: Yes.

Mr. Rapozo: Thank you. We will take a ten (10) minute caption break and be back with Elderly Affairs. Thank you for your patience, Elderly Affairs.

There being no objections, the departmental budget review recessed at 3:44 p.m.

Chair Furfaro: I asked the Auditor to stay because I wanted to summarize a few things so that we all understand especially for some of you either coming back and revisiting and/or first time exposure. First of all, I think we are all in agreement that the first subject matter that I had brought up dealing with the Discretionary Audit. As you know, I had some concerns about that as being a project item because we do not have discretionary funds and then the conversation went on to a few other concerns, so that needs to be refine. Also, we had a situation that dealt a little bit about what is the desire outcome we want from what the Vice Chair had talked about when it deals with the Ethics query – the Berkeley piece and so I do not think we are quite clear in settling in on that so we are going to send over some questions to the Auditor’s Department specifically on those 2 parts. Now, when it comes to the understanding of the procedural process, the Auditor submits a budget with a plan. There is a lot of documentation, you gentlemen should know, that we are asking the question about the plan, not the ladies that confirm what Councilmember Yukimura said because in the very beginning the position that the Audit Department said is, they did not need to provide us with a plan simultaneously with their budget. I was at disagreement with that from the very beginning because your plan is the financial aspects of what is in the plan. You cannot judge the financial plan without knowing what the goals and accomplishments are. I can dig out a bunch of understandings that we have now with the Auditors group for you gentlemen. The next item that I want to make sure that we are all in agreement and I am going to summarize the piece that we are sending over to Ernie, it is his plan. He writes the plan, he supports it with the financial piece of the budget, and we review that. There is no problem with us asking him to put in certain things for his consideration but if his piece does not reflect a project you wanted like for example, the golf course, the club house, I can give you several of my request and it went to the Administration as well, he has the opportunity to say if you want us to go into

that kind of detail about net food and beverage sales, and so forth, we can do it but it has to be added to the plan. There is a lot of documentation on that. So, on that note, I wanted to recap the pieces, Ernie, I am sorry I was in and out because we have another issue that does not involved you. On Monday folks, we have three (3) members with excused absences, okay. We must have four (4) people for a quorum. The item while the Administration is here, the item that I have the questions dealing with is Personnel Services; do I interpret that as having a connection to HR? Just a shake of the head. You are acknowledging that and yet HR is a very important subject to all of the members here but we are going to be doing business with the minimum of the Staff here. Before we end today, can I ask you folks now, can you consider a relocation and work with Scott, he is here on when we might do that. I do not think that Personnel Services and HR will be limited to this timeframe. If we can find another date, I would like to do it before we end today to announce it to you folks and then that will give us a little more time with Housing. Those are my housekeeping notes. Kealoha, thank you for your patience and we are delighted to have you here with us now. Come right up. Ernie, thank you.

The departmental budget review reconvened on April 12, 2013 at 3:54 p.m., and proceeded as follows:

**Elderly Affairs**

Honorable Tim Bynum  
Honorable Gary L. Hooser  
Honorable Ross Kagawa  
Honorable Nadine K. Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura (*Present 4:05 p.m.*)  
Honorable Jay Furfaro

LUDVINA KEALOHA TAKAHASHI, Executive on Aging: It is a privilege for me to come before you to present our 2014 budget for your consideration and approval. I will go through the budget presentation and give highlights in each area. First of all, goals and objectives, some of the accomplishments, and we have also experienced some shortfalls or short comes and I am reaching these objectives but some that I would like to highlight in the first goal is that we developed our Hawai'i Aging and Disability Resources Center (ADRC). Our goal in item 1(a) with 1,200 visits to be made annually. We had a record of 3,718 visits between the periods of July 1, 2011 to June 30, 2012. Later going down to item 1(e) our annual goal was to provide 6,000 Information & Referral contacts, where we made 8,495 contacts and with challenges of having short staff this past year. I think it was with our recordkeeping that we were able to chart the context down. Going on to item 2(c) 800 older adults received home and community-based services and we serve 889 for the time period of July 2011 to June 2012. In item 2(d) we served 232 caregivers and these are including grandparents. Going down to item 3(f) this is a very popular program EnhanceFitness (EF) we served 208 participants. Going down to item 4(b) this program is the Hospital Discharge Program and we are working with the Kaua'i Veterans Memorial Hospital and since the inception of the program March of last year, we received 68 referrals and out of the 68 referral, 43 participated and enrolled in the program and we had 15 readmissions. The goal of the program is to help so that they will not have any red missions, so the percentages that we are working at... we are working at 20%... it was like 34% so it is a work in progress.

Some of the areas and short comes that we faced was in the area of "Better Choices, Better Health" it has been difficult to recruit a lot of people interested in taking the classes. The classes are over a 6 week period and so we are trying very hard to get both trainers and participants in our Chronic Disease Management Program. Part of our update is necessary to make some amendments to goals as well which we will do in the coming month to look at some of the areas – goals that we are not reaching and look at how we can better address those needs or place realistic goals that we can achieve. Going on to successes and achievements and in our packet, if you look at those you have some demographic profile of the participants that are in the Enhance Fitness Program. It is really neat to see demographics here. During this time period, there were 204 that were included in this study where you have 95% are female participants. We are really excited that we have 5% males. There is a breakdown on the participant race, ethnicity, income, and the age range we have 13 and 90 plus that is in the program which is extraordinary, I think. If you look in the back of the demographic profile, you can look at the chronic disease they are the type of chronic illnesses that the

participants of which we are addressing with this program. You also have in your packet – another success program is our RSVP. I will just give you a minute to look in your packet. With me today, I do have Celia Melchor-Questin, she is our RSVP Director and also with me is Laura Skrbec, Accountant. She is nervous, do not pick on her. For our Older Americans Month, we have 10 nominees, so we are really excited about that. May 9 is the date that we will hold the recognition event. Some of the challenges that we faced, we indicated Staff vacancies but I just want to give Council an update, I am really happy to say... we have our Accountant on board and she was hired February 1<sup>st</sup>. We have our Program Specialist II, our RSVP Director Celia Melchor-Questin, and she was hired on March 1. We also filled our vacancy for our Community Service Worker and she is Julie Kajiwara and she was hired on February 19. We are really excited as far as the Staff vacancies were, we have only 1 to replace. The other challenges that we faced was, we are in care of vehicles but I will give you an update. We have 2 new Toyota Prius that has just arrived and then our contract for our third vehicle is being processed and will be here in the next few weeks. That will really be helpful to replace our wear and tear on our vehicles.

Next item on page 5 was Planned Improvements and I know it is the same plan that I stated from last year and there reasons to it. The first one is as I indicated to maintain the integrity of our client database to track and record accurate service utilization and expenditure and produce client demographic data. We are having an ongoing issue with the new assessment tool that the State has required us to use. Last year September merged our Kaua'i client database with a Statewide client database and so it has been causing quite a stir in our office. We have been meeting with our vendor every day now and so issues are still unresolved. Hopefully by next year, we will have these things resolve. We have loss some information on fund identifiers for each client. Fund identifiers are a type of funding whether it is State, County, or Federal that the services have been provided to a client. At one time we had it all categorized but it is gone with the merge. Hopefully we will be able to reinstate and get that back. Upcoming Initiatives – it is still an ongoing initiative our Aging and Disability Resource Center. It has been a challenge to say the least to get us fully functional and so it is going to be on the scope for a while until we get to a place where we really can say that we are fully functional. As far as our comparative graphs, yes, the budget does reflect reduction of \$109,131. Operations were reduced by \$94,948. We are going to be cutting meals and I know Councilmember Kagawa and all of you had some concern about us doing that however come Monday, April 15, 2013, we are going to discontinue weekend meals. Notices were mailed out to the participants. We will tap into additional kupuna care funding from the State Legislature in the amount of \$275,946 and this was previous approved by Council. That is to help elevate some of the cuts that we are applying. If necessary, we will discontinue caregiver meals, the person who is giving care of the person needing the meals. We do annual reassessments for all those who are participating in home delivered meals. In the last item on the Operating budget discussion, I know Councilmember Bynum last year you inquired about us reallocating some of our Staff, we have reallocated 3 Community Service Workers from SR-9 to SR-13 and you may wonder and ask why only 3 and not the full 5. The 3 achieved their status as a certified information and referral specialist for Aging and so we are requiring new employees to at least come to that level where they can be certified and it is intense. They go through training and take a National test.

Chair Furfaro: On this item here, I have Mr. Rapozo who has an excused absence at 4:15 and we are going to change some of our Monday schedule but I want to give him a chance to ask questions. Mr. Rapozo did you have any questions for this program in Elderly?

Mr. Rapozo: I had a question regarding the meals, you said on April 15 it is going to be discontinued.

Ms. Takahashi: Yes, only the weekend meals.

Mr. Rapozo: Right. But does that mean that you do not have the funding in this fiscal year.

Ms. Takahashi: No, we do.

Mr. Rapozo: So, why are you...?

Ms. Takahashi: We are just trying to see if we can just shave off some so it will not be that much of a burden. The weekend meals is just that, we are obligated to provide 5 days a week, the added meals were just like a bonus.

Mr. Rapozo: Bonus but I think the Council, if I am not mistaken, I thought the Council put in more money for the meals last budget. Do you remember?

Ms. Takahashi: No, it was the same.

Mr. Rapozo: Okay. But your funding is till the end of the Fiscal Year.

Ms. Takahashi: We have additional – the Kupuna Care funding is until next year, I am not sure, but the recent funding that we received on this date in the amount of \$275,000 those are the funding we will be able to use. I am not sure when the contract end date is.

Mr. Rapozo: For me personally, I would discourage the stopping of the weekend meals. I do not know how the other members of the Council feel but if that ninety plus thousand dollars is restored, you would be able to continue?

Ms. Takahashi: What we are looking at... you are looking at 11,000 meals.

Mr. Rapozo: I am just looking at the budget and there was a reduction in the meal program by 90 somewhat thousand.

Ms. Takahashi: 94,000.

Mr. Rapozo: Is that just for the meals on wheels or is that for the caregiver meals as well? Is that both?

Ms. Takahashi: That is both.

Mr. Rapozo: The 94?

Ms. Takahashi: Correct.

Mr. Rapozo: So, if we should restore that funding, that program will continue, correct?

Ms. Takahashi: It will continue even without the funding. Only the weekend meals will not.

Mr. Rapozo: I am talking about the weekend meals. I am talking about what you are telling us that is going to be cut. If the funding is going to be restored, that would not be necessary, correct?

Ms. Takahashi: Yes.

Mr. Rapozo: I just think that it is one of the programs that help a lot of people. I just think... and if you have the funding until the end of the Fiscal Year, I do not understand why you would stop it especially the meals on wheels program. I do not understand why... if in fact we had to stop it come July 1 then we stop it when come July 1 but why would we stop it prematurely, I do not know, unless we are trying to save money. Maybe you can help me understand the logic.

Ms. Takahashi: Okay.

Mr. Rapozo: If it is to break it in, well, they are going to be broken in anyway but if we can squeeze out April, May, June...

Ms. Takahashi: Up until July.

Mr. Rapozo: At least 3 more months and I am hoping we can find that \$90,000 or whatever it is so that we can restore that weekend meals. Did the notices already go out?

Ms. Takahashi: Yes. And when we added the weekend meals, we did stress that it is only temporary as long as we have the funding to cover that.

Mr. Rapozo: Right and we have the funding. We have the funding until the end of the year.

Ms. Takahashi: Okay, I will get back to you.

Chair Furfaro: We will send that over as a question for clarification. Before you leave, Councilmember Rapozo, I want to let you know that Monday, April 22<sup>nd</sup> is going to be almost a full day now because we do not have enough members here Monday to discuss HR. So, we probably be starting a little later on Monday.

Mr. Rapozo: Monday the 22<sup>nd</sup>?

Chair Furfaro: Monday the 22<sup>nd</sup> I am going to move the Department of Personnel Services to the afternoon. Remember we booked the recall for Economic Development.

Mr. Kagawa: What time in the afternoon?

Chair Furfaro: It will start 12:30. We will have an early lunch from 11:30-12:30 and then start... if we went to 1:30, would that be better for you?

Mr. Kagawa: I can be here at 3:00.

Chair Furfaro: Well, we will still be going until 4:30.

Mr. Kagawa: I can be here about 2:15.

Chair Furfaro: Okay. Scott, we are going to do the 22<sup>nd</sup> and I hate to do this to you, Kealoha, you are such a nice lady to allow us to do this but we are going to do Economic Development from 9:00-11:30, we will break early, and then we will start up again Human Resources on Monday at 1:30. I cannot do the new Department with only 4 members. Kealoha, you have the floor again.

Ms. Takahashi: In your packets also, the last item in the Planned Improvements, page 5 we develop and conduct client's satisfaction survey and I have a sample for you. I put it again on next year's plate because we just developed the survey and so we want to extend it another year so that we can fill it out and get the results back to you. I have a sample of the survey that will go out in your packets as well. I am all done.

Mr. Kagawa: Just to follow up on getting to what Mr. Rapozo was talking about the Kupuna Care funding \$275,000, you use some of that to help pay for the weekend meals?

Ms. Takahashi: We use it for our home makers services, personal care services, and home delivery meals.

Mr. Kagawa: I think it does not go... you do not get enough credit for that program because like I told you that I have a family member that really looked forward to having that service and I am really appreciative to Elderly Affairs for really doing a good job with her as she got old and could not clean her house. I feel like Councilmember Rapozo, I want to do all I can to continue the weekend meals, I think especially for those who have trouble getting around and preparing food. If they still can cook and stuff, I would not feel too bad but I am sure there some out there that really have a hard time and end up not eating. I want to do whatever I can to work with you and touch those that we should be helping.

Ms. Takahashi: Thank you. I really appreciate that.

Ms. Nakamura: Thank you very much for your presentation and the great work that you and your Agency do throughout the year. I wanted to ask you about the weekend meals, about how many weekend meals do you deliver?

Ms. Takahashi: 200.

Ms. Nakamura: How would you characterize the incomes of people who receive those meals?

Ms. Takahashi: In this handout the targeted performance, it lists particularly on the first page where it says clusters one and two performance data, we have home delivery meals and you have your information there.

Ms. Nakamura: I see.

Ms. Takahashi: Living alone; 75 years and older, you look at the percentage, we serve 389 and out of the 389 we have 85% that is older and then if you are looking at the living alone would be 6.9% and the numbers...

Ms. Nakamura: Well, it looks like you have about... is that under Home Delivered Meals?

Ms. Takahashi: Yes.

Ms. Nakamura: At or below 15% poverty or I am not sure what low income minority means, what you define as low income?

Ms. Takahashi: Low income...

Ms. Nakamura: We can find that out... So, you have 85% being 75 years old and 86 being frail elderly, okay. Thank you very much. This is useful information.

Mr. Hooser: I remember in 1998 going on my first meal delivery and I will never forget that experience and I encourage if anyone has never done that, it is just an eye opening experience. It makes you remember the value of this, food is certain part of it but just visiting these seniors who 85% are over 75 and nearly 40% live alone and just the value of visiting them to making sure they have not fallen down or left the stove on for days or... the value of this service is just so significant and I want to thank all the work that you do and everyone that makes this happen. So, the budget... did you cut your own budget or did you send the budget over to the Administration and sent it back and said you only have so much money? How did the process work?

Ms. Takahashi: All of the Departments were assessed a certain amount.

Mr. Hooser: So, you were given a percentage to cut?

Ms. Takahashi: Yes.

Mr. Hooser: And then you explained that cut to the Administration?

Ms. Takahashi: Yes.

Mr. Hooser: And they agreed with the cut? Okay. As an individual, I certainly cannot agree with the cut and I am not keen on raising taxes either but as I said earlier, the Budget is the ultimate policy document. My question is, is there a waiting list? Or is anyone requesting meals are able to get it?

Ms. Takahashi: No waiting list. We are fortunate to have Celia because she was the Director over at Kaua'i Economic Opportunity who oversaw the Nutrition Program.

Mr. Hooser: I remember at one time there was waiting list and that is why I wanted to ask. I know this is not the only worthwhile program but this is certainly a very important one and there are 300-400 people that 85% are over 75 years old and 82% are frail. 2 or more ADLs, what is ADL?

Ms. Takahashi: Activity of Daily Living so 2 lack or limited to performing certain activities at daily living, it could be bathing, walking, or mobility issues.

Mr. Hooser: I remember visiting a woman in Lihu'e living alone and her laundry was piled up and we asked her how come and she could not lift her arms to hang the laundry on the line outside. It is just really sad. The other programs – are there other programs that deserve the same kind of attention that is being cut?

Ms. Takahashi: Basically, home delivered meals that County provides funding for.

Mr. Hooser: Okay.

Ms. Takahashi: We do have other in-home services. In-home services would include personal care and homemaker but we use the County funds as needed in those areas.

Mr. Hooser: Okay. I remember my mother in-law and father in-law would get 2-3 days a week and they really look forward to it and it was a really bright spot in their lives. Thank you.

Ms. Yukimura: Thank you very much. It is always such a good feeling to have your report out about your Agency because you all do such a good job. Talk about metrics, you folks have that down.

Ms. Takahashi: Thank you.

Ms. Yukimura: My question about the meals, you were saying there is not going to be a cut, I am trying to understand about this \$275,000 that you mentioned.

Ms. Takahashi: It is just that we can use those funds... it is supplemental, it is additional funding to our Kupuna Care Funds from the State that we get regularly, so this is additional. We can use those funds with any of our Kupuna Care Services which would include personal care, homemaker, home delivered meals, adult day health, case management, and transportation.

Ms. Yukimura: So, you are using that money to offset the meals?

Ms. Takahashi: Yes.

Ms. Yukimura: I mean the loss of moneys for the meals?

Ms. Takahashi: Yes.

Ms. Yukimura: So, there will not be any cuts to the week day meals?

Ms. Takahashi: We need to get back to you.

Ms. Yukimura: But the weekend meals are the ones in question and you have to look at your budget to see if that \$275,000 – if you can cover it with that \$275,000? Or are you planning by the fiscal year end in June to discontinue weekend meals but continue weekday meals?

Ms. Takahashi: Yes.

Ms. Yukimura: And that will make your budget work?

Ms. Takahashi: Hopefully, yes.

Ms. Yukimura: Okay. What is this issue about caregiver meals?

Ms. Takahashi: It is like a caregiver caring for the elder person.

Ms. Yukimura: They have in the past been able to...

Ms. Takahashi: Receive meals but we stopped in certain situations because of the constraints in money. When we do have available funding, we will add them back on. It is really helping the caregiver, they do not have to worry about making a meal for their loved ones and they would provide that meal. Certainly in our minds, they are able to prepare their own.

Ms. Yukimura: Right, yes, or bring their meal like we bring our lunches.

Ms. Takahashi: Yes.

Ms. Yukimura: If we have the extra, yes, you want to make sense to give them but if you do not.

Ms. Takahashi: Yes.

Ms. Yukimura: Then you have to focus the money on...

Ms. Takahashi: Those that really need it.

Ms. Yukimura: Yes. Okay. Thank you.

Mr. Bynum: This discussion is related to this consultant services line item?

Ms. Takahashi: Yes.

Mr. Bynum: Okay, because it is not labeled "meals."

Ms. Takahashi: I know.

Mr. Bynum: And of course you knew my question was going to be about why there is still a SR-9 in there and I accept your answer, it is a good one. But the difference between SR-9 and SR-13 was how many dollars?

Ms. Takahashi: I am not sure.

Mr. Bynum: Is it like \$7,000 more a year?

Ms. Takahashi: \$5,000.

Mr. Bynum: And for Councilmembers that were not here, I have been looking through budgets about pay equity and I have come to the conclusion... and that one is glaring. It is like, these long-term Community Services Workers are the lowest wages in the County.

Ms. Takahashi: Yes.

Mr. Bynum: And it is sort of the same reason Pre-School Teachers are not paid what they are deserved, it is traditionally a female service job which is one of the biggest gap in pay equity. I am glad that our County is addressing it on a case by case basis. I am exploring the idea of doing the pay equity study for our whole Staff because there are other examples in the budget that do not make sense to me, including some Department Head salaries. I wanted to thank you for pursuing that.

Ms. Takahashi: Staff does appreciate that.

Mr. Bynum: Thank the Administration for being open to that. Thank you, Mayor.

Chair Furfaro: On that note, Kealoha, I want to say thank you and your staff. I am going to recess today's meeting. I think we have only a few questions coming over to you but obviously one of the questions that we want you to

review is the weekend meals that make... our schedule will start on April 15 but we want you to look at the weekend meals.

Ms. Takahashi: April 15 extended it to July.

Chair Furfaro: And see if there is funds there to extend it to June 30 which is the last day of this fiscal year. So, that question will be coming over. Thank you very much, I am going to excuse you folks for now and make a couple announcements before we recess for the weekend.

On Monday, I have approved excuses for Mr. Kagawa, Mr. Rapozo, and Mr. Bynum. Because there will only be 4 of us, we are going to start at 11:00 on Housing and in the afternoon, we will do the Clerk's Office because we have 1 Executive Session on personnel meeting's regarding our own Staff. The other modifications, Tuesday, the morning is Planning, and the afternoon is CIP with the exception of Economic Development. We have added to our schedule 22<sup>nd</sup> to do the Economic Development piece in the morning and we are going to do HR and Personnel Services in the afternoon. Mr. Heu, may I assume although we will send a notice, you will be in touch with those individuals? That way because of the new Department structure, we can all be here to participate.

Ms. Yukimura: Chair, you are saying Tuesday the 16<sup>th</sup> Planning in the morning and CIP in the afternoon. Okay. CIP with Planning, Parks & Recreation, Housing, and Transportation?

Chair Furfaro: That is the 18<sup>th</sup> in the afternoon for Parks. Remember we deferred that to do all afternoon on Wailua Golf Course.

Ms. Yukimura: Okay, so then...

Mr. Bynum: It is in our calendars.

Ms. Yukimura: But I have CIP Parks & Recreation... but it is none Golf Course issues?

Chair Furfaro: Anything but Golf Course.

Ms. Yukimura: Okay.

Chair Furfaro: Again, Tuesday morning – all morning is Planning, and then the afternoon is CIP budget but for Parks & Recreation, it will not include the Golf Course for CIP.

Ms. Yukimura: When do we get Roads?

Chair Furfaro: Everything else now is on the 16<sup>th</sup> and Roads is in there.

Ms. Yukimura: Because Roads is not... the Highway Fund for Roads is not CIP, it is Operating. I just want to make sure we get them back somewhere.

Chair Furfaro: Let me tell you this, Transportation is on the schedule and it includes the buses and discussion on other associated transit pieces.

Ms. Yukimura: What is that day?

Chair Furfaro: Let me finish... the 16<sup>th</sup>, I am talking about the 16<sup>th</sup>. It will include Transportation according to this. So, do you want to do Roads as a separate call-back?

Ms. Yukimura: Because the Roads piece about repaving and Highway Fund is not a CIP and actually the afternoon for CIP is pretty full in Planning, Housing, and Transportation, I just wanted to make sure there is time...

Chair Furfaro: Here is my question, do you want to do Roads separately?

Ms. Yukimura: I want to do Roads somewhere.

Chair Furfaro: I did not ask that question. Do you want to do it separately?

Ms. Yukimura: Yes.

Chair Furfaro: Then we will put it on the calendar.

Ms. Yukimura: So, we will have Roads under CIP even though it is an Operating Budget issue? Okay, that is fine as long as it is somewhere as I said.

Chair Furfaro: Scott, when you reissue the calendar put Roads in there with Transportation. If we run out of time then we will accommodate JoAnn's request and I will ask you folks to give us more time just on Roads. So, that is Tuesday. The 18<sup>th</sup> and this is electronically out to you folks, we are doing the afternoon Wailua Golf Course as it relates to all those concessions. Now, Monday the 22<sup>nd</sup>, we are going to do Economic Development which was a call-back from 9:00 – 11:30 and then at 1:30 we will start with Human Resources and Personnel Services and the current calendar that is published out there only has Economic Development in it and we will be adding to that the plans to take care of that call-back.

There being no objections, the Council recessed at 4:37 p.m.