

The departmental budget call-backs reconvened on April 18, 2013 at 1:10 p.m., and proceeded as follows:

Planning – CIP:

Honorable Gary L. Hooser
Honorable Ross Kagawa
Honorable Nadine K. Nakamura (*present at 1:29 p.m.*)
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Jay Furfaro (*present at 2:28 p.m.*)

Excused: Honorable Tim Bynum

Mr. Rapozo: The budget session is called back to order and I understand that we are with CIP Budget-Planning Department, so if you could come and take your seats? If you could identify yourselves for our Captioner, Cathy, right? Carol? What happened to Cathy? There was no Cathy. Okay Carol. This is what happens when you start the meeting at 1:00 p.m. Peter if you could identify yourself and we can proceed with your presentation and open up for questions.

PETER A. NAKAMURA, Planning Department: As far as the Planning Department's CIP Projects, I believe you have a printout of the sheets of the Planning Department's CIP Projects. If you are starting at the top.

KEITH SUGA, CIP Manager: Excuse me. Actually I gave them an overall sheet. So for the first one, the middle of page 4, the East Kaua'i Development Plan.

Mr. Nakamura: Just for clarity's sake, Councilmembers, I think what was done with the East Kaua'i Development Plan project, and Keith can correct me if I am wrong, but this was originally funded in the General Fund CIP and the money was moved from the...the funding was moved from the General Fund CIP into the Bond Fund CIP for \$50,000. In terms of this project, this is a project that I...is probably my fault for this project lagging behind. We originally looked to provide a draft of the East Kaua'i Development Plan, which is fairly long, outstanding project by the last quarter of last year, but we have been delayed in terms of getting that draft out to the Citizens' Advisory Committee (CAC). So I think there is some...we need to get back in touch with the CAC, and we need to kind of redo a schedule with them of when we plan to present the draft. I think there were some concerns from the CAC at the time that some of the information in it may have gone stale, but what we did in the previous year, the first draft of the plan came up prior to the 2010 Census and what we did was updated the data in the East Kaua'i Development Plan with the new 2010 Census data. There are also some new figures that came out with the Kaua'i Housing Study, which was done by SMS. So the figures are also updated from the SMS Study and at this state we are still looking to complete the study and get back to the CAC. Let me run through the projects first.

Mr. Rapozo: Let me just real quick, the time allotment today is until 2:30 p.m. for Planning, and Golf Course from 2:30 p.m. to 4:30 p.m., and we have to squeeze in a caption break, so we do not have much time. How many projects do you folks have? Just six?

Mr. Nakamura: Yes.

Mr. Rapozo: Let us do it project-by-project. So at least we can close it out and if we have to do... I think the Chair is coming back at 2:00 pm., so we can leave the discretion up to him, but I would assume we want to get through all the projects today, at least for Planning. Councilmember Yukimura, you had a question on the East Kaua'i?

Ms. Yukimura: Yes, the East Kaua'i Plan. So there was a consultant, who was responsible for this plan?

Mr. Nakamura: Yes.

Ms. Yukimura: And this \$50,000, what is it for?

Mr. Nakamura: I think that the \$50,000 was put into the budget; I believe it was...and I need to verify and get back to you Councilmember, but I believe that was done in the last fiscal year. The previous fiscal year. \$50,000 was put in. This was basically to bring the Development Plan study to closure. We have not encumbered the \$50,000 yet, because we were going through some...we are trying to get clarification on the billing that was previously incurred on this project so we have not to date encumbered that \$50,000, which is basically to complete the plan.

Ms. Yukimura: Who is the consultant on this?

Mr. Nakamura: This would be Wilson Okamoto and Associates.

Ms. Yukimura: When was the beginning of the Plan? When did it start? When was the contract consummated or signed?

Mr. Nakamura: Councilmember, it was...when I came on to this project I...

Ms. Yukimura: I know it was before your time.

Mr. Nakamura: I do not have the exact figure, but I believe it was previous to like 2008. I think it was probably earlier than that.

Ms. Yukimura: Okay, so I am going to request a history of the project.

Mr. Nakamura: Yes.

Ms. Yukimura: And the amount of monies spent on the first contract. Presumably you are going to use this for additional consultant compensation?

Mr. Nakamura: Yes, if necessary to finish the study.

Ms. Yukimura: So I would like to see the scope of work of the first contract. And 2008 means that was five years ago.

Mr. Nakamura: Yes. I think the contract was started previous to 2008.

Ms. Yukimura: Right. I mean I think I remember going to a meeting, and I mean the problem with letting a Planning process go so long is that the information gets outdated.

Mr. Nakamura: Right.

Ms. Yukimura: You know?

Mr. Nakamura: Correct. I think that is one of the problems that we found. I am sorry, 2007.

Ms. Yukimura: Is what?

Mr. Nakamura: Is when the contract was started. The project was started.

Ms. Yukimura: Okay. Do you know what the figure was for that?

Mr. Nakamura: I am sorry, Councilmember, I do not have that with me.

Ms. Yukimura: Okay.

Mr. Nakamura: That is something that we can get back to the Council in writing.

Ms. Yukimura: So the plan for this is? What kind of timetable are you looking at?

Mr. Nakamura: We are hopeful to be able to actually, given the amount of some of the other studies we started to wrap up on, hopefully by...getting back to the CAC by the 2nd quarter of this year, which is fairly soon. Hopefully by summer we will be able to circulate a draft to them. If you could keep that as a soft date.

Ms. Yukimura: When do you plan to have the plan come before the County Council, I guess?

Mr. Nakamura: After the CAC, it would still need to go to the Planning Commission and then come to the Council.

Ms. Yukimura: Right.

Mr. Nakamura: So my outside estimate of the plan coming to the Council would probably be in the last quarter of this year, Councilmember.

Ms. Yukimura: Okay.

Mr. Rapozo: Calendar year?

Mr. Nakamura: Calendar year.

Mr. Rapozo: That is ambitious.

Mr. Nakamura: It is, yes. I think the caveat is that at the same time, just for the Councilmembers' information is that we are also working on the Technical Studies on the two development plan studies.

Ms. Yukimura: Those are technical studies for the...?

Mr. Nakamura: For the General Plan study, so we have several studies ongoing at the same time.

Ms. Yukimura: You are talking about your workload?

Mr. Nakamura: Yes. Just overall timing of the projects.

Ms. Yukimura: So we have two other area development plans going now, Līhu'e and Kōloa-Po'ipū?

Mr. Nakamura: Yes.

Ms. Yukimura: I think I will ask for the timetables on those and also the consultant contracts, so I can see the scope of work. But this thing about dragging out development plans is really not very helpful to good planning.

Mr. Nakamura: I agree, Councilmember, yes.

Ms. Yukimura: I hope we are not going to let that happen to these other two development plans.

Mr. Nakamura: I also hope the same thing, yes.

Ms. Yukimura: That is why I want to see the timetable, because it is sort of...anyway, yes, I would like to see that. But I hope you folks...I presume that in the contracts with these consultants there is a timeline that they have to follow, right?

Mr. Nakamura: Yes.

Ms. Yukimura: So I do not know how this Kapa'a contract got dragged out so much, but I know that you were not there. I do not think even the Planning Director was there when it was being done. But I guess.

Mr. Rapozo: When it was not being done you mean?

Ms. Yukimura: Right when it was not being done.

Mr. Nakamura: When we were looking at the plan and initially when I came on board and looked at the plan, I realized there was this kind of history that went back to 2007. What we are focusing on and what I was asked to focus on by the Planning Director was to see if we could bring it to completion. It also provided kind of a caution for the plans going forward and like you said for the two development plans that we are working on.

Ms. Yukimura: Right.

Mr. Rapozo: Councilmember let us put in a request and make it a budget request for the chronology timeline and anticipated completion dates for the three development plans. I think it is important and the Council needs to make a decision on do we continue to fund the development plan that has no ending? Because I think you are exactly right. A lot of the things that are in the plan when it started is either obsolete, things have changed; communities have changed, so I think these plans need to be done in a very timely fashion.

Ms. Yukimura: It is time to update the plan kind of so you do not even get to implement it, you know what I mean?

Mr. Nakamura: I think when we looked at it, Councilmember, one thing we looked at that we needed to update the figures. In the interim for 2007...

Ms. Yukimura: Nobody is disputing that.

Mr. Nakamura: We have taken that step for the previous...for some of the previous figures used that were based on earlier figures we were able to put in the 2010 Census figures.

Ms. Yukimura: That will make it a more useful plan.

Mr. Nakamura: The other thing is that the process...one of the things that we considered in terms of finishing the plan, I think the process of the plan we

went through was fairly good process in terms of the amount of meetings that they with the communities. So I think there is some weight that we would give to the process and the feedback that came back and forth during the time spent in discussion with the project.

Ms. Yukimura: Then hopefully, that process was followed in the other plans. I hope we planned from the planning process to planning process, but hopefully we do not learn to do it this extended period.

Mr. Nakamura: I think there is a balance in terms of being able to honor the process that we went through with the public and getting it to a certain point and going forward.

Ms. Yukimura: That has to be really clear in the scope of work at the beginning. I would like to say like we are holding Solid Waste to contract management, this is a contract and we want to...I mean it is your guys' *kuleana*, right? Contract management? So thank you.

Mr. Rapozo: Thank you. Any more questions on the East Kuaa'i Development Plan? If not, next project. Next project general plan technical studies,

Mr. Suga: Next project is the General Plan Technical Studies on the top of page 5.

Mr. Rapozo: One more thing is really a follow-up. That \$50,000 you say was put in the last General Fund CIP correct and this year we are moving it to the Bond Fund?

Mr. Suga: Correct.

Mr. Rapozo: General Plan Technical Studies, \$364,999.

Mr. Nakamura: Councilmembers, the General Plan Technical Studies, that amount of \$364,999 will probably decrease soon, because we are in the process of encumbering two more contracts. There were initially three General Plan Technical Studies that were set out as part of this funding amount. One was the Socioeconomic Study, the second was the Land Use Build Out, and the third was the Infrastructure Assessment. The socioeconomic General Plan Technical Studies, the contract has already been awarded and the contractor is actually on his way and he was actually down here this past, I think it was Monday. This past Monday? Last week...I am sorry, this past Monday the contractor was here to brief the Technical Advisory Committee on the Technical Study and that study is currently in progress. The next two that are in the pipe are the Land Use Assessment, and the Infrastructure Assessment, Land Use Build-Out, I should say. So the figure of \$364,999 will drop to about \$143,000.

Mr. Rapozo: That is a carry over? That is just the ongoing fund. No new money in that project this year?

Mr. Nakamura: No new money. That is just the carry over and drop the figure down.

Mr. Rapozo: Councilmember Yukimura?

Ms. Yukimura: Who is the Socioeconomic contractor?

Mr. Nakamura: Socioeconomic Study contractor is let out to SMS Hawai'i.

Ms. Yukimura: And the Infrastructure Assessment?

Mr. Nakamura: We are in the process of finalizing those contracts, Councilmember. So we will get back to you as soon as they are executed.

Ms. Yukimura: And Land Use Build Out also?

Mr. Nakamura: Yes.

Ms. Yukimura: I do not know if you heard the questions I asked of the Planning Director, but I wanted to know if you folks are anticipating legal questions that need to be addressed in the General Plan Update and one that comes to mind for me is whether or not a no-growth scenario can be legally justified when the entitlements already granted are in the 4,000 or plus. So I think... especially if a plan exists, I think the Courts are much more open when there is a plan upon which numbers are based. So I do not want to come to the end of the General Plan process and that question is not answered. I am thinking it will come up in the Citizens' Advisory Committee and in the community, because I think that is a really big issue. How much growth? You know? Of resort, especially. Especially because we have this backlog of unbuilt units that have already been somewhat entitled or in various degrees of entitlement. So I want...I think I sent a question already, but it ties in with this, because it is...I think it can qualify as a Technical Study or some of the preliminary questions that need to be addressed in order for us to do our work, in planning.

Mr. Nakamura: It is not currently part of the scope of the Socioeconomic Study.

Ms. Yukimura: Right.

Mr. Nakamura: I do not think when the scope was originally done that was part of it, but I think the way we were looking at the Technical Studies, in and of itself the Technical Studies and we have an Technical Advisory Committee of citizens who are reviewing the Technical Study process with us. The idea was to separate the data-building, the data foundation from the actual policy. What would eventually become the policy. So while the Technical Studies set the database for the General Plan Update, the actual General Plan Update is where the actual policies are debated and discussed with the Citizens' Advisory Committee. So I think that is why these initial studies were not set

up like that to address purely policy questions, Councilmember. But I understand your point.

Ms. Yukimura: So my question is you folks', do you folks feel that the Technical Studies that you have identified and are planning to initiate will cover all of the questions that we need to answer in order to be doing good planning? "Us" meaning the community?

Mr. Nakamura: I do not think there is ever going to be a point we cover everything. What we are finding out as we go through, there are definitely going to be other areas that we need to cover. I think when the original General Plan Update was proposed if I remember correctly there was an initial lump sum for the update. It was a fairly large sum, about \$1.2 million I think.

Ms. Yukimura: Right.

Mr. Nakamura: The decision was made to split it into the Technical Studies to provide the data foundation for the General Plan Update and actually fund the rest of the update process I believe is part of this.

Mr. Rapozo: Which is the next project that you are going to discuss?

Mr. Nakamura: Yes.

Mr. Rapozo: Why do we not take that on...?

Ms. Yukimura: I want to make it clear, you are saying...my question belongs in the next section?

Mr. Rapozo: That is what I am saying we will incorporate it right now together and discuss the two at the same time. That is what I am saying. I am not closing the door on the Technical Studies. I want to incorporate both so we can have that discussion.

Ms. Yukimura: Thank you. I appreciate that. First of all, do you think this is a question that will come up in the General Plan Update process?

Mr. Nakamura: Well, it is an interesting question, Councilmember because one of the things that happened since the last General Plan is the Charter Amendment passed which actually placed kind of a different framework over the rate at which resort units get built on Kaua'i. So what was set up as a result of the 2008 Charter Amendment, I guess, is the (TA) Transit Accommodation rate of growth overlay.

Ms. Yukimura: I know, but it expires with the General Plan Update as I understand it.

Mr. Nakamura: Yes.

Ms. Yukimura: Or it gives us the opportunity to set new levels when we do the General Plan Update.

Mr. Nakamura: Correct.

Ms. Yukimura: So do you not think that this question will come up?

Mr. Nakamura: I think it probably will come up. I am not sure in what context it is going to come up.

Ms. Yukimura: It does not matter.

Mr. Nakamura: Yes.

Ms. Yukimura: If the question is an important question to General Plan decision-making, my question to Planning is what are your plans for accommodating it or addressing it so that we are not caught where we need an opinion when it is before the County Council? And it delays the whole planning process because we have to wait for a legal decision.

Mr. Nakamura: Right. I think that is probably something that we would probably need further discussion on within the Department. Because I think to answer your question, I do not think there is a way that we would be able to cover all aspects of the General Plan that may come up in the process. When the funding for the Technical Studies were committed one thing our Planning Director did, he started to work with our Sea Grant person from UH, and there were concerns that were kind of coming up about climate change and sea level rise. One Technical Study that has been more or less added to the General Plan Technical Study is a Kaua'i Climate Change and Coastal Hazard Assessment Study which is going to be done by our Sea Grant Program which is funded out of a different source. It was going to take money out of this but...To look at that, that study was put into place. So just in terms of whether we feel that everything has been covered? No. We have been finding there are things that we want to cover and one of those is the Climate Change Study as part of the General Plan Technical Studies.

Ms. Yukimura: You may not even need any extra money if you put the question to the County Attorney's Office and you give them enough time to deal with a very big question, if you will. A big legal question. So if you folks come back and tell me that is how you are going to address it, that is fine. But I just want to know first of all if you feel...and you can go back and discuss it and I think the Planning Director indicated he thought it could very well be an important question and if so, how are you going to get it done in a proper sequence? The answers like the Technical Studies will have information that we need to make good decisions. Thank you.

Mr. Rapozo: Thank you, Councilmember Yukimura. That legal question will be reviewed by your Office, Peter?

Mr. Nakamura: We will take that back to the Department.

Mr. Rapozo: I am not sure if we already had that answer going over the TAU Ordinance, but I think what JoAnn is asking specific to the General Plan Update and I would agree that should be addressed, whether it is by you or us at the Council level sending a request. But it needs to be addressed prior to the General Plan. And we are talking years down the road by the time that Update will be at this Council. But definitely that is going to be a concern. Thank you very much.

Ms. Yukimura: Thank you.

Mr. Rapozo: Next project? Or next question?

Ms. Yukimura: Yes. They did not really describe the General Plan Update, \$825,000. Maybe we can have...and it is a new proposed project.

Mr. Nakamura: Yes.

Ms. Yukimura: So if we could have them explain that? Thank you.

Mr. Nakamura: The idea behind having the General Plan Update in this budget, I think this would have been our priority projects. One of the things that we looked at is if we are doing the General Plan Technical Studies and the timeframe to firm those General Plan Technical Studies are between fourteen to sixteen months at the time that we finished the Studies, we wanted the data to be... not to go stale and to at least have the data current when we start the General Plan Update. So just as a ramp-up to the General Plan Update, because of the timeframes of the Technical Studies, you were seeing as a Technical Studies ramping into and tailing into the General Plan Update. At that stage I think we are looking at having it follow fairly closely behind the Technical Studies. As far as scoping of the General Plan Update, I think this is something that we are still discussing in-house. What we realize is that there has been much discussion just even as we were looking at the...as we start the development plans. And even just in general, I think there has been, I guess, there has been indications that the Plan needs to address a sustainable scenario and so one of the problems that we have is sustainability is the term is relatively broad and it is almost one of those that can mean anything and cover anywhere. So what we are trying to do is we are trying to have discussions in-house to sharpen what the focus of the General Plan Update would be.

The second thing we are looking at, and because we have not really gotten down to scoping the project is that we are looking at being able to engage the public in different ways as part of the public education process. Because I think what has changed since 2000 and I think Councilmembers see this also is that the way the public would engage in a planning process has changed fairly substantially. I mean the use of social media, the use

of websites. And being able to engage people other than having them show up at a meeting, after work meeting, or evening meeting I think that is becoming a larger part of moving forward. I think there is almost a generational shift where that is expected, that type of engagement is expected in any kind of comprehensive plan update. So one of the things that we are looking at is being able to have a process that engages people in various different ways. So that is something that will probably take us a little while to scope, but there is a range of new kinds of software. I think if you have been to some of the new partner conferences, Councilmember, I think one of the interesting things is that they had morning sessions where they had vendors of this kind of software show up. And the interactive nature of the software and the use of maps and graphics was, I think that is kind of where we need to head in that direction. I know this does not answer the question of what the scope is, but just to let you know that is something that we are still working on.

Mr. Rapozo: Any other questions? Go ahead. You got the floor, Councilmember Yukimura.

Ms. Yukimura: So this idea of a sustainable future, which I think, if you were to try to get a consensus, most people would agree. Although everybody's definition of "sustainable" may be different. If we really wanted to be a sustainable future there will need to be a rigorous definition of "sustainability."

Mr. Nakamura: I agree. I think there have been...we have been looking at different comprehensive plans or other, I guess, General Plan-level policy plans. And looking at the components that are built into that plan and the breadth of what sustainability covers is almost amazing...the breadth. In some plans we are looking at, there has been a strong public health component in the General Plan and the public health component is linked to a built environment component of the General Plan. So it is interesting in terms of the way the plans are being focused and so sort of the more recent plans we have been looking at and I think that is probably something that we have to take into account. Some of the figures that have been coming out regarding, I think recently, last year, there were a couple of articles about the rise in diabetes in the islands and degradation of that because of lack of opportunities for people to walk or for exercise and so forth. Which is kind of a direct correlation to the built environment and the way we look at how we build. I think those connections are part of that sustainability network we need to look at, but I think you are right. We are going to have to be able to focus the conversation with people to make those connections.

Ms. Yukimura: Yes, because otherwise you have people calling something "sustainable" that is not sustainable and just use it as a fancy label and how you get to real sustainability for this island is a question we want to ask.

Mr. Nakamura: They have been making in some studies they have been making distinctions between what is sustainable and the ability to be self-sufficient. Those would be two different paths. So the discussion itself, the structure of how we conduct that dialogue with the public, is something that we need to work on and develop.

Ms. Yukimura: So I am concerned that your Socioeconomic Technical Study will just be a Social Study and not a real Economic Study, which is part of the real definition of "sustainability."

Mr. Nakamura: Correct.

Ms. Yukimura: So I do not know how you folks plan to address that, but I find that most Land Use Plans hardly address economics at all. That is the reality of life. So if you want to make it real on the island, that question has to be addressed.

Mr. Nakamura: Right. I think it is kind of an evolving kind of thing. It is a Socioeconomic Study in the sense that we are looking at the question of job-creation, the question of employment sectors, but I think I know what you are getting at in terms of when you say "economics" Councilmember. Those kind of fall into the policy decision areas.

Ms. Yukimura: So I just want to say that about 2004 or 2005, we held a workshop with the authors of "*Dancing with the Tiger*,"...something about how to create a sustainable future or "*Dancing with the Tiger and Learning Sustainability Step-by-Step*." and it gives very rigorous definitions of "sustainability." These people did the sustainability study for Whistler in British Columbia. So there is an actual connection between sustainability and land use planning. So that is just a potential source to look at.

Mr. Nakamura: Actually Councilmember, I was thinking back and I am sorry I cannot remember the years, but this had to have been before 2000, but some people from the Rocky Mountain Institute who came here to give a series of fascinating seminars and even back in the pre-21st Century they were talking about sustainability and talking about building and how we do management of solid waste. Peter Calthorpe, one of the visionaries and talking to him was an interesting situation. Even going back that far, I remember those discussions, and those are the kind of things that have to be built in.

Ms. Yukimura: In your public engagement component you have the opportunity to create some really interesting ways to teach people to be citizen planners. And so you could invite Peter Calthorpe here and his firm is working in O'ahu on the Linear Rail. So you could bring in speakers either technologically or in person and develop this fascinating series of public education and engagement as a preliminary to the General Plan process.

Mr. Nakamura: I think one of the things that becomes kind of apparent as we are looking at the General Plan Update, I think part of it is being able to provide that common ground for people to come and discuss these issues and to understand that I think as we have discussions with our Sea Grant person, who is very involved with the climate change issues. It is not an easy thing, and what we have talked about is...and this happened fairly recently as the Climate Change Technical Study is moving forward

with UH Sea Grant is the idea that we not only have to present the data, but how we transmit it to people and how we engage them and talk about it.

Ms. Yukimura: You translate it to people?

Mr. Nakamura: It is one of those things that the length of time is difficult to grasp, if you are talking about things occurring...being able to take into account sea level rise in the year 2100. I think that is kind of beyond people's normal planning range. So being able to provide a way to talk about it and to get people to understand it and why we need to address it now, I think is part of the challenge of the General Plan Update. Hopefully we can use those opportunities of going out to the public, to educate people, as well as get into dialogue with them.

Ms. Yukimura: So you know this \$825,000, that is in the budget, I mean one of the questions in my mind is how you plan to use it to...and is this...will this amount be used for one consultant or two consultants? Is it going to cover the whole General Plan process or do you envision needing more in a sequence? You know, there is such an opportunity here, but we have been known in this County to fritter away hundreds of thousands of dollars and not get the kind of plans that we need or the kind of public engagement that we need. It is both an amazing opportunity and also a huge responsibility how you translate all of those ideas that you are talking about, Peter, into a planning process that is going to do the kinds of things you want to do. Engage the public, help them learn all they need to do to become good decision-makers and how you bring different people together with very different perspectives and ideas to come to a common ground. How are you going to do that?

Mr. Rapozo: It will not be Peter. It will be the process.

Ms. Yukimura: Who is creating the process?

Mr. Rapozo: I think as far as the budget is concerned, I do not think we have a choice. We have to budget the money because it has to be started, but Peter, are you prepared to come at a future date in the Planning Committee to address...because I want to have the dialogue. The dialogue is not going to affect my decision on this budget, because we have to approve that money. I really want to have that because I think what Councilmember Yukimura is saying is right. I also think there are more perspectives to growth on Kaua'i than Councilmember Yukimura's.

Ms. Yukimura: Absolutely.

Mr. Rapozo: I do not say that with any disrespect, but I can tell you there is the world according to JoAnn. There is a world according to Gary. There is the world according to Ross and Mel and Nadine and Peter and everybody else and the challenge is how is that process to get everybody...and not a process that is force-feeding a specific philosophy into the communities, but having a very diverse group of people, discuss. because even as we speak about global warming, sea level rise, there are many intelligent people, like brilliant people, that disagree.

Mr. Nakamura: Yes.

Mr. Rapozo: On global warming.

Mr. Nakamura: Yes.

Mr. Rapozo: So similar to sustainability, if we all took the exercise and said write your definition of "sustainability." I could tell you many people on this island "sustainability" is being allowed to raise their animals in their yard, kill them in their yard, and eat them. That is sustainability limited to their little family.

Ms. Yukimura: That is part of the definition of "sustainability."

Mr. Rapozo: But laws prohibit that. So there are all kinds of definitions of "sustainability." and the discussion is a good one and I do not think that the Planning Committee Chair would oppose that to discuss the General Plan, because it is huge and we are behind the eight ball. Councilmember Nakamura?

Ms. Nakamura: That is all relative, because our development plans are 30,40, and 50-years-old.

Mr. Rapozo: I am suggesting that we have that discussion, because JoAnn, while you were out JoAnn had good questions about the development plans as well. So we could definitely have that discussion and I think start that process at least. So we are familiar with what the process will be.

Ms. Nakamura: And I guess that is where I think I want to get some feedback and guidance from the other Councilmembers, because as Peter said, you know, there are different ways to approach sustainability and how do we incorporate those concepts into the plan? Rather than having a separate chapter on sustainability, how do you build it into each component of the plan? There are different ways of approaching it and because this is the body that is going to be approving that document, it may make some sense to have some discussion about what it is that we would like to see. How do we define "sustainability?" Maybe to provide some guidance, but then I do not know where it crosses the line because it is the role of the Planning Department to actually come up with the plan. So maybe if we can have some future dialogue about that?

Mr. Rapozo: I think the best way is to maybe post a quarterly update at this body here and also have the Planning Committee Chair participate, as much as possible. I do not think that is the crossing the line if you are participating. We obviously cannot tell them, you know, what to do, but we can definitely participate. But I would say once the process starts and I think because what you are saying is exactly what JoAnn was saying that the sustainability. Number one, we have to define that. We have to define that so that it is not in Chapter 1 and not in Chapter 3. That is going to be the critical part is how do we come to agreement on what "sustainability" is? That is, I think, the challenge.

Ms. Yukimura: So yes, I do not think there is a stepping over the separation of powers line if we look at it in terms of self-education, in preparation for the General Plan. Like all of us kind of getting educated, you know and in the process, sharing ideas that hopefully might help the Planning Department formulate the process. But the formulation of the process is an Administrative function, and we respect that. But because we need to be educated because we will ultimately make the decision on adopting the General Plan, and better do it before than after. Maybe looking at it like that, we could do it. I think a regular update is a good idea. And you know, we have the Sustainability Committee as well. So there is a lot of interaction that can happen in terms of a discussion. Let us get Calthorpe here.

Mr. Rapozo: I would suggest even talking with the Chair and setting up a Subcommittee with the Sustainability and Planning Committees so there is active participation with this Body and not one that we have to post Workshops and that the Subcommittee could do the work and make recommendations along with the updates whether it is quarterly or every six-months.

Mr. Nakamura: Just a couple more things before we leave the subject. One thing we are cognizant as to the amount of the funding, we recognize there are fiscal constraints and as we move through the budget, that what we want to do is we want to be able to do exactly what I think Councilmember Yukimura is talking about is make sure that the amount of money that we have budgeted is something that we know we are going to spend it for. That we are able to spend it wisely, I guess. We recognize there are fiscal constraints as we move through the budget process. So at this stage, I think this is amount that we need to work within. So hopefully that is something that we can, as we begin the discussions on the General Plan Update, that is something that we can keep in mind as we go through. The second thing is one of the things, when I was talking to people in the Long Range Staff, who have been working on this for longer than I have. One of the things that they expressed too is that...that I thought was important to keep in mind...is that we wanted to be able to have the Plan be of use to the County Departments. Whether it is the Public Works Department, or the Parks and Recreation Department, the Housing Agency, we want to be able to have the plan have that component so it is of use to them.

So we discussed the need for why was calling almost in reach, that we go to the Departments and sit and talk to them and almost as we would engage the public, we would try to engage the Departments in terms of how to make the Plan something is that they could use and easier to fit into the plans that they may be doing. To fit into processes like the 6-Year CIP Program. So that is something else besides going external to the public, we are looking to do in-reach to the Department and the Agencies that we serve at the same time.

Ms. Yukimura: I think that makes a lot of sense, because you already have this really great precedence, if you will, of Interagency/Interdepartmental cooperation that is building on a lot of fronts and because the General Plan involves functional plans and all of that, it makes a lot sense.

Mr. Nakamura: Yes.

Ms. Yukimura: Where I think the General Plan process could be most valuable to the Departments and where I have a certain uneasiness because I do not think it is addressed is an ongoing data-gathering system and you were talking about being worried that the data would get old and the data that we gather in the General Plan process would get old. If we make as part of the General Plan process, and one of the end products, a data system, which I have been urging Housing to do, too. We need to be able to update our Housing statistics every year, in my opinion. We are not even gathering some of the important information, like, we talked about at the Smart Growth Conference. Like how many are single people households? I mean the upcoming trend is 60%. Going to be single people. And how many are children households and non-children households? Those are the kind of data our present Housing Study does not even, to my knowledge, get. But not just Housing. Overall Planning, Transportation, I think Jim Charlier is trying to get Transportation to have an ongoing updated Transportation Data System. And to me, Planning, if Planning could develop that, we need it. That is a huge project in and of itself, and if that should be another component, I am not adverse to spending money, if I know that it is going to be spent well. So that is the other question, data. Okay? A data system. So we do not have to wait for the ten-year census or when the ten-year census comes, we have a system that just updates all of our data with the ten-year census.

Mr. Nakamura: The other thing would be to be able to look at and identify sources that are already do updating in between...I think in between the Census.

Ms. Yukimura: Sure, bring it all together.

Mr. Nakamura: The American Community Survey does some surveys in the interim periods. Part of it may be learning how to access that kind of data that is already being updated.

Ms. Yukimura: Okay. And then there is just came out in NaCo's publication, the "Healthiest Counties." there is a health survey of Counties. If you are going to tie the General Plan to health and built environment, that data, I think it is put together by the...not Kellogg Foundation, but one of the foundations. Anyway, if you see we have a data system that is able to bring this data together, I think it could be a really useful planning tool. So I do not need to discuss it anymore.

Mr. Nakamura: Right.

Mr. Rapozo: I was just about ready to...

Ms. Yukimura: I could see that.

Mr. Rapozo: I know. I know.

Ms. Yukimura: I am going to put it as a question, because I think it is a relevant General Plan question. Okay. Thank you.

Mr. Rapozo: We will set aside a week and a half nonstop for the General Plan Special Meeting.

Mr. Nakamura: I think I would consider it a success, Budget Vice Chair, if we defined the parameters of what we need to do.

Mr. Rapozo: I think, \$825,000 is not enough to complete the Update, but it is enough to get through this year and obviously as we go forward and the more modular components that we put in like these studies, which I think are good, will cost more moneys. But I think \$825,000, the original question was is that enough? And what I heard you, understanding constraints, it is enough for this year.

Mr. Nakamura: Correct, we understand.

Ms. Yukimura: Can I just say something? I do expect the Planning Department, which is supposed to be good at long-range planning to have kind of a fiscal component of your planning process. So you know, we want to see how all the connections are, and how they are going to interact. That is part of your planning process. Okay?

Mr. Rapozo: Do a really good PowerPoint.

Mr. Nakamura: Okay.

Ms. Yukimura: Thank you.

Mr. Rapozo: Any more questions on the General Plan Update? If not, thank you very much. Your next project?

Mr. Suga: The next project is the Kōloa Development Plan, on the middle of page 10. Kōloa Development Plan is a plan that is already ramped up and had an orientation meeting with our community working group last week. We are starting to do some of what we call "the community profiles." We are working with the consultants to develop community profiles. Once that is done, we begin to engage the community working group in a series of workshops, and the interesting thing that we are finding about the Kōloa-Po'ipū-Kalaheo area is that there is...and we talked about this with the consultants when we first engaged them. I think sometimes there is a tendency to focus on Kōloa and Po'ipū, because they are such a large part of the region. Part of what we are trying to tell the engaged consultants what we are interested is working with the community to identify other areas in that region that people feel are important whether it is Ūma'ō, whether it is Lāwa'i. Whether it is Kalāheo and how we try to preserve those places and not just focus on Kōloa and Po'ipū, because the easy way out is just to focus on Po'ipū, because we have a lot of the hotels there and cultural resources there that we have to work with. Kōloa is right next to Po'ipū, but I think what we are trying to work with the consultants, and with the working group is to make sure that we pay that same kind of attention to the smaller communities, that make up the fabric of the South side communities. So I think that is the challenge for the Kōloa-Po'ipū Study and we are just

beginning to launch that study. There are also some other ongoing initiatives that I think are at work in the Kōloa-Po'ipū area. We are just starting to lock down the Po'ipū Road design workshop and Councilmember Yukimura you had a workshop focused on transportation and parking issues. So part of that is working those into the Kōloa-Po'ipū-Kalaheo Plan and it was important for us to address the smaller communities in that area because people still identify with those smaller communities.

Mr. Rapozo: Councilmember Kagawa?

Mr. Kagawa: I was glad to hear that you said that Kōloa Plan includes Po'ipū. I just got to spend a few hours down there today.

Mr. Nakamura: Right.

Mr. Kagawa: I attended Councilmember Yukimura's Workshop, which was quite amazing and Councilmember Hooser was there. In my group, I had two hotel executives arguing with each other about the parking issue. Because one of the hotel owners has adequate parking for his staff and guests and he was pointing to his neighbor and saying you are one of the problems for the parking situation, because your employees do not have enough parking. So of course, as any business, you always say, you have to take care of your patrons and what do you tell your employees? You tell them to park somewhere else. So it was just amazing that we had those two guys arguing and we found out how difficult this problem is, because I guess back when the smaller hotel had their plans approved and everything by planning, I guess they sold it by saying that less people rented cars at that time. So I do not know how true that is, because I do not know if transportation was ever good as far as having a bus back then and I do not think tour buses for Kaua'i...but I do not know how those plans were approved back then, but the problems that we have now are because of problems that were in the past that is coming back to kind of bite us now. I mean, actually I got to see so much things that we had that meeting for. I saw a lady pushing a big stroller and she actually to avoid the cars, at times she had to go into the lane and continue. But it was just downright dangerous, for people that are exercising, and there are numerous joggers. So it is seeing all of that, and knowing that goes on every day, that tells you that we have got to plan better somehow down there. And you see the Wyndham coming up. It is just beautiful and I asked some of the guys, what is it going to cost? They say the low price is \$1 million. I was telling myself, who of our local people will be able to buy that? You know, it is all the Visitor Industry and what have you and new residents. But just thinking that...and they have not even built the next phase. It is huge already and it is looking great and it is going to be spectacular, but they have more phases to come. I tell myself that I have to do more to put a moratorium regarding any resorts down there, or something, because obviously we cannot even take care of the problems that we have existing. We are going to have a whole bunch of others coming up. But I agree with Councilmember Yukimura, it is the people that will live there, work there, we want to get their input and I am glad that you are having that with them at Kōloa. It is hard. I do not know...you guys have to be the referees, because there are so many people with different...and how do you come to a consensus? You know? Sometimes even as a politician, the majority may come one way, but it does not make the right decision in our heart. So we got elected to go with what we think is...so you guys have a tough road ahead

of you, just by seeing all the opinions that I saw at that meeting that she had. Do you have a comment on that?

Mr. Nakamura: I think you are right, Councilmember. I think one of the things that has, as we were discussing with our consultants with the Kōloa-Po'ipū area, we realize it is kind of this...you have one of the major visitor engines down in the Po'ipū area. But the other thing that you have down there is you just have this really rich cultural resources down there, whether it is Kaneiolouma Heiau and I know the community has worked on the scenic Bypass Road. I think when Po'ipū first started developing there was a vision. People had an idea of what it was going to look like and how it was going to function, but I think in the time since that initial period, I think this is kind of the timing on this, although late for the update, is kind of right. Because I think people need to go back and start redefining how they see that area and especially like not only Po'ipū, but what is Kōloa in relationship to Po'ipū? We still have a lot of residents up in Kōloa, and I do not think anybody wants to see Kōloa turn into almost a service town for Po'ipū. It still needs to work to serve the residents of the area. So I am not sure if we are going to be able to provide you folks with the answers, but I think what we want to be able to do is recognize the changes. Help define what the vision is going forward in that area. Recognize the stuff that we have there, and try to preserve the stuff that is important to the people down there. Hopefully we will be at least able to provide the area to have the discussion all over again.

Mr. Kagawa: Not to be negative on impacts of the tourist industry, because I talked to an Executive at the Hyatt, and they said they are selling like record numbers of visitors and when the visitors are coming, that means our locals are getting jobs and we need that kind of boost, but I think finding that balance. I really appreciate what you said earlier, and it shows that you got Kaua'i at your heart, that you said let's not leave out Lāwa'i or Kalāheo, because a lot of people just go with the flow and when they are not invited they just take it and they feel sad, but I am glad that you are trying to invite those communities in, too, because they need to be heard and they need to be considered, just as equally as everybody else.

Mr. Nakamura: Part of what we are doing with the Plan is reinforce why people feel connected to those places and although where we know the problems in Kōloa-Po'ipū, that we make sure that the distinctive communities that we have retain what they have.

Mr. Kagawa: This is my last comment, going on, like, I mean talking to Executives and then just talking to regular people who work down there, you know, they say, like parking is so bad. They realize that it would be much safer and what have you. But they say why do we not get a parking lot where people can park and get a shuttle? Those are the kind of things when you have a development like the Wyndham, we can use our leverage and say build a parking lot. That is one of your requirements. I know it is not easy. It is easy to try and talk after the fact.

Mr. Nakamura: But I think that is what we have to do. We have to be able to hear what people are talking about in order to know that we are hitting the

right problems. I think hopefully when we are doing the Po'ipū Road Workshop coming up in May, taking an overall look not just at parking, but how people see that entire road and work to redefine what that area looks like. Our hope is that we look at all of those things.

Mr. Kagawa: You know, I feel a lot more confident that you are working on this Peter. I thank you for your work. *Mahalo*.

Mr. Rapozo: Councilmember Yukimura?

Ms. Yukimura: Part of the solution on the Po'ipū parking has to be a transit system as well and I want to point out that is one of the things on the list of the transit...the Transportation Agency, and that is also where the funding comes up. My question on the Kōloa-Po'ipū and again, I think it is the Kōloa-Po'ipū-Kalāheo Plan.

Mr. Nakamura: Yes. Kōloa-Po'ipū-Kalāheo Development Plan.

Ms. Yukimura: Let us name it that way because it is not just the Kōloa Development Plan. This is \$50,000 in addition, to the amount already...this is the amount for the Plan itself?

Mr. Nakamura: No. We have already encumbered the amount for the Plan.

Ms. Yukimura: How much was that?

Mr. Nakamura: \$625,000 was the contract.

Ms. Yukimura: \$625,000, is that all going to the consultant? Do you have some contingencies?

Mr. Nakamura: That is the amount of the contract. \$50,000 is the remainder of it. I think part of this and you will see some of these in the other categories of "CIP Projects." There is some funding remaining. Partially, why we are doing that is we are also retaining a part-time...not a full-time Project Manager to work with us in the Long Range Planning Division and part of this funding goes to pay for that.

Ms. Yukimura: So this is an existing staff that you are going to be using?

Mr. Nakamura: Yes, it is actually someone...

Ms. Yukimura: That is good. I like that. I mean, I really thought that planners should be assigned to an area and they should be part of the Long-Range Planning and then implementation and permitting.

Mr. Nakamura: We are not quite there yet.

Ms. Yukimura: Yes, I know, but I am fine with that there be a Project Manager from within the Planning Department. That is going to contribute towards part of the salary?

Mr. Nakamura: Right.

Ms. Yukimura: Okay.

Mr. Nakamura: So it is not new funding. It is funding that was from the leftover.

Ms. Yukimura: It is carryover funding.

Mr. Nakamura: Correct.

Mr. Rapozo: I just have one quick question. Is that also a transfer from General Fund to the Bond Fund?

Mr. Nakamura: No.

Mr. Rapozo: This was already in the Bond Fund?

Mr. Nakamura: Yes.

Mr. Rapozo: Go ahead, Councilmember Yukimura.

Ms. Yukimura: Okay. So this \$625,000, that includes, I hope, a robust community engagement component?

Mr. Nakamura: That is what we are working on with the consultant, yes.

Ms. Yukimura: And who are your consultants?

Mr. Nakamura: That one is PBR Hawai'i.

Ms. Yukimura: Okay. Your answer was yes, there is a robust component within...I mean it is part of the scope of work of that \$625,000 contract?

Mr. Nakamura: Yes. I think "robust" is a different term...we have different...what you may think of as "robust" may be different.

Mr. Rapozo: We just talked about fines for cell phones when you were out. It is \$5 to the Staff Lunch Fund.

Ms. Yukimura: I can do that. I have to go to the bank.

Mr. Nakamura: I think that is the I owe you, Budget Vice Chair.

Ms. Yukimura: Again, it is that data thing, too. I mean, you are going to be doing data-collection in these areas, but you know, having a full-on system to incorporate all of this and make it useful to a larger picture is really, I think, important. And the timetable on this, you will send to us?

Mr. Nakamura: Yes. I think when the contract was executed, we were looking between sixteen to eighteen months, but you need to confirm the notice to proceed date.

Ms. Yukimura: Sixteen to eighteen months before it gets presented to the Planning Commission?

Mr. Nakamura: Yes.

Ms. Yukimura: As a draft plan?

Mr. Nakamura: Yes.

Ms. Yukimura: Okay.

Mr. Nakamura: What it takes to go through the Commission and the Council was not added into the timeframe.

Ms. Yukimura: Okay. And Planning has thought through the turnaround time from when Planning gets the draft to you do whatever you have to do to get it to the Planning Commission?

Mr. Nakamura: Yes.

Ms. Yukimura: So it means that after sixteen to eighteen months, it is actually going to the Planning Commission?

Mr. Nakamura: That is our target.

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

Mr. Rapozo: Thank you very much. I have one question, on the Project Manager, is that like a contract basis?

Mr. Nakamura: I think it is a contract basis. Yes. It is not a position.

Mr. Rapozo: It is not a position?

Mr. Nakamura: Yes.

Mr. Rapozo: Are you sure or are you guessing?

Mr. Nakamura: Let me verify, Councilmember.

Mr. Rapozo: Do you have one for all the development plans or just Kōloa?

Mr. Nakamura: We took this one Project Manager position and we are working with him on all the development plans and technical studies.

Mr. Rapozo: So that person will be working with all the consultants?

Mr. Nakamura: Yes. Working with us between the consultants, yes.

Ms. Yukimura: Excuse me, so this Project Manager is going to be Project Manager of all of the development plans?

Mr. Nakamura: Along with the staff that we have, yes. He is to assist in the management of those projects.

Ms. Yukimura: So he is going to have to be paying attention to Līhu'e Development Plan, as well as the Kōloa-Po'ipū-Kalāheo Plan and the Eastside Plan?

Mr. Nakamura: Yes, along with the Planners that are in the Department at this stage.

Ms. Yukimura: Oh, I do not like that.

Mr. Nakamura: The Long Range Division.

Mr. Rapozo: Sorry I asked that question.

Ms. Yukimura: Well, the thing is, I mean to me especially if you have a timetable, that is sort of all consuming to have to oversee a project and work on it and attend meetings. And all of that, I mean, to have to do three plans at once.

Mr. Nakamura: Let me clarify, Budget Vice Chair. I think that person will not be responsible for the entire Plan because we have Planners, the Long-Range Planners who are assigned to those plans also and they are almost working together as a team in terms of working the project.

Ms. Yukimura: Okay. So you have a Planner assigned to each area?

Mr. Nakamura: Yes.

Ms. Yukimura: So like Lea is Līhu'e?

Mr. Nakamura: Yes, and Marie Williams is Kōloa-Po'ipū-Kalāheo. Marie and myself are working on the Technical Studies.

Ms. Yukimura: And somebody is going to be finishing up the Eastside Plan, too?

Mr. Nakamura: Yes.

Ms. Yukimura: There is a Planner assigned to that?

Mr. Nakamura: That would probably be me. Lea is working on the IAL Study also. So we are pretty busy.

Ms. Yukimura: As along as the job gets done well, that is the bottom line.

Mr. Nakamura: Yes.

Mr. Rapozo: Any other questions?

Ms. Yukimura: This is a question...or to convey to your Planning Director, but you know we talked earlier about space for your office. I mean all of these plans and how you are going to actually not let them sit on the shelf and actually implement the plans and I must say you are doing a good job with the Līhu'e Core Plan and the Transportation Plan. I like all of the action that is following up to implement. But I think someone has to do a real assessment of your long-range planning division and the kind of planning staff you have and need into the future? That is called "Planning for Planning."

Mr. Nakamura: Long-range planning for the Long-Range Planning Division.

Ms. Yukimura: Or the whole Department actually. I will just leave that.

Ms. Nakamura: You bring up a really good point. We are spending millions of dollars of taxpayers' moneys on these plans and many times these plans will sit on the shelf and the reason why we have not had the full discussion about what is the best way to go about implementing these plans? Fortunately, there are champions within the County, working on the Līhu'e Development Plan and the Multimodal Land Transportation Plan that are taking the next steps and not letting it sit on the shelves. But once as the Development Plans get completed, are there systems in place to make sure that there is a body or whether it is in government or outside of the government and I think we all need to have that interagency focus on implementing these plans because it touches so many County Agencies.

That is a discussion that is ripe for the Council to discuss because so many of these plans are going to be done in the next few years and it will require a commitment of resources. I am just going to say that upfront and how we allocate those resources is the discussion. Whether we decide to do that or not is a discussion we need to have at this level.

Ms. Yukimura: So even just within the Planning Department there is an implementation piece and it is called "Permits and Land Use Rezoning?" You know, it is like you have this plan and then there is going to be people coming in for permits to do certain things in that area. The reason for having the plan is that you judge does this permit request match the goals and objectives and parameters that have been set forth in the plan, hopefully through a consensus-building process? So just that alone and that is why I have always envisioned a Planner who will help do the plan and then will help do the permits. That is a really nice way to link...or to do the evaluation for the higher-level permits like Class IV or zoning changes.

Mr. Nakamura: Yes.

Ms. Yukimura: So that is one thing and then to me, it just also emphasizes it has to be a good plan. If this plan does not give us good direction and resolve certain conflicts, then it gets resolved in the implementation and it is really hard.

Mr. Nakamura: Or at least it provides us the forum to resolve those conflicts.

Ms. Yukimura: Right a context for resolving a conflict.

Mr. Nakamura: Really briefly, Councilmember, what we are finding is that in the two plans that we are working on implementing, one is the Līhu'e Town Core Plan and the other is the Multimodal Land Transportation Plan, the follow-up and the ability to actually implement those plans, it does take some diligence in doing it, I think. All kudos to Marie Williams and Lea for working on the Līhu'e Town Core Plan and for the Transportation Planner to work on the implementation of the Multimodal Land Transportation Plan. But there is effort that comes after the Plan is developed and I think that is what we are kind of finding out and recognizing as we work through those plans.

Ms. Yukimura: One more example. You know, parking is a problem in Līhu'e. It has been alleviated since the Court Building is not being used and the Police Department has sort of gone away. But there has been talk about doing a municipal parking, you know? So that you do not have to have every property develop its own parking. There was a discussion about the Līhu'e Plantation Building and the possibility of that.

Mr. Nakamura: Right.

Ms. Yukimura: To me, if you can bring that up in the plan and develop it, my view of a Planner is they go and they work with the businesses to make it

happen. Same thing in Kapa‘a. I think Tim keeps talking about the really innovative ideas coming out of the Eastside Kapa‘a Plan and it is going to take a Planner working with businesses to make those visions happen. You know? The visions in the plan happen. That is enough. Thank you.

Mr. Nakamura: Budget Vice Chair, sounds like we have moved to the Līhu‘e Development Plan at this stage.

Mr. Rapozo: Yes.

Mr. Nakamura: I am not sure what the page is Keith?

Mr. Suga: On the top of page 12 is the Līhu‘e Development Plan.

Mr. Nakamura: For the Līhu‘e Development Plan like the Kōloa Development Plan the consultant is already engaged and, in fact we are already into the ramp-up period of the Lihue Development Plan. The consultant for that is SSFM Incorporated and just this past Saturday we have the town kickoff meeting. In spite of threatening weather, I think we were...well, let me just speak for myself. I was surprised at the amount of people that were just intensely interested in what was happening in Līhu‘e and we would like to thank the consultant for working with us and for the staff for working on the kickoff fair. I think to see people sit through sessions on Housing or the history of Līhu‘e or envisioning the Līhu‘e Town of the future to just sit and listen to people talk about that. Līhu‘e is a little more...it is a different scenario than we are looking at Kōloa-Po‘ipū-Kalāheo. It is not just the resident population that we are talking about in Līhu‘e, but that group of people that drive and work and who are in Līhu‘e. So we are fortunate that the consultant that we have are particularly interested in connectivity and transportation issues. And the regional planning issues. Like with the Kōloa-Po‘ipū-Kalāheo, what we have also sat down and talked to the SSFM consultants about is the need to look at Hanamā‘ulu and Puhi, as well as Līhu‘e as separate communities. So that plan is on its way.

Ms. Yukimura: Thank you. So \$189,156 is that already contracted or is this in addition, to the contract that SSFM has?

Mr. Nakamura: The contract, like the Kōloa Development Plan is already encumbered.

Ms. Yukimura: How much was that?

Mr. Nakamura: \$700,000.

Ms. Yukimura: How much?

Mr. Nakamura: \$700,000. This is the remainder of the money partially for a Project Manager.

Ms. Yukimura: That is a lot of money to keep there.

Mr. Nakamura: Yes.

Ms. Yukimura: Do you have specific uses of this money?

Mr. Nakamura: I think we are discussing possibly looking at actually supplementing some of the participation elements of the plan. So there may be a bit more draw-down in this fiscal year for this money.

Ms. Yukimura: You will send us the scope of work for the consultant and it has an educational and engagement component and I have to say this past Saturday the kickoff was very, very impressive. It was stormy, but so many people showed up. Workshops were full.

Mr. Nakamura: Yes.

Ms. Yukimura: What I saw in terms of the people milling through the exhibits, Lee, the Transportation Planner was collecting amazing information on Transportation issues in the Līhu'e area. Congratulations to you and the Planning Department and to the consultants on that. Because it was very, very well-done.

Mr. Nakamura: I think congratulations should go to the Long-Range Planner who is working on it. Lea and to Marissa Valenciano who is assisting on some of the Long Range projects.

Ms. Yukimura: Well, to all the people who made it work, congratulations. So there is a public engagement obviously.

Mr. Nakamura: Yes.

Ms. Yukimura: I hope that what was shown in the beginning continues throughout the planning process and then data. There is a data component too, I presume, right?

Mr. Nakamura: Yes. I think one...in fact, one of the workshops that we had that day was on the Housing component in the Līhu'e area. I think that was one of the workshops that were held that day.

Ms. Yukimura: Yes, they were not gathering too much data. I was in that one. And the timetable? If we use this month? Early 2015?

Mr. Nakamura: Somewhere around there, I think.

Ms. Yukimura: Well, you are going to send this information.

Mr. Nakamura: I will send you the schedule.

Ms. Yukimura: Thank you. I would like to see more specific use of that \$189,000. That is a lot of money. Thank you.

Mr. Rapozo: Thank you. I did post the questions on the form and submitted it for all three development plans. So if you want to add to it, check with Staff and you can add to it?

Ms. Nakamura: Thank you.

Mr. Rapozo: You have any more projects? That was it, right?

Mr. Suga: We only have one more just to go over. Middle of page 15. The Public Access and Open Space Acquisition.

Mr. Rapozo: That was...go ahead it was a reduction of \$700,000?

Mr. Nakamura: Yes, and actually for that project there was an existing \$700,000. That funding has been I guess the proper term is "reprogrammed." The funding would be reprogrammed. What we realized when we looked at this budget, that the most, the priority project for the Planning Department is the General Plan Update. So that is where we thought we should focus the money on. Again, recognizing that the fiscal constraints that come along with this budget is that where we needed to concentrate the money on, the new money on was the General Plan Update.

Mr. Rapozo: This is not...this is separate Bond Fund put in the Bond for acquisition in the Planning Department?

Mr. Nakamura: Yes. It was separate...I think it was separate from the Public Access Fund.

Mr. Rapozo: I would hope so. Because then I think it would be illegal.

Mr. Nakamura: It was a separate allocation.

Mr. Rapozo: So I think I vaguely remember putting that amount in the Bond Fund for acquisition.

Mr. Nakamura: Yes.

Mr. Rapozo: Okay. So it was basically reprogrammed.

Mr. Nakamura: Yes.

Mr. Rapozo: Probably to accommodate the General Plan Update.

Mr. Nakamura: I think that is probably what we recognized the need to do that and the General Plan Update was a priority for us.

Mr. Rapozo: That is pretty self-explanatory. No more questions? Thank you very much. We will send over the questions in writing that you heard.

Mr. Nakamura: Thank you, Budget Vice Chair. Thank you Councilmembers.

Mr. Rapozo: It is 2:30 p.m., Council Chair, welcome back. My suggestion would be to take the caption break. If we take the caption break now we can go straight through.

Chair Furfaro: I have promised to take some testimony in the beginning, because it is a CIP item. So let us take the caption break at twenty minutes to 3:00 p.m. and let us start on the Golf Course.

Mr. Rapozo: Recess ten minutes. Caption break.

There being no objections, the Committee recessed at 2:30 p.m.

The departmental budget call-backs reconvened on April 18, 2013 at 2:45 p.m., and proceeded as follows:

Parks & Recreation (Wailua Golf Course)

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

Excused: Honorable Tim Bynum

Chair Furfaro: Okay, we are back. Our next Council agenda item for CIP will deal with the strategies associated with investments as it relates to the Golf Course and the Golf Course concessions. And before we start, Alan I have got you signed up to speak and I will let you speak before we start. You have six minutes. I will give you a head's up at the halfway mark and you can continue from there. Make sure he has got the microphone.

ALAN TADA: My name is Alan Tada, representing the Thursday Hui Corporation who is the Wailua Golf Course/Golf Cart Concession. This will be our second term for doing the carts. Wailua Golf Course is right now considered to be the best golf course on Kaua'i. It is a hidden gem for all of these non-resident players. And our appreciation totally goes out to Baron Nakamatsu, Craig Carney, Richard Rapozo, and the crew for their efforts in the organizing and upkeep of this fabulous golf course. Currently we are averaging only \$37,000 a month. Our projection should have been \$40,000. So we are doing about a \$3,000 a month loss. And looking at from 2010 to now, there seems to be a steady drop of 30% from the last three years. Part of the problem is since we started this first...the second contract back in December of 2011, the restaurant has been closed since. Because of that, we lose another 10-15% of people that might want to play at the Course. Not only that, we lose a lot of fundraiser tournaments. For example, Wailua Golf Course, if you are doing a fundraiser event and charging \$100 a piece and you play at Po'ipū Bay, they charge \$60. \$60 goes to the course, \$20 goes to the buffet and the food and they pocket \$20. Wailua Golf Course, all they have to pay is \$10 for the cart and most of the people, the registrants for the tournament have monthly cards. So \$10 is what they pay, \$20 for the food, and they pocket \$70. They would want to play Wailua more than any other course to make money. But because we do not have a facility to have the awards banquet, we lose that. Now as of April 1st, the Pro Shop has closed. The main problem was that we kind of solved with Ian and Steve Hunt as I was worried about the rental of the clubs for the non-residents. Without the clubs, you cannot play. You cannot play, you cannot rent my carts. We are slowly doing a solution to that problem. But you know, with the Pro Shop closed, if you need balls, if you need gloves, tees, anything, there is nothing there. I mean it is sort of like a ghost town.

Chair Furfaro: First three minutes.

Mr. Tada: Okay. We are requesting a reduction in our Contract No. 8560 from \$12,000 to \$9,000 a month, or a possible increase of the cart rental from \$2 for night 18 holes, \$2 more to \$20 from \$18 and from \$10 to \$11 for the nine-hole cart rental. This would kind of adjust the \$3,000 deficit that we are encountering. Business is tough these days. As can you see the restaurant never opened and whoever went there always closed and the Pro Shop, they do not make money at all. If they have the possible driving range, they would have a chance. But with the facility you still have to get the people to get the balls. So that is another problem. The bottom line, without any or either of these adjustments, we cannot exist. Right now if this goes on for the next three years we are losing \$138,000. If I pull out now, and sell the carts, I still can get \$4,000 per cart and I will lose \$80,000. But I would rather lose \$80,000 than \$140,000 in three years. Thank you very much.

Chair Furfaro: Before I recognize Mr. Rapozo, I just want to ask you a couple quick questions. What is your total inventory of your carts? How many carts do you have?

Mr. Tada: We have 80 brand-new Club Carts, 19 used/refurbished Yamaha that I promised the County. That is another thing to, refurbish that thing it cost us \$40,000. They went way over budget.

Chair Furfaro: For refurbishment of the 19?

Mr. Tada: Yes. And then one of the ADA carts.

Chair Furfaro: You have one ADA cart? And your carts are on a lease?

Mr. Tada: The 80 is on a lease right now.

Chair Furfaro: And let me ask, so that I am very clear in this consideration you are either asking us to reduce the monthly rental from \$12,000 to \$9,000?

Mr. Tada: Yes.

Chair Furfaro: Or individual cart rental from \$18 to \$20?

Mr. Tada: For 18 holes, from \$10 to \$11 for nine holes. Currently if you rent a cart on any course on Kaua'i you are paying \$25 per person on a cart That is \$50 a cart.

Chair Furfaro: Now the part that is not real clear to me, should we resolve getting a new operator for the Pro Shop, getting a restaurant open for prime daytime hours, are you open to going back to your original contract?

Mr. Tada: Yes.

Chair Furfaro: That is all I needed to hear. Mr. Rapozo, have you the floor.

Mr. Rapozo: Thank you, Mr. Chair. I had a question and I think you might have answered it about the fees. If you went up, would that impact the player...the number of rounds in your opinion?

Mr. Tada: Not for \$2.

Mr. Rapozo: You do not think so?

Mr. Tada: No. They did get a deal playing Wailua.

Mr. Rapozo: It is the best deal in town, no doubt. If you are allowed to raise your fees \$1 for nine and \$2 for 18, that will balance your books?

Mr. Tada: Yes, that will make up \$3,000 more we can collect a month on the basic monthly rental. Right now it averages 70 carts a day. You are talking about 2,010 carts a month.

Mr. Rapozo: I guess my concern is if you look at the charts, the number of rounds continuing to decrease.

Mr. Tada: Go down and decrease.

Mr. Rapozo: I think we have definitely got to be flexible with your contract, because we need the carts or that golf course is really going to be in trouble. It is already in trouble.

Mr. Tada: Everything is like a domino effect.

Mr. Rapozo: That is my point. And I hate raising fees, but I would much rather...and then it becomes a user fee, right? The people that use it will pay you and not the taxpayers subsidizing further with a reduction in your lease. I want to make sure Alan that number is going to be sufficient and considering the constant downturn of rounds played has your rentals been consistent?

Mr. Tada: No.

Mr. Rapozo: Is it going down as well?

Mr. Tada: It is up-and-down, but the average is below what we projected, yes.

Mr. Rapozo: So the \$1 and \$2 in your opinion should be sufficient?

Mr. Tada: Yes.

Mr. Rapozo: Thank you very much. Thank you, Mr. Chair.

Chair Furfaro: Alan, I have a tendency to think differently than Mr. Rapozo and I speak from the standpoint I was the General Manager of Molokai and the Golf Course at Wailua, I was at Princeville and I think an amendment that allows you to have a lower base rate during the period until all the amenities come back is more attractive and the reason I say that, the urgency is there. We do not have a banquet room. We do not have a restaurant. We do not have a Pro Shop, but every time we add something there we hope it is resulting in more rounds, but if it does not, we do not have to keep coming back to this problem and hopefully, we can find some short-term solutions. By saying to you, that we are going to \$9,000. I just want to throw that out because I see the need. Without those amenities, we do not have a competitive golf course.

Mr. Tada: Exactly.

Chair Furfaro: Flat out.

Mr. Tada: And on the other hand too we still have to watch the averages, even with the restaurant and the Pro Shop open to come up sufficiently so that adjustment will not go back up again.

Chair Furfaro: I just wanted to tell you, I might be...I understand the urgency, but I might be approaching it from the other side of the problem than Mr. Rapozo.

Mr. Tada: Right.

Chair Furfaro: But we really appreciate your testimony, and we will see if we have a few more questions, but then we will get in with the Administration. Councilmember Nakamura.

Ms. Nakamura: Thank you very much for the information and numbers that you presented. It is good to have this background. You were talking about fundraising tournaments, I am not a golfer, but at your banquet, were banquets ever held?

Mr. Tada: Right outside of the restaurant and if needed they would put up tents. So we have more table space and stuff.

Ms. Nakamura: And the restaurant would provide the food?

Mr. Tada: Yes.

Ms. Nakamura: And about typically how many people show up at the banquet?

Mr. Tada: I ran the biggest tournament on Kaua'i. We incorporated 180 players. So we take all the 100 carts, the fleet of carts, but being that I am the Chair, I still hold them at Wailua. We have to go to the Convention Hall to service all of these people for the banquet and awards. This could all come back to the restaurant and into our system and everybody is a winner. And like I said, it is basically all tournaments are \$20-25 for the buffet style, per person.

Ms. Nakamura: Right.

Mr. Tada: But we lose so much of that.

Ms. Nakamura: Thank you very much.

Mr. Tada: Thank you.

Chair Furfaro: Mr. Kagawa, you have the floor.

Mr. Kagawa: Thank you for your testimony, Alan. I want to thank you for keeping me humble, because you beat me all the time on that course. But your company is worth my loss and I really appreciate it.

Mr. Tada: Thank you.

Mr. Kagawa: Seriously, I am looking at the numbers from July, 2012 and it shows about \$40,000 and I know that I do not need to really see the numbers currently, because as a regular player, I see how empty the Course is and how empty the range is and everything. I totally agree that we need to do something now or else we will lose the golf cart and the Course will be history. So thank you for hanging in there during these tough times and hopefully we can get you some relief as soon as possible.

Mr. Tada: I appreciate it, brother.

Mr. Kagawa: Thank you.

Mr. Tada: Thanks.

Chair Furfaro: Okay. I want to personally thank you for the testimony. In three weeks, I will be celebrating my 40th wedding anniversary at Wailua fairway utilizing the catering services with a tent on the lawn and it was quite attractive.

Mr. Tada: And we could help you with the flowers too.

Chair Furfaro: A good time was had by all. Thank you, Alan.

Mr. Tada: Aloha.

Chair Furfaro: We have nobody else signed up? Okay. Can I ask the Administration to come up, please? Yes.

Mr. Kagawa: Mr. Chair, real quick. I want to make sure that we save enough time, if we can for questions and I would prefer if...I do not know how long the presentation was, but I think we are kind of familiar with the main two problems is the two missing concessions, and we actually have some guests in the back that are interested in bidding. However, they want to see the golf balls – the range balls attached to the Pro Shop and maybe we can make sure that we address that. Thank you.

Chair Furfaro: Yes?

DANIEL FABIAN: I am sorry...can I make one quick comment?

Chair Furfaro: I will tell you what I will do, I will call you up if you give me your name.

Mr. Fabian: Daniel.

Chair Furfaro: Daniel, come up to the microphone. You have six minutes.

Mr. Fabian: I just have a very quick comment.

Chair Furfaro: Go ahead.

Mr. Fabian: Hi. Just a quick comment especially for the ones that do not play golf at Wailua.

Mr. Rapozo: Sir, you need to state your name.

Mr. Fabian: Hi, my name is Daniel Fabian. For the people who do not play regularly at Wailua, there is no way to play or pay for your round using a credit card or debit card.

Chair Furfaro: We understand.

Mr. Fabian: Oh, okay. I do not know how many time I have stood there and had tourists come up, I am ready to play oh, you only take cash and they look around for the ATM and roll their eyes and go, okay I can use a credit card and play twice, as much at a resort and they leave and the same thing when I hear the people working there when they answer the phone. They say it is only cash or credit and they strike the tee time away, because the person says I would rather pay with a credit card and if you are aware of that. Okay. It is a way to increase your rounds

Chair Furfaro: Not only are we aware of it, it is almost to the point that it is a breaking point to the way we are supposed to do business. Mr. Fabian, your comments have been received.

Mr. Fabian: Thank you. Because I do not want to see the Golf Course go down in any way, because it is wonderful. Everybody does a great job in keeping it in tip-top shape.

Chair Furfaro: Nor do we and this particulate is about investment in CIP, and so forth, so we can have a successful Golf Course. Somebody might have a question? Do you have a question, Mel?

Mr. Rapozo: Various Councils have been asking for the credit card ability for many, many years, but it is an Administrative decision, not a Council decision. But they understand what the Council would like to see over there. But thank you...because maybe hearing it from you, maybe it will change their mind.

Mr. Fabian: Thank you for your time.

Chair Furfaro: Administration, are you going to come up and make a presentation?

IAN COSTA, Deputy Director of Parks & Recreation: Aloha Councilmembers. Deputy Director Ian Costa. Deputy Director of the Department of Parks and Recreation. I guess first of all I wanted to orient you to the handouts that I provided. First on the top is the graphic set of charts. Secondly, and I believe I transmitted this previously, but there is a series of revenue summaries labeled "2013." There is one for 2012 and one for 2011 and these serve as the basis for the graphic charts. At the end of the graphic charts, there are two pages, I believe 11 and 12. Those are timelines for the concession reinstatement of the concessions. And then I do have one other attachment and that is a web article just kind of elaborating the benefits of a golf course in serving to receive runoff, as well as receive sewer effluent, which the Wailua Golf Course receives up to 500,000 gallons a day and if not for receiving it, it would go via the outflow into the ocean.

Chair Furfaro: Excuse me. So the point you are trying to make with that?

Mr. Costa: That we also help.

Chair Furfaro: About the effluent?

Mr. Costa: That we help the nearby sewage plant in getting rid of their effluent, versus sending it to the outflow.

Chair Furfaro: I think you need to know, there was a study done several years ago about the Wastewater Treatment Plant at the Hilton sending the County R-2 water for irrigation. So I do not understand what you are quite comparing there.

Mr. Costa: I am sorry, what is your point?

Chair Furfaro: The point is the cost of irrigation over at the Wailua Golf Course.

Mr. Costa: As far as the Hilton sending?

Chair Furfaro: Yes, I mean there was an offer made. But do we not use the effluent from Lydgate to help with irrigation?

Mr. Costa: That is the primary irrigation for Wailua Golf Course.

Chair Furfaro: It has a dual benefit from an operational standpoint.

Mr. Costa: That also helps us by not having to run our pumps to draw well water.

Chair Furfaro: I wanted to make it clear. Thank you.

Mr. Costa: The first graphic chart I did goes back to 2006. It really just shows the various, by category, the various golf fee revenues. Nationwide I believe there is a decline from golf from 2000...roughly 10% per year nationwide, I believe. In other words, just less people taking up the game and playing golf. So the second and then also plotting on that first chart is the date at which fees were increased on July 1st, 2009 and then subsequently decreased in June of 2010. You can see a little spike there, which was caused by the increase in the fees. What you also can notice there, and you will on subsequent golf fee revenue graphics is basically the seniors, as well as the residents provide a fairly steady amount of play throughout the years and throughout the months.

So I am going now to the next. 2011 fiscal year, golf fee revenue, and the reason I broke this year up separately is I begin to get more detailed... monthly reports whereas prior to that I was not able to get monthly reports, but yearly summaries and I believe I did include that in the last sheet, which looks something like this. So that is why I extrapolated this information to create that chart. Fiscal year 2011 golf fee revenue summary, the top line is the total revenue. But you can see that and it is almost typical of every year, where we see a spike starting in January through March. That apparently is our visitor count increase or what we also term "snowbirds." It is almost common every year. As you can see the green resident play remains fairly steady. There is a decrease throughout that year. It is like roughly 20,000 or so. Then the next chart I have, which is

page 3, provides a breakdown of that golf fee revenue. I am sorry, golf rounds played. No, wait, I am sorry. Do you have a page 2?

Ms Yukimura: Yes, "golf fee revenue summary."

Mr. Costa: Page 3 shows the various breakdowns as far as the rounds played. More than 50%...57% by resident play. The seniors provided about 17% of that play. The super seniors about 9% and the non-residents roughly 14% and juniors, 3%. That is just on the number of rounds and the people occupying the course.

Chair Furfaro: Ian, you do not have anything here that shows the dollars as it relates to market share. I mean, if you were in banking, you can show us as many rounds as you want, but if there is no revenue to take to the bank, it does not mean anything to us. This is the chart that I provided to you folks. So if you have got 57% of resident play, I want to know what is 57% of the revenue is equal to? I am sorry, the rounds are equal to. So if you do this will you go 57% of the rounds are residents. Which is a substantial amount, but revenue is less than \$10,000. 57% of our play is equal to only \$10,200. So I would like to see a market that shows us 57% of the rounds are bringing in 12% of the revenue. Do you have a chart like that in here?

Mr. Costa: No, I do not, but the summary does have the total for the resident play in 2011. \$446,500.

Chair Furfaro: What percentage of that is total revenue for the golf course?

Mr. Costa: 43.3%.

Chair Furfaro: You have seniors, super seniors?

Mr. Costa: That last sheet of the 2011 revenue summary; which provides a yearly summary.

Chair Furfaro: I am sorry the page again?

Mr. Costa: Page 13 on the "Fiscal Year 2011."

Chair Furfaro: Of that, what percentage of the rounds are senior and super seniors?

Mr. Costa: The revenue?

Chair Furfaro: Yes.

Mr. Costa: That is right to the columns on the left. Super senior...\$28,878. Seniors, \$88,173.

Chair Furfaro: And how does that compare to the number of rounds by those two market segments?

Mr. Costa: Seniors are 17%.

Chair Furfaro: Both categories? Senior and super senior?

Mr. Costa: Super senior is 9%.

Chair Furfaro: 9%. Okay. It would have been nice to have a pie chart that said that, too. Mr. Kagawa, have you the floor and then Councilwoman Yukimura.

Mr. Kagawa: I was just going to ask the question for you said residents 10,000?

Chair Furfaro: For the one month. I passed it out the last time.

Mr. Kagawa: Okay, good. Ian, I like this printout that you have given us monthly. It breaks it down pretty clearly, at least for me. It shows...I would just pull out a month. I will go to page 1. Fiscal Year 2013. And it is July, month end July, 2012. So that would be our first month of this fiscal.

Mr. Costa: Right.

Mr. Kagawa: If I look at the residents, we collected \$35,575 for the month, Super Seniors \$21,053. Seniors \$82,060. I guess in comparing...well, we have to flip through to compare, yes? So I will compare over last year, just July. So the resident basically the biggest we went down about \$2,000. From 2011, yes. So it is pretty consistent, but going down. Seniors went up. But I guess the big comparison I want to see is when we had both of the restaurant and Pro Shop operating, when was that last month that I can look to?

Mr. Costa: December, 2011.

Mr. Kagawa: December, 2011?

Mr. Costa: Actually if you look at the fiscal year...let me see, that would be page...

Mr. Kagawa: One more question and this is for the people in the back.

Mr. Costa: That would show up on page 5 of the graphics.

Mr. Kagawa: Okay. Well, I have one question for those in the back. Our restaurant, if you can just go back to our restaurant concession, when do we expect that bid to go out?

Mr. Costa: I have been working...well, we are about to get our contract signed to do the improvements. The improvements, that contract allows for 60 days. So I am still hopeful, because I am trying to dovetail the invitation for bid for the restaurant concession to the completion of that. So I am still hopeful that will be beginning of this fiscal year or next fiscal year, hopefully July, if not by August.

Mr. Kagawa: To get bid out?

Mr. Costa: To get a new concession in.

Mr. Kagawa: All right. Sounds good. Do you have any idea what the upset price will be?

Mr. Costa: Well, the previous upset price which we are still looking at using was 18. \$1,800 a month.

Mr. Kagawa: My second question is, the Pro Shop, when is that contract expected to go out to bid for the Pro Shop and are we including the range balls as part of that contract?

Mr. Costa: Yes. Actually, so if you look on my graphic, page 12, the last page. I do have a timeline there.

Mr. Kagawa: Okay.

Mr. Costa: If you follow that, I actually prepared the bid at the beginning of the year.

Mr. Kagawa: Okay.

Mr. Costa: We were encouraged to look at another amendment or extension and so we tried to offer that to the existing concessionaire, and closely towards the end of their contract even offered a reduction in rent. But that was declined.

Mr. Kagawa: Okay. And are we including the balls?

Mr. Costa: So I am now.

Mr. Kagawa: Okay.

Mr. Costa: I am amending the bid to include the range balls, yes.

Mr. Kagawa: What is the upset price that we expect?

Mr. Costa: I am working on that. It would be tempting because the revenue goes from \$5,000 to \$7,000 it would be tempting to make that the minimum bid. I am not sure that would provide any benefit.

Mr. Kagawa: It is hard to do that because will you end up picking up the cost of operating it.

Mr. Costa: That is right. Along with that would be the responsibility to maintain not only picking up the balls, but maintaining the range mats and maintaining the netting, as well as the balls itself.

Mr. Kagawa: So Ian, does that mean how much workers are currently allotted by our County?

Mr. Costa: Currently we have one-half time position, and one-half time position that has been vacant.

Mr. Kagawa: So what do we expect to do with those workers once the concession goes out?

Mr. Costa: Of their half-time...20% of their time was put towards picking up balls. The other 80% was towards maintaining the grounds, cleaning the parking lot, picking up rubbish around the clubhouse, weeding. So our thought is that they would provide those services.

Mr. Kagawa: Okay. Thank you.

Mr. Costa: And supplement the maintenance staff.

Mr. Kagawa: Okay. Thank you.

Chair Furfaro: I am sorry, B.C. Before I recognize the Councilwoman, you know I have had...I am so concerned about Wailua Golf Course, I had my own staff going out to survey. We sent those surveys over to you folks to abstract some concepts about the facility and how it should operate. I do not know if you have...even if it is on a couple dozen surveys we have at least an idea of some of the people that we interviewed what they are looking for in the Wailua Golf Course. That is the start. That is start. Until we understand what kind of animal we are? Who we are servicing? And then along those lines and I will have that information, I had suggested you take this and say, a round of golf costs how much? Based on the staffing we have? So as we add these amenities, more people come. That is the only way you are going to reduce the expenses. But are we even sure what we want the concession in food and beverage to be based on the surveys? I mean would the customers be happy that it is a Pizza Hut/Taco Bell franchise, because that is all they want? You know, have we gotten that far yet?

Mr. Costa: I mean, I have been focused on repairing the facility.

Chair Furfaro: Understood.

Mr. Costa: To be in a position to have a restaurant.

Chair Furfaro: Okay. But what I am saying is what when we go to lease the restaurant, right? There should be some understanding of what that restaurant is going to be. I mean, is it going to be a breakfast and full lunch service and *pupus* in the afternoon with a bar? Is that what the customers are looking for? Or focus on it being a dinner house, which we have no intention of it to be a dinner house. Here is the market and what they are getting, it costs the County of Kaua'i \$27.31 per round of golf. That is what it costs us. That is the cost center, per round. Now either we improve the number of rounds, which will reduce that or we raise the rate on getting us there.

I think all of us agree the goal is to increase the rounds. And that is why I would... the gentleman who came up with the golf concessions. I am okay with him lowering his fee to us because in his business, his concession, when the rounds come back, those 99 golf carts, 82 new, 19 rebuilt are being used more. So he benefits from that. But we need to understand the market that we are trying to build in a recreation area, and then along the lines...I am not saying that we are going to get to a break even, but you need to come to the Council and tell us how much each year we are willing to write off? Because it is a park. It is recreation for our citizens. This customer survey, which I have been sending my staff out to do will tell you what they are looking for. Now there are some basics there. We have got the sewer line. Okay? We have got the vent for the grills. We have got locker rooms that need attention. We have a banquet room we could rent for additional revenue, you know?

So then after that, whatever other improvement comes, comes from the tenant, and the tenant we hired was Burger King or was the Sushi Chef, whatever the market is saying that they are looking for. That is important to us. And I do not want us to confuse the fact that what you are doing is extremely important. I mean we have to fix the tile. We have to fix the roof, the cooking vent, and so forth. But the other pieces that make that food brand work is up to the tenant that you put in there. Then we have to figure out how attractive are we willing to make it, and how willing are we to say, having the amenity is more important to the number of rounds we bill then getting \$1,800 a month in rent. Those amenities are what drives the rounds, and that is what we need.

In a golf market today, that is losing 2.5% of the golf market in communities across the board. We have to depend on our visitors to build that. Then on top of that, what have we heard from the Coconut Marketplace as far as them giving us a membership so we can attract hotel guests? You know, they should do a survey, those hotel people. Because their customers are saying if I come in the morning and I can get coffee, two eggs over easy and sausage and fried rice and go, you know? We have to know that to reposition a golf course. If they say I just want to be able to drink beer with my friends until 7:30 and make sure I can get some chopped steak, that has got to be known and that will help us drive...I know from a standpoint of repair & maintenance, Ian, you are the right guy to be doing this. But

I am saying from a market understanding of what our golf course is going to be we need to get customer feedback. That is what we need to get.

Mr. Costa: I will get back to your question about how we tell the bidders the kind of restaurant we want or that we believe will succeed. You know, I can only speak to the bids that I have seen historically and the way it is done currently. We require that the restaurant is open during the hours of the course. We have not historically said what we want you to serve or the limit of that operation.

Chair Furfaro: I just want to make sure that you understand, personally, I do not care if we are getting one dollar for the restaurant a month and maybe I should not be so bold in saying that. What I want is whatever restaurant we have there will drive rounds of golf. People will buy golf balls. They will rent carts. That is what that amenity is about. The guy pays his own gas bill and he gets allocated for energy. He has his own payroll, but we want to tell you upfront, this is what we think the customers are looking for. Vice Chair, you have the floor, followed by Mr. Hooser. Oh, you were waiting in line. Go right ahead, JoAnn. I am sorry, my apologies.

Ms. Yukimura: I have a somewhat different topic. So if Council Vice Chair has a follow-up, go ahead, please.

Ms. Nakamura: Thank you for this information, Ian. I just wanted to follow-up to the Council Chair's point about the need for good user data. So that we can figure out how to position the amenities there, and I thought that is why we put in the funding in the budget last year to do that business plan analysis. So we can understand what the user needs are and we can understand how to make each of these amenities cater to the needs of the users, provide the services that are needed, drive the round of golf higher. That is why I thought that is why the Council put the moneys in the budget. I wanted to know where we are with that funding, and where we are with that the delivery of that request?

Mr. Costa: Given the absence of the concession. We as the Administration made it a priority to number one, get the repairs done and get the concession back in as soon as possible. I would say that the one amendment I will work with our County Attorneys to do, because historically in the bid you define the space, the hours of operation, and then we go with the high bid. But what I am hoping to do is put more emphasis on evidence or a track record of running a successful operation as opposed to the high bid. Hopefully that will result and may not be the highest bidder, but hopefully it is somebody that knew how to price their bid to be successful and I still welcome all the surveys and I think that is something that we can move forward with once we get all the pieces of this operation back in order.

Ms. Nakamura: Okay. I think this is separate though. The funding was through the Office of Economic Development. I just wanted to know if there is somebody who can address that? Is that going to come later when we deal?

Chair Furfaro: Make a call over to the Office of Economic Development and have somebody here.

Ms. Nakamura: Is there somebody here from the Administration who can tell us where we are in implementing that line item in the budget?

GARY K. HEU, Managing Director: For the record Gary Heu. Actually that line item was in the operating budget for Office of Economic Development. And a decision has been made that at this point we are not going to move ahead with that particular expenditure, along with a few other items. Also in Economic Development, for which we are not going to proceed with and part of that is the effort to establish some sort of fund balance to roll into next year. So that was part of a larger directive to all the Departments to cut back on travel, training, and other discretionary types of spending for current year in anticipation of the difficulties that we have in terms of balancing the budget for Fiscal Year 2014.

Chair Furfaro: I would like to see if I can have the floor back? The Golf Course to this Council is a superior asset for this County. The work on the greens, the irrigation system when I first got on the Council, transplanting of paspalum. We have a great golf course and the components that make it from "great" to "excellent" is the restaurant and Pro Shop and I will tell that you the gentleman that we have in Economic Development, this guy is an excellent hotelier, a General Manager with an understanding of food and beverage, restaurant, and customer service and what an asset to have your brother in our arsenal of weapons in this Golf Course. We have to get to a point where we understand why our investment is so important in the Golf Course so it reduces our cost exposure. That we go from losing a \$1 million a year to a half a million dollars a year. Because putting money in the reserve, you put money in the bank today, you are lucky to get one and a half percent. You reduce our operating exposure at the Golf Course by \$500,000, we got 50% interest rate. I am not sure I am conveying the talent there. You have people there, you have people addressing the Golf Course facilities, ground and so forth. On the amenities this is where we are coming up short and that is why the Council put the money there. So I am a little bit distressed and yet I know you folks have the talent. That is all I want to say.

Mr. Heu: And Chair, I mean in response to that, I think our focus relative to the Golf Course has been in trying to take the actions, follow through on the actions that Ian is describing, in terms of some of the maintenance work that was identified that needed to be done there. That is where our focus has been. Relative to the various...you know there is any number of expenditures within each Department that we are not proceeding with at this point in time, because of our fiscal condition. As we go around the table, I mean everybody has their own perception and their own needs and desires in terms of what they think is of most importance to the County. At some point, decisions have to be made in terms of activities that we are going to continue to fund and things that we will pull back on and that was the result of the decision not to move forward on that particular expenditure was a result of that exercise that we went through.

Chair Furfaro: I just want to close and say, look, you have a visitor in the Golf Course, the revenue cycle for that visitor is \$42.94. We keep chasing visitor rounds away we are going to end up with an average resident rate of \$9.32 when the cost to operate each round of golf is \$24.00. We are never going to get there. JoAnn, you have the floor.

Ms. Yukimura: Do not leave, Gary. If the goal is to...if you are putting a priority on fixing the restaurant, how are you going to get good bids if you are not taking credit cards and you are chasing away customers?

Mr. Heu; I think the credit card issue is something that we are continuing to look at.

Ms. Yukimura: Well, it has been over a year. So it does not make sense to me that this priorities of the Administration, why would you not have grabbed that money we put in for a Strategic Golf Course Plan and used it to get information to boost the revenues to the Golf Course? I mean, to me, I would have just grabbed it, as soon as you could, and used it to figure out how to boost the revenues. But the first action you can take and I have not done it myself, because everybody around me and around this table has established credit cards for their businesses and other stuff. It is just kind of hard to comprehend why that has not been done and it would help me if you tell me we will have that done by next week, that would be wonderful or tell me what the complications are to getting it done?

Mr. Heu: Well, I think, if we can allow Ian to continue with his presentation, that is part of his presentation. I think he has been in direct contact with certain financial institutions, trying to work through that.

Ms. Yukimura: I do not know if you need financial institutions to go through it.

Chair Furfaro: Mr. Hooser is next.

Mr. Hooser: I would like to ask the Mayor if he could answer some questions for us on this issue.

Chair Furfaro: Sure.

Mr. Hooser: I really appreciate you being here during the budget hearings, and I feel and again I have only been here for five or six months now. And it seem like we hear the same story all the time. It does not seem right going around and around in circles, not being satisfied and not getting the confidence that I certainly need, that things are going in the right direction. As the head of the County and as the boss of all of these other people, I wanted to ask you to try to give me and us some confidence that this is the jewel of the island. The restaurant does not close overnight and it happens over time. The Pro Shop does not close overnight.

This tremendous asset has deteriorated over time and now we are looking at it, you know? We are getting, well we are working on it, we are working on it, we are working on it and I do not doubt that they are working on it, but that is not good enough, I do not think. We are being asked to raise taxes in this budget and the Department of Elderly Affairs is cutting out Meals on Wheels to people because the County does not have the money and feels like we are wasting money and not managing the assets. It is not personal to anyone, but it is a County management issue and as the head of the County, can you please give me some confidence what we are going to do different from this point forward than we have done in last how many years or months it has taken to get in this condition the Golf Course is in?

BERNARD P. CARVALHO, JR, Mayor: First of all, we have a very competent team as you folks have addressed and many different issues and Golf Course, yes, is the gem of Kaua'i, It is a place where revenues will come. It is a place where we need good solid information and a plan in place. And yes, moneys were set aside to do a study. We met as an Administration and I sat with our team members and I shared the same passion and disappointment, too...that things are not moving as quickly as we all to want to. We have our golfers back here sitting here and I hear it every day. So we are trying as an Administration to address this particular concern like you are. I know it gets frustrating. However, I think with some of the information that Ian has, as we continue to go through this presentation, can be laid out for us and you have my commitment to move this forward as quickly as possible within the timeframe that we have, making sure that we address all the repair & maintenance issues and you can say, yes, why only focus on repair & maintenance. What is the bigger picture? We have done so many different positive things and many different areas in our Departments as team members, but specifically for the Golf Course, the maintenance of the course. We are talking about the facility itself and many different challenges that are laid out and want to assure that all ADA issues and repair & maintenance are addressed. Yes, the ATM issue, I am not happy with that. There was a machine there before on the premises and unfortunately there was an issue with that. I know we have the information to move that forward and as JoAnn mentioned how soon can we make that happen? Let us work together on that. The study part, you know I would love to do a study. I am not saying we are not going to do a study. At this particular time with all the menu of things that are happening and for us to try to manage it the best way and effectively, as an Administration, with the team members that we have in place, we are totally committed. I am telling you that. If you want timelines and saying we can work that through. The people want to assure that this particular gem of Kaua'i is managed and completed in a very timely manager. There are many contractual issues and I am not going to go through all of that. You are asking me and I am telling you that we have a plan in place and we are going to address it.

Mr. Hooser: Okay. You know, we are not the boss of the people speaking to us. You know, you are the boss.

Mayor Carvalho: I take full responsibility as Mayor of this County. And I am willing to sit here and tell you.

Mr. Hooser: We cannot give them directions. We can ask questions and I find very frustrating with the answers that we are getting. The issue with the credit card, it not the issue of an ATM but accepting credit cards when people want to play golf and that can be done in a couple of days if the County wanted to do it and that is just one example. This is the third or fourth time I have heard the discussion since I have been here. We just need to get it fixed in this budget and I do not doubt your commitment, okay? I would like to see it resolved and I would like to see stuff happening and moving forward on this. I believe it is fair to ask you to address it as the boss of the other three individuals here. I thank you for coming and being willing to address the issue. Thank you. Thank you, Chair.

Chair Furfaro: I am sorry, Mayor, here I address them. JoAnn.

Mayor Carvalho: All right, Chair we are together in this. We are in the same canoe...well, separate canoes going the same direction.

Ms. Yukimura: Mayor, I want to say that we appreciate your time here throughout the budget hearings. We know how limited your time is, but you are showing that you are putting importance on this and I think it is probably quite revealing to you to hear some of the issues through the questions of the County Council. So thank you for being here. I think Councilmember Hooser has expressed it well. I think well the question that we want to pose to you, are you saying now there is a plan, if we just give Ian a chance to talk now he is going to give us this plan today?

Mayor Carvalho: I would want Ian to at least present his piece first because he has laid it out we will regroup at the end and see the timelines and what we need to talk about. I have Steve here, on the fiscal side of this and there are some issues on how to get that done in a timely manner and go from there.

Ms. Yukimura: Mayor, this credit card thing, the County is kind of the laughingstock of the community, because it is crazy that it has been over a year. So it would be really helpful to have some clear commitments about that. Because we are literally turning away business as we have heard over and over and over again.

Mayor Carvalho: I share really with you Chair and all of you. We are all frustrated, but at same time, there are so many other things involved in it and we will address it.

Ms. Yukimura: We have not heard anything that convinces us that it cannot be done in a week. Okay? Thank you.

Chair Furfaro: Mayor, I just want to summarize where we are right now. I think you are aware with the credit card situation, I went over to First Hawaiian Bank with Paul and said please urgently work with Parks and Recreation on this. That is a hot item. We also have the discussion so far as we understand it, that it looks like we are trying to get an operator in there by August 1.

Mayor Carvalho: Yes.

Chair Furfaro: I heard July 1st from Ian, but I am accepting August 1. Do you feel comfortable with that?

Mayor Carvalho: Yes.

Chair Furfaro: And we are talking to a golf cart concessionaire, and the County Council, who is willing to bite three months of golf cart concession to make sure that we do not lose an operator there, is something we also need to make happen during this interim time. Then this Golf Course bleeds, and what I am saying if we do this initial process that we have just went on concessionaires and operators and getting it back in shape, hopefully it will stop us from hemorrhaging and at \$500,000 a year, I think you agree that is pretty important considering our cash position. On that note, I will ask Ian to come back up. Thank you for being here, Mayor. Mr. Hooser, did you have questions?

Mr. Hooser: I do not know at the Mayor's request and if the Director wants to finish his presentation before we drill him with questions.

Chair Furfaro: I did not know if you finished all of your questions when I recognized you? I hear your courtesy like now and we will let him finish his presentation. Thank you for the courtesy. I wanted to see if you still wanted the floor. Okay Ian. Go through your entire presentation.

Mr. Costa: Well, I am just going to summarize the golf charts and revenue charts I did was to really I think what I gained from it was to show that based on the resident, super senior play and revenue those remain fairly steady, no matter what the conditions. I think if you look at the 2011 graphic, it is not evident that play or revenue from play was necessarily lost due to the loss of the restaurant. But I agree with you that the amenity is really what keeps people there. So I kind of want to jump ahead and get to what we intend on doing is number one, is get the concessions back in operations as quickly as possible. And I feel confident and I am shooting for the beginning of the fiscal year and I was actually hoping prior, but with all the hoops that we have to jump through, I am committed to that. Number one, the restaurant and the Pro Shop getting re-established, along with that, is also getting our ATM back, as well as credit card service. I will be meeting with the bank and I believe we need to provide some confidence to them we will provide a more secure encasement, if you will, for that ATM machine. With respect to the credit cards, I have been informed by our Purchasing Division that we need to bid that. I will be meeting with...we have three banks that we do business with. So meeting with those to get an idea of what service they provide and what is the cost of that service? But ultimately work with the Purchasing Division to get that particular bid out as soon as possible, which is irrespective of the concessionaires and repairs.

Also coming in shortly with some golf fee amendments to provide some value-added round packages for non-residents. Basically two packages. one for a discounted rate in getting a foursome of tourists or visitors together. The other is a significantly discounted non-resident rate we would sell only to hotels that they could in turn offer golf and room

packages. Because right now, whether they offer a golf package it is still \$60 by Ordinance. So I will be coming in shortly with that. The other thing is to...and we have recently spoken to someone who is offering their services to help us, but basically to develop a website for the Golf Course that is linked to the County website that can provide updates and provide feedback. Because there are people there trying to communicate with the Golf Course, but nobody is there to answer and post. But use that as a platform for advertising.

We have also joined the Royal Coconut Coast and we have also joined HVB's web blast for offers and promotions should help as well. Overall the resident play is steady. That is our meat and potatoes. But the visitors are what help us narrow that gap. So our efforts will be focused on getting the amenities in line and providing the conveniences, financial conveniences to assure that the visitors do not walk away, because the condition of the Course is captured. I tried to put that in a nutshell and broke down the revenues by years and there has been a decline the last two to three years and I am not necessarily convinced that is necessarily linked to the loss of the restaurant, but I am sure we have gotten our losses from that as well. We have to get more golfers golfing.

Chair Furfaro: I just want to make sure you just said we have to get more golfers golfing, but without amenities like a restaurant and so forth, they do not pick us over *Puakea*, they do not pick us over *Makai*, and we need to increase rounds. Not maintain status. Like the gentleman said it when he first came up, they do not pick us over others.

Mr. Costa: That is clear to me and I want to touch on that we have taken some interim steps to mitigate the absence of those concessions and we just had a snack cart start today. I believe that is the limited feedback offering *musubis*, *bentos* and beverages and as Alan mentioned or the cart vendor mentioned we have interim mitigation to provide rental clubs. Whenever and apparently most visitors call to make reservations. That is when they are informed that if they need rental clubs, they provide a contact and through Alan, the clubs are provided when they arrive.

Chair Furfaro: Now you have shared with us your target is July 1st for the restaurant. What about the Pro Shop?

Mr. Costa: Between July and August, same target.

Chair Furfaro: So we are feeling that with all of the improvements, the action that you are taking from amenities to credit cards to operators, we are looking at a budget that says by August 1st we are pretty fully operating?

Mr. Costa: Back to whole, yes.

Chair Furfaro: Three months. Okay. Let me ask you, within the CIP concept of the Golf budget, what is our status with equipment, maintenance, and so forth? Are there new equipment purchases on the radar screen here coming up?

Mr. Costa: Yes, we just awarded our contract to replace the majority of our equipment.

Chair Furfaro: Did we get an equipment list for the Golf Course?

Mr. Costa: Yes.

Chair Furfaro: Just for the Golf Course?

Mr. Costa: I believe it was listed on the budget last year, but I can give you a list of what was awarded.

Chair Furfaro: Just awarded.

Mr. Costa: Greens mowers, fairway mowers, the biggest update of equipment since we had the fire.

Chair Furfaro: I saw Steve left and my next question was going to be intended for Steve. Can you folks answer, have we along with that equipment purchase have we found ourselves feeling comfortable with all of our insurance settlements on things that we were to be reimbursed with? We are in good shape on that?

LEONARD A. RAPOZO, JR, Director of Parks & Recreation: That was handled, for the record, Director Lenny Rapozo. That was in 2010 we completed everything from the insurance company.

Chair Furfaro: And everything that should have been replaced was replaced?

Mr. L. Rapozo: Has been replaced.

Chair Furfaro: Thank you. Okay. I am going to open it up to questions. Mr. Kagawa, did have you something? Mr. Rapozo? No? Vice Chair?

Ms. Nakamura: Ian, can you walk us through the timeline on pages 11 and 12?

Mr. Costa: Sure. 11 is the restaurant. Once the restaurant closed, we began looking at what repairs we needed to make, finding whatever reference material, old plans, to get an idea of what the cost would be. We began budgeting for those projects. In the 2012 budget, the current budget. So beginning June, beginning July, once we got our funding approved, I began working on the drawings for those various projects and I made a conscious decision not to bid the repairs of the restaurant separately from the repair of the scoreboard. But I actually lumped those together, three of those projects together. The restaurant repairs, the replacement of the scoreboard, as well as the insulation of concrete aprons surrounding the maintenance building together. Several reasons, first and foremost, so that I could use my time effectively to come up with one set

of bid plans as opposed to three. But also that it would then allow for a general contractor to manage all three aspects of that as opposed to having potentially three subcontractors.

Ms. Nakamura: What was IFB?

Mr. Costa: Invitation For Bids. So I prepared a set of plans for all three aspects of those combined in one set of construction documents, developed the specifications for that, as well as the bid packet. I completed that in December. We had a deadline for construction bids to be submitted to purchasing by December 31st. I guess what is not shown here is somewhere in the middle there, I got a little...I had to attend to another urgent matter in developing repairs for Po'ipū. But nonetheless, both of those were submitted prior to the deadline. So that is the first two lines. Then in processing that bid...

Ms. Nakamura: I think it is a couple of pages long, so just the big-picture is that maybe?

Mr. Costa: So it was finally posted, the bid was posted, I believe February 8th and bids were received in mid-March. We were about \$50,000 short. The bids are coming out fairly high and we experienced that on other projects as well. So we had to huddle a little bit and figure out where we were going to supplement or get that money so that we could actually send a recommendation of award. So we have got to have the money before we can recommend award. So that recommendation came in the latter part of March, beginning of April. Then once we do the recommendation of award, the Purchasing Division sends notification to the vendor and we have to prepare the contract, but we cannot have copies of the bid material until it is awarded, which makes preparation of the contract a little difficult. Once it was awarded, we ploughed ahead there in conjunction with the County Attorney and that has been sent for signature and I am expecting that back days ago, so we can get that executed and turned around and notice to proceed to begin that 60-day time clock.

Ms. Nakamura: You are expecting to award the concession at the end of this fiscal year?

Mr. Costa: Yes. I am also work on developing that bid, so that I can submit that by the end of this month. Or by next week. So that it can be bid and by the time we have a successful bidder, and a contract, that should dovetail with the completion of the repairs.

Ms. Nakamura: So when are you probably looking at the concession actually starting?

Mr. Costa: Probably August.

Ms. Nakamura: August. Thank you.

Mr. Costa: Given the timeframe it takes to award and get the contract executed. That will probably occur through at least the beginning of July or a good portion of July.

Ms. Nakamura: An August opening, yes? Thank you.

Mr. Rapozo: Councilmember Yukimura.

Ms. Yukimura: I think it is a great idea that you established a website. I also think a snack cart or even a lunch wagon is a great idea. But how are you doing that without going through a bid process?

Mr. Costa: We have been doing that through the same permit process we allow vendors in some of our parks. They come in and apply for a permit and we only allow that at the Golf Course when there is no restaurant concession and since the restaurant has closed, we have actually had, I believe two or three different lunch wagons that for one reason or another never stayed beyond a month or two.

Ms. Yukimura: So when can you establish...what is your timetable on establishing credit cards?

Mr. Costa: Well, I think I just said by the beginning of the fiscal year.

Ms. Yukimura: You have been told that you have to go to bid on this?

Mr. Costa: Yes.

Ms. Yukimura: So why cannot you do a temporary arrangement? Like lunch wagons and other things while you are going to bid?

Mr. Costa: I guess I would need to...

Mr. L. Rapozo: I think Councilmember Yukimura the lunch wagon part is part of the Ordinance we can allow certain concessions within park facilities. In the cases of Hā'ena Beach Park, Black Pot, we have those lunch wagons there that have been performed through parks and in this case, since there is no vendor within the Golf Course, we allow a lunch wagon on the property, which would be different from the credit card.

Ms. Yukimura: How are you allowing rental clubs without a bid process?

Mr. Rapozo: We are addressing that stop-gap measure and we are hoping that we are not violating Procurement Laws by allowing it, but we are doing it temporarily while we get the Golf Shop concession back online.

Ms. Yukimura: Seems that you should be able to do that with credit cards then too somehow.

Mr. Costa: I will mention that to the County Attorney. Whatever they say I can do I will plow ahead and do it.

Ms. Yukimura: The thing is, that you have had more than a year to go out to bid. So do you have a timetable, like have you for the concession timeline? When you are going to go out to bid by and when you have to go out to bid by, if you are do to do by the beginning of the fiscal year? And can you make that timeline?

Mr. Costa: I do not have a timeline right now. But I could do one for you.

Ms. Yukimura: We need to request that, please. How do you know you can do it by the end of the fiscal year, if you do not know what the timeline is to get it done?

Mr. Costa: I guess I am just speaking from being committed to doing it.

Ms. Yukimura: Okay.

Mr. Costa: I know the bid process just a bid alone takes about a month to a month and a half.

Ms. Yukimura: Okay.

Mr. Costa: That is the processing time.

Ms. Yukimura: I have other questions, but I will let others talk.

Mr. Rapozo: Councilmember Kagawa?

Mr. Kagawa: Alan worked on a solution that is kind of working out for the club rentals?

Mr. Costa: Basically providing a referral to a rental club a person who rents clubs and he is contacted directly. He lets them know what the rates are and through credit card does the transaction and then he provides them a service by delivering it for them.

Mr. Kagawa: So far, that is working out pretty good?

Mr. Costa: We have only been doing it the last week, week and a half, but apparently, he has been doing about five rentals a day.

Mr. Kagawa: Terrific. Okay. Second question.

Mr. Rapozo: I have a follow-up. We got the okay from the Attorney's Office for doing that without going through procurement? I am just asking because I would assume if others are watching this, that renting clubs would probably be jumping out of their skin like now. I would assume that would have to go through procurement. Could we check?

Mr. Costa: Okay. I guess part of that was when the concern arose, which arose...

Mr. Rapozo: I understand, but the process is having the Finance Director sign an emergency procurement, which I do not think that would rise to that level...not golf clubs. But I just want to make sure that we do it right.

Mr. Costa: I have been involved in some emergency procurements.

Mr. Rapozo: I was not suggesting that, but that is the process and right now what I am hearing, we are actually running business through a private club-rental person without the procurement and I think that might cause some problems. If we could check that, Steve, I would suggest that we stop doing that until we get the okay, because I think it is a problem. Go ahead, Mr. Kagawa.

Chair Furfaro: Can I just interrupt for a second? Steve, just a head's up. That is in discussion tomorrow, Purchasing is our first, and there will be a procurement question on this.

Mr. Rapozo: Follow-up Councilmember Yukimura?

Ms. Yukimura: Yes. I have the red-flags going up, too. What if you had a whole list of people who provide clubs, then you can give...you cannot even do that? Well, that could be kind of hard over the phone, if you were calling. But anyway, I mean, yes, that is a very big concern.

Mr. Costa: Thank you, I will follow-up on that right away.

Mr. Rapozo: Mr. Kagawa?

Mr. Kagawa: Second question and I am just making sure we are having enough money in that account for other services of \$60,000. We are already at \$68,000, I believe this year on this report. So I am wondering are we expecting to trim the trees less? I am assuming that is the coconut trees, the coconuts I do not know why we budget less and cut that account when we are expecting the service to be the same.

Mr. Costa: Normally, we trim the trees twice a year and we try to target trimming by the end of December. Then by the end of June.

Mr. Kagawa: Okay.

Mr. Costa: We did submit the bid for that early. We got a successful bidder. We were supposed to implement the contract to get the trimming down by the end of December. The bidder pulled out. He was a bidder from Maui. So we actually started late. We are doing a complete trim. So they are just finishing up right now on the complete trim and because they are trimming it now in February or March, our next trim would be like July or August.

Mr. Kagawa: And just one last question, you know, this one has come up before, and I remember we had maybe plans to use that shed, the temporary storage shed.

Mr. Costa: Yes.

Mr. Kagawa: And I think the last time I heard we were possibly thinking of using it for Kapa'a Base Yard to store equipment.

Mr. Costa: We did put some money in the CIP Budget. We did get some input from a contractor and basically we want somebody to...the frame is still in good shape and a great asset. So our plan is to procure a contractor through a bid, to go dismantle it and reassemble it in two pieces actually. Right now, I believe it is 36'x96' long. So we would have two 36'x48', I believe. We can then use to store some of our equipment at both base yards.

Mr. Kagawa: Okay. So we expect maybe how long for that to get done? Because it has been quite a while. It is like ripping even more and more and everybody tells me, please Ross, try to do something about that.

Mr. Costa: So we did make contact and apparently the original manufacturer of that is no longer in business, but we did make contact with a comparable manufacturer, who has looked at it and can provide the replacement tarp for it. And any other...once we break it in two, we are going to need new end pieces. So we have been in contact and we have the contact for supplying that material and that was taken into account in our budgeting.

Mr. Kagawa: Thank you.

Mr. Rapozo: Councilmember Hooser?

Mr. Hooser: Yes. Just a couple of quick things, I think. The credit card, my understanding is that the County has other Departments that use credit cards and so you might want to check with whatever bank they are using. We had a discussion about property taxes and others and apparently they are accepting it, so I do not know if that would help you with the procurement issue.

Mr. Hunt: In addressing merchant services, there are two types. One is a swipe machine and those are independent usually lending institutions that you engage with and pay a percentage of revenue as a charge. Sometimes they are per transaction or per transaction plus a percentage, but it is also something that has to be bid and it cannot be that I want to choose and go and likely to go through formal procurement, six to eight weeks. The other one you are talking about is an online one which does not provide a swipe machine and the fees are paid by an individual. It is a joint procurement with the State that administers that. You could not use a credit card and swipe it. You would have to have a debit account or absorb that online and enter the information online. It is not an actually over-the-counter type of traditional service.

Mr. Hooser: Does the County have any over-the-counter swipes?

Mr. Hunt: I am not sure.

Mr. Hooser: I guess my point is that if we do it would help with the procurement if we are already using the service somewhere else.

Mr. Hunt: In the scope of work you have to estimate the volume and Golf Course if your typical transaction fee was \$30-\$40 and you anticipated 80,000 rounds and a third of that would come by the way of merchant service you come with an estimate for that. You have to provide that in the specifications so the bidder knows.

Mr. Hooser: So the Golf Course has never had a website?
Wailua Golf Course?

Mr. Costa: No.

Mr. Hooser: Never. Okay. The initial discussion we had discussion about the golf cart concession and whether to increase rates or lower the fees and I am assuming as the Manager of the Golf Course, you have discussed this with him and looked at his books.

Mr. Costa: He submitted a request that the Finance Director and I met with him on.

Mr. Hooser: You will be making recommendations? It seems like the management would recommend what they want to do, not the Council. The Council would respond to the recommendation.

Mr. Hunt: Correct and I think again, the concerns were raised about how quickly these other amenities are going to be up and operating. There is a certain amount of business risk and certain assumptions that the winning vendor takes into account and if they are incorrect, we are not here to subsidize those decisions, but certainly to the extent the rounds of golf played and the carts rented are somewhat our

responsibility for not having the full amenity package we are weighing that to get that up and operational to support that. Beyond that, it is vendor risk on that bid.

Mr. Hooser: Okay. I see that point perfectly well. I want to make sure that the Administration has a position on it even if the position is not to offer further concessions. So you understand what I just said?

Mr. Hunt: I believe so, yes.

Mr. Hooser: Okay. You could recommend that the status quo is the status quo and that is business is business or you could recommend giving a break or raising rates and I want to make sure we have recommendations on that before we would make a decision, if we are asked to. Okay?

Mr. Rapozo: I have a follow-up to that, if you do not mind.

Mr. Hooser: Sure.

Mr. Rapozo: It is the position of Administration that there will be no amendments to the contract for the carts?

Mr. Hunt: Based on the time schedule that I have been provided by Ian, I believe that we will have the amenities operational within a short period of time, and should continue with the contract.

Mr. Rapozo: Okay. I guess I am not as optimistic, because it just takes a long time, like Ian was talking about the bid process, the construction process. I just leaned over to Nadine and said in July...it is not going to happen in July. we know that. It will not happen by July. I think that is a good timeline to have and that is a good target. That is beyond Ian's control. If all goes right, but it rarely does. When they bid on the contract and I understand there is some business risk and there are reliance as well at a golf course there would be a restaurant and a Pro Shop and when those disappear, so does player play and I would assume if he was to get out of contract, he only loses \$80,000, but I think the lawsuit that follows might be a little bit more expensive than \$3,000 a month, in my opinion. So that is fine. I got your position and I wanted to make sure. I have one more follow-up on the credit cards. The ATMs in the County, do we go out to bid on those?

Mr. Hunt: My understanding is that the ATM that is currently in County Pi'ikoi Building did not go out to bid?

Mr. Rapozo: What about the one at the Police Department?

Mr. Hunt: I am not sure.

Mr. Rapozo: What is the difference between accepting a credit card at the Golf Course and putting in a ATM versus a credit card? Because whether I look at a credit card transaction machine as...it is part of the service that the bank provides. We

bank with whoever we bank with and I believe we probably have a lot of money in that bank.

Mr. Hunt: Having been a former banker, the use of the ATM sites are selected by the banks themselves.

Mr. Rapozo: I understand that, that is in general. The bank would solicit the shopping center, but when you come across that government line, there is a procurement code that says you cannot allow a bank and all I am asking because you say we need to go to procurement for a credit card swiping machine. What would be the differentiation?

Mr. Hunt: Think with merchant service we are actually paying them for that service. I think with the ATM, the banks are relying on interchange fees from people using the ATM.

Mr. Rapozo: In a County facility.

Mr. Hunt: Right.

Mr. Rapozo: In a County facility. It is like me setting up a lunch wagon in this County parking lot. It costs the County nothing. I am make money off of the County asphalt, the parking lot. You cannot do it. I am asking the question because for the life of me I cannot understand why we are having such a struggle to take credit cards. I apologize for interrupting but I wanted to get that point. Thank you.

Mr. Costa: I feel like I should add that what we did not go to bid for the ATM at the Golf Course.

Mr. Rapozo: That is what bothers me more. We are not going to bid for ATMs, we are not going to bid for club rentals and it is really, really concerning.

Mr. Hooser: I have one more question. I had asked at least three times for information on pesticide use from the Parks Department and of the Golf Course specifically. It has been at least three months, maybe four months and two in writing, one in person. When do I think I will be able to get a response?

Mr. L. Rapozo: First of all your first request was not through the protocols that was set up by both sides of the street so I pointed that out to you. I have all the information in my office and I just need to get it over to you.

Mr. Hooser: So the first request was not through protocols.

Mr. L. Rapozo: Yes.

Mr. Hooser: So you just ignored it?

Mr. L. Rapozo: No, I told you about it when you asked me about it.

Mr. Hooser: And then second request was through protocols?

Mr. L. Rapozo: This last one was through protocols. The next one was a letter. The first one you went directly to the Golf Course.

Mr. Hooser: It has been three months.

Mr. L. Rapozo: Yes.

Mr. Hooser: I do not ask for much.

Mr. L. Rapozo: Yes, you do not.

Mr. Hooser: So I just appreciate some courtesy as a Councilmember to get the information that I asked for.

Mr. L. Rapozo: Sure.

Mr. Hooser: Okay. So when will I have that?

Mr. L. Rapozo: I am coming to Council next week Wednesday?
Do I need to prepare for something?

Mr. Hooser: You said it is at your Office.

Mr. L. Rapozo: I need to write it up before you. When I come before you, I want to be prepared, so I do the work before I come here.

Mr. Hooser: So do you think I will have it next week?

Mr. L. Rapozo: Yes.

Mr. Hooser: Thank you. Thank you very much. That is all,
Chair.

Chair Furfaro: On this protocol thing, I want to make sure that for the audience everybody understands, the rule is all correspondence goes through the Chair. Okay? The agreement that I negotiated with the Mayor was the following: You are Planning Nadine, you do not have go through me. You are Parks and Recreation, you can go directly. That is what we are referring to for the audience. Secondly, if a member wants to go to a Department specifically and knows their counterpart, they can write to you. On the flipside, hey, let us treat everybody with a little bit of *Aloha*. I do not want to lose the negotiation that I made where individual Committee Chairmen may go directly to their counterparts. So let us try and live a little *Aloha* as well, okay? That was a negotiation,

because the Mayor can go back to the original rule. Everything has to go through the Chair. So we have expanded that. Okay? I want to make sure that I understand where we are at here, because you folks gave us July 1st. I am saying we are going to hold you accountable for August 1st, okay? Steve, you hear?

Mr. Hunt: I know we are short-letting the Pro Shop and I am certain unless there are no bidders that want to go in there that we will have that by July 1st. I am hopeful to have by August 1st, the restaurant.

Chair Furfaro: But I heard today August 1st. I directed it to the Mayor as well. He understands. It has got to have some reach in it, but it has got to be realistic, okay?

Mr. Hunt: Yes.

Chair Furfaro: Secondly we got testimony from the cart concession. I do not put a lot of weight on being willing to negotiate with this gentleman for 90 days on a \$3,000 discount. That is not going to make or break the County, but the important thing is that we do not lose any more amenities there. The second thing on the grounds that we have. The status quo is a \$1 million loss. We have to improve on the rounds, so that we can reduce the cash loss. So those things are really, really important. Now I want to give you a few briefings that are in the comments that we have solicited from people at the Golf Course. Okay? The restaurant amenity and the Pro Shop amenity are very, very important. We need a concession to be able to feel that we are playing at a bona fide golf club. The chipping green and we have people from the greens committee here, the chipping green came out a couple of times in the survey of needing some attention the driving range nets came up in the survey several times and a constant comment from residents is that the visitors are missing the food and beverage concession and then choose to go to other golf courses. The other one is a good one, booking times can be improved by going to a website. That they can go online and book and that might be something that you want to discuss with it. The twilight rate from residents seems to have come up quite a bit.

Mr. Costa: What was the comment there?

Chair Furfaro: They are looking for a better rate at twilight. It is pretty common in there. We have rates that change at 2:00 p.m. right? Do we have rates that change again at 4:00 p.m.?

Mr. Costa: No. That is when the trespassers line up.

Chair Furfaro: That is what it seems to be I guess it could be considered that. But it is an item that they feel, play nine holes after they want to reduced rate and play after 4:00. Maybe that is a Monday-Friday thing, but those are things that I am sharing with you on the chipping greens and that we are getting good feedback on the expectation of the Golf Course and the weaknesses. You have to line this up with opportunities and threats, you know? That is there. Tomorrow we start at 9:00 a.m. Am I correct, Staff? I am trying to wrap it up. You have a question? Go ahead.

Ms. Yukimura: So you said you are developing some kind of discount packages?

Mr. Costa: Primarily through golf fee amendments, new golf fee rates yes.

Ms. Yukimura: So you are going to be proposing new rates? You are going to be proposing an amendment to the Golf Course Fee Ordinance?

Mr. Costa: Yes.

Ms. Yukimura: Okay. Just to piggy-back with what the Chair was saying and I agree that the website done well could help with tee time scheduling and I do not know if you would want some kind of way for people to pay to secure their tee times. There have been some requests for non-residents to have morning tee times, some issue like that. Are all morning tee times reserved for residents?

Mr. Costa: I do not believe so. On weekends I believe there are a number of golf clubs that take up a lot of the tee times in the morning.

Ms. Yukimura: Well, is that in the fee schedule? Who sets that?

Chair Furfaro: I will answer the problem. The problem is that a lot of the clubs have the prime times and a lot of seniors have the prime times and the reality if you want to improve the ADR for the Golf Course you have to include the guys paying the \$42 rate.

Ms. Yukimura: What is ADR?

Mr. Bynum: Average Daily Rate.

Mr. Rapozo: Alternative Dispute Resolution.

Chair Furfaro: That should be in the marketing plan and you guys need to think that out. If I am a visitor and I want to play on a weekend and I cannot get a tee time until after 10:00, I am going to Puakea and you have to leave some open tee times to the higher rated business, you know?

Mr. Costa: I know that is organized to some degree through the Kaua'i Golf Association and they do rotate the times of those clubs.

Chair Furfaro: JoAnn has raised a question that you folks need to look into it. I am not new to booking a golf course. I am not a golfer, but I had to answer to the bottom line to many owners in Japan, from Wailua, to Consolidated Oil and Gas at Princeville. There is a science to marketing the golf course and tee times have to be available for all market segments and can do that by keeping 4:00-8:00 available times. JoAnn finish your question so I can complete the wrap up.

Ms. Yukimura: I am pretty much finished. It is revealing there is no marketing plan and you need a marketing plan, if you have all of these different groups. We are not saying eliminate all of that, but there has to be some thinking of how you will maximize or optimize your fees and income. To me that moneys that were given to Economic Development could have been used perhaps to do that kind of thinking. Anyway, because it is bleeding that is going on here, \$1 million from the General Fund to subsidize the Golf Course and the thing is that the Golf Course does not even have reserves. So they are not planning... I do not think there is thinking about replacement, about depreciation, and that is why I object to it not being an Enterprise Fund because I think an Enterprise Fund imposes that kind of discipline. Thinking of it as a business, and if anybody who is concerned about the sustainability of this incredible asset needs to be concerned about the fact that we do not have a reserve. At least in previous Administrations of the Golf Course, they were hesitant to ask us for big expenditures because it always means a General Fund subsidy. So it is just a very non-workable system and that is what we're asking to you look at correcting and putting it in good shape, so we can see a long-term existence of this amazing facility. Thank you.

Chair Furfaro: Do you have any more questions? Everybody done? Okay. Wrapping this up for today, you folks can see that we are look for some strategies and we are going to hold some feet to the fire for August 1st. Tomorrow, the first item tomorrow 9:00 is we are going to cover Purchasing policies and so forth and Steve, be prepared for this question that seems to come up a lot in Parks about issuing contracts and then negotiating through the bid process. Followed by Finance-Risk Management. You are in good shape on that tomorrow? Then we are going to go to Civil Defense. Then Fire in the afternoon. We are going to have Fire again and this one is on Ocean Safety for the Fire Department. I want to remind us that on Monday, 9:00-11:00 we have Economic Development. We are covering their CIP, the Film, and Workforce Development and Agriculture activities. Then on Tuesday, we have Roads Maintenance from 9:00-11:00. JoAnn, you have got that in your calendar; right? Then we are doing the Humane Society again. In the afternoon Monday I am going to hold the whole afternoon for HR on Monday. Mr. Hooser?

Mr. Hooser: I have gotten some calls from the Humane Society.

Chair Furfaro: You should see the E-mails that I have gotten and I was not even at the meeting.

Mr. Hooser: The question is do they want to testify on the budget items?

Chair Furfaro: Come at...what time do we have the Humane Society? 11:00 a.m.

Mr. Hooser: I can tell them 11:00?

Chair Furfaro: 9:00 or 11:00.

Ms. Yukimura: May 1st is the official Public Hearing on the budget.

Chair Furfaro: You took the words right out of my mouth JoAnn.

Ms. Yukimura: I am sorry.

Chair Furfaro: Mr. Hooser, you heard Vice Chair, we have time for any item on the budget scheduled for May. But specifically, 11:00, right Scott? On Tuesday. So on that note, we are recessed until tomorrow, 9:00 a.m.

There being no objections, the Council recessed at 4:39 p.m.