

The departmental budget call-backs reconvened on April 19, 2013 at 9:06 a.m., and proceeded as follows:

**Finance – Purchasing:**

Honorable Tim Bynum (*present 9:12 a.m.*)  
Honorable Gary L. Hooser  
Honorable Nadine K. Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura (*present 10:01 a.m.*)  
Honorable Jay Furfaro

Excused: Honorable Ross Kagawa

Chair Furfaro: I have not heard from Mr. Bynum. Councilmember Yukimura called and she will be late. Mr. Kagawa is excused from the morning session. It is 4 of us to start to answer your question. Looks like we will have 5 as soon as Councilmember Yukimura comes in. I am looking at a change that we agreed to – 2:30 is open today after the Fire Department. The Department of Personnel Service was moved and if they are listening, they were moved to 1:30 on Monday. So, we might have a true *aloha* Friday today. Mr. Barreira, are you making the presentation for Finance and Purchasing? Mayor, come right on up.

BERNARD P. CARVALHO, JR., Mayor: Good morning. Ernie folks are ready to come up but I wanted to just be here, I also have something else to go to but if I may... the healthy discussion that we had yesterday specific to the Golf Course and more importantly the credit card discussion that we had. I did take that very seriously. I think that is a big part of... and we did talk about it prior to coming to Council and so I want you to know and relooked at that again. There are a lot of different risks involved whether it is fees being assessed or not, play or not, if it is increased great and if not, we may have to look at how to cover that, and just in general. I did get our legal team together... my point being is that I want you to understand that I am very serious about this because this particular part is more of a customer service side of it and we talked about a play from our visitors versus play from our resident and assuring that there is some kind of balance. We got to be very mindful of that and how we move forward in this discussion. So, I am taking that into consideration as well and how we look at such as if there was a ATM there is a fee to that ATM card, similar to which is assessed to the customer similar to if you go through this credit card swipe program, there is a fee. We want to talk about that and how we are going to work that and that is all I am saying. On the legal side of it, we are doing a little comparison. There are other private courses that are also experiencing some issues with amenities too, so that is another piece. I just wanted to make sure that you understand that the commitment is there, the timing with these issues and the risks that are involved in the forefront; we are looking at that and so hopefully we can get a better timelines on that. Finally, the revenue versus none-revenue and that is another piece that we looked at to assure that whatever the result is, it is in the best interest of the customer. I just wanted to say that upfront. Ernie folks are coming in with more of an overview and I know the discussion will go there as well regarding the credit card.

Chair Furfaro: Mayor, maybe you have to look to Ernie on this but we have a one and a half open on our Monday schedule, will that fit for what I will post as a Finance general discussion. Will you be ready at 11:00 on Monday? You will be. Okay. To the Staff, if I can have a note made that the current window that we have from 11:00 –

12:30 on Monday that we will have an agenda item that talks about Finance general and credit procedures. So, noted?

Mayor Carvalho: So, again it is not just the Golf Course, the bigger picture would be that we would like to offer credit card opportunities for other parts of our operation but in this particular discussion, okay, let us look at that and see how we can work through all the different details.

Chair Furfaro: Mayor, I think it is only fair that I mention to you before I recognize Mr. Hooser that this was a discussion not so long ago in Parks and Recreation and I said we all understand there are fees associated business by credit card. Your discussion to make it attractive for the operator needs to be a discussion about if we are going to net out these charges from our collection because this is money that comes directly to us.

Mayor Carvalho: Right.

Chair Furfaro: So, that should be part of this discussion on what is now Monday 11:00 – 12:30 Finance general and credit. I will put that in the schedule.

Mr. Hooser: Thank you for your personal commitment to this. I know it is there and I appreciate you coming this morning. I have never been one to say the government should be run like a business because it is not a business in general. However the Golf Course, I believe, should be run like a business and I think any business watching this conversation and certainly the Golf Course would be scratching their head saying why would you not use credit cards even if there is a cost because we all do it and we all pay the same cost. Then they realize it is going to generate more business and they realize that it is good for their customers. I think therein kind of lays the problem with this particular issue with the Golf Course which is managing it like a business. Perhaps we do not want to charge fees for property taxes that we can recapture because people have to do that, the people do not have to play golf. The underlying issue of the management of the Golf Course, I think comes down to thinking about it like a business, running it like a business. One could argue that the County has unlimited resources through taxing authority, so some businesses have to struggle with their budgets, we could theoretically fund what we want to fund and still not work it. So, the credit card is a symptom the proper business management of that facility, I believe. I do not know as the head of the County whether you need to look at that – the Managers and look for some support with more business expertise or we look at bringing in an outside person Manager or company to manage it but that is the fundamental issue. I do not know if you can address that at a future time or if you are prepared to talk that now but...

Mayor Carvalho: Overall, I understand what you are saying. There are different variables in that whole gem of Kaua'i – resident versus visitor play, operational wise, how we are going to manage it together because there are a lot of stuff happening back and forth and people wanting to understand the operation side. We are sorting through the different possibilities to assure that we find that balance between the visitor and the resident. It is a public Golf Course and there is much use in this particular area – there is golf, there are clubs... anyway overall... Yes, the operation side, we will look at all options and see what is the best fit to assure that the customer gets the best opportunity. Even with the study that was talked about yesterday, I did not say that we are not going to do a study in this particular timeframe, and resources that we have we want to tackle the maintenance part of it, concession part of it, and then the global piece will come. That would be unfolding what you just said on the operational side.

Mr. Hooser:

Thank you.

STEVE A. HUNT, Director of Finance: I want to address that as well. From a business perspective to taking on merchant service is a business risks to us as the own of this course. If the rounds of play are stagnant and adding the credit card convenience does not increase rounds of play then it will actually be a loss in revenue to us and we may be coming with a money bill to either adjust rates to accommodate the fee charges that we are being charged or to offset the loss the we incurred. I think it is a logical risk to take given the testimony we heard and the potential loss of rounds played. If we are running this truly like a business what you are talking about is take the most profitable customer which is the non-resident and have them play. If we limited it to non-residents, we may be could break even but I do not think that is the intent. This is an amenity that is for our residents and some of the off-island play certainly helps subsidize that but I do not think we are in this to break even or make money. We are just trying to minimize the risk and to make most available play as possible to our residents at a fee that will be responsible and to manage the course to the best of its ability to provide a great amenity.

Mr. Hooser: I agree this is not a commercial golf course and local residents need to be treated better and differently and the County needs to subsidize that. I believe the operations leasing out of commercial property, running the operations needs to have a more business perspective. Given the considerations and guidelines that we as the County give that business which are to subsidize local residents. I do not think that expertise is there given from the discussions that I had so far, here across the County, it does not seem like the expertise and the ability to make those decisions are there. I need a greater level of confidence, at some point; otherwise we will keep having these discussions over and over again. I hope the Administration will recognize also at some point if it does not get better that there is some other problem that needs to be fixed. If it gets better which I hope it does in July I think we were told that things are going to be better than you will not hear from me anymore. I just hope that we recognize it if there is a problem that we have to fix it; we cannot just keep going on and on...

Mayor Carvalho: We will take care of the management part of this whole discussion and be ready.

Mr. Hooser:

Thank you very much.

Mr. Rapozo:

In the analysis I would hope that and I think you touched on it, that we would consider the business risk if we do not do it.

Mayor Carvalho:

Yes.

Mr. Rapozo:

I do not golf often and I have not been to Wailua for awhile but I can tell you that I have been there on a few occasions where people have walked off – mainland people have walked off. It is going to continue to happen. It is very difficult to even gage that right now because we do not know...nobody keeps track of that. Nobody at the counter keeps track on how many visitors leave. A lot of these visitors come in as groups and they want to play and it is amazing the condition of that course, what they have done to the course. Kaua'i has always had that gem, as you call it, but when we analyze the business risk, I think we got to analyze what happens if we do not do it. We can do a pilot program and we could do a one year program with a merchant service account. Just in my own experience when I started my business back in 1996 I did not take credit cards because we did not have the volume of transactions but as we grew, I found that, yes, there was a price to pay for me to process a transaction but it was made up

overall with the people who paid with checks and the volume of... I mean tripled the new business because I could now do business over the phone with a client on the mainland and not having to wait for a check. I think it is going to work. I think it is going to make it better. I think we are going to increase rounds. Right now, if the guys want to golf and they do not have cash, he is not going to play. That is all I am asking – we need to incorporate that risk of not doing it. We got to have an estimate. How many visitors pay with credits would we need to offset the cost? What are the typical merchant service costs now? I think with the volume... less than 2%?

Mr. Hunt: Normally when you submit a bid for getting a merchant service bid, you estimate the number of transactions you anticipate either monthly or annually of using the credit card and what that average transaction is and depending on the volume and the ticket amount, they either give you a price of a transaction price, percent, or a combination of both depending on what your thresholds are. It could be anywhere from 2% - 3%.

Mr. Rapozo: Less than 2.

Mr. Hunt: Normally when it less than 2 it is less than 2 plus a dollar per transaction or some combination so you have to look at the total.

Mr. Rapozo: I know when I applied for mine, they reviewed and because it was such a small operation, my merchant fees were a little higher but it was ultimately my decisions if I wanted to pay the low transaction fee with a higher merchant fee or they call it rebate, I guess, versus a transaction fee. I think nonetheless even if it was up at 2%, how much is a round of golf?

Mr. Hunt: It depends on who is using it – local or visitor? If you are getting the cart and the golf – it is \$48 typically...

Mr. Rapozo: So, not much. And if we are picking up 5 additional golfers, we have more than paid...

Mr. Hunt: On the flip side we have done pilots with merchant service in the past for Real Property Assessment – Collections...

Mr. Rapozo: Real Property is a different story because...

Mr. Hunt: Which costs over the first 6 months, we canceled it because it was \$140,000 fees.

Mr. Rapozo: But the difference is this Steve, in Real Property, you have a fixed number of clients.

Mr. Hunt: Yes.

Mr. Rapozo: You have a fixed numbers of bills that are going to be paid whether it is credit card or not... in golf, it is not. Obviously you are not going to get more customers on Real Property.

Mr. Hunt: No. And the same goes for Motor Vehicle...

Mr. Rapozo: Golf is entirely different. In golf, I am telling you there are...

Mr. Hunt: That is why I think this would be viewed as a pilot because if in fact the rounds played and the use of the card now starts to increase and we more than offset what we are paying in merchant service and we get positive numbers than great, we are all good.

Mr. Rapozo: Yes, and I guess that is what I am asking. I got to believe that if you incorporate credit cards at the Golf Course, we are going to generate more business.

Chair Furfaro: This is not on today's agenda.

Mayor Carvalho: All I want to say is that I am here this morning to assure you and Councilmembers those credit cards will be accepted at Wailua Golf Course in a very near future. We are working on it, we regrouped, there some risks involved but I am willing to go there because we talked about it and I think this is something we got to start. Thank you.

Mr. Bynum: I was not here yesterday for reasons that are unavoidable but these issues with the Golf Course, this is not new. We talked about these things and I will not go to the credit card issue but I am really concerned about the pro-shop guy – there were issues there. We changed things that impacted his business by not having the restaurant, by not accepting credit cards, he reached out to the County, I was the Parks Chair, and I tried to do what I could. Those did not get addressed and now the pro-shop has closed. That means visitors cannot rent clubs, they cannot get tees or you know... same with the restaurant. And then the most critical thing that we got commitments to... the numbers are clear. We need to make visitor rounds; we need to keep those rounds up at a reasonable level. I agree with Steve, your comments that this is primarily for our residents but to keep it viable in a world class amenity, we need to generate those revenues. There was a very strong commitment to work with the visitor industry and my knowledge is that absolutely nothing happened for a year after that commitment.

Mayor Carvalho: And again...

Chair Furfaro: I need to summarize this but the Golf Course is not on the agenda.

Mr. Bynum: I am going to make 1 more statement and then be done. We need to set aside some tee-times for off-island people especially in the morning times. It has been a standard for years, somebody arrives on vacation, they hear about the Golf Course, they call up and cannot get a tee time until 12:30 and the entire week they are here. That is not conducive to maximizing and so as much as I think this is an amenity for visitors, to be reasonable we need to generate some of that off-island revenue.

Mayor Carvalho: Councilmember Bynum, if I may?

Chair Furfaro: All of those items were discussed.

Mayor Carvalho: We addressed all of those items and thank you. We are addressing it – concessions, all of it... We are all on the same page, yes, I take responsibility and we are going to move this – all of it.

Mr. Bynum: Thank you and I appreciate you being here for many of these sessions.

Mayor Carvalho: It will take time and understanding but we are going to work it.

Chair Furfaro: Mayor, this is how I am leaving it; I need to recap this for those that are listening as well about their schedule. I am adding on Monday from 11:00 – 12:30 a general Finance discussion dealing with credit and collections and merchant services, specifically for the Golf Course. I also want to mention about enterprise funds, the Councilmembers talked about yesterday but the enterprise fund is a fund that covers its own expenses.

Mayor Carvalho: Right.

Chair Furfaro: My position is that we need to get it to a point that the loss is minimal. I am not saying that we need to get it to a profit – that is enterprise fund so that has changed. I look forward to this continued discussion about general Finance credit in collections on Monday. Ernie, you will be ready to make the presentation or Steve? Who do I put on as the person?

Mr. Hunt: I can be here till about noon. I do have an appointment at noon and then Ernie will be here.

Chair Furfaro: Thank you again for your presence and your flexibility on the time that I can give you on this. I also want to say that you have George Costs who has food, beverage, hotel resort experience – that gentleman sitting in the back ran the financials for a private golf course for 6 years. He is on your staff.

Mayor Carvalho: I am so happy that he a part of my team and we are all working collectively to address your concerns.

Chair Furfaro: And when you put these things together, please consult with some... you have some experts on your team that I think could be a little bit more collectively involved. We will see you Monday. Okay, we are going into the agenda item which was Purchasing.

Mr. Barreira: Good morning. Chair, would you like me to pass the presentation and open it up for questions to help you stay on agenda or shall I present what...

Chair Furfaro: No, we will do the agenda as it was planned.

Mr. Barreira: Very good sir.

Chair Furfaro: Do you have a presentation for us?

Mr. Barreira: Just very briefly I will speak and highlight, you have the written presentation and I will not read that verbatim. I will speak to some

highlights within the presentation and then of course I would be happy to answer any questions you may have. I am very happy to be present for my third consecutive year to present the Division of Purchasing budget and I would like to begin my presentation by saying that this is the second consecutive year that the Division of Purchasing will come to the Council with a budget reduction in terms of our Operating Budget. Much of that can be attributable to the fact that we have entertained quite a bit of electronic procurement initiatives and other technological implementations that have saved real dollars and real time and have created a number of efficiencies. We are very pleased to help to reduce our Operating expenses in times when the economy is very challenging and we are struggling with finances. I would also from a budget perspective like to mention and acknowledge the Council and the Administration as this year we set a precedent in having successfully all departmental budget presentations in electronic format which advances the Mayor's and the Council's initiatives in terms of the benefits of technologies that we try to exercise. I also understand that many of the Council has begun to utilize their ipads and other electronic resources to entertain the budget resources and so I thank you for setting that example for our people and our members of our Council.

I would like to open up the presentation by talking about a few successes that we experienced in the Division of Purchasing in this FY. The first was the final chapter of our electronic contract initiative. As you recall 2 years ago and I will give some brief data for the benefit of Councilmember Hooser who was not on the Council 2 years ago. When I first entered the Council in 2010, we would execute our contract process by requiring an original contract and 4 additional copies. These contract documents as you are well aware can be anywhere from 10 pages to 300 pages. The requirements of having to mail that throughout the County and throughout our County contractors created a tremendous amount of costs and inefficiencies for those involved. To make a very long story short, throughout the course of my 3 years here at the County, we have incrementally addressed that problem by focusing on electronic transmissions of those contracts and on fully executing those contracts via electronic means. The final stage of our electronic contract initiative was the development of the electronic contract portal. That now resides on the Division of Purchasing website and it is accessible to all authorized departmental and agency personnel who have been granted that access by their Department Heads. They can access that and do anything they need to do with that contract without having to contact the Division of Purchasing or having to make the physical visit to our Office to acquire that information. So, it is completely electronic. We work very closely with the County Attorney's Office during this initiative to identify only the requisite documents that constitute a contract file so that we can truncate that file and make it more efficient to research and utilize those documents within that file. So, my thanks go out to Mr. Castillo and First Deputy Amy Esaki who were instrumental in helping us move in that direction. Essentially, if you would like to look at the contract portal go to the Division of Purchasing website and you can find it in our portal. It has created a large number of efficiencies for all involved. Keep in mind, I know there is great frustration in terms of the requirement that we still have to maintain what signature documents on certain legal documents but the benefit of having the electronic file is that it simply provides great accessibility for both the Division of Purchasing Staff as well as our internal and external customers.

The second initiative that we rolled out this year successfully was a further broadening of our professional services electronic procurement process. Every year by rule and law we are required to advertise all of our professional service needs for the forth coming year. That in the old days was done by posting an Ad in the paper of general circulation identifying all of our professional service needs for the year and inviting the submission of hard copy resumes, multiple copies as well as letter of intent. 2 years ago we streamline the process by using our Division of Purchasing website to post the Ad on the

internet as opposed to hard copy. That was part of our \$20,000 Operating budget reduction by eliminating all our hard copy advertising and deferring to our electronic procurement system. This year we rolled that out even further. 2 years ago we still required the submission of resumes and letters of intent in hard copy form, this year we revised the process by not only letting the solicitation electronically but by also inviting the submissions of resumes and letters of intent electronically as well. Mr. Erwin Wright, our technological lead and Operations Manager within the Division of Purchasing created a scenario whereby we give specific instructions to the Professional Contractors to subject head that E-mail using a certain documentation so that when those transmissions are received by our COK Purchasing@Kauai.gov site, it automatically deposits those resumes and E-mails into a special file that are held in that location until the bid opening. In years pasted, I have to explain to you that, we would compile equivalent of your table of resumes and letters of intent in hard copy format because they would have to come. The agency personnel would come and pick up those documents from us in order to transmit it to them. Not to mention the extremely high cost for our contractors in duplicating those professional resumes and expending the postage involved and having them sent to us. The process today is that everything comes in electronically, we record them, and document them electronically on Excel spreadsheet applications, and we then forward these documents to our users without any type of paperwork being exchanged. This has created the type of efficiency that we need to acquire to save money and make us more efficient and it has been a tremendous gift to the professional service contractors who have been the beneficiaries of these costs and time savings. They are very pleased. Very quick accomplishment for 2013 as some of you know this and some of your do not... after 18 months in our temporary Office space, we finally facilitated a successful renovation of the Division of Purchasing Office. We are thankful to Mr. Doug Haigh in Public Works. We piggybacked off of a FEMA project where funds were appropriated to facilitate a wall and window hardening project within the Division of Purchasing. We piggybacked on that project by identifying our renovation which involved painting the walls and ceilings, replacement of VCT and asbestos laced tile within the Division by replacing that with carpeting and by identifying specking out and procuring corrected furniture. We also reconstructed the mail room to create a separate mail and bid opening facility which was desperately needed by our Staff to provide the resource during bids openings and to deal with Staff meetings and individual meetings. We are very thankful once again the funding for that initiative did not involved any new appropriation by this Council. We identified that year about \$60,000 in cost savings as a result of our electronic and technological initiatives and we approached the Council and the Administration to support us in expending about \$32,000 of that savings in order to accommodate that renovation. So, we are very thankful to you for supporting that initiative. If you have not seen the Division of Purchasing renovated Office, please come by, money did not permit a formal opening, we can a very polite and calm prayer service – few pupus that I paid for...

Chair Furfaro:

I got a cup of coffee when I came by.

Mr. Barreira: Terrific. We try to be as hospitable as we can. I would also like to extend *aloha* to Chief Westerman. We were the first occupants during our renovation in a new Fire Admin building upstairs. They were very hospitable and inviting us to be there for that 6 months. It was a very nice place to work. Very nice facilities and the Chief was most hospitable. So, my thanks to the Chief and his Deputy as well as the entire Fire Admin Staff for accommodating our state. Special thanks to the very special people that make up the Division of Purchasing. They relocated twice during the same fiscal year in order to accommodate the renovation and to find a place to work. They did not miss a beat, did not miss any deadlines and it speaks to the quality of the people that I am fortunate to lead within the Division of Purchasing. The final success that I

would like to touch on today is that over the past two years the Division of Purchasing successfully led more than one hundred formal procurements not to mention the five other major procurements that we entertain and the result of those procurements have been millions of dollars infused to our economy and the acquisition of good service and construction that are vitally needed not for our Departments but for the people that we serve. In that regard, we continued to issue and execute about 200 contracts for Good Services and Construction every year.

Chair, as I sat here for 2 weeks and listened to all of the budget presentations by all of the Departments and being very impressed with what we have done, I could not help to think if people realized where all that happens? Where all the Goods and Services and Construction and all the professional services –where all that begins? And if I may take a moment to give proper praise and recognition to my Staff. Every dollar that is spent in this jurisdiction begins at the Division of Purchasing and those 8 people do remarkable things with the millions of dollars that we successfully procure every year to create those resources that are needed by our people who become the beneficiaries of those various goods and services. So, I would like to extend my *aloha* and thanks to these very special people who put forth a tremendous effort every day of their working lives to make this happen. I had a pleasant exchange with Councilmember Yukimura 2 days ago and I think she wanted to scold me because she said the lights in your Office are on early in the morning, late at night and on weekends. I said yes, that is true. Those are the procurement personnel that have put in the kind of time that they need to make up for the shortage that we are currently experiencing to meet all the responsibilities that are placed upon us. So, while we are spending a little bit of electricity, there is a beneficial outcome of all of the resources that are being provided.

Chair Furfaro: I would like to say something. Oh, you thought he was done. Okay, you still have the floor.

Mr. Barreira: Our biggest challenge this year was actually our greatest accomplishment. For the first time in many years the Division of Purchasing actually experienced unanticipated attrition problems. It was unanticipated because we loss 50% of our procurement staff – of our specialist staff and these are our college graduate class of employees that handle all of the formal procurement, working in close coordination with our technician staff that provide vital services as well. One was loss from an internal transfer and one was loss to an unanticipated departure from the island. The loss of these two specialists represented 30 years of collected procurement experience that you simply cannot replace overnight. This was a shock to us but survivability becomes a key element. Fortunately, the Council appropriated a position to us last year which became available to us in January of this year. We filled 2 positions with 2 outstanding young professional women. The positions were filled in February of this year. We have 1 position remaining that was created by the departure of our Senior Specialist. I have to tell you that what was ironic about this recruitment which is unheard of, is there were two positions and only two applicants and yet these 2 applicants were outstanding. In my 27 of doing government recruitment, I have never been more impressed than with these two young women. They came to us as educated, motivated, energetic, and they are willing to hit the ground running and are eager to assume responsibilities of procurement. We are very encouraged with these two young ladies and we have very high praise on what they will be able to do. During the course of this recruitment Council, I need to tell you that there were no holds bar, we made it very clear to these applicants that I have 2 Senior Managers – Florence Kakuda and Erwin Wright who have given me... I have been blessed with early notification of their retirement intentions in 2015 and 2016, they are going to retire. So, in the process of this recruitment, I was able to make it very clear to these new applicants that our goals

and objectives is to bring on a Staff who will be able to learn the skills, the art and science of procurement and be able to provide us with the level of continuity of services that we are going to need to maintain the level of service the we currently have today. So, we are very eager and optimistic that these 2 young ladies and the rest of our procurement staff are going to step up to that level and perform as we accept them to perform. I would be remised if I did not at that time in terms of that recruitment effort Chair, giver proper praise and recognition to the newly formed HR Department. During the course of the recruitment from development of class specifications and positions descriptions through the creation of the list eligible's, to the expedited process that was followed in clearing these individuals, to be able to start work with our Division – the work was nothing sort of outstanding and I am very thankful to the new leadership within HR and the Branch Heads within that Division.

The vision for the future has not changed. I am still and fully committed to rolling out a fully integrated electronic procurement system. We have a new ACPO (Assistant Chief Procurement Officer) in Hawai'i County who was recently hired, and of course Mr. Greg King on Maui who has been there for quite a few year. All 3 of us are looking at the same public purchase system that we have talked about last year which as you recall is the free system which that is made available to government entities around the Country who can utilize the fully integrated electronic procurement system. I have not moved away from that goal in the objective, I had to defer further implementation of that initiative because of the critical manpower shortage and the need to bring us back to par. We continue to make extensive use of our internally designed electronic procurement system and we have continued to tweet the application of that process. The latest change was of course allowing bidders to only submit to us the requisite documents that mandate a formal offer which is about 4 or 5 pages. In years passed we had them submit 40 or 45 pages to us. So, it has made the been opening process far more efficient and saved our bidders money in terms of postage and it has allowed us to process the bid openings much more efficiently. We are going to continue to move in that direction and we anticipate doing a graduated integration so that there is a clear understanding of how that initiative will work for our internal and external customers. We are very blessed to have a very good relationship with the Contractors Association of Kaua'i under the capable leadership of Karen Taketa. They have made themselves available to help us pilot the graduated roll out of the new procurement system and that means we may well start with construction bids when we implement the system in a graduated fashion. The final initiative I would like to talk about that I know is very important to this Council is in terms of procurement training – we had some findings this year in terms of pcard utilization and most of these were minor but there still were findings, I believe we had 15 findings on a 40 sampling which is significant. What I did immediately after that was issued an interim training memorandum to all departments and agencies which I shared with the Council clarifying and highlighting the requirements of procurement as it pertains to the pcard. I have almost finalized my PowerPoint formal training presentation which I will be conducting prior to the end of the FY with Department Heads, Deputy Department Heads, pcard holders, and fiscal personnel which will be a more formal training on the utilization of pcards and the procurement responsibilities that are aligned with that pcard use.

I will also continue to do subject matter gold directed procurement training for departments and personnel as they articulate needs based on their operations. In my 27 years in government, I found it not particularly useful to bring in a 100 people and do generic training on a topic that they may not be particularly interested in. I continue to provide focus training on different procurement methodologies as the needs are conveyed by the Departments as well as continuing to provide new employee personnel training for people who are hired and who are going to be involved in the element of procurement.

I would like to close my presentation by talking just briefly about succession planning which has been a big issue for the Council as well as for the Administration. I have highlighted my succession prospective quite detailed in my presentation so I will not go into great detail, I will just highlight a few items. We have a tremendous challenge in the public sector with succession planning and the Vice Chair and I have talked about this on a number of occasions. Unlike the private sector, when attrition occurs, for example, as it results of retirement, we cannot simply hand select the successor, 95% - 99% of our employees are Civil Service. They enjoy the benefits of that system as defined by law. Every time there is a vacancy and a promotional opportunity, every employee in the public sector that can meet the minimum qualifications of that position is entitle to apply and be given full and fair consideration in an objective and neutral recruitment process. Unlike the private sector where we can simply hand select. The other challenge in the public sector is employees are not required to provide minimum notice on a retirement intent. They could retire as quickly as 2 weeks from the time of the intent is conveyed and as the Managing Director pointed out 2 weeks ago, I believe they can articulate a retirement intent on that 3 times. It does not give us time to prepare unlike in my situation where I do have the opportunity, I have 2 or 3 years to prepare but it does not mean that we cannot do a good job in succession planning in the public sector. It starts off with recruitment. As managers, we have to ensure that we clearly identify the knowledge, skills, and abilities that these employees need to possess in order to come effective components of our operation. The development of our interview instruments have to mimic those knowledge, skills, and abilities to make sure that we are measuring in our questionnaire the types of skills in qualifications that are critical for that position. When we finally facilitate a recruitment and do the scored analysis, we have to make sure that when we think we have selected someone to make sure that we check prior job references and performance standards. It is a kiss of death for any prospective employer to not check on prior job performance and references because you are dealing with a blind spot that you are never going to be able to overcome, so it is very important to do that.

Once you make a hiring selection, training is critical not only to develop the skill set necessary to perform the goals and objectives but for the employee to understand the objectives and the initiatives of this department so that they can become part of achieving that mission that is critical. Proper acknowledge and recognition of our employees who work hard is a critical element of any good management plan. Jobs satisfaction is not going to be created by fringe benefits and by salary that will keep people on the job. It is not going to make them satisfied. A sense of worthiness on the job and a feeling of value that one contributes is going to contribute job satisfaction, so we have to nurture that. That also involves continued training so that the skill set and the base of skills of employees are enhanced throughout their career with the County. Substandard performance is a plague to the private and public sector. Managers in the public sector have a responsibility to identify substandard performance and attend to it either by additional training and guidance or by taking whatever disciplinary measures are available. Substandard performance becomes a major challenge for hard working employees who are forced to pick up the slack. So, we have an obligation to deal with that. Morale is so essential in every organization and we have to maintain that level of morale with good management actively. Thank you for the opportunity to present my budget, I have not gone over the numbers and I am happy to answer any questions that you might have or in terms of the presentation, or the actual budget. Thank you.

Mr. Bynum: Ernie, thank you for what I consider being an outstanding presentation. I particularly want to highlight in your written about succession planning which you just outlined every Department Head should read that section. It is the most thoughtful analysis of succession planning in the public sector that I never seem and



intent of what is being done with R&M practices for that fund versus for purchasing of certain assets. Those assets are handled... you buy a tractor and it goes on our books. It is a lot different from the definition of repairing the roof or the toilets. I would ask that we get closer to that understanding as one of your missions for this year because I do not know how to say it other than the fact that I was surprised that some of the purchasing procedures were kind of thrown under the bus and pointed to some short comings in purchasing. I want you to know personally and I have let some of those Department Heads know that I was not happy with those responses. That delays were caused by Purchasing versus working together to come for (inaudible) and that is not healthy. Some of it in their minds, excused of being an emergency – not the case. We have procedures, we have an actual ways to get money to repair emergencies but I thought that was a little CYO and I am not happy with it. I am very serious. I will take action as the Council Chair the next time I see it being passed off like that. But you need to be aware talking to these Department Heads about the procedure just does not change because it is an emergency. The appropriate accounting is there for policy filing, you are the Purchasing Director, and it does get attention to move with some urgency but you have to follow the procedure, you got to book it right. I do not mean to end on that kind of note with my only question before I turn this over to Mr. Rapozo but your mission about getting us the best possible product for the best possible price – big success. Thank you, Ernie.

Mr. Barreira: Thank you, sir.

Chair Furfaro: But get a handle on these emergency repairs would you.

Mr. Barreira: Very good sir.

Chair Furfaro: Mr. Rapozo, I have to step out.

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

Ms. Nakamura: I wanted to pass out this case study on a situation that we have talked about it and so it is not a surprise to you but it is the Po'ipū Beach Park situation. I think what Chair was alluding to is that people blaming the process on Purchasing when there are other issues involved. This is not to point fingers but to say how can we do it better in the future. I know you have had personnel start up, positions, and challenges as well but I am hoping that we can use this as a tool to say how can we cut down the process, prioritized projects and not have this situation where we are waiting a year to fix a problem that was identified as a priority of this Administration. We have had conversations.

Mr. Barreira: Yes.

Ms. Nakamura: But I just wanted to pass this out and ask the Administration to really take a close look at what can be done for these priority projects.

Mr. Barreira: Vice Chair, one of the things that you and I had spoken about and I would like to share with the Council and the people at home is that one of the new initiatives that I am going to take up in FY 2014 is not only receiving the multitude of bid documents that are sent to the Division of Purchasing but asking the Department Heads and the subject matter experts to define a prioritization of those solicitations. We have no particular preference of how we let these bids once they are convened to us, once the Honorable Mayor calls me and says that this is a priority that is

the order that we will take. Or if the Director, himself, tells us so by having this type of prioritization Countywide, we will be able to focus on those types of resources.

Ms. Nakamura: I think those are the systems change that I was looking for and thank you, Ernie, for taking those initiatives.

Mr. Barreira: Thank you.

Mr. Rapozo: Ernie, have you taken an internal look at the procurements or the emergency procurements? Yesterday we talked about a few of them. I asked a question about the Humane Society that I am hoping the Attorney's are looking at, on the none mandated services that was somehow put into the contract without going through procurement. There is also the Golf and the ATMs and the one that was identified in the audit, itself.

Mr. Barreira: Yes, sir.

Mr. Rapozo: But have and is it even possible to take a look at all of these... of what I would call a "sole source" contract to make sure that we are in compliance with the State Procurement Code?

Mr. Barreira: As this information becomes available and we will look into the requirements of what had transpired. When emergency procurement is very clearly and definitively defined within the law and it has 4 very distinct elements and there all "and" it is not "or." It is item 1 and, item 2 and, item 3... so, there are very, very few emergency procurements because it is such a stringent requirement under the law.

Mr. Rapozo: And I guess, not as much emergency – I am talking about the... because the golf thing was done under emergency procurement. I am more interested in the "sole source" the ones that we are not going through procurement by some exemption. I think that is a where the attention needs to be focused. That somewhere in this process from where a request is made for whether it is a position, whether it is service, and a product, that between the request has been made and the check cut, that somebody should be catching that and saying "wait a minute, time out this does not meet an exemption, this has to go through procurement." Obviously, that is not happening because we are seeing these incidents pop up but is that being worked on? Is that through training?

Mr. Barreira: It could be a training curve and I guess I was not here yesterday and I apologize for that but I understand there was some discussion, items that I can look into and determine if there were procurement issues involved. Technically, if there is a process being followed, that is competitive and that requires some sort of procurement activity and it has not occurred. That would be something that I would be concerned about but I would need to look at the specifics and make a determination in terms of whether or not there was a... whether it was competitive, whether it should have been procured.

Mr. Rapozo: Well, we would not know and that is why I am asking. Is it possible for your Office to do an internal audit, your own internal audit because I would not know until it pops up on the floor over here. Then I am asking "what has been done?" We do not have that ability to know what was written, if not for the Auditors report, the Council would have never known about the one that the Auditor found – the audit found.

Mr. Barreira: Yes.

Mr. Rapozo: I think somebody needs to look at internally all of those and I guess you call it “exempt procurements or exempt from procurement” to take a look at each one and say did it in fact meet the law or did it not? I would assume that there is and maybe not intentionally – it is just because that is how we do it – that old famous excuse in business and government is, “that is how we always did it.” Well, somebody got to be keeping track and say maybe we did it in the past, but this requires procurement. I think that is what I am interested in because until it pops up, whether in an audit or some inadvertent question that is answered, then it is... excuse me, I am more interested without going into a full blown investigation. As the Director, I would think you would be interested in going through these exempt procurements and making sure that we are in compliance with the State law.

Mr. Barreira: To establish an exempt procurement is not determined at the Departmental level. There is only one entity in this room that can approve a procurement of an exempt nature either its exempted by law or rule or it falls under the Administrative rules which is a discretionary exemption which has to meet a two-prong test of being advantageous to the County and not being practical to follow admitting process. The Director of Finance must approve that and post for 7 days. So, there is approval of very clear and definitive review and approval mechanism that occurs for all exemptions when they are brought to my attention. I am not sure if there is some concern of whether some exemptions have been pursued absent my attention, I assume there is a communication coming over...

Mr. Rapozo: Well, there will be.

Mr. Barreira: Okay, I will look into it.

Mr. Hunt: If I can address the ATM issue that came up yesterday, that actually is... we checked with Amy Esaki on this. It is exempted under HRS 102-2(b)4, so it does not have to go through procurement on ATMs.

Mr. Rapozo: So, I can... and I am not trying to be funny but if I wanted to go and purchase an ATM, I can drop it on a County facility?

Mr. Hunt: I believe if the financial institution wants to agree to put one over there that could be.

Mr. Rapozo: Really?

Mr. Hunt: Yes.

Mr. Barreira: Even with exemptions there is a process. Exemptions are either exempting competition of exempting a process. It really depends. The exempts by law and by rule exempts allowable competition, so we identify that as an approve exemption in proper documentation and then we can hand select a vendor to provide that service.

Mr. Rapozo: You can pick who you want?

Mr. Barreira: Yes. And of course either one that we are dealing with an approved exemption, we try to have the departments and agencies articulate a basis so that we can confirm that it is in fact an approved exemption by law or rule and that we have proper documentation for audit purposes.

Mr. Rapozo: That is good to know because I may get some ATMs and they generate a lot of revenue for the bank with those transaction fees and if you get it in a County facility that is interesting.

Mr. Hunt: The other one I would like to respond to too is the golf course club rentals, there is no concession, there is no concession, this is mobile – if you call, and he will deliver the sets to any golf course. You arrange to have a drop off and a pick up time. As far as I know, it maybe the cart vendors themselves that have the brochures they are handing out, these are available, I believe at the airport rack.

Mr. Rapozo: It was not the cart vendors yesterday, Ian said it was the County.

Mr. Hunt: The County putting these out?

Mr. Rapozo: But I have submitted a question yesterday specific to that because I do not that is appropriate.

Ms. Yukimura: My apologies for being late. On this issue of exemptions, even though they are exemptions they have to come through your Office?

Mr. Barreira: Yes.

Ms. Yukimura: Did the exemption of the club rentals come through your Office? Because if it an exemption?

Mr. Hunt: It is not a formal concession, we are not authorizing... it is a mobile. They are not taking control over the golf course or putting up anything that we know of on the property. It is just a matter of handing out business cards or flyers to people and they could be getting them at the airport. I do not know who is making the referrals. That would be something I would defer to Ian Costa to explain.

Ms. Yukimura: The referrals are being made when people call our Office to make reservations, so it is an official referral of the County, from what I can tell. That does not...we can have that happened? People can refer certain services over others?

Mr. Barreira: What we have to abide by, Councilmember Yukimura, is the establish element of the concession as defined as solicitation. What the concessionaire does in terms of operating that concession, as long as he meets the requisite elements of that contract with the County, I think we would have to conduct some legal discussion with the County Attorney in terms of this issue in particular. But this was not an exemption, it was not brought to my Office. We want to facilitate as an exempt procurement because we need the service.

Ms. Yukimura: But that is the problem. If Managers – Department Heads and other Managers are not really familiar with the procurement laws, they may not even come to you as was this case. But how do you catch those that are

improper is the question? They may never be caught, that is one possible scenario and then they may be caught and there maybe liabilities out of that, right?

Mr. Barreira: Yes.

Ms. Yukimura: I think we are talking about prevention here because if Managers think they do not have to go through the procurement process, even to get an exemption to show that it is not in the procurement process, then your Office never knows what decisions are being made to say that it is out of the procurement process.

Mr. Barreira: You actually missed my earlier presentation when I spoke in terms of the critical importance of procurement training at different levels of the organization, new employee, Department Head, subject matter training with regard to the different elements of procurement. You and I spoken about this before publically and behind the scenes where that training element is critical to have a good understanding of what to do and how to it is supposed to get done.

Ms. Yukimura: Is this required of every new Department Head?

Mr. Barreira: Yes, it is. And in our case, in Finance, in order for me or any member of my staff to continue their work, there is mandatory training by law in terms of procurement.

Ms. Yukimura: I see.

Mr. Barreira: For new employees, we encourage the Department Heads to identify those personnel to make sure that they come to... and I handle this personally, the general orientation in terms of the procurement requirements under the code and under the rules. I sponsor subject matter training based on demand. There are areas of the procurement code that requires substantial effort such as small purchases or in IFB's for example of Professional Services.

Ms. Yukimura: So, if we had a question as to whether a Manager has been trained, you would have a record of them being trained?

Mr. Barreira: I do not maintain active records. There is no reason why I could not do that. I would have to go by... could I add to it that Larry Dill has been trained in procurement, I could answer that question but I do not keep a record of that, no.

Ms. Yukimura: Because I am thinking back to the two sort of problems that we had. One, was with the former Prosecuting Attorney and one was with the president Parks Deputy and I am presuming and I would like to confirm that there is training of those... I think it is often that Managers will feel that "I do not have to do this," my people under me have to do it.

Mr. Barreira: Yes.

Ms. Yukimura: And then we may get into problems.

Mr. Barreira: In all fairness, I do not want to conclude that this golf situation is a violation or ethics issues, I think we need to further explore it and look at all the facts. We will be happy to come back to Council with our findings.

Ms. Yukimura: I am not assuming that either but the fact that there were questions raised and we could not get clear answers from the Managers make me ask the question “were they trained.”

Mr. Barreira: Understood.

Ms. Yukimura: Okay, thank you.

Mr. Barreira: I will look deliberately at the inquiry and will respond in time.

Mr. Bynum: Our vendor contracts, do they include a rent fee plus a percentage of sales?

Mr. Barreira: I would have to look at the particular concession. We are letting two concessions now – Spouting Horn is just about concluded and of course my marching orders is to let the Golf Shop and the Restaurant concessions as soon as we are able to.

Mr. Bynum: My understanding is that those contracts – the County... the payment to the County involves a percentage of sales?

Mr. Barreira: It could well be, sir. I would have to check the particulars.

Mr. Bynum: On this golf club thing, I do not know the whole story but there is a need, people step up to meet the need. We knew this issue with the Pro-shop for 2 years. Two years I have asked to negotiate, change the contract, and make sure that this place stays open. I cannot make judgments about the vendor but I do believe that the closing, opening, closing, opening affected this business losing the ball concession affected his business. He’s is the pro and he had to even pay for the own balls to use at the range. I have asked for 2 years. We are going to lose this concession and it would be devastating. The point is that we are also losing revenue. Those club rentals, I believe, we get a portion of that. It is very frustrating.

Mr. Barreira: I assume it is coming over. I will take a look at it and give you particulars.

Mr. Bynum: When the restaurant was there, at times there were mobile vendors out there and I do not know how that was procured, it turned out that they were only going out there at high valued times, right? When there were lots of... but not consistently providing it.

Mr. Hooser: I have a brief question about Spouting Horn. Your Office reviews and is a clearing house, if you would, for people that are interested and awards contracts?

Mr. Barreira: We formally let the concession after it is submitted by the Department where we work with closely to make sure the particulars are clear and that we have a concession that is in line with the law. We publicize it on the internet and then we receive offers.

Mr. Hooser: The reason why I am asking is, recently a day or two ago, I thought it would be interesting to see what is required to apply for a Spouting Horn permit. I either got an E-mail or somehow saw the... so I clicked on it and I could not figure it out. I would like to think that I am a pretty smart guy but perhaps not. It said something about you have to request something and then I went through clicking around and could never find the document that I was supposed to request in order to get the other information that would tell me what it is all about. You might want to look at the website to make it more user friendly or perhaps after this meeting, you can tell me where I was going wrong. Anyway, it was not user friendly enough for me.

Mr. Barreira: That is good to know.

Mr. Hooser: And so if it is happening to me, it is probably happening to other people.

Mr. Barreira: We do have concessionaires that come into the County to ask questions, we do have them calling. Of course the protocol normally is if they have a problem or concern, we defer them... if it is subject matter base, we refer them to the Department. If it is systemic in terms of procurement, we would address it. In many times we ask that they transmit an E-mail communication so we have a record of their inquiry.

Mr. Hooser: As an interested person has to fill out the form to get the information about the bid?

Mr. Barreira: They have to register.

Mr. Hooser: Can they just click and find the information online?

Mr. Barreira: If you go to the Division of Purchasing website and click on bids and proposal, it will take you to our listing of solicitations. If it says, registration required, you will have to click on that, you will do a very quick registration and immediately the system sends you a link that enables you to acquire that solicitation online. The reason we do that is because the rules mandate that we maintain a ledger of all people who pull solicitations.

Mr. Hooser: Okay. I will look at it again.

Mr. Barreira: I would be happy to sit with you and navigate through the system.

Mr. Hooser: Let me try again to see.

Mr. Barreira: Very good.

Mr. Hooser: Then we can talk.

Mr. Barreira: And so, it is closed so it may not be assessable any longer. The bid for Spouting Horn is closing because we had to go out a second time because there were not enough applicants.

Mr. Hooser: I guess the bottom line is that we need to make it more user friendly as possible and I did not find it that user friendly.

Mr. Barreira: It is very valuable when County personnel look at the system because we want to strength it, we want to make it effective as possible.

Mr. Hooser: Thank you.

Chair Furfaro: Folks, a reminder here that we also going to do Risk Management before we do Civil Defense at 11:00. Continuing with Procurement, JoAnn.

Ms. Yukimura: So, you had to go for a second round and you did get enough applicants?

Mr. Barreira: I am not sure.

Ms. Yukimura: Interesting, thank you.

Chair Furfaro: Procurement questions?

Ms. Nakamura: I am glad that your positions are now filled. You have 1 more position to fill?

Mr. Barreira: Yes.

Ms. Nakamura: But we approved that second Specialist in your Division last year because of what we proceed to be a bottleneck and the need for additional resources to get the County resources out into the community. I was just looking at your budget and your budget from 2 years ago is a 10% cut and from last year it is a 5% decrease, so this shows that with the additional body, you are still able to provide the services and reduce cost. I am thinking it is because of the use of technology.

Mr. Barreira: Absolutely.

Ms. Nakamura: I think this is a very great trend we want to see these types of numbers in the Divisions where technologies can make a difference. When we talk about future improvements, I am thinking that a user survey of vendors who use our services as well as the different government agencies within the County who use your service will really provide additional insights on how we can better improve the delivery. I really think that this has a direct impact to our economy. I just want to encourage that in the future.

Mr. Barreira: Very good. And to clarify the position that the Council appropriated to us was actually shared with the IT Division by design. The first 6 months was IT's and in January it became available to us. That is one of the two positions that we filled. The position that still has to be filled is the senior specialist vacancy that was created with the departure with Rowena earlier this year. That is critical to us as well. You are absolutely correct Vice Chair, technologies enable us to maintain higher levels of productivity without having to spend money. I debate in all of my years in government that you have to have a rich operation to be effective, I argue that that is not accurate.

Ms. Yukimura: Following up on that. I think last year's report was exactly as Vice Chair was saying, it is an extraordinary achievement in a short time. I had a conversation with you earlier though about the lights being on Saturday.

Mr. Barreira: We talked about that already.

Ms. Yukimura: Oh, you talked about it?

Mr. Barreira: Yes, when you were not here.

Ms. Yukimura: Okay. So, the discussion is that if you fill that senior position, you will be able to do it without as much overtime?

Mr. Barreira: We were able to fill our two vacancies out of the three with two outstanding young women. The short answer to that question, yes. Is overtime still going to be in my budget, yes it is still in my budget because while the technologies will make us more efficient, it is never going to replace the art of analysis that is conducted by the specialist in processing the various procurement work.

Ms. Yukimura: Right, thank you. I just want to acknowledge that we may have this technology available but it really takes a Manager to be able to use and integrate it into the systems. Congratulations on that. Again, the administration is demonstrating this cross department cooperation that is really very excellent. So, thank you for that.

Chair Furfaro: For procurement, I think we are pretty close here. I do want to say one more thing, I understand there was some discussion when I went out on my phone call but I would expect that if there is a deviation from an interpretation of general accounting practices, you have something for me from the County Attorney that says there is a deviation.

Mr. Barreira: Absolutely.

Chair Furfaro: One piece on a concession does not make up for what I interpret it as a need to make some communication improvements to the Department Heads. Thank you for all the great work and if you can focus on that over that over the next year, I personally would appreciate it.

There being no objections, the Council recessed at 10:26 a.m.

The departmental budget call-backs reconvened on April 19, 2013 at 10:26 a.m., and proceeded as follows:

**Finance – Risk Management**

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

Excused: Honorable Ross Kagawa

Chair Furfaro: Gerald, are you going to come and join Steve?  
Welcome, Gerald. Steve we have a narrative here from you?

STEVE A. HUNT, Director of Finance: Yes, thank you.

Chair Furfaro: You have 35 minutes.

Mr. Hunt: I will be brief. I guess during the transition going from Real Property Tax Manager to Director of Finance, I really did not have a lot of time, aside from preparing budget to really look at the Risk Management Division. It is a Division of one. There was a plan with a more expansive look that involved Human Resources (HR) and Personnel risk and some other things that were kind of looked at more globally. Since then HR has gone in a different direction and taking some of the human training and risk management with them. Some of the leftover, I guess has been left with Gerald in terms of the back-end processing, but in reality, this Division per se, will likely fall back under the Administration as an another task of the Finance Administration, not a Division. So in our formal presentation, this actually was not included. It is today. I do not want to call it a "position description" of what Gerald does, but in reality we are just going over what some of the processes are in Risk Management.

Chair Furfaro: I would like to make note that your example of staffing levels on your graph on page three, I guess, explains some of that.

Mr. Hunt: Yes.

Chair Furfaro: Thank you.

Mr. Hunt: Okay. The mission statement of the Risk Management Division is to protect the County assets, the human, physical and financial through comprehensive and cost-effective insurance and risk management programs. Risk Management is an integral part of good management practices and essential to the success of the overall management of the County. We are looking always to minimize exposure and potential losses to the County by incorporating sound risk management practices in the everyday functions and operations within the Departments and the decision-making processes. This is accomplished through an effective management of the County property

and liability insurance programs. And then the identifiers, there are six risk management identifiers that Gerald engages in. First is risk identification that is identifying any exposure, unanticipated potential losses. Next is risk analysis, looking at again potential loss versus the County's ability to mitigate loss and provide services that might be cost-effective. Then is risk control, these are select techniques to develop policies and procedures to minimize the frequency and severity of potential losses. Risk transfer and that refers to Exhibit 1 on the back, which is our cooperating insurance, where we transfer our liability to others that we pay for that service. Risk financing, and this is to determine the County's ability to finance losses and purchase insurance. And then risk administration, and that is the formal risk management policy staffing, Risk Management Committee Advisory Board and Risk Management Information System. The County's major exposures fall in various categories of course property, which is your physical, the buildings, equipment, and contents of the buildings. General liability that is injury or personal...sorry property damage to the public occurring on County premises, as a result of our operations or due to actions of the County or its employees. Automotive liability, this is liability to third parties and physical damage to County vehicles. Human Resources and Worker's Compensation, the medical payment and loss time claims for injuries to workers sustained on the job. And then human resources and employee practice liability is exposure and control of employment-related to discrimination, sexual harassment, stress, and wrongful discharge shared by HR. Finally, the aircraft, physical damage to the hull of our helicopter, passenger liability, and third party liability. The function of risk services to purchase and administer excess liability, general and automobile and law enforcement liability, public officials and professional liabilities and employee benefits administration liability. And then property, government crime, aircraft and excess workers' compensation insurance policies. Also to reconcile the insurance fund with the Department's workers' compensation fund and with the general ledger and prepare financial reports to the external auditors at the end of the fiscal year. Provide internal consulting services for Department and Agency operations on loss control, liability exposures, and policy development. To review contracts for insurance requirements and indemnification agreements refer to the back exhibit. Periodically update property and automobile schedules for insurance coverage. Coordinate with the Office of the County Attorney on reporting liability claims to insurance carriers and third party administrators and serve as the County liaison to brokers, third party administrators, and government agencies on insurance and risk management services.

Goals and objectives. To minimize potential risks relate to property, liabilities, and human resource. Promote risk management as a component of strategic planning and as a major budget item. Strive for a unified focus on cost reduction by Departments. Educate Departments on risk management and enlist support for adoption of risk-management programs and determine and evaluate the total cost of risk. Page 3 gives a brief synopsis and again staffing, we have a Division of one here. He reports directly to me. And below you will see the Division's budget comparison for the past two years and proposal for Fiscal Year 2014. The Division budget is merely the cost of personnel, along with a \$5,000 consulting service allowance. The expense for the insurance premium is domiciled with the Finance Administration and the actual policies themselves are not within this Division, but fall under "Finance Administration." The insurance programs continue to follow a dual strategy of self-insuring the normal operating recurring claims from third parties and its

employees while purchasing excess insurance layers to protect the County from catastrophic losses. Various insurance policies purchased by the County have emphasized purchasing adequate limits to cover potential losses and exposures and employing risk versus reward analysis to determine the various program premium outlays are effective to the County assets.

The public entity insurance marketplace has been trending upwards as underwriters are demanding and receiving premium increases as demonstrated on the following chart on page 4. The forecast for the premium increase are based on our broker experience with a class of business and significant amount of public entity placed in the United States. And again on page 4 you will see the insurance premium trend the last three years...has been relatively stable. The overall cost estimates have not gone up that much. We are including in the budget request excess liability insurance for crime, Hawai'i joint underwriting, driver's education fee, property insurance includes the aircraft hull and liability. And excess workers compensation insurance includes the State of Hawai'i Special Compensation Fund.

On page 5 is a list...Okay. Page 5 is a list of the carriers, and the property types of insurance with our limits and coverage. That continues to page 6. Again on page 6, just going through a little bit more about the coverage that we include and our self-insurance, the compensation that we have done each year for the last few years we have replenished the third party agreement fund. \$691,669 in Fiscal 2011, \$916,389 in Fiscal 2012 and thus far \$858,163 in Fiscal 2013. It is noted again that the workers' compensation oversight has been moved to the HR – Personnel Department.

Chair Furfaro: Can I ask a question before we go further?

Mr. Hunt: Sure.

Chair Furfaro: I want to make sure when he look at the general property premiums that the \$31,000 increase from \$445,587 to \$476,000 and that \$31,000 now includes the helicopter?

Mr. Hunt: What page?

Chair Furfaro: I am on page 4 under insurance premiums for property insurance. Top chart. There is a \$31,000 increase and I want to make where we are covering the helicopter at.

GERALD ESTENZO, Risk Management Coordinator: That includes the helicopter.

Chair Furfaro: Okay. Same chart, workers compensation, \$219,000 has been moved to HR, Steve?

Mr. Estenzo: No, this is excess workers compensation that has not been moved to HR, the over sight of the self-insured workers' compensation is in HR.

Chair Furfaro: So this is just additional workers' compensation.

Mr. Estenzo: Yes in excess of the \$500,000.

Chair Furfaro: Got it. I am clear. Thank you for letting me get those two clarified. Okay. Steve, you can continue.

Mr. Hunt: Thank you. On page 7 now, it goes over the workers' compensation summary and this is where the biggest increases have been coming. There has been ongoing education through Aon, I believe is the contract that does the training for managers so that we are awarding some of the workers compensation related to discrimination and harassment policies.

Mr. Estenzo: It was our old broker. It is Gallagher now.

Mr. Hunt: Gallagher, sorry. These are the areas in workers' compensation that seem to be the areas that have been on the rise in terms of our exposure.

Chair Furfaro: So let me get clarification again. So we are comparing these, but we have a different broker for the year 2013-2014?

Mr. Estenzo: Yes, the current broker is Gallagher Risk Management Services. It used to be Aon before.

Chair Furfaro: Okay. And this was through a competitive bid process? Yes. Mr. Bynum.

Mr. Bynum: The training you just referred to, is that the training that was required by the EEOC?

Mr. Hunt: The online training, yes and I believe all County employees are receiving. I think that is still administered through Aon.

Mr. Estenzo: That was the Aon's program, Yes. Safetylogic training.

Mr. Bynum: So that is the training that was a result of a civil rights settlement?

Mr. Estenzo: No, it was part of Aon's services for the County at time.

Mr. Bynum: Okay. Well, I will ask that question in writing.

Mr. Estenzo: I think that Safetylogic is administered by Janine in HR.

Chair Furfaro: We think or we are sure?

Mr. Estenzo: It is in HR. To be definite about it is in HR.

Mr. Hunt: To confirm, we will ask HR that question.

Chair Furfaro: They will be here next week. Go ahead, Mel and then JoAnn, you had your hand up?

Ms. Yukimura: Steve is done and we are starting questions now?

Mr. Rapozo: I had a follow-up question on the online train and I know it is HR.

Chair Furfaro: Are you involved with the online training and the coordinating of that effort and expense?

Mr. Estenzo: No.

Mr. Rapozo: I am just interested in the cost. Do we know how much we paid for the training? Is that part of the fees that we paid or is that a separate fee in addition to?

Mr. Estenzo: I believe it is a separate fee.

Mr. Rapozo: Do you know how much that fee is?

Mr. Hunt: I do not know offhand. I think that would be domiciled in the HR - Personnel.

Mr. Estenzo: They should have more information about the cost of it. I think it is a three-year program.

Chair Furfaro: We will save that one for HR. JoAnn you have the floor.

Ms. Yukimura: Yes. Perhaps this has to be deferred also, but my questions are regarding your workers' compensation summaries on page 7. As I think you have said, either one of you that the costs of this have jumped tremendously. If I am reading this correctly, permanent partial disability in Fiscal Year...from Fiscal Year 2011 to 2012 has jumped 400% and then the next year it jumped 100%. Am I correct in my interpretation?

Mr. Estenzo: You are looking at what Fiscal Year? The first chart?

Ms. Yukimura: Page 7 shows first Fiscal Year 2011-2012 and then Fiscal Year 2012-2013. If you take the jump of 2011 to 2013, it is like a 500% increase.

Mr. Estenzo: Permanent partial disabilities are those awards that were part of when the complaints are closed. So a lot of those complaints were settled or closed during the fiscal year.

Ms. Yukimura: I know, my question is have we done an analysis how we can prevent this kind of workers' compensation claims?

Mr. Estenzo: That should be answered by the HR Department.

Ms. Yukimura: Okay.

Mr. Estenzo: They are now into more proactive employment-related training for the employees.

Mr. Hunt: And part of that is a timing issue, because some of the claims were many fiscal years ago.

Chair Furfaro: I think we understand. That was discussed in Executive Session. The \$64,850, that number is depressed because there was a carry over and that is the explanation we got from Brandvold. For the chart, so that we are comparing an understanding. I think Councilwoman Yukimura has this right on point, we would like to know on the 323, how many are carry over settlements?

Ms. Yukimura: If this is an accumulation of previous years, then we need to remove... we need to look at the chronology of those events and put them in the right years, so we actually see a proper year-over-year story.

Chair Furfaro: Scott, can we send that over as I question? Do you see what I mean, Steve? The Councilmember has a good point with the dragging and delays of the settlements. Should have been settled whether our number was depressed at \$64,000. Nice to see that. We will send that over as a question.

Ms. Yukimura: Thank you. But even if it is a 10-year summary, it may show that we need to address this issue more proactively and I will hold that question for Human Resources. I have another question, but I would rather see a roundabout first.

Chair Furfaro: Staff you did understand the note we are wanting? Thank you very much. You can have the floor again, JoAnn.

Ms. Yukimura: What are our indicators for how well we are managing risk?

Mr. Estenzo: The measurement, risk involved liability claims, auto liability claims, workers' compensation. As far as how much we paid out for liability claims, I have no access to that information. It is with the County Attorney's Office.

Ms. Yukimura: I think I requested that information and we got a preliminary. Can we retrieve that information and make that available to everybody? I think I asked for liability.

Mr. Hunt: Special counsel costs?

Ms. Yukimura: Yes. But what I am asking how do we measure against other Counties of similar population and operations? Or even private corporations of similar sizes and I do not know if you can find similar operations, but how do we know whether we are managing our risks well or we are not?

Mr. Estenzo: I can provide that information by working with our broker and network with my counterparts in the other Counties.

Ms. Yukimura: That would be really interesting information for us to get.

Mr. Estenzo: One of the projects I am trying to do with our insurance broker is to do an analysis on the internal cost of risk. It is called TCOR, and I think they will be doing that this year, soon. They are the experts.

Chair Furfaro: But they should be doing that for us as part of their contract.

Mr. Estenzo: They will be doing that.

Chair Furfaro: Oh, okay.

Ms. Yukimura: That sounds like a good idea to figure out what our total cost of risk is.

Mr. Estenzo: Yes.

Ms. Yukimura: And then is there a way to break down the total cost to show us the causes of the cost or what areas of risk management or risk taking is causing is contributing to the total cost?

Mr. Estenzo: I have your point JoAnn. That is the part of the work with TCOR.

Ms. Yukimura: What kind of timetable are we going to be able to see this information?

Mr. Estenzo: I am hoping soon, sometime this year.

Ms. Yukimura: That the analysis would be completed?

Mr. Estenzo: Yes. It would be involved with a lot of things, working with the Departments and going there with the financial statements and the exposures.

Ms. Yukimura: Well the total cost of risk must be is not that just a fiscal accounting procedure?

Chair Furfaro: No, actually there is a chart, Steve, if I recall, that actually indicates your past trend. Because they have to use it to base their bid on.

Mr. Hunt: Premiums.

Chair Furfaro: Right? So if you go back and pursue what was...you told me was a bid process that would reflect how they measured that risk based on your performance. And that would substantiate the premium that they bid on. So that should be available somewhere.

Ms. Yukimura: So the total cost of risk factor is a performance measure and not just fiscal accounting of looking at where you are...

Mr. Estenzo: It involves a lot of things, including payroll, the benefits.

Ms. Yukimura: Payroll or peril?

Mr. Estenzo: Payroll, the employee benefits. It is part of the total cost of the risk? As far as my understanding.

Ms. Yukimura: Okay. Thank you.

Chair Furfaro: Let me clarify this for us here. When they bid on taking us on as their client, it is a competitive bid, but their bid is based on a three-year history. That three-year history you have a trend that goes on with your insurance, that when they see an improvement in that liability you have to recreate another trend for a couple of years, before they actually address the premium again. So these bid processes and reporting, they report on your exposure based on history and I think this is what Councilmember Yukimura is getting at, if all the Department Heads show improvement, but not for one year, over history again and that should be available to them when they bid is what I am saying. They should have those indicators.

Mr. Hunt: I was not around when this went out bid, but I think the premium would be an indirect reflection on your performance.

Chair Furfaro: Yes.

Mr. Hunt: If the premiums were increasing every year and substantially spiking you are obviously not going a good job, but if they are stable it is probably cost of living and if you are getting discounts it means that you are well performing under.

Chair Furfaro: For this discussion, Steve I am going to ask you to look at that bid process for any of the indicators and then it might be good to have a separate discussion going forward. If there is nothing there that is going to change a premium bid for only six weeks of history let alone six months. It's going to be a yearly trend.

Mr. Estenzo: The premiums for liability are based on what we paid out on the settlement, on the claims.

Chair Furfaro: Understood, understood. But I think what we are getting at is where do we see future savings in insurance? And that we have to have some dialogue with the trend reports that were used for bids. If I could ask you folks we will send it over as a question, if you can gather that information. We can have a discussion on the competitiveness of our Staff when it comes to preventing accidents in a longer term trend. Okay? Vice Chair and then Mr. Rapozo.

Ms. Nakamura: I was looking at page 8 and I think these are all good upcoming initiatives. I was particularly looking at number three about working with the County Attorney's Office, to revise contract insurance requirements and excess liability claims. I think that is really important just from what we have been seeing on this side. But I think what is needed and this is probably to follow-up with Councilmember Yukimura's comment, is what would be the indicators of your performance? How would we know what you have accomplished? So what are your goals over this next year? I think it would be good to be able to see that. What would be your training targets? As we see some of these claims increasing over the years, settlements, I think there is going to be...I think there should be a relationship between the number of trainings that we can do and then the amount that we need to reimburse others. So that is one thing. And the question that I have has to do with the Self-Insurance Fund. I wanted to find out what is the balance on the Fund? I noticed on the Ordinance that we are making a \$14,900 contribution to the Self- Insurance Fund, but I was not sure what the balance was.

Mr. Hunt: I believe it gets us whole at \$1 million.

Mr. Estenzo: I am not privy to the Self-Insurance Fund.

Ms. Nakamura: Is there somebody that can answer that? Or we will send it over as a question.

Chair Furfaro: Ken you should be able to answer that.

KEN SHIMONISHI, Budget Analyst: That is contained in the proviso and we would retain up to the \$1 million.

Ms. Nakamura: Out of that, we use that pay out which claims?

Mr. Shimonishi: I believe it is related to when we have property damage issues or County property. I think a Police vehicle was partially covered or paid for out of there and some other miscellaneous items, but I do not have a detailed list in front of me, just what I remember seeing in the prior year.

Ms. Nakamura: That would be separate from workers' compensation claims?

Mr. Shimonishi: Correct.

Ms. Nakamura: I have another question, but go ahead.

Chair Furfaro: Mr. Rapozo.

Mr. Rapozo: I have a broader question regarding the duties between the Risk Management Coordinator and where you are sitting with the Finance Administration and Risk Management in HR. Years ago the Council approved a position as the Risk Management Coordinator and I do not know if you remember that?

Mr. Estenzo: I think that was Risk Manager.

Mr. Rapozo: I mean a Risk Manager that would bring that level of expertise, not saying that you are not qualified Gerald, but the Big Island had a Risk Manager and that is where we got the job description that, in fact, the one on the Big Island was an Attorney and Insurance Attorney. I do not know if you remember the discussion, but that was the plan to bring over a Risk Manager to manage the Office along with the Risk Management Coordinator that would work on ways to reduce our risks, because it came with the insurance background of analyzing insurance policies. What I see here, Gerald is that you are pretty much the back office on HR. Right. But a lot of the risk management involves HR.

Mr. Rapozo: So do we even have that level of expertise of a Risk Manager in this County? An Insurance Attorney?

Mr. Estenzo: To a certain extent I am.

Mr. Rapozo: The questions that we are asking you basically have to be asked of HR, but the total cost of risk studied that is going to be done by the broker, which is a new broker?

Mr. Estenzo: Yes. With Gallagher and that is what we agreed upon to do a study, to introduce that TCOR.

Mr. Rapozo: When did this new broker?

Mr. Estenzo: Last year, they have been here a year.

Mr. Rapozo: The things that affect your risk management program, how much involvement do you have?

Mr. Estenzo: Well, the training...the employment-related training has been moved to HR and have I no budget for that training. You can see that.

Mr. Rapozo: I can see your training budget was removed. That is what I can see.

Mr. Estenzo: That is correct.

Mr. Rapozo: I believe...I do not know, I guess the separation between Risk Management and Administration and HR, confuses me and if it is the best use of those two functions. Where are you physically located?

Mr. Estenzo: I am sharing offices with the Life's Choices, with Theresa.

Mr. Rapozo: You share an office?

Mr. Estenzo: Between the Mayor and Attorney's Office. Life's Choices.

Mr. Rapozo: So you share an office with Theresa Koki?

Mr. Estenzo: I was moved there with the Risk Management Administrator at the time. The intent was to move me and the position to HR, correct? That was part of the transition. I was left there, and the other position was moved to HR.

Mr. Rapozo: So it is just you? Just you?

Mr. Estenzo: Just me, just me.

Mr. Rapozo: Do you have any supporting staff?

Mr. Estenzo: No.

Mr. Rapozo: I just see you.

Mr. Estenzo: There is no space to have a supporting staff there. It would be nice though.

Mr. Rapozo: I mean whether or not you get space, do you have access to shared staff?

Mr. Estenzo: No.

Mr. Rapozo: Just you?

Mr. Estenzo: Just me. So I am talking to Steve, it should not be a Division, but you compare risk management with the other Counties, Maui has a Risk Manager, a Loss Control Specialist, and Support Clerk. Big Island, similar to ours has Workers' compensation and safety-related training, a Risk Manager and a support clerk.

Mr. Rapozo: I am very familiar with the Big Island because I know we went to a conference many years ago, a PRIMA Conference which is the Public Risk Management Association and at that time I met with him and I realized that we had no control over premiums and we had no one overseeing how to reduce it and yes, we can do that train and online training and I don't know how many of us do, but this Risk Manager from the Big Island was an insurance attorney and came back from the conference and put it back on the table and this Council funded and it never got implemented. Now I am questioning how these two entities, Risk Management Coordinator and HR, how do you operate separately and it is even more disturbing to know that you do not have any support at all. You do all of your clerical?

Mr. Estenzo: I do everything, Mel.

Mr. Rapozo: That is all have I, Mr. Chair.

Chair Furfaro: You have another follow-up?

Ms. Yukimura: Thank you. So I see various references to aircraft of aviation and it just reminds me that we are expecting from the Fire Department a list of total costs of the helicopter? And Staff, have we received anything? I would assume these costs have been included? Did we have any of aviation aircraft before we got the helicopter?

Mr. Estenzo: We used to lease or rent from private helicopter companies. We do have now a helicopter. That is why we have this insurance.

Ms. Yukimura: The purchasing of a helicopter necessitating getting other insurance, right?

Chair Furfaro: I want to make sure we are really clear here. When we used to contract the service out, we had helicopter insurance, but it was third party.

Mr. Estenzo: Yes, third party.

Chair Furfaro: We had some.

Ms. Yukimura: I think he mentioned that but I presume that the premiums jumped considerably when we went to ownership.

Mr. Estenzo: It is in the chart as far as the helicopter.

Ms. Yukimura: Did we not get the helicopter before 2011?

Mr. Estenzo: I am not sure of the date. At the time, the insurance was non-owned insurance.

Chair Furfaro: Third party.

Mr. Estenzo: And when we owned the helicopter, it is also included...everything is included there. Owned, non-owned because sometimes we still contract outside helicopters.

Ms. Yukimura: I will ask to see the difference between when we did not own a helicopter and when we do. So I will ask for that?

Mr. Estenzo: The difference?

Ms. Yukimura: The difference in premium.

Mr. Estenzo: Oh, okay, if you look at the chart from 2011, 2012, 2013. The last two fiscal years it is flat.

Ms. Yukimura: When did we purchase the helicopter?

Mr. Hunt: We will look into that and get back. Looking from going to a third party to owner what the increase in premium was?

Ms. Yukimura: If any. I am assuming it was a significant increase, but I would like to see that.

Chair Furfaro: Steve we want to know when we have third party additional insured, what that premium was, what is the new one, and the variance between the two?

Mr. Hunt: And probably the most germane was the year of transition as premiums rise there may be an escalation in policies too, so we will try to tell you what that was at the time of transition.

Ms. Yukimura: Thank you.

Chair Furfaro: Vice Chair you have a follow-up question?

Ms. Nakamura: Actually a new question.

Chair Furfaro: Then Mr. Bynum after you. Go ahead Vice Chair.

Ms. Nakamura: I wanted to ask where is the insurance premium in the budget? I do not see it in your risk management.

Mr. Hunt: It is under "Finance Administration."

Ms. Nakamura: Under what category?

Mr. Hunt: "Insurance Premiums" I think.

Ms. Nakamura: It is broken down by the type of insurance.

Mr. Hunt: Yes.

Ms. Nakamura: I see that. Thank you for that clarification. I wanted to ask, what is the driver education fee premium? What does that cover?

Mr. Estenzo: The driver education, that is because we are self-insurer on our auto. That is part of the premiums that we paid out to the State. We are self-insured on our automobiles.

Ms. Nakamura: What does that cover? If is there an accident?

Mr. Estenzo: We are self-insured on the auto. We fix our own property damage and that is part of the State's requirement for self-insurer. It is the same thing as Hawai'i Joint Underwriting. We are self-insured also on the liability part and the same thing as Hawai'i State Comp, that were paid out to the State because we are self-insured under Workers' compensation under \$500,000.

Ms. Nakamura: Is it your Office and I am trying to find out for the signage, both the beach safety signage and the signs that have deteriorated that warn people not to jump off of Keālia Bridge. Is it Risk Management's role to be overseeing those signs or is it the specific Department relating to?

Mr. Estenzo: It is the Department like Public Works or Parks as far as with signage.

Ms. Nakamura: That will prevent loss of life or potential accidents?

Mr. Estenzo: I think it is not even an Office. Risk management is more like I am a staff person, and I give advice to the Department, working with the Department.

Ms. Nakamura: I think that goes back to your concern about making sure that every Department incorporates risk management into their strategic thinking. And I guess that is something that we have not really seen and I think maybe as we move forward, we can specifically ask for that. Like, how we asked for them to address Succession Planning and ask for each Department in the future how do you plan to address that based on the driver of your past performance and what are you going to do about it and maybe we can work in the next budget process, incorporating that into your thinking.

Mr. Estenzo: That is well-put Nadine. If you look at the first page on my report, on the "Risk Administration." that is one of my goals to accomplish. I cannot do it by myself, I need the support of the management and working with the Departments.

Ms. Nakamura: Gerald, I think that is right. It has to be a deliberate focus, you know, from the County saying this is important. This is a line item we should try to reduce over time, rather than see it increase and what can we do about it? And you need that support.

Mr. Estenzo: That is correct. Risk management is a shared responsible and not only by one person.

Chair Furfaro: We are getting close to the Civil Defense presentation. We are a little bit past it. Steve you know, a few questions are coming over. I want to mention to all of you folks as I was trying to express to you what happens in insurance cycles, depending on various types of insurance. Also in the private sector, you have what is called a TOPS plan, Total Operating Performance Standards. It is a mutually-agreed item where you make a statement about the team's responsibility in reducing premiums, and premium costs that are measured through reducing workers' compensation, reducing loss-prevention, because people are jumping off bridges. And that ask a practice in most private areas, but it is something that we want Brandvold to get us to. We should have a 10-point risk management review that our insurance broker does some work for us and it is part of his bid to do the work. You know, to have somebody just to go out in the field, 10, 12 times a year, do not necessarily give the bite, unless you are talking to the broker from insurance, who says this is what will make a difference in your premium. And premium has to be measured just like payroll, just like benefits, you know? Because it is a cost that we can control. We are going to need to take a caption break. We are going to wrap this up and come back to Civil Defense. Questions? You have a question?

Mr. Bynum: I just have one final one.

Chair Furfaro: Go right ahead.

Mr. Bynum: When I look at report, it talks about the risk management techniques, risk analysis, but it appears over the years Gerald has been managing the insurance premiums and I am concerned that his role has not been fully integrated into the whole risk management thing and seems like the function of risk services is an HR kind of thing. Have I got this right?

Mr. Estenzo: No.

Mr. Bynum: Because? When you look at the actual functions of risk service, I believe that is what Gerald has been doing and not so much focusing on these other thing as one individual.

Mr. Hunt: I believe Gerald's role has been to look Countywide at the best combination of mitigation and cost control and policy and excess coverage to put us in a position that is the most cost-effective plan as a County. The actual HR component has been moved in terms of Workers compensation to reduce that the training for that in the HR Personnel side.

Mr. Bynum: Steve you said in the beginning your intention is to move this position into Finance Administration.

Mr. Hunt: Pull it back in.

Mr. Bynum: So primarily, you will be administering these liability contracts, right?

Mr. Hunt: But I am also looking at as we get this survey back and ways that we might be able to again have conversations with our insurance people to find ways to reduce premiums, that that is looked at. At a Department Head level that recommendations are coming from Gerald as to recognizing potential pitfalls and exposures that we maybe have not addressed that may be a risk management plan from a Department Head standpoint.

Mr. Bynum: So that is a lot of interplay between your Department, and HR, right? I am concerned that has not been happening and Gerald has been doing a critical and more than adequate job at managing these contracts, but not integrated into the whole picture. That is my concern. Maybe I am wrong, but I wanted to express that.

Mr. Estenzo: Mr. Bynum, with the transition of the position of Risk Administrator to HR, it is in the works on...I am amending my position description to make it clear or to differentiate in with what the HR Risk Manager is doing compared to my role. I have been waiting for that and it is almost a year, but what I have been doing right now is what I have been doing except for the oversight of the workers' compensation claims, which was moved to HR as of July 2012.

Mr. Hunt: That is my intent to pull it back under Finance Administration. Physically, we are somewhat challenged with space, but if possible we may try to pull physically back as well. But that is a space planning issue as you all know, we have those challenges.

Mr. Bynum: And then he would be answering directly to you?

Mr. Hunt: He does now.

Mr. Bynum: Oh, right. Thank you.

Mr. Estenzo: It was like that years ago. I was with Wally at the time.

Chair Furfaro: We are good there, Gerald. JoAnn?

Ms. Yukimura: I think the whole...well, if I can pick up the concerns around the table is the County's overall approach to risk management and I mean, I for one think it is good that the Human Resource Division has been tasked with focusing on workers' compensation and that kind of issue. Because they are tied to personnel management, and there is no question about that. but beyond that, the other non-personnel risk management, what is the best organizational structure and capacity issues in terms of how we can best as a county address that and so as you pull administratively instead of it is now not a division, but part of the Finance Administration. I would like to ask that you give some thought to how we need to develop this whole very critical area of County management? And I just wanted to ask a factual question. What is on page 4, "unused fund?"

Mr. Estenzo: That was what the unused fund...if you look at it, 2012-2013, for what was budgeted for the insurance premiums.

Ms. Yukimura: What was unused?

Mr. Estenzo: Yes.

Ms. Yukimura: So the 46% increase is a positive? We did not use that money for liability payments?

Mr. Estenzo: It was leftover, the unused funds. The budget was cut from 2012-2013, if you see that. It was cut by \$324,000. And what we paid out was the premiums were decreasing in the last two fiscal years.

Ms. Yukimura: That is a good sign if the premiums are decreasing.

Mr. Estenzo: Yes, because we have a surplus. We have a surplus here in the unused fund.

Chair Furfaro: I think you are going into areas...

Ms. Yukimura: Okay.

Chair Furfaro: I really want to say something. I deal with insurance in my business. Okay? Steve, it starts from having a team that reviews the bid.



The departmental budget call-backs reconvened on April 19, 2013 at 11:34 a.m., and proceeded as follows:

**Civil Defense Agency**

Honorable Tim Bynum (*present at 11:49 a.m.*)  
Honorable Gary L. Hooser  
Honorable Nadine Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura (*present at 11:36 a.m.*)  
Honorable Jay Furfaro, Council Chair (*excused at 12:22 p.m.*)

Excused: Honorable Ross Kagawa

Chair Furfaro: We are going to start. Ted, you are going to make the presentation? We have enough chairs if you want to have members of your staff to come up and a shared microphone.

There being no objections, the rules were suspended.

THEODORE A. DALIGDIG III, Civil Defense Manager: Yes, Mr. Chair, I will do a PowerPoint presentation and I would like to call for my staff, Operations Officer, Elton, soon to be our Communications Officer, David, if you could come up? Chelsie, you are welcome to come up if you want. If not, then you can remain back there.

Chair Furfaro: Hey, how are you, David? Ted, it is all yours. We can start with the four (4) members we have.

Mr. Daligdig: Members of the Council, I have prepared a PowerPoint briefly and what I would like to do right now it just give you an overview on how we are going to conduct the briefing. Basically, I will be giving the highlights of the Department and at which time I will be followed by members of the staff who will give the particulars of each area. Then we will be happy to answer any questions that you may have. Again, introducing myself, I am Ted Daligdig, the Civil Defense Manager and to my right is Elton Ushio, and to my extreme right is David Miyazaki who will become part of our staff come July. I would like to point out our mission because our mission has changed over the past year. It includes the collaborative effort from us and our Administration. Let me read this because I think it is important. It is to protect the lives and property of Kaua'i by coordinating efforts among Agencies at all levels of government and the public sector, to prepare for, respond to, and recover from emergencies, hazards, and disaster events. On this slide, I have the responsibilities of the Department. It includes three (3) goals that I would like to go over and each goal has objectives that will help us meet the goals of the Department.

In goal number one, we plan to increase the public awareness regarding emergency preparedness and Civil Defense program initiatives. As can you see there are three (3) important objectives under goal number one. It is to provide a minimum of three (3) outreach/educational activities per quarter. This is to schools, external government

Agencies, and community based organizations. Objective number two, this is something new that we would like to embark on. It is to produce and publish at least one (1) printed article or educational piece, brochure, literature relating to emergencies for Civil Defense initiatives. Objective number three, perform at least one (1) local television, radio, or web based media broadcast per quarter relating to emergency preparedness of the Civil Defense. We have pretty much done this. But what you see up there is an increase of what we are doing.

In goal number two, improve emergency operations efficiencies. We have three (3) objectives to help us achieve this goal. Objective number one (1) is to coordinate and conduct least three (3) stakeholder meetings per quarter with primary partner entities in order to increase emergency operations familiarity and identify areas of improvement. I would like to highlight the last part, identify areas of improvement. By talking to our partners/stakeholders, we will be able to develop a list of what we think or believe will be very important areas of improvement for us and them of course. But a lot will have to do with how we conduct business in Civil Defense. Objective number two, perform updates to the Tsunami evacuation maps and complete the Tsunami signage/evacuation route project. I will not go into too much detail with this because I have my Emergency Operations Officer who will talk about the details of this project. Objective number three, perform a governmental and private sector critical resource/equipment assessment and develop associated Memorandums of Agreements (MOA). As you all know, this is part of preparation. It is very important as we enter into MOAs with different entities or organizations so that when we have to respond, we have agreements already in place that will make us be able to react quicker for the safety of our population.

Successes and achievements. Excuse me, I am sorry. I went one (1) slide ahead. Our goals and objectives. Goal number three, enhance the readiness of emergency responders via a comprehensive training and exercise program. This will be support by objective number one, achieve by the end of Fiscal Year 2014, a ninety percent (90%) completion rate of Incident Command Systems (ICS) and the National Incident Management System (NIMS). I will be using a lot of acronyms throughout the presentation and I had hoped to spell out what they mean so that you can all understand. But in this objective number one. Initial incident command system. I will be using a lot of acronyms throughout the presentation and I hope to spell out so you can understand. But in this objective number one, we are relying heavily on individuals to complete online courses of non-Civil Defense Emergency Operations Center positions. What have I done was that we have looked at our call list that we has as a start and those are the people that come out to our activations. But I want them to be familiar with the Incident Command System especially so that they understand what is happening in the field and they have a better awareness of their positions. Objective number two, coordinate and host a minimum of at least two (2) Department Homeland Security (DHS) approved management/supervisory level courses for the fiscal year with emphasis on Incident Command Systems. This is more based towards the increased awareness of our Department Heads so that they can understand really what their function is in an Incident Command System or partial or full activation of the Emergency Operating Center (EOC). This is very important because can you cannot report to Emergency Operations Center and hope you can learn and you will learn. But you have to know your job before an emergency arises. Objective number three,

conduct a minimum of one (1) Homeland Security Exercise and Evaluation Program (HSEEP) per quarter for emergency management and/or first responder entities. I will not go into detail because my Operations Officer will talk about these more as we go along

This slide it kind of points out in general terms some of the successes we had in past year and also highlights some of the achievements and major events during the past year. Number one you can see that we had outreach programs. We went as part of the Mayor's Holo Holo community outreach programs to talk with various communities around the island. In addition to that, we continued outreach by meeting with various community organizations one-on-one. We talked about the specifics of their areas. Of course, schools, we always go and obtain their evacuation drills and then give them feedback on what we saw good or bad, the schools over our entire island. Improve emergency operations. The first bullet is Visitor Industry emergency operation and preparedness briefings. I think this is a very important part of what we do. We have to worry about our visitors and what better way to worry about them and work in supporting them is to work through the Visitor Industry. The Operations Officer will talk more about that when his turn comes up. Interoperability/redundant communications enhancements. Unlike Hurricane Iniki, what I see in interoperability and redundant communication is mind boggling to say the least. You have so much redundant communications now that it makes my job as a Civil Defense Manager much easier to communicate with the rest of the world, the State. We had had improvement in our siren test performance. We have had a dramatic improvement from previous tests to current testing phases. Training and exercise programs. We conduct a Weapons of Mass Destruction, supported by the Civil Support Team of the Hawai'i Army National Guard. We have had Statewide hurricane exercises mainly. The big one is called Makani Pahili and that is a Statewide exercise that has participants from the entire State and we work with catastrophic type event, usually an hurricane that will hits the entire island chain. We have had Incident Command Systems where 300 and 400 level courses were brought to Kaua'i. These are residual courses whereby people come to get trained in Incident Command System, but they cannot do this online. It has to be done through a residential course. We have had that. Major events in EOC activations. As you all know we have the Po'ipū fire in August of 2011. We have flash flood warnings that is pretty normal this time of year, although this year has been a good year, knock on wood. We have had a Presidential Disaster Declaration in which some of the Government Agencies especially, got reimbursed for damages that they sustained. Most recently the Hikimoe Ridge Kōke'e fire.

Upcoming initiatives. These are important because these drive the train of what we do. Later on, Mark Marshall will come up and talk about the first bullet, update on the tsunami evacuation mapping for the island and utilizing that data to put into place an evacuation route and signage standardization project, which is bullet number two. I am working with our State Representative and Senator so locate an areas for a holding area above the Kekaha and Waimea communities. I am also working with the Hanalei Neighborhood Association in designating holding areas that can be used with short notice tsunami.

This chart is a graphic presentation of our operating budget last year. I like pictures so I had the staff come up with these pictures and if we have questions later on, I have one

(1) staff member that can talk to you about the details of each of these areas of the pie chart. This is what the 2014 Operating Budget looks like and the graphical representation of a pie chart. This chart represents the differences between the last fiscal year and the upcoming fiscal year. You may see a huge increase in some areas, that is because come July 1, we will be picking up additional position which carries over a whole lot of responsibility and cost to operate that position. The next chart is again a graphic representation of the numbers that you just saw in the pie chart. I have a staff that is very *akamai* in what they do. Although, it is a small staff, they do a lot of work and I am happy to say that I welcome our Telecommunications Officer when he comes to us in July. We have no vacant positions and we are not hiring anybody new, we just do not have a position. We are researching the possibility of utilizing college interns to augment our staffing and that is in the infant stages right now. We can talk about that later on. On our staff is the one (1) Federally funded position and she is the Grant Coordinator, beautiful young lady who is known as Chelsie Sakai, today. But on the bottom is all the people that we have or will have. The bottom also shows the order of the briefing. At this time I would like to call upon my Operations Officer, Elton Oshiro, to talk about operations.

Mr. Hooser: I have a question.

Chair Furfaro: Go ahead.

Mr. Hooser: The order of brief, what does that mean?

Mr. Daligdig: It means that that is the order that they will come up to give their presentation. It does not mean the order of importance, they are all important.

ELTON OSHIRO, Plans and Operation Officer: My portion, Ted asked me to talk about some of our efforts in the area of training and exercises. What we do is that we participate in the State's Annual Training Exercise Planning Workshop and we try to do similar prioritization on-island. So, for the upcoming year, these are the areas that we want to be focusing our efforts on. They fall into terms called core capabilities identified by the Department of Homeland Security. As you can see up there, our operation coordination, we work with a lot of Agencies so we want to be strong in that area. Operationally Communications means primary comes as well as redundant backup systems and interoperable systems which David can go into more detail later. But that is basically between different Agencies with different communication systems. Three is, planning efforts. Four are ongoing and evolving public information and warning systems. Five, community resilience. Perhaps the most familiar of these to you would be the Community Emergency Response Team (CERT) program. Six, mass care services, feeding, sheltering. Seven, are critical transportation. It could be for multiple purposes, the public, medical reasons or transportation of critical resources. Finally, a situational assessment so we have a better idea of what is going on in that event. Training exercise priorities activities list. As far as trainings, we have some funding that we can use for it. At times we are able to secure providers who have previous contracts with DHS. So, they provide training free of charge or at minimal costs us so we try to bring in course having to do with Incident Management System or Incident Commands Systems. The 300 and 400 courses which Ted

mentioned earlier are more management level. They are multi-day courses that you cannot take online like the introductory classes. We like to have our supervisory level, first responders, and people who are to report to the EOC during activation take those courses. The forms that you see up there, forms just refers to the common forms used within the Incident Command, Incident Management framework. For those not familiar with NIMS or ICS, it on or originated as a means of managing, overseeing, and coordinating operations used by the fire service and they found that it was a pretty good system. It was pretty much universally adopted in years following 9/11. Next up there, we have All-Hazards Communications Leader (COML)/All-Hazards Communications Technicians (COMT). We have found with our latest, greatest interoperability communication systems, kind of fancy technology. We needed to have a higher level of training for our operators. On the technical side it is the CMOT. COML, the people who go through that, they learn how to manage multiple communication systems in a big disaster. For example, Community Unit Leaders were use the in the Kalalau search for the fugitive where we had a command vehicle on the canyon rim, a repeater down in the valley, and they are patching between the various entities like the Police, Fire Department, Department of Land and Natural Resources (DLNR) and, etcetera. That is why we use the COMLs and COMTs. Senior Officials, Management 312, we try to bring that in whenever possible. It is more of a condensed crash course to get higher government officials and people in political office. So, just to have them get quick familiarization with the overall process in ICS and emergency management. Next there, as an example, we brought in one of the first deliveries of the Hurriplan course, Resilient Building Design for Coastal Communities. We had people from various County Departments, State Agencies, and even the private sector send some architects and engineers to attend. Interesting things that hopefully we can use in future planning as we develop the various areas of the island.

Training/Exercise Activities Priorities List, it looks like a bunch of things. I will try to not take too much of your time. Exercises are you our annual CSD exercises that Ted had mentioned. It is a Chemical Biological Radiological Nuclear Explosive and Weapons of Mass Destruction type, held jointly with the 93<sup>rd</sup> Civil Support Team and various partners on island. For example, our exercise included the Coast Guard, Department of Health, Police and Fire of course, Pacific Missile Range Facility (PMRF), Airport Crash Fire, and even TSA, etcetera. They get used to practicing together and when the real world things happens it is usually smoother thereafter. We do our local interoperability communication exercises, workshops, and drills. With the new equipment, we have to make sure everyone knows how to use it. We are really happy to have David coming on board to start working on that as well. We do annual full scale exercise, functional or table top with TSA. We do it with other Agencies as well. But that is one that we try to participate in as a major partner. Just last year with Makani Pahili, on the request of our Administration, we started to have interfaces with the Visitor Industry. Makani Pahili hurricane exercise, the first time we did it as a formal event, but prior to that, it had came up as a potential area where we have issues where hotels just randomly send their guests to a certain facility assuming it will be a shelter or they just crowd the airport and park their cars. We tried to address all of the common problem areas associated with Visitor Industry partners, bringing in Sue Kanoho and brought in Economic Development and put together a seminar. We will do that at least annually henceforth. Also we participate in State Civil Defense exercises. They take the lead in several exercise throughout the year be it Makani Pahili,

the hurricane exercise, Kamimiki, the tsunami exercise. We have also done the CERT, citizen core exercises. But that is as scheduled. It is not like it is an annual thing as of yet. Perhaps in the future. The last bullet there, many other joint exercises with various partner Agencies many of which are listed there. Before I forget, I did mark a bullet where Ted had wanted me to speak about some things. Objective two, goal two, performing updates to the tsunami evacuation maps and complete the tsunami signage. I will speak about the first item on that because signage is actually Mark's project. As far as the tsunami evacuation maps, we have previously reported about University of Hawai'i (UH) doing the study. They have come out with their state-of-the-art two dimensional modeling running various historic tsunamis at high tide and even running 9.5 earthquakes across the Pacific rim. We have the modeling in hand. It has passed scientific peer review and by next week our people at Information Technology (IT) will have supplied us with large poster sized maps in which our Committee consisting of people from various disciplines will try to determine based on where they are telling us that water is going, where we shall draw our evacuation lines. So, that project will be taking shape and hopefully complete in the next few months.

Mr. Daligdig: Thank you Elton. I this time, I would like to call on our Grants Coordinator, Ms. Chelsie Sakai and she will talk a little about how we manage our grants.

CHELSIE SAKAI, Emergency Management Grant Coordinator:

Basically, we are the sub-recipient of the Homeland Security Grant Program. Under this large umbrella of a grant falls various programs and the ones that we receive is the Citizen Core Program, that is where we have money set aside for the CERT program, the Community Emergency Response Team. We have some monies set aside for that. Also under that umbrella Interoperable Emergency Communications Grant Program and with those fundings, we can do training and exercise or attend Statewide meetings in regards to interoperability. The major one under that is the State Homeland Security Grant. Currently open we have Fiscal Year 2010, 2011, and 2012 and right now we are participating in the application for 2013. So, that is still pending. The purpose of the Homeland Security Grant is, like Elton was mentioning earlier, there are core capabilities and that falls under the National preparedness goals set by FEMA. We use the grant to support training and exercises. Some of the ones that Elton mentioned like our annual CST exercise, the grant will support logistics for it. It will support some overtime for first responders to participate in the training. Otherwise, it is used to support training and exercises that sometimes if it is held on a different island, we are able to send some of our people to attend the trainings there. The big one is that it supports equipment purchases and some of our big successes in this current Fiscal Year 2013 is that we were able to put Homeland Security money towards the public safety helicopter. Another big project is the Alternate Dispatch Center for Kaua'i Police Department which is located in the Fire Department headquarters upstairs and with the upgrades that we are doing to the 800 Mhz system, it also required a lot of equipment to also be upgraded. So, we put a large amount of the grant funds towards purchasing that equipment for our first responders.

Mr. Daligdig: Thank you, Chelsie. At this time, I would like to call upon David who is not a member of our staff, but soon to be. He will be talking about

telecommunications systems. This is a very sensitive area. If you ask a question that might relate to Homeland Security, then we will request that we move to Executive Session.

DAVID MIYASAKI, County Telecommunications Officer: Part of my focus is to maintain the 800 Mhz system and assist various County entities for their communication needs. This map did not come out really right. But it showed the layout of the 800 Mhz system. We have currently five (5) main sites spread out all over Kaua'i that covers ninety percent (90%) of the island for Police, Fire, and various public safety entities. Just a little couple of pictures as far as the sites The center picture Phase 1 upgrade we did, which we replaced the main core to P25 operation. A list of various communication systems that the County maintains and I also listed the State, Federal, and Non-Governmental Organizations (NGO) communication systems just to show the breadth of what is out there. I am not going to go through all of it unless there are questions on that. okay. Then initiative for when and now when I move over to Civil Defense would be the 800 Mhz Phase 2 upgrade, that is in the CIP budget right not. Basically, what that is where we did the main core site to P25 and now we are proceeding out to the remote sites to get up to public safety and operability standards. Another project I am involved is the Next Generation (NG) 911 Upgrade and in the next couple of months we are going to be upgrading that system to IP. NG 911 basically is having the ability to receive texts in the 911 center. That is coming down the road. It is not exactly standard right now, but that is what the plan is. Last project I am in is the National Public Safety Broadband Network. Basically, what that was, was the congress passed the middle class, Tax Relief Act, and job creation of 2012. What that did was it took the 700 Mhz band and to dedicate it to public safety for broadband use and what they are doing they formed the Committee called First Net and in the process of getting back to the States as far as what their needs are and trying to proceed with a Nationwide broadband network. That is all have I.

Mr. Daligdig: Thank you, David. At this time, I would like to call up Mark Marshall. He is our Emergency Management Officer and he will talk about some of the initiatives that we mentioned earlier, but in more detail.

MARK MARSHALL, Emergency Management Officer: I actually gave Council a briefing earlier in the year before the tsunami warnings that we have. Part of what I have go over quickly is inclusive of what I briefed you with at that time period. Two (2) issues that Elton talked about the mapping. It is the responsibility of our Agency to draw the evacuation lines, not to be confuse with the inundation of where the scientists are telling us that water is going to reach. A little bit dramatic in the new inundation lines that the scientists are telling us about and we are typically going to use roadways as landmarks so that we can instruct our Police and Fire as to where the evacuation barricades and restricted zones will be. I beg, borrowed, and stole this idea from Hawai'i County and some of my old employment there for sixteen (16) years with Parks and Recreation, this is a thermoplastic embossed roadway sign that we want to delineate when you are leaving a tsunami evacuation zone as a graphic display embossed into the center of the road. The Police and both State Highways and our County Public Works Roads folks, Ed Renaud, have embraced this idea and they also want to place some stanchions in the roads so that they can put up road closed signs or whatever signage would be appropriate

right at these signs. Then there would be in addition to that, embossed in the road, these evacuation signs and we have some that point straight left and right. They would be up on regular poles that delineating a route for residents and visitors as well as to what is the safe route out of an inundation route for a tsunami evacuation zone. Just so you know, we are going to use the same zoning for hurricane surge from the ocean surge and problem that we had in Hurricane Iniki and Hurricane Eva. It is not to confuse those evacuation zones will be in common for both tsunamis and hurricanes. It is too hard to have two (2) different sets. Then the last two (2) signs indicating that you are either leaving an evacuation zone area or entering tsunami evacuation zone and those would be held on stanchions as well.

Chair Furfaro: Excuse me, Mark. Those are the ones that are currently used on the Big Island?

Mr. Marshall: Correct. That is where I got these from. We did receive a small grant of thirty thousand dollars (\$30,000) from the Tsunami Branch at State Civil Defense to buy the thermal plastic and the glue kits and the things that are folks and Public Works with Ed Renaud can install. Then to buy the poles and signage to also be installed by Public Works along our roadways and I have Roy McCormick in the work group with me who is going to mirror our efforts and I will provide him the poles and the signage for State Highways to get this campaign going. We are already storm ready and tsunami ready, a designation by the National Oceanic and Atmospheric Administration (NOAA) who has a checklist of things that we need to meet. This is the last in your tsunami ready, although we already qualify, this is just some added good to have campaign evacuation route signage. So, that pretty much concludes my presentation.

Mr. Daligdig: Our organization chart looks like this. It should have been handed out to you. Does everybody have it? It kind of describes the duties and responsibilities of each person within the Department. At this time, me and my staff will be prepared to answer any questions that you might have.

Chair Furfaro: I am to throw a few of the first ones out because in about eight (8) minutes, I am going to turn the meeting over to Mr. Rapozo. Do you mind, Mr. Rapozo? The young lady that we met, the Grant Writer.

Mr. Daligdig: Chelsie.

Chair Furfaro: Say here name.

Mr. Daligdig: Chelsie Sakai.

Chair Furfaro: Oh, Chelsie. I am sorry. I am glad that I got clarification. Very good. What is the status of her position as a Grant Writer in your Department? Is she there recently and only there for Civil Defense? Is she there permanently and doing Fire and Police with Civil Defense which was originally the way we set it up? Can somebody help me there. I think you should answer that.

Mr. Daligdig: I think I can basically answer that. Chelsie has been with the Department before I got here. So, she has been here for over two (2) years

and her primary focus is on grants management. But a lot of grants that we have go towards emergency responders like the Police and Fire Department. She manages all of that to make sure that their requests, if legal, is fulfilled. I would like to say she has done an excellent job in doing that.

Chair Furfaro: I do not doubt her work performance. I want to make sure as being the longest and the most consistent every year in the Council, I want to make sure what we approved to be in Civil Defense was also inclusive of Fire Grants and Police grants, is that still the case?

Mr. Daligdig: Chelsie, you want to answer that?

Mr. Oshiro: In the current arrangement, Chelsie focuses primarily on Homeland Security. The degree of which she will do work for Police or Fire is limited to Homeland Security Funds budgeted to them. If they are going for a separate grant or even separate Department of Homeland Security/FEMA funds that are not flowing through our Office, those are handled independently in each Department.

Chair Furfaro: Is her payroll recovery based on the fact that we have a Homeland Security Grant that reimburses us?

Mr. Oshiro: She is one hundred percent (100%) Federally funded via the State Homeland Security Grant Program.

Chair Furfaro: The position we once put in the budget for the three (3) Departments I just mentioned, has through evolution gone away?

Mr. Daligdig: I would like to answer that with her position.

Chair Furfaro: Maybe you should have Gary answer that. Gary, can you answer that for us?

GARY K. HEU, Managing Director: Yes, Chair and thank you for the opportunity. As you folks recall a few years back, we made a transition in Civil Defense. The rationale behind the change that we proposed and this Council approved was that we felt that the Department needed more high level oversight and capacity, capacity at a higher level. So, what we did at that point in time was when Elton was promoted from his former position as the Grants Administrator, which is a position that you are talking about.

Chair Furfaro: Yes.

Mr. Heu: We converted that position and we converted that position to - what is now the Civil Defense Manager, Teddy's position. In answer to your question, I think Elton answered that relative to the kind of support that Police and Fire receive from Chelsie's position as it pertains to Homeland Security type of concerns. Currently the Police Department as well as the Fire Department do write for their own grants outside of the Homeland Security Grant to a large extent.

Chair Furfaro: You have answered my question. What we have is we took the position that was there to create extra manpower for Department and Civil Defense, but at the same time we received grant moneys that supports this young lady and her role.

Mr. Heu: Correct.

Chair Furfaro: As it relates to grants for Homeland Security and if those grants we pursue include items for Police and Fire, she can do the grant writing for them?

Mr. Heu: She does support that, yes.

Chair Furfaro: I understand it now. Thank you.

Mr. Rapozo: I have a follow-up.

Chair Furfaro: Go ahead, Mr. Rapozo.

Mr. Rapozo: Unless you want to finish up.

Chair Furfaro: No. I am going to slip out in a minute. But, go ahead.

Mr. Rapozo: I am just curious, and I guess this would be for Chelsie. Chelsie, if you could come up.

Chair Furfaro: By the way Chelsie, I appreciate the work you do. I just want to make sure that I understood how we are paying for you.

Mr. Rapozo: Chelsie, your support of the other public safety Agencies, Police and Fire, do you actually write grants for them?

Ms. Sakai: Because we are a sub-recipient of the Homeland Security Grant, we participate in the investment investigation which are kind of like the application saying what we intend to do with the money.

Mr. Rapozo: As it relates to Homeland Security?

Ms. Sakai: As it relates to Homeland Security.

Mr. Rapozo: I am talking about those. I am talking about outside of Homeland because it think...

Chair Furfaro: No. My question was very clear. They are only able to use her for Homeland Security.

Mr. Rapozo: Right.

Chair Furfaro: That is all.

Ms. Sakai: That is all.

Mr. Rapozo: In essence the Police Department and the Fire Department do not have the grant writing support as far as it relates to grants out of Homeland Security?

Ms. Sakai: Not from me, no.

Mr. Rapozo: Not from anybody. They do not have grant writers.

Ms. Sakai: My understanding is that they just use their staff from within their Departments.

Mr. Rapozo: Thank you.

Chair Furfaro: Again, congratulations for doing such a good job for Civil Defense and Police and Fire. Did you have another question for Gary?

Ms. Yukimura: For Chelsie. But I think I would rather let you finish your questions first.

Chair Furfaro: That was the only question I had at this point.

Ms. Yukimura: I have questions about the Homeland Security Grants.

Chair Furfaro: Why do we not have her come back up again. Councilwoman, you have the floor.

Ms. Yukimura: Thank you. On page 9, so that was your part of the PowerPoint and by the way, welcome on board on our County team.

Ms. Sakai: Thank you.

Ms. Yukimura: What is the volume or the total amount of Homeland Security Grants that we have through, I guess, any Homeland Security Grant goes through Civil Defense?

Ms. Sakai: State Civil Defense, yes and then it filters down to us.

Ms. Yukimura: Even the grants that go to Fire and Police go through you too?

Ms. Sakai: Yes.

Ms. Yukimura: Or are there...

Ms. Sakai: No.

Ms. Yukimura: It all goes through local Civil Defense?

Ms. Sakai: Yes.

Ms. Yukimura: What is the amount of that grant or those grants total amounts? Do we know that?

Ms. Sakai: Not off the top of my head.

Ms. Yukimura: We will ask that as a follow-up question then because I was curious as to, for example, the Citizen Core Program is some of those moneys are used for the CERT program?

Ms. Sakai: Correct.

Ms. Yukimura: I am just considered in how much money there actually is, and, of course, I am very glad to see that the 800 Mhz system does qualify for Homeland Security Grants too.

Ms. Sakai: Yes. We did put a sizable portion of the grant into the Phase 1 upgrade.

Ms. Yukimura: I know that we are funding through the CIP grant, a large part of the space for the 800 Mhz development for the upgrades. There was something about ultimate dispatch.

Ms. Sakai: Alternate.

Ms. Yukimura: Oh, alternate dispatch center.

Ms. Sakai: Yes.

Ms. Yukimura: I am sorry. Some moneys went into developing our alternate dispatch center which is here with Fire right now?

Ms. Sakai: Correct.

Ms. Yukimura: Which I understand to be very critical.

Ms. Sakai: Yes.

Ms. Yukimura: Because if anything happens to our primary dispatch, we need to have another place that comes up immediately. I guess send a follow-up question. I would like to know how much is allocated to these different functions that I see as very valuable. Thank you.

Chair Furfaro: We will send is that over a separate question. What is the right term that we are using for what I call the redundancy in the command center that is the backup at The Fire Department?

Ms. Sakai: In the contract they call it the Alternate Dispatch Center.

Chair Furfaro: Okay, so I will start calling it the Alternate Dispatch Center (ADC).

Ms. Sakai: Yes.

Chair Furfaro: Got it. Mr. Rapozo, on that note, I am going to step out. I am going to turn the meeting over to you.

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

Ms. Rapozo: Thank you. Any new questions or follow-up questions first? New questions, go ahead.

Ms. Nakamura: Thank you, Teddy for that presentation. I wanted to ask you, as of last year, there were nine (9) Civil Defense sirens that were not working and seven (7) where you had no contact person listed.

Mr. Daligdig: Yes.

Ms. Nakamura: What is the update as of today?

Mr. Daligdig: As of last month, we – it is a different fiscal year.

Ms. Nakamura: Whatever current data you have.

Mr. Daligdig: Current data shows that we had two (2) systems down and both systems with no sound which means that something is wrong mechanically wrong with the siren. It requires maintenance on the part of the State and at that time I submitted a Work Order to the State saying these two (2) sirens require maintenance.

Ms. Nakamura: Can you identify where those sirens are that are not working?

Mr. Daligdig: Yes, I can. The first one was down in Kalihiwai which is a coastal siren.

Mr. Rapozo: You said was what kind of siren?

Mr. Daligdig: Coastal.

Mr. Rapozo: Okay.

Mr. Daligdig: I focus on the coastal areas because those protect your people immediately. The second siren, and I do not know what happened here was the Kapa'a school siren which is across from Saint Catherine's and it is not a coastal siren.

Ms. Nakamura: How many did not have a contact person to inform you it was not working?

Mr. Daligdig: Let me look at this real fast. I do not have the data with me, but on top of my head I can guess. We had no contact person at the Chinese graveyard in Kekaha. We do have contact persons, but one of the persons who is usually home at the time of the siren actually had problem with hearing, he has a hearing problem. Mark, if you could help me out on this one? One is just located in a bad area, meaning that the charging systems does not work because it is charged by the sun and over the years, trees have grown and it is covered the system. Soon we will be going into a system that requires the sirens to be triggered by satellite and we are hoping that that will take care of this problem. I have already put in the request that we should relocate this siren to an area where we do not have the problem of shade.

Ms. Nakamura: Last year, because there were so many not in service or did not have contacts. one of the suggestions that you were going to follow-up on was to work with the Finance Director to look at hiring of private vendors and/or paying for the travel cost to have the State Civil Defense technician to come down to immediately fix sirens that are not sounding. Have you done that?

Mr. Daligdig: Yes, we have done that. In fact, we have the okay for the Finance Department, if it is something that we need right away because the State technicians cannot come down. We have that avenue open to us where we can hire a private contractor. As a matter of fact, we actually hired a private contractor to do a transformer replacement at the Kaumakani site in Kaumakani.

Ms. Nakamura: What is the plan now for the Kalihiwai and Kapa'a Schools, as of when they have not had service? What is the duration of them not having the service?

Mr. Daligdig: They were just put on the list last month, so it mean it mean that it is something immediate. We already put the Work Order in for the State to come and check them out. Now they have been notified and unfortunately for us the technician was on vacation.

Ms. Nakamura: Are you going to look at alternative ways to get this problem fixed? I think that is my siren.

Mr. Daligdig: Yes, of course.

Ms. Nakamura: Do we have a backup plan or do we have a date tentative, where these two (2) will be fixed?

Mr. Daligdig: The backup plan, I go out and verify why the siren is off. I go out the next day. When there is no sound, I immediately run a siren test through our Department to confirm there was actually no sound. Sometimes it is listed as no sound because the person was not there to hear it. But if they continue to be no sound, as I said, I submit a Work Order to the State. If they do not respond right away, then I go and get a private technician to come and work on it like we can for Kaumakani. For these two (2) that you talked about, we have put in a request, we have to get all of the bids necessary to get them to come out and repair the sirens for us. Usually, that does not happen overnight.

Ms. Nakamura: How long is the usual turnaround?

Mr. Daligdig: The turnaround is usually about thirty (30) days that we go out and get the bids per the procurement law.

Ms. Nakamura: That is if we do it ourselves?

Mr. Daligdig: Right. If we do not do it ourselves, the Civil Defense Officials, they coordinate a visit when they send down all of their technicians. However, if it is really urgent, I notify the State Civil Defense Communication Officer and he releases his people and they usually send them down right away.

Ms. Nakamura: Thank you.

Mr. Rapozo: Go ahead, Councilmember Yukimura.

Ms. Yukimura: Teddy, the two (2) sirens you mentioned, Kalawai and Kapa'a school, you said that they were...

Mr. Daligdig: Mechanically there was something wrong.

Ms. Yukimura: Yes, and they were discovered to be not functioning about thirty (30) days ago?

Mr. Daligdig: During our last test that we had which was the first of the month, April 1<sup>st</sup>.

Ms. Yukimura: Oh, April 1<sup>st</sup>.

Mr. Daligdig: Yes.

Ms. Yukimura: They were discovered to be and then Council Vice Chair was talking about the turnaround time to get them repaired and you say within thirty (30) days you have them repaired?

Mr. Daligdig: Right. My understanding is that Kapa'a High School one has been repaired, but we are waiting for Kalihiwai one to be replaced.

Ms. Yukimura: Other than that, the other sirens are working now?

Mr. Daligdig: Yes, ma'am.

Ms. Yukimura: Okay. That seems to be better.

Mr. Daligdig: Let me just step back because that was an erroneous statement.

Ms. Yukimura: Okay, good.

Mr. Daligdig: We had one siren that malfunctioned and it was the siren at the Vidinha Stadium. The of a Work Order has been produced and that siren is currently turned off, so it does not interrupt the sleep of the neighboring communities.

Ms. Yukimura: Because it was going off at the wrong time?

Mr. Daligdig: Yes, any old time.

Ms. Yukimura: So, that certainly is not a properly functioning siren.

Mr. Daligdig: No.

Ms. Yukimura: But other than that, the sirens around the island are known to be working?

Mr. Daligdig: Yes.

Ms. Yukimura: And you still have the system of calling people on their phones, too?

Mr. Daligdig: That was an old system. We have reverted to a new system due to technology and that system is that we send out a message to all the contact numbers that we have and they respond to a survey. Did you hear it? Yes. Did you not hear it? No. Then we take that data, and we compare it with our sirens to determine

which ones did not sound. We have an automated system. It is not working as good as it should. But we back that up by calling the people again manually.

Ms. Yukimura: We are talking about phone systems and you are telling me about the way that you are testing whether those phone systems are working?

Mr. Daligdig: Yes.

Ms. Yukimura: Okay. It seems like your staff wants to add a couple of things.

Mr. Marshall: If I may. Our Blackboard Connect CTY which is the public notification system that we have. What we have done is we purchased the Hawaiian Telephone directory and that is the basis of our database for folks that are in our notification system. So, you have to remember that they are voluntarily part of that system and it will send you a voice message or call. It will E-mail you and text you messages. Typically, the last time we used it was for the flash flood warning that we just had. The Water Department has the ability to draw a shape on the map of Kaua'i and only contact those individuals that are inside that location, that area to tell them that there is a water outage and that there is some kind of problem with their water system. They are the largest user of Blackboard Connect CTY. We also use it to re-call Police, Fire and other County personnel on the backside of that. What Ted was alluding to, we are also using it to survey the sirens, rather than calling fifty-four (54) different sites. Often times the list is three (3) to four (4) people deep as to who to call. We are using that as an automated side and are having a little bit of glitches with that.

Ms. Yukimura: So, are you using phone calling to see whether people are hearing the siren?

Mr. Marshall: Correct, and that is an automated system. I hold out that the media is our first avenue to the public in notification, either your radio or your television. Secondary to that would be Blackboard Connect CTY, our public notification. We spend about fifty-five thousand dollars (\$55,000) a year on that service. Then tertiary to that would be the outdoor warning sirens. In connection with the outdoor warning signage, we also have simulators at the air rescue firefighters at the Department of Transportation Airport. So, they have a simulator inside their fire station that tells them that sirens are sounding. There are several of those that are not outdoor warning sirens, but are part of that system for notification.

Ms. Yukimura: So just so I understand your Blackboard Connect CTY, the people you are calling are the ones that are in the phone book, is that right, and others who asked for it?

Ms. Marshall: All cell phones have to be self-promulgated or you can call our Office at 241-1800. I am going to give you that number again, 241-1800. We will assist those that are not computer literate or capable in becoming part of that system. I have to tell you that we had one family with six (6) people who all signed up mom

because she was not a computer person. The system recognizes redundant numbers and it calls them out. It also recognizes analog numbers, like scada systems or facsimile machines, and cuddles those out of the system. Our Communications Director with Beth Tokioka and Mary Dauber, they are all super-users with that Blackboard Connect CTY along with folks from Police, Fire, water supply, and Public Works. So, people that need to do messaging have a lot of those already in the can, so to speak, that have already been articulated and can launch them in short notice. All of our staff is also well versed in running that computer based system.

Ms. Yukimura: In terms of the reach of this emergency notification system, it is people who have listed phone numbers?

Mr. Marshall: Correct.

Ms. Yukimura: Is that right? And it is others who have asked to be put on the cell?

Mr. Marshall: Self-promulgated.

Ms. Yukimura: Whether is cell phone or an unlisted number?

Mr. Marshall: Correct.

Ms. Yukimura: And they call at 241-4100, was it?

Mr. Marshall: 241-1800.

Ms. Yukimura: I am sorry, 241-1800.

Mr. Marshall: It is just our Office number. If they want assistance with that.

Ms. Yukimura: If they want to be put on it?

Mr. Marshall: Yes.

Ms. Yukimura: Thank you.

Mr. Marshall: I need to tell you about one other thing that has happened with noted if notification since we are on that subject. The Federal Government has come up with an Integrated Public Alert Warning System, IPAWS is the acronym. IPAWS is part of our emergency alert system which you are familiar with the TV crawlers or the voice alerts on radios that go out. All of our radio stations are in volunteer compliance with the emergency alert system. All of the TV broadcasters are in voluntary compliance with that system. The Federal Government has added the Integrated Public Alert Warning System to that and what it does is that it geolocates any Smartphone and it sends you messaging immediately as soon as the National Weather Service says Kaua'i is

in a flash flood warning. They send out a coded message that turns your phone on. The oddity is that once that has been alarmed and you recognize it, it goes away off your phone. You cannot find it in a text, you cannot find it in a missed call, you cannot find it anywhere on the phone. It was launched initially in the State on O'ahu and then in this last one, again, voluntary compliance with the carriers. Verizon was the only one on Kaua'i that had enabled that for this last warning. So, people were receiving those from the Federal government thinking that it was the County and not real happy with it because they could not figure out the source of this warning that they were receiving. I think it is a good thing once we get the wrinkles ironed out of it, in that visitors or residents with a Smartphone will automatically get messages because they will be triangulated and they know that areas, the geolocation of that individual phone and it will message that phone. The down side is that every time the flash flood warning is continued, it messages you again and then when it expires, it messages you that they have stopped. In this last one, every three (3) hours people were getting additional messaging and they were irritated by that after the initial one. Discovery with the telephone providers, the carriers, it is on your Smartphone itself the ability to disable the notification. So, if you did not want to get warnings from IPAWS, you could turn it off on your phone. But otherwise, it would be left on.

Mr. Rapozo: Councilmember Hooser.

Mr. Hooser: I apologize I had to step out earlier and actually talked to Senator Kouchi about the TAT and everything should be okay. It is not over until it is over. I missed part of the earlier dialogue. It is nice to see both of you here. Mr. Marshall, long time no see. I think when I was here before, you were here across answering question and that is what made me think about the sirens because I believe this is not a new issue of course, sirens going out. But I believe when I was here before that there were reports showing a listing of the sirens to various locations, which ones were out and then how long they were out. Do we have a report like that or did I miss it?

Mr. Daligdig: We keep a report like that at our facility. I do not have that here with me right now. But if you want the report, we can give you the report.

Mr. Rapozo: We will send it over. Teddy, we will send it over as a request. I do not know if you were here when he said two (2).

Mr. Hooser: Two (2), and then a third?

Mr. Rapozo: A third was turned off.

Mr. Hooser: Turned off.

Mr. Rapozo: So, it is three (3). But compared to last year...

Mr. Daligdig: Nine (9).

Mr. Hooser: But we used to get them on a quarterly basis or something and it is helpful to the Council.

Mr. Daligdig: Okay.

Mr. Hooser: When the community calls up and we can forward those. That was my siren question. I had some other.

Mr. Rapozo: Any other siren questions because we have twenty (20) minutes and I would like to get back to the budget itself, the numbers. We spent a lot of time on the sirens. Do you have a new question?

Mr. Hooser: It is not specifically a numbers question, but really quick.

Mr. Rapozo: Go ahead.

Mr. Hooser: During your presentation you mentioned objectives, so many meetings at schools, and what not. It made me think and again, I am not have been here but I did not see it, could you provide if you have not already, a list of what you did this past year in all of those areas? So many visits to schools, so many media presentations. Some of them is one per quarter and so it would be interesting to know how many you have been doing to judge whether these are new or how aggressive the goals are.

Mr. Daligdig: I do not have that data with me, but we can provide you that data.

Mr. Hooser: We can send it over, too.

Mr. Rapozo: I have that down. Please provide a list of all training, conferee, and exercise dates for Fiscal Year 2013. Also, list the duration of each event, total participants, and total cost.

Mr. Hooser: Yes, and if we could follow the format so we can compare what their goals to what actually was done. It would be helpful for me. Thank you. I will hold my other questions for now.

Mr. Rapozo: Any follow-up questions? If not, any new questions? Councilmember Yukimura.

Ms. Yukimura: I am not sure it is a question, but I just want to acknowledge.

Mr. Rapozo: Make it a question, JoAnn.

Ms. Yukimura: Well, then it is for the telecommunications system. Welcome aboard David.

Mr. Miyasaki: Thank you.

Ms. Yukimura: David is the new Officer, but you have been working with this system on the other side.

Mr. Miyasaki: Correct, the private side.

Ms. Yukimura: For over twenty (20) years?

Mr. Miyasaki: Right.

Ms. Yukimura: It is good to have you with your expertise. We are entering the second phase of the update on the telecommunications system and if the CIP moneys are approved, do we have a clear timetable for one (1) year performance on this update?

Mr. Miyasaki: Once we get the contract executed, we expect that will take about a year to get it done.

Ms. Yukimura: And you are going to contract with a vendor?

Mr. Miyasaki: Right.

Ms. Yukimura: To update it?

Mr. Miyasaki: Right

Ms. Yukimura: And that will be the completion of Phase 2?

Mr. Miyasaki: Yes.

Ms. Yukimura: In one year?

Mr. Miyasaki: Yes.

Ms. Yukimura: Okay. About will that bring us to full interoperability and functioning or do we have another phase?

Mr. Miyasaki: We have a third phase. Phase 2 was to turn the remote system to P25. Actually, it was to convert half of the sites, half of the capabilities of the sites to P25 and the reason we do that in different phases is number one, cost and part of that cost is the users. All the users are not P25 ready. We go to full P25 system, we are going to leave out some of the users behind.

Ms. Yukimura: Can you give a brief distribution of P25 or does everybody know that?

Mr. Miyasaki: P25 was a standard created by AMCO. What that is it is a standard that is agreed by all Federal, State, the whole government, public safety communities as how they communicate, what the rate of their system uses, and it is an open standard so there is no proprietary information and no requirements in there. It allows interoperability for one.

Ms. Yukimura: Which is everybody communicating with everybody?

Mr. Miyasaki: Right, and that is what I had that list of my fifteen (15) different user systems out there and they are not P25 and they all do not communicate with one another. We all learned that from 9/11. But then it also helps the County and the community at large because it is not proprietary, it is an open standard and that cost goes down because we can use multiple vendors.

Ms. Yukimura: If we finish three (3) years, is the goal of that having all the critical users being connected and having that interoperability?

Mr. Miyasaki: Right, and the primary focus is on first responders.

Ms. Yukimura: Right. Now, you mentioned a 700 Mhz band dedicated to public what was it?

Mr. Miyasaki: It is public safety broadband.

Ms. Yukimura: Public safety broadband?

Mr. Miyasaki: Right.

Ms. Yukimura: And of what utility is that?

Mr. Miyasaki: I am sorry, utility?

Ms. Yukimura: What usefulness? What is the relationship to Civil Defense and public safety?

Mr. Miyasaki: It is not Civil Defense, but for the County and public safety community. It allows data communications.

Ms. Yukimura: Oh, that is the texting.

Mr. Miyasaki: Right. Well, for MDTs we are able to send video back from a disaster scene. What that was, was the public safety communities has been fighting for that 700 Mhz that has been up for auction that they wanted for public safety use. Initially, FCC was trying to auction it in private and I guess no one made the minimum bid. So, finally Congress got involved and they did the Middle Class Act, they

assigned to public safety and part of assigning it to public safety was forming a group called First Net Aboard that will oversee the project going forward. Right now we are in the data gathering stage.

Ms. Yukimura: This is a brand new development in the last year that happened?

Mr. Miyasaki: Yes.

Ms. Yukimura: This, putting aside this 700 Mhz band use for public safety use?

Mr. Miyasaki: Right.

Ms. Yukimura: Thank you very much.

Mr. Rapozo: Thank you. Do you have a follow-up or new question? Go ahead.

Ms. Nakamura: Thank you. This has to do with the tsunami evacuation mapping. I wanted to find out about what the implications of are of this new mapping and is the funding for the evacuation route and signage standardization in this budget?

Mr. Daligdig: Huge impact as Mark was alluding to earlier, especially in the communities in Kapa'a, South Shore, and Kekaha. Mark talked a little bit about the grants that we went after to get the signage so that we could mark the evacuation routes and I will let Mark talk about that.

Mr. Marshall: I asked for some help from State Civil Defense who indicated that they had some money for signage and for route design. So, they granted us thirty thousand dollars (\$30,000). It is a reimbursable grant. Once we spend money and get invoiced, we send it off to the State for reimbursement. So, that thirty thousand dollars (\$30,000) is pretty much for the thermal plastics that I should you in the road, for the signs and posts themselves. Then I wanted obviously, enough of them to do some continued maintenance over the next three (3) years if a sign is damaged or vandalized so that we can quickly replace it. The labor is being absorbed by the County workforce. So, that is a big savings for us in terms of instead of having a private contractor going and installing and doing all of these things for us. The other Departments, Interdepartmental Agency relationships are really good and they are anxious to help us with this campaign.

Ms. Nakamura: Thank you.

Mr. Rapozo: Any other questions? Go ahead.

Ms. Nakamura: Just a follow-up. I would like to get a briefing on what the implication of those maps are because I think it takes into account the late

technologies and the Indonesian tsunami experience. I am not sure about the Councilmembers, but I was going to try to get an individual briefing on what those impacts are.

Mr. Rapozo: We can definitely schedule had a that in the Public Safety Committee so the public can get the benefit of that as well.

Mr. Oshiro: The most obvious impact is based on new modeling, we are going to have to move those lines and expand in most areas.

Mr. Rapozo: Let us same that discussion. I do not want to have you come back after lunch. We are going to go to 1:00 p.m. We are supposed to go until 12:30 p.m., so I want to get you folks back. I do not want to have to bring you folks back. Any other questions on the budget numbers because I have a few regarding the numbers. If you folks want to discuss philosophies and tidal zones, we can do that in a Committee. But the first question is, and I am assuming on the electricity, is that expenditure being transferred from another Department?

KARLEEN ABALOS, Public Safety Communication Secretary: The ninety-one thousand dollars (\$91,000) was transferred from Police's account.

Mr. Rapozo: So, they were maintaining the electricity expenditures in their budget?

Ms. Abalos: Yes.

Mr. Rapozo: The other question that connects CTY, is says the contract is going to expire next month and it says the new contract will follow an unknown amount that. That is scary.

Ms. Abalos: Yes.

Mr. Rapozo: What do we expect? What are we thinking?

Ms. Abalos: The same.

Mr. Rapozo: The same?

Ms. Abalos: Yes.

Mr. Rapozo: Are we sure?

Mr. Marshall: It is based on the number of subscribers.

Mr. Daligdig: In fact, I think I got am E-mail before I came. I did not ready it yet.

Mr. Rapozo: So, that is based on users?

Mr. Daligdig: Yes.

Mr. Rapozo: Anybody else have questions on the numbers, the budget? I had a question on the siren. So, that is pretty much all I had as far as budget. The only other two (2) was the vehicle leases, is that lease-to-own?

Mr. Daligdig: Yes.

Mr. Rapozo: So, that is why it is so high, the lease amounts versus the traditional lease? So, at the end of this year, we own those two (2) vehicles or at the end of – one of them is the third year and the other is a first year.

Ms. Abalos: Well, it got kind of pushed back because our first year started this year because it was budgeted last year, but they did not complete the lease agreement until this year. We just got the vehicle.

Mr. Rapozo: But this is a lease-to-own? So, at the end of the three (3) years we own this vehicle out right?

Ms. Abalos: Yes.

Mr. Rapozo: Ernie, this is showing me five (5), but the budget is showing three (3). It is saying replacement sports utility vehicle (SUV) for Telecommunication Officer first year of a three (3) year lease, thirteen thousand nine hundred dollars (\$13,900) which come out to one thousand one hundred fifty-eight dollars (\$1,158) a month and then the other one is replace equipment, 2002 Explorer. It is a third year of a three (3) year lease at fifteen thousand one hundred dollars (\$15,100).

Ms. Abalos: That is because nobody else bid.

Mr. Rapozo: My only question is at the end of the three (3) years we own it. We are not turning it back or renewing a new lease for a new vehicle.

Ms. Abalos: Yes.

Mr. Rapozo: Councilmember Nakamura.

Ms. Nakamura: On the lease payments for the radio towers, I noticed some major increases in some of the line items that I think is a result of the disparity in the lease amounts and people getting wind of what we are paying for some leases that are affecting future leases. In your strategic plan for upcoming initiatives, have you considered looking at the possibility of condemning properties because of this public use?

Mr. Daligdig: Yes, we have. You are right about the disparity. I think you are right about people getting wind that some organizations are charging much higher. We are moving towards condemning properties that have gone – I feel above and beyond what we are paying right now and one in particular, I think we covered in Executive Session so I will not talk about it.

Ms. Nakamura: I am going to stop you right there. We can have that discussion in Executive Session if we are going to go into specific parcels then we will have it in Executive Session.

Mr. Daligdig: No, I will not.

Ms. Nakamura: Councilmember Rapozo, one thing I do want to make sure that if this is a direction that we are moving in, it needs to be noted in your upcoming initiatives, that this is something that you will spend time and resources focusing, working with the Finance Department and the County Attorneys to make sure we have a plan for implementing.

Mr. Daligdig: Yes.

Ms. Nakamura: I think there is some support from the Council and I think we should have those discussions this year.

Mr. Rapozo: The only reason I stopped him he sounds like he was going to go into a specific.

Mr. Daligdig: No, I would not do that.

Mr. Rapozo: Good. I feel better. Any other questions?  
Mr. Bynum.

Mr. Bynum: Just looking at the budget, page 150, I do not see the Grants Coordinator position on this list. I am just a little confused.

Ms. Abalos: It is not a general funded position. It is a grant funded position, one hundred percent (100%).

Mr. Bynum: Enough said. Thank you. I guess I would add one thing here in the silence here, that Housing has always done a great job of giving a full staff analysis and what is grant fund and what is County and that is a nice model. I will not ask silly questions like that.

Ms. Abalos: I know that it was on our narrative.

Mr. Bynum: No biggy.

Mr. Rapozo: Any other questions? You folks all hungry?  
Thank you very much. I do not see anyone here from the public to testify. Anybody else wants to make a few comments before we break? Mr. Mayor? Okay, I saw you stand up. We will take a lunch recess and be back at 2:00 p.m. for Fire Department – Ocean Safety Bureau.

There being no objections, the Committee recessed at 12:55 p.m.

The departmental budget call-backs reconvened on April 19, 2013 at 2:08 p.m., and proceeded as follows:

**Kaua'i Fire Department – Ocean Safety**

Honorable Tim Bynum (*excused at 3:14 p.m.*)  
Honorable Gary L. Hooser  
Honorable Nadine Nakamura  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura  
Honorable Jay Furfaro, Council Chair (*present at 2:19 p.m.*)

Excused: Honorable Ross Kagawa

Mr. Rapozo: The Budget Session is now called back to order.  
We have the Fire Department, Chief.

ROBERT WESTERMAN, Fire Chief: *Aloha.* I have up here, with me, in this section, Randall Ortiz. We apologize, Kalani is in the mainland at a United State Lifesaving Association (USLA) Conference. Since we he had to reschedule, he is not going to be here. We have a PowerPoint presentation and we will go through this one pretty quick and then give you opportunities for questions. This slide is kind of similar to what we did in the operations slide and I apologize that I did not explain. Since Councilmember Hooser has come back and Councilmember Kagawa is new to this budget, we kind of wanted to outline all the differences at all the stations and in this case all the differences all the towers. There are not just ten (10) lifeguard stands around the island. They kind of each do a little bit different. Three (3) of the towers in Hanalei Pavilion, Keālia and Po'ipū each have four (4) World Safety Organization (WSO) and jet ski and a pavilion in Po'ipū each also, additionally have a struck. Then seven (7) other lifeguard towers in Kē'ē, Hā'ena, Hanalei, Pine Trees, Anahola, Lydgate, Salt Pond and Kekaha, they had four (4) WSOs with one (1) all terrain vehicles (ATV). Then we also have four (4) reserve jet skis, two (2) reserve ATVs. We have three (3) District Supervisors with the trucks, one (1) training officer which is Randy Ortiz, here with me today, and one Bureau Supervisor with the truck, Kalani Vierra. So, to kind of give you an overview of what is out there in the Bureau. I apologize that I did not explain why we had done this in operations. The accomplishments for 2012, the Keiki Junior Lifeguard Program, the Junior Lifeguard State Championship, Beach Safety Week, the Roving Beach Patrol, Multi Agency Training, our Kaua'i Lifeguard Association (KLA) Fundraiser – second wave, and drowning reductions. We will go through these and Randy and I will kind of play tag team on them. The Keiki Junior Guard Program, Randy.

RANDALL ORTIZ, Ocean Safety Bureau Training Officer: Well, basically we started it last year. It has been a success. That is why this year we decided to have it at our different sites. As you all know it is ages eight (8) to twelve (12) years of age participants. This is a one (1) week long program. There are about fifty (50) kids that debuted our program last year.

Mr. Rapozo: Randy let me interrupt you real quick. If you could just introduce yourself for our captioneer. I apologize. I forgot to, Nadine just reminded me.

Mr. Ortiz: My name is Randy Ortiz, I am the Ocean Safety Training Officer.

Mr. Rapozo: Thank you. Sorry about that.

Mr. Ortiz: Again, we are planning to hold three (3) different locations this year that will be at Salt Pond Beach Park, Hanalei, as well as Kalapakī Beach.

Mr. Westerman: The Junior Lifeguard Program for 2012. I will let Randy explain this one too since he is the main Instructors for that program.

Mr. Ortiz: Our Junior Lifeguard Program. Again, another successful year. We took the State Championships again for the ninth straight year in a row. Thank you. Going for number ten (10). But currently, we have five (5) employees working in our operations of this program. Again, two hundred (200) kids participated last year and we are kind of looking at the same. Our future goal again, participates in the 2013 National Competition which will be held in California, the first week in August. It is at Manhattan Beach. Again, it is a great, awesome program. I started it with a former lifeguard back in 1997. Again, it is a great, awesome program for the kids.

Mr. Westerman: Then Beach Safety Week. This was the first in State of Hawai'i, to celebrate this long event, Kaua'i was. A few years ago we even got the Governor on board, to finally, declare a Beach Safety Week after our lead. The National event which ends on Memorial Day weekend, we have been trying, and Kalani again with the National United States of America (USA) group where he is at this week, again is going to try to get the President to declare a National Beach Safety Week. We are still working on that. When you bounce up against, everybody has a week for something. Anyway, Kaua'i has been celebrating this event for the past seven (7) years. The Roving Patrol that we started about two (2) years ago. It is still kind of a fledgling program and I will let Randy explain a little bit about that program and what we are doing with it today.

Mr. Ortiz: We started it about a few weeks ago. What we started to do is station the Roving Patrol at 'Anini Beach due to the amount of drownings in that specific area. It has been a good thing for the people. Now, they know that we are there on Wednesdays and hopefully we will try to get that going more days in the week or really follow the surf. If there are high surfs up North, the skis are stationed there, East. During the summer months we will probably head down towards Po'ipū Beach and the West Side. Again, it has been a success. Usually, in that area we have about two hundred (200) to three hundred (300) people frequent that beach area. It has been a good thing for ocean safety to have a Roving Patrol.

Mr. Westerman: We started this originally just do Wednesdays on days that we had high surf and here, in the last month or so, a couple different times we have put it on different days in the week because of the high surf and try to get it to run through the beaches either once in the morning or in the afternoon and not really be anchored like our towers are to try and hit some of the beaches that are not protected by Water Safety Officers. We are still trying to gather statistics on it and as we go through it for the next year or so, we will come up with some better statistics. One of the things that we do do is the Multi Agency training.

Mr. Rapozo: Is there somebody from Council Services in the back?

Mr. Westerman: As you can see there is a Department of Land and Natural Resources (DLNR) jet ski. It says Police on the side of it and this is the DLNR Officer that jumped off the back. In this particular scene, it was a Water Safety Officer driving and we have a Fireman in the water. When we do our jet ski program, we try and include as many Agencies that we interact with as possible. In this particular case, DLNR has bought some jet skis and was wanting some training so there are using our program to provide the training to their folks. But still, annually when we our training, we not only train with just the Water Safety Officers, we train our Firefighters so that they are using to working together. That is a pretty big piece of equipment there and in the water, if you do not avoid it, it is definitely not going to avoid you. So, working together, learning all of the hand signals, and all the stuff that goes along with this program. It has just been really good for us. Some new equipment in 2012. ATVs and jet skis. The donations from the Kaua'i Lifeguard Association (KLA), through the first wave and second wave programs, we have got four (4) Yamaha Wave Runners, four (4) Honda all terrain vehicles, two (2) rescue sleds. This was all supported through KLA and given much needed equipment. It gives us a little bit quicker response time in our areas and the ability to expand service. Randy was briefing me this morning that we actually have two (2) jet skis out of service. When they are used as much as they are, it just happens. So, when they are out, they are being serviced today. But luckily we have two (2) in reserves so we have jet skis on the line. I know it sounds like a lot of equipment. But with the use that these equipments get, we definitely need reserves. So, thank you to KLA. We really appreciate them supporting us.

This slide might seem a little busy. But I tried to keep it ion year after year. The purple line or the line that goes across the top is kind of a per thousand visitor rates from 2000 to 2012. The little blue lines going up, of course, are the drownings for each year. In our statistics, we average about twelve (12) which is really terrible. But we have done a lot of things. What I want I really want you to get from this slide is all of the different programs that we have put in place to try and mitigate the drownings and sometimes it seems like no matter how much we do, it happens and we know that. But still, we cannot give up. We just cannot give up. From again, the Beach Immunity Bill, the Act 190, we are still fighting the Liability Bill hoping to get that out of sunset into a permanent law. The Beach Liability Bill was kind of a sign act. Then we did our first brochures thanks to our Water Safety Task Force, Dr. Monty Downs and that group. We did our first beach brochure, Pat Durkin. Then we added lifeguards at Hā'ena Beach, lifeguards at Keālia Beach, and then we did Kekaha Beach. In last twelve (12) years we have done a lot. We

had two (2) last year. We have had eleven (11) this year. Again, we just cannot let up. It just cannot literally let up.

This is our statistics in that same year. I am only using 2000 to 2012 although we have statistics all the way back to 1972. This shows you that again, the majority are visitors. We have also tracked Hawai'i and Kaua'i residents a little different just to show you that it can happen to someone that is local. As you can see, again, we have the highest drowning rate per capita. Our average drowning rate per month for – our average of one drowning per month prior to 2012 and then of course in 2012 we had two (2). But now, in 2013 we are already back up to eleven (11). We did reduce it seven percent (7%) in the last ten (10) years. But that is really only the last ten (10) if you average this across, our average does not change very much. So far again, like I said, that slide is a little bit behind. We made this for two (2) weeks ago and we have had one (1) since then. So, we have eleven (11) drownings.

Future goals. Actually number one is done. Check that off. We put the videos up there, thanks to KLA, the Kapa'a Rotary, Līhu'e Airport, Department of Transportation (DOT) Airports, through the efforts of a lot of folks, we finally got those up. We had it there about three (3), four (4) years ago. But the way it was billed and this did not kind of work. Līhu'e wanted to remodel those baggage claim areas so we just kind of backed away and the Kapa'a Rotary said do not worry, as soon as we can get in there, we will. Now they have done it actually, at both baggage claims. Originally it was only at one, so now it is at both. The Junior Lifeguard National Championships, Kalani is going to find out much what it is going to take for us to participate. The reality television (TV) show, that is moving forward and I have a little clip at the end about that. Expanding our Keiki Guard Program and just like Randy said earlier, we want to expand that. It was very successful. We have a whole age group of youth there. We want to get water wise. Believe it or not, there is a lot of youth on Kaua'i that do not know how to swim. So, what better place to do that than with a lifeguard right there at the beach and learning what the water is about and learning the dangers of it so that they can be cautious when they are in the water. Our substation storage in the East district at Kapa'a Armory, we are done. We can check that off. We are going to move Kapa'a station anyway and this now gets all of the ocean safety storage for the Kapa'a district in the central district into a facility that is secured at night, covered storage, computer office for the Supervisors to work in. As Randy had expanded earlier, expand that Roving Patrol Unit.

Challenges. Well, the Kekaha Lifeguard Tower – we moved it thirty (30) degrees. We have not moved it out of its location although the beach is back. We are just hoping it will stay. Signage, again, is an issue. We know that as they get corroded, we try to get them replaced as soon as possible. We actually have a major order for about one hundred fifty (150) signs going in and we will start replacing signs around the island probably in the next month or so to update our sign replacement. There is a lot down. They get corroded and it is what it is. It is a tough environment and we just have to replace them. It is part of the Act, that in order to keep our liability, we have to comply with the Act. We have to put the signs up where they are required and we so are moving forward with that. Of course the increase in tourism, as you saw, has an effect on the drowning rate and as you saw in the operations, it has an effect on our operational call load. It is just you a



That was kind of the intent. We are behind for the third wave to do it so that means it might be next year. But it was one of the concepts that we had.

Ms. Nakamura: How many towers do you have?

Mr. Westerman: We have ten (10) towers.

Mr. Rapozo: Go ahead Councilmember Yukimura.

Ms. Yukimura: Very nice presentation, thank you. On the towers thing, why would you need an SMA just to put a photovoltaic system, that what you are thinking of?

Mr. Westerman: To avoid doing an SMA. If we hard wired power to the towers, then we have to get an SMA.

Ms. Yukimura: Right.

Mr. Westerman: If we leave it portable like they are by putting solar on it...

Ms. Yukimura: Decentralized essentially.

Mr. Westerman: Yes. Then we do not need to do an SMA. That is what we are trying to avoid.

Ms. Yukimura: I see.

Mr. Westerman: Well, we actually have an SMA minor on all of them. We were trying to avoid anything like a major SMA.

Ms. Yukimura: Okay, because I mean to me, the SMA gets triggered if there is something outside of the basic use that you have been permitted for.

Mr. Westerman: Right.

Mr. Yukimura: So, put a set of panels and I do not know the details of this. But a set of panels, I love the concept on a lifeguard tower so you have enough power for your electronic communications. It does not seem like something that should need any kind of additional SMA regulatory issue.

Mr. Westerman: That is why we want to do the panel and not hard wire the electric.

Mr. Yukimura: I see the rationale in it. It makes a lot of sense. Thank you.

Mr. Westerman: You are welcome.

Mr. Rapozo: Councilmember Hooser.

Mr. Hooser: Can we get the slide up showing the annual drownings? There is eleven (11). This year was not on the slide though?

Mr. Westerman: No, this year was not on the slide. Last year was two (2), 2012.

Mr. Hooser: Do most drownings occur evenly spaced throughout the year or most of them just in the first four (4) months like it is occurring now?

Mr. Westerman: No, the drownings occur – I do not have stats on time of year, I have locations. But I do not have time of year. I do not recall we have ever tracked that. We could. We could get that answer. But I do not have any slides built for that.

Mr. Hooser: I think, if I remember correctly, the slide said seventy-six percent (76%) were visitors or something like that.

Mr. Westerman: Yes.

Mr. Hooser: I imagine most of them would be males.

Mr. Westerman: Yes, males between the age of...

Mr. Hooser: Forty-five (45) and fifty-five (55)?

Mr. Westerman: Yes, something like that.

Mr. Hooser: I want to say, I really appreciate the work that the Fire and Water Safety Officers do. I know you risk that you risk your lives to save other people's lives and it is just so valuable and the Department has done so much over the past years that I have been paying attention to it. Unfortunately, it is still apparently not enough though. Chief, when you were here before, I asked if the Office could think about whatever, like an emergency, what are we going to do? Eleven (11) people died this year and it is only four (4) months, seventy-six percent (76%) of visitors, what can we do? I know the airport is there. But I am hoping it is going to be more or there can be more and whether is it working with the Mayor to get a Task Force, not a Task Force, but a concerted effort with Police, Fire, Water Safety, and whoever. Whether it is to go out and physically visit the hotels or something. But the list of challenges, I appreciate that. I think the number one challenge is too many people are dying. So, the priorities, I would want to see – we are spending our efforts on these things. Which things will keep people from dying first and foremost? Which of those? I do not know if you have any ideas or if there is any plan to come up with ideas. I mean, we could look at legislation that requires hotels and

car rental companies to inform their visitors. We do not have a big budget to go out and hire more lifeguards and more staff that is for sure. But I really would like you all to think about what can do you with existing resources? I know Dr. Downs is and there are volunteers involved. Do you have any ideas or comments on that?

Mr. Westerman: Well, I am glad you brought that up and we agree with you one hundred percent (100%). It is like there has to be something else that we can do. Like Dr. Downs says, he hates to think about the numbers because he knows zero (0) is not realistic even though we got down to two (92). But I think education is the key and one of the things that we have done last year is put a more concerted effort, like you said, into educating the concierges. We have a program that funded as part of the budget called "Wave." It is a visitor awareness put on by Pat Durkin and in the last three (3) that we just had, one (1) in Po'ipū, one (1) at St. Regis, and Kaua'i Beach, we made a concerted effort. St. Regis for example, to get the Transient Vacation Rental (TVR) folks to the table, most of the hotels run the video on their station, whatever they call their local in-house. Most of the major hotels have us come and do the Wave education program where Pat talks to the concierges about how do you talk to the tourists everyday about where they are going and what is safe? We have [Kaua'iexplore.com](http://Kaua'iexplore.com), every day, that is available. It is printed about the ocean conditions so that they can physically hand that to a tourist and say here is the best place for the day. But you are right, of the eleven (11) so far this year, I hope I am remembering the statistics right. But I think seven (7) of them came from TVRs.

Mr. Hooser: TVRs, you mean independent home?

Mr. Westerman: Transient Vacation Rentals, right. A home...

Mr. Hooser: A home that they are renting out there somewhere.

Mr. Westerman: Right. We are starting to get those companies that are doing that business to come to our training and participate. We have been very successful in some of them saying give us brochures. We will put our beach brochures in our vacation rentals. We will put them there. We will talk to our folks. Some of them are pretty big business. They are advertising on the internet and one of them, I do not want to give names. But one of them has actually put our ocean safety video on their website. They are saying come to Kaua'i and by the way, upfront, here is the ocean safety video. That is kind of partnerships we want to continue to develop and I think that is the kind of partnership going forward that will help us educate them. The bottom line Kaua'i is ecotourism. They are coming here for our beaches. They are coming here to walk the trails. There are not coming here to go to Disneyland at Waikīkī. They are coming here for the adventure of Kaua'i. We just have to try to provide them a little bit better education about what do when they are here.

Mr. Hooser: Thank you very much.

Mr. Westerman: You bet.

Mr. Hooser: You reassured me a lot with just the brief discussion that we have had. The fact that you are keeping track of, and I hope you continue to do so, whether they are from TVRs or certain hotels. So if certain places, like it appears to be here, are disproportionate in terms of the drowning and we need to deal with that. I am asking our staff to look into putting it as part of the TVR permitting process., some type of requirements. So, we are exploring that here to do it. Thank you very much. Again, thank you for the work you are doing already.

Mr. Westerman: If I may? I just bought a TV yesterday. No, I actually I bought a TV and instead of...

Chair Furfaro: To watch you guys?

Mr. Westerman: To watch you guys. But instead of digital versatile disk (DVD) players that are, you can actually put a universal serial bus (usb) inside of it. We had a recommendation from someone over at a parks office about a week ago, that said we give permits to these people going to the beaches. Why do we not run the video right there by the station? Eureka, an idea was born. I went and bought the TV yesterday and now I am trying to get the DVD converted to the right format so it will run a continuous loop all day long outside of parks with no volume because it is subtitles so it does not drive them crazy. There is a car agency that does this and it drives their folks crazy because it plays over and over. We are open to any ideas or suggestions we think will help. So, that is one that will hopefully be up and running by next week.

Mr. Hooser: Great. Thank you very much.

Mr. Westerman: Yes.

Mr. Rapozo: Thank you, Mr. Hooser. Just one other thought. I feel like I have to say this. You know the numbers; you said we cannot give up. Cannot be discouraged because just imagine if you folks were not there, what those numbers would be. In the Police force, when we had the issues with the fatalities along Wailua Golf Course stretch, it was beyond everybody's control. We had enforcement. It is just things happen, accidents happen. But just imagine what those numbers would be if you folks were not there. So, pleased do not be discouraged. Thank you for what you do. Mr. Chair.

Chair Furfaro: Chief, I think I want to echo Mr. Hooser's comments. I want to thank your team for what you have been able to track and help prevent. At the same time, I want to remind us of a couple of things. Sixty-three percent (63%) of our people that lost their lives in tragedy here have been in Transient Vacation Rentals. Okay? That has to be very clear to the Hotel Association and Sue Kanoho for the *kōkua*, okay? Twice, past President of the Hotel Association, we have done things. Every hotel you go into here has an informational channel that will promote this. Every concierge desk has brochures and I want to again recognize again, Mr. Piko. This lifeguard is a guy who goes out on his own and talks to different resort associations. But there are a couple of other things we have done here, but did not go much farther. I want to remind everybody that Queens Pond can be closed for six (6 months at a time. I put that Resolution on the

table here. It is about safety and beach access that the Resolution was put in place. The Charter says the only one that needs to call that shot about safety is the County Engineer. I want to make sure that we keep that message going through. I served on the Water Safety Task Force with Dr. Downs for almost six (6) years, twelve (12) of those years here on the Council and then when I see something, like three (3) of the eleven (11) drownings are at Pukamoi. It is very bothersome. This is not even a beach. This is a black lava platform that goes around there the surf spot at Kalihiwai. Divers know it as Pukamoi. Locals know it as Pukamu. But there is a key spot along with Queens path that we need to take some constructive – do not be walking out on the black covered lava when the surf is coming off on top northwest swell at twelve (12) to eighteen (18) feet. It does not work that way. I am sharing that with you with my own experience. I used to be a Water Safety Instructor for the City and County of Honolulu. The fact of the matter is that these are some of the things, I think, that we really need to ask *kōkua*. Mr. Hooser is right, since I have been in budget for twelve (12) years, we have added sixteen (16) lifeguards, sixteen (16) staff positions since I have been on the Council because you have a need. But I think it was said, we are not a point that we cannot expand some understanding and partnerships. When you look at sixty-three percent (63%) to sixty-four percent (64%) of our people that lost lives tragically are not in the conventional hotels or condos, we have got to work and really emphasize the need to have individual outreach here. I also want to say that I am so proud our water safety guys. You have got a good team there and it is very unfortunate this year what has happened to us. But we just have to stay really focused and please reconsider the possibility that the Chief Engineer has the authority to close trails. If he feels that they are unsafe and so forth, then I think that would be our first stop. Thank you, Vice Chair.

Mr. Rapozo:  
Follow-up? JoAnn, new question?

Thank you, Mr. Chair. Any more questions?

Ms. Yukimura: Yes, a follow-up too, on your chart. Scott, can you put it back up there? I too really want to encourage you not to be discouraged because I do not think it is for lack of effort and I think there are other things that can be done. But I think there are some items that I wanted to explore here. I think rather than correlate the rate with things that you have done, I would be interested in the correlation between the drownings and the number of tourists arrivals because we are having a banner year in visitor arrivals. We just recently got back to pre-hurricane levels of I think a million visitors a year. The Chair would be better than I to explain about visitor days, too. But just having so many people on the island would increase probabilities. Then the other correlation, I think and we are finding sort of the perfect storm this year, is with visitor arrivals and then ocean conditions. I do not know if there are indicators of ocean conditions that you can characterize one year as a year of really bad ocean conditions and another year of very, light, and tranquil ocean conditions. But I am guessing there might some correlation. It still does not mean that education might be the right thing to do because during calm conditions, walking on that black lava rock is not a problem. But to visitors who have no idea about the ocean, they will not know during times of high wave action that they can be pulled off the rocks, right? So, that is the education that you have to do. It is still may come down to education. But it seems to me that this year is a year of these

converging conditions of high occupancy, high visitor arrivals, and then just very bad ocean conditions. I do not know if you have any thoughts about that.

Mr. Westerman: Well, I agree with you. This chart does kind of reflect an again, the Chair did make the point about the visitor arrival days and how we might have to adjust to get the figures to be a little more reflective of what is happening. I agree that we have the high visitor count. A couple of things that came to mind while we were talking about this again is educating that visitor. We have applied a grant through the Assistance to Firefighters Grant, our fire safety and education, to do our Beach Safety Guide in multiple languages. One (1) of the families that was at Pukamo did not even speak English. So, with the family there trying to discuss with them what was going on, it was difficult to have that conversation because they did not speak English. So, our visitors are not just U.S. visitors and we are not talking about Japanese visitors. We are talking about European visitors and so that is one of the efforts that we are going to put forward. The kiosk, working with the parks and County Attorneys, we finally got our kiosk maps approved for Po'ipū Beach Park. If we do not see it at the airport, they do not see our video, they do not pick it up our Beach Safety Guide, they get into their hotel, they do not pick it up and look at it for a couple days, and they go right to Po'ipū Beach, they will see a big sign that says this is where the rip currents are, this is where to be careful, this is where the lifeguard is, and this is even a lifeguarded beach, this is non-lifeguarded beach. Again, catch the tourists somehow to get them to read and look at where the conditions are. One (1) of the things that I think we have not done is we have not done an exit survey. We have discussed this several times. We have tried to talk with at least Hawai'i Tourism Association (HTA) that is doing the one – if you fly out at night on United or American, there someone out there handing out surveys and it is tourism surveys. Folks, I am all for bringing the tourists here. But we have to protect them once they are here. Please help us and let us participate. Maybe we can get one (1) or two (2) questions that say, "What did you say about ocean safety? Did you see the banner? Did you see the video?" We can go on and on about all of the things. Did you see is the Kaua'i explorer website? Did you see a Beach Safety Guide? Did you talk to a concierge? Of course, they will only give me one (1) or two (2) questions. But I have about twenty (20) questions that I would love to ask our visitors as they leave besides how was your experience and what would we have done better? What is it that we could have done better? What did they not see? Maybe that will help identify, like Councilmember Hooser said, what are we missing? Where are the *pukas*? Where are they falling through the cracks? We have talked about it a couple of years in the Water Safety Task Force. We just have not come up yet with the survey and then the where with to do it. I am going to have to put somebody somewhere doing the survey.

Ms. Nakamura: Well, the Kaua'i Visitors Bureau (KVB), I believe, does a Visitor Satisfaction Survey annually and that might be the opportunity to ask a few questions. The County provides, I think, this year it is two hundred thousand dollars (\$200,000) to KVB. I think it is a valid request from the County to ask Kaua'i Visitors Bureau if they would consider adding a few more questions. If you could formulate your questions we could send it over to KVB to ask then to include it in their survey.

Mr. Westerman: We would love to do that.

Ms. Nakamura: We should follow-up with the Office of Economic Development to coordinate that.

Mr. Rapozo: Mr. Chair.

Chair Furfaro: That is an excellent idea to have the exit survey. I just wanted to follow up with some comments from Councilmember Yukimura's so we all realize this. The record visitors arrivals for Kaua'i was somewhere around one million two hundred thousand (1,200,000). So, we are not quite there yet. We are somewhere about one million (1,000,000) now. We are about two hundred thousand (200,000) less visitors. But the flipside of that is when we were at that level, the average stay was three point four (3.4) days. So, we had one million two hundred thousand (1,200,000) staying three point four (3.4) days. Now, the average stay is seven point two (7.2) days. So, what happens? These guys feel that they want to get more involved with the island. They want to go to more remote locations and they find themselves getting into trouble. Okay? So, that is one (1) point I want to make sure that we understand and its self conversion. Then maybe you do not remember, but I sure remember Big Wednesday, 1963. It was holiday with point surf at Makaha, big, big surf. We have another one that shows these things conversing with the Eddie Aikau Waimea Tournament because they do not have it every year. They only have it in the sequence that nature provides these big swells. So in this year, what we have is we have big swells, we have increased average stay, not necessarily more arrivals, and we are trying to get some outreach to the TVRs. I think they are all kind of coming together, Chief. I just wanted to comment on that as a follow-up to Councilwoman Yukimura's. We have all of these things coming together. Unfortunately, we have this difficult situation. Thank you, Mr. Rapozo.

Mr. Rapozo: It is called the perfect storm. I was not aware of the statistics on how many of these drownings occur with TVR renters. What that tells me is that the video programs in hotels are working. It seems like the simple solution is to get that message into the TVRs. But while we are all thinking out loud here, a thought came across my head. As you drive around certain jurisdictions, they will have a sign on the freeway and it says, "tune to radio station 93.4 for traffic conditions" or "for airport congestion, tune into" – when you get into that area, there is a limited frequency so it does not carry the whole island. But when you enter that area, you tune your car radio into that station and you get a pre-recorded message on traffic. I do not know what that entails. I do not know how that works. I am assuming that you have to get a frequency. But that is something that we could take a look at and within a thousand feet of every beach, the beach – that is why it is important to track where these things are happening and maybe we can start off with a few spots. As they drive in have a sign that says tune your radio into whatever station for current ocean conditions. A few of them will tune in and you can send that message on the radio. The radio message could be generic about rip currents, undertows, and do not let the calm waters fool you or however, you do it best. But that way, at least we will have that remote access because you have people that come here to camp. They do not have hotels or TVRs and they may not have rental car either. But for the ones that do, just one (1) more opportunity to infuse warning messages or information into these people. I agree with you Chief, it has education, nothing else. Police Department, with a lot of accidents can lower speed limits. You cannot lower the wave and

undertow. There is nothing we could do. Mother nature is the authority. So, just an idea that popped into my head while everyone was talking and maybe we can take a look into that.

Mr. Westerman: I am familiar with that. We have done that in Waimea Town and we can discuss offline about that.

Mr. Rapozo: Well, if it is not feasible, then it is not feasible.

Mr. Westerman: No, we will look into it.

Mr. Rapozo: Okay, thank you. Any other questions?  
Councilmember Yukimura?

Ms. Yukimura: Before we move on, I just want to say I like your policy of closing beaches because I heard once in an advertisement, swim in safe place, calm waters, or where there is a lifeguards. But some of those beaches nobody should go in. The visitors have no judgment about it. They cannot make good judgments. So, to just close the beaches, I noticed that you were doing that quite a lot. That is really good. My question is about the jet skis, who services them?

Mr. Westerman: Our mechanics.

Ms. Yukimura: So, that is something that you folk do in-house so to speak?

Mr. Westerman: Yes, we do internally unless it is certain things and then we go out on contract to do major repairs.

Ms. Yukimura: Then your Roving Program, you are able to do that without overtime?

Mr. Westerman: In most days, yes. There are occasions when we have to put people on overtime. That is why we picked Wednesdays because it is when we have the most staffing on. But these last couple of major surf days, we had to bring a couple of people on overtime on different days to do that event.

Ms. Yukimura: I like the fact it is located in a region where you are experiencing high surf. I was not clear about why you would rotate it around unless you get a call?

Mr. Oritz: When I was referring to was that during certain times of the year, the surf would – like for example, the summertime, the North Shore is flat. So then we would roll that specific unit to cover.

Ms. Yukimura: I can see putting it in a region if it is North Shore, 'Anini or someplace centralized to the region.

Mr. Ortiz: Then it kind of blankets the jet skis that are in place.

Ms. Yukimura: Are already there?

Mr. Ortiz: Yes. We have a unit at Keālia Beach and then our unit stationed up north. It is kind of like having three (3). We are actually covering half of what it would take. For example, if there is a call at Kalawai, the jet ski at Hanalei would take about twenty-five (25) minutes. So, having...

Ms. Yukimura: At 'Anini, you can go fast.

Mr. Ortiz: It took us a couple minutes because we are right there. We are stationed there. We put the ski n the water and people actually do come up to the lifeguard truck and talk to us.

Ms. Yukimura: Maybe I misunderstood you. It sounded like some days you are moving that around from beach to beach.

Mr. Westerman: Well, that is the intent. It is not to be permanent.

Ms. Yukimura: Yes. But I mean for one day you just take it and locate it at "Anini?

Mr. Westerman: Maybe not.

Ms. Yukimura: During that day, you care moving it back and forth?

Mr. Westerman: Yes. It might go to Kalihiwai that day too. It might be really bad on the North Shore. So, we get the in between areas, stop and talk with the visitors there, and then go to the next one. In the case that Randy was talking about, at couple times down at 'Anini there were so many people there. The decision was to stay there, there were plenty of people there, and actually we had a couple of saves the first day we were down there at 'Anini. The model is actually what is done by City and County of Honolulu. They have more Roving Patrols than permanent. So, they go to the beaches with the bad surf for the day in their Roving Unit instead of having permanent ones there and having less Rover Units.

Ms. Yukimura: The Roving Units always has a jet ski?

Mr. Westerman: Yes.

Ms. Yukimura: Okay. I see. I was curious about the amount of personnel and gas and so forth that it takes to do that Roving overtime and all of that. But

I can see that you are trying to optimize your coverage and when you are stationed in a place, you are also doing education, apparently.

Mr. Ortiz: Yes. We have two (2) operators on the ski and the third person usually is in the truck. So, he might do a rove down back channel so that truck is moving around and stationed there. Then the ski would go do an ocean patrol.

Ms. Yukimura: Okay.

Mr. Ortiz: They would go all the way to Kilauea Lighthouse and work their way down to Secret Beach.

Ms. Yukimura: As long as is there is a consciousness about conserving resources, both time and things like gas and wear and tear.

Mr. Ortiz: Yes.

Ms. Yukimura: I will let somebody else.

Mr. Rapozo: Any follow-ups? Any other questions? Go ahead.

Ms. Yukimura: Your Keiki Guard Program, it sounds really cool, actually. Now, how are you staffing that and is this an overtime draw too?

Mr. Westerman: Some of is on overtime. But that is in our budget for those programs. That is not in addition to our budget, that is already in our program and that one is not a full program like the Junior Guard Program. It is only one (1) week.

Ms. Yukimura: But it is several places?

Mr. Westerman: Yes, and it also coincides with our Junior Lifeguard Program. So, we have our Junior Lifeguard Program and we have some of our Senior Junior Lifeguards helping with our *keiki* guards.

Ms. Yukimura: That is good. I mean, I love that you mentioned, Chief, about making young people ocean wise or wave wise.

Mr. Westerman: Yes. Water wise.

Ms. Yukimura: I actually wondered because I did not see any real clear goals and objectives for the Water Safety Division. But one of the logical goals would be to help the public become more water wise. At the same time, we talked to the Police about this too; you have to stay on your core mission of water safety. I just wondered about the balance you keep in terms of how you use your personnel.

Mr. Westerman: Right, and I apologize I did not put the goals and objectives for every Bureau in every one of the presentations. Something to consider. But

yes, we strive to stay within saving lives in the ocean environment is part of the main mission. How do we that? Through a variety of programs. This is one of the new programs we are hoping to install to reach our goal of saving lives in the ocean environment.

Ms. Yukimura: It is a balancing act.

Mr. Westerman: It is.

Ms. Yukimura: I think some goals would be really nice to see. I mean, obviously, you already have this goal of minimizing the number of drownings per year and until this year, there was a fantastic performance level and yet we have to remember it is not totally within your control or anybody's control. So, some goals would be good.

Mr. Westerman: Again, that is why we have decided to redo our strategic plan to help us realign what our goals to be. As public services and first responder, the goals really are not ours. The goals are the Administration, the Council, the community, what it is you want us to provide? What is the service that you want us to give you? That is what we will do. If it is put more effort into saving age groups or visitors versus locals or whatever – I am just speaking off the cuff here, which is the intent of working on our new strategic plan and involving the community in our meetings and finding out exactly what it is that they want us to do. Then we will be able to get some more performance measures on this is what the community wants, this is what the Administration wants, this is what Council wants, how do we put that together, and then how we measure that and making sure we are doing what everybody wants us to do.

Ms. Yukimura: Well, it is good to hear about your one hundred fifty (150) signs because we just had Risk Management come before us and we were talking about how every Department needs to think in terms of risk management and those signage is part of that, lowering risk.

Mr. Westerman: Yes, it is.

Ms. Yukimura: Thank you very much.

Mr. Rapozo: Thank you. Any more questions?

Ms. Nakamura: I have a question.

Mr. Rapozo: Go ahead.

Ms. Nakamura: Can you explain the increase in regular overtime, the line item in your budget? I think there was an increase of thirty-four percent (34%) over last year's budgeted amount. It is a fifty-five percent (55%) increase over the 2012 actuals.

Mr. Westerman: Well, we had, again this is one of those – in our training in this bureau and in the Training Bureau, we had some overtime dollars that were actually listed as a training item. Then the budget folks were saying that we do not have Other Post-Employee Benefits (OPEB) or any of that attached to that because you do not have it in a salary item. We had to move and maybe you do not see it on the line item of the budget, but we moved from the “training” item up to the “overtime” item so that we could track the OPEB costs, the benefits that go to that. We were not tracking them properly before. So, we have had that increase in both here and in training. Training was a lot more significant and it was kind of an accounting thing.

Ms. Nakamura: The holiday, pay is that the amount that is budgeted is pretty much what you anticipate spending this year, that range?

Mr. Westerman: Holiday pay is really tough. It is our best guess. It is even more significant in operations because most people will come and work the holiday, but there are people that say I want to be with family. The holiday pay is a little bit different. It is a best guess. It is fairly close, but it really is the best guess. Yes.

Ms. Nakamura: Thank you.

Mr. Rapozo: I have a follow-up. That training money was moved from “training” to “overtime” and leaving you with two thousand dollars (\$2,000) in the training line.

Mr. Westerman: Right. Okay, that line item now really is supposed to be for materials, like books.

Mr. Rapozo: Only materials.

Mr. Westerman: Right, only materials. We had our overtime hours in there before. So, that is why it was moved.

Mr. Rapozo: Most of your training, the bulk of your training is really in overtime? It is hands on training and what we saw in the video?

Mr. Westerman: Yes, exactly.

Mr. Rapozo: Okay, go it.

Mr. Westerman: And same thing on our training budget.

Mr. Rapozo: Your operational side?

Mr. Westerman: Right, our operational side.

Mr. Rapozo: Then just a couple more questions and then hopefully we can wrap up. Do you folks even know how much it costs to outfit a tower with photovoltaic (PV)? Have we done that?

Mr. Westerman: No, we have not done that survey yet.

Mr. Rapozo: It cannot be that much, right?

Mr. Westerman: I am hoping not.

Mr. Rapozo: The electricity in the tower would really be more communications?

Mr. Westerman: Yes.

Mr. Rapozo: Probably your computer and that is pretty much it, right?

Mr. Westerman: Keeping our radios and communications charged.

Mr. Rapozo: So, I cannot even imagine – probably a panel, I would think. I do not know this. I know they came and did an assessment. So, I am just thinking that my house has everything electric. If we go to a tower, it might not be. I think that would be sufficient because it would provide the necessary power for the day because you folks do not operate at night.

Mr. Westerman: Right.

Mr. Rapozo: I think that would be perfect. Maybe that is something that we can take a look at. We can have our Energy Department or whoever the green – what is that title?

Chair Furfaro: The Green Team.

Mr. Rapozo: Yes, we may a lot of money now in a Green Save Electricity Department. Maybe they can take a look at that. I think that would be a great way to go. I can even see the solar company really sponsoring, or adopting, or whatever. That is pretty much the only question I had on the solar. No, no, go ahead.

Chair Furfaro: No, I had one more on a follow-up. Just for the Water Safety people, I want to understand how they qualify for overtime. We have a holiday in a week that is scheduled. We have certain guards that work thirty-two (32) hours and then they get a day off with eight hours of holiday pay or do they always work their five (5) day workweek and then get double time for working the holiday? I tell you, if you can qualify what I just said, you can save us some overtime dollars.

Mr. Westerman: For them, if it is a designated holiday and they work it, they get the overtime pay.

Chair Furfaro: I understand.

Mr. Westerman: Or they can take the day off and it is not time and a half.

Chair Furfaro: If the tail is not wagging the dog, I am asking you Chief, do your people schedule them to work thirty-two (32) hours and get eight (8) hours of holiday pay because they are off or is that their choice? I am saying managing it would give you a guy working a five (5) days shift, he is working with the holidays earning double time. That is then equal to a forty-eight (48) hour pay rate. But if he is working four (4) days and gets the holiday off, is that straight time and that way we are only paying forty (40) hours?

Mr. Westerman: Yes. But the problem arises is that I do not have staff if I do that who work every single day of the year. I understand what you are saying, Chair. They get to choose whether or not they want to stay home or they want to work.

Chair Furfaro: That answers my question. They are making those choices?

Mr. Westerman: Yes.

Chair Furfaro: Okay.

Mr. Rapozo: It is probably the Collective Bargaining Agreement that is allowing them to make that choice.

Mr. Westerman: Absolutely.

Mr. Rapozo: That is how it was in the Police Department. I do not know about the Fire Department. But I know that in the Police Department, if a holiday fall on your day off, your first day back to work, you get the holiday time pay.

Mr. Westerman: Yes.

Mr. Rapozo: I would assume it is the same way.

Chair Furfaro: I want to point out to you...

Mr. Westerman: If it fell on a day off.

Chair Furfaro: Mr. Rapozo makes a very good point. But if we have that tool in the Bargaining Unit Contract that gives them four (4) days of work with five (5) days of pay or they can get five (5) days of work with six (6) days of pay, then that is

telling me in the Bargaining Agreement, you have the choice. If not, it would not be in the Bargaining Agreement.

Mr. Westerman: I guess I am confused.

Chair Furfaro: Here, if you allow someone to have a day off with pay for the holiday, if that is in the contract, it is in the contract because you have the authority to schedule it as such. If you are telling me you got to have them work on a holiday with holiday pay, that may fall on any day during the week that they earn the holiday, then you do not have that right because it is simply by contract.

Mr. Westerman: Right.

Chair Furfaro: But if you have the option, as I explained it the first time which is in a lot of Bargaining Units, I am finding more and more managers do not understand that. They do not understand that they have the tool to manage payroll and there are employees who would like to have a four (4) day work week with five (5) days of pay. But it is all in straight time.

Mr. Rapozo: Thank you, Mr. Chair. Any other questions?  
No?

Chair Furfaro: I have one comment.

Mr. Rapozo: Go ahead.

Chair Furfaro: Chief, I do not know if enough people tell you this. But I have to tell you, I am very proud of the Fire Department and I think a lot of it really reflects on your leadership. I mean, you have done a great job and I am going to write a letter to the Fire Commission. I want them to know that. Thanks for all that you do for us.

Mr. Westerman: It is the men and women. I am just kind of the steersman.

Chair Furfaro: Somebody has to lead them. Whenever there is more than two (2) people together, someone has to be in charge. You happen to be that person.

Mr. Westerman: Thank you, thank you very much.

Mr. Rapozo: Any other questions for the Fire Department? I did and I cannot remember what it was. So, we are going to end here and we are going to recess until Monday. Let me hand it back to the Chair and you can close out, sir.

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

Chair Furfaro: Thank you, first of all for taking the meeting today. We are going recess here and we are going to, Monday, come back to a schedule that is amended as follows: 9:00 a.m. to 11:00 a.m., Office of Economic Development. We are covering the work force development, the film and agriculture. We have added with our discussion this morning with the Mayor and at the request of Mr. Hooser, we are going to add from 11:00 a.m. to 12:30 p.m. the Department of Finance. We are going to review credit collection and merchant services for the Wailua Golf Course, break for lunch and the afternoon, 1:30 p.m. to 4:30 p.m., we will have the Department of Personnel Services. Then Tuesday, Department of Public Works, 9:00 a.m. to 11:00 a.m. because I concurred with Councilmember Yukimura, we want to have a little more time to discuss road maintenance. Then from 11:00 a.m. to 12:00 p.m., we will visit again, with the Kaua'i Humane Society. That is our schedule for next week, the first two (2) days. Again, Chief, thank you very much. Mr. Rapozo, thank you for running the show today. We are now in recess.

There being no objections, the Committee recessed at 3:14 p.m.