

**COMMITTEE OF THE WHOLE
DELIBERATION AND PRELIMINARY DECISION-MAKING
FISCAL YEAR 2020-2021 ANNUAL BUDGET**

MAY 15, 2020

The Deliberation and Preliminary Decision-Making Meeting on the Fiscal Year 2020-2021 Annual Budget of the County of Kaua'i was called to order by Arryl Kaneshiro, Chair, Committee of the Whole, on Friday, May 15, 2020, at 9:06 a.m. at the Council Chambers, 4396 Rice Street, Room 201 Līhu'e, Kaua'i, Hawai'i and the presence of the following were noted:

Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Luke A. Evslin (*via remote technology*)
Honorable Ross Kagawa
Honorable KipuKai Kuali'i
Honorable Arryl Kaneshiro

Excused: Honorable Arthur Brun*, Ex-Officio Member

The meeting proceeded as follows:

Council Chair Kaneshiro: I would like to call to order the Committee of the Whole and the Fiscal Year 2020-2021 Budget Decision-Making Session. Let the record reflect that all Members are present. Today we will be addressing decision-making for our Fiscal Year 2020-2021 Operating and CIP Budgets and Real Property Tax rates for the same fiscal year. For the past month and a half, we have experienced some unprecedented circumstances related to the COVID-19 pandemic and our budget process has been no different. We originally received the Mayor's Budget Proposal for Fiscal Year 2020-2021 on March 13, 2020 and almost within a couple of weeks, the entire economic landscape drastically changed. The budget formulated and submitted then had to be revamped and modified to reflect the harsh realities we will be facing not just next fiscal year, but quite possibly in years to come.

Instead of reviewing a budget proposal that would ultimately change prior to today's Decision-Making, the Council and Administration worked together to review the details through written questions and correspondence with the Administration. These questions and responses were all posted on the Council's budget website. I would like to thank the Councilmembers and the Administration for diligently working through this review process, while handling the procedural changes we had to encounter due to COVID-19. I am hopeful that through our dialogue we have been able to answer most of our lingering questions while also knowing that with the uncertainty surrounding the economic impacts of COVID-19 looking into the future, there may be supplemental money bills that will need to be done to address the ever-changing economic landscape.

It is now our opportunity to offer our proposals, if there are any, to the budget for the Fiscal Year 2020-2021. I would like to remind the Committee that any proposal to reduce or remove an item requires four (4) votes. Any proposal to increase or add an item requires five (5) votes. Once we vote on an item today, we will not revisit that item, unless it is deemed absolutely necessary. Additionally, once a proposal is introduced, I respectfully ask that members be concise and considerate with their time during the discussion period, as our time will be limited.

This is usually the time when I go through some highlights of the fiscal realities that we face as a County, to frame where we are prior to making our decisions. I believe I can be very brief noting that COVID-19 has and will continue to have a huge impact on how we do business going into the future. In this same regard, the challenges that we have faced will also not disappear, this includes our deteriorating roads, bridges, and other deferred maintenance needs. We continue to see the need for more affordable housing and improvements to our parks. We also must continue to maintain progress on our information technology upgrades to ensure we do not allow our services to suffer as has happened with the unemployment system. Lastly, our collective bargaining costs will continue, including the contributions for health, retirement, and other post-employment benefits. Thankfully the Administration, with the Council's input, has made many of the difficult cuts to travel, training, and overtime budgets. They have also short-funded many of the positions that were not anticipated to be immediately filled and have redone the budget according to the reduction in General Excise (GE) tax revenue and fuel tax revenue. They have also cut new vehicle purchases and equipment purchases to help reduce the budget. On the bright side, we should be seeing an infusion of moneys related to the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which should be coming in the future.

I am hopeful that as a Council, we can move forward with this Decision-Making session as efficiently as we have with our other meetings. Of course, as it has always been, it is my recommendation as the Committee of the Whole Chair to not tap into the Unassigned Fund Balance and to contribute any unappropriated funds resulting from the Committee's decision-making actions to the Unassigned Fund Balance, though I know there are differing opinions on this. I still feel this is a fiscally responsible option to consider at the end of the day. As we have seen these past few years, our ability to draw from our Reserve Fund for emergencies has really allowed us to provide the needed services during dire times. We experienced this with our flooding events and with COVID-19. Please keep in mind that any additions that you may be proposing should have a corresponding reduction or identification of funding or revenue source. Lastly, I want to remind you all that if the Committee does not come to an agreement on this Budget within the allotted time for Decision-Making, the Mayor's proposed Operating and CIP Budgets that were transmitted on March 13, 2020 will go into effect, and that would be very difficult to operate under given the drastic changes that occurred after the original submission.

I will be opening today's session, as we have done throughout the budget session, with public testimony. We actually heard our only member of the public that wanted to provide testimony. Being that there is no testimony, I will allow time for Mayor Kawakami or his team to briefly address the Committee before we get into our

session regarding his Supplemental Budget Communication, given the deadlines set in the Charter and the timing of our Decision-Making. I do not want to go into lengthy discussion today regarding the Charter deadlines, etcetera. Following the presentation that outlines some of the changes in the Supplemental Communication, I will immediately go into the Council's Decision-Making.

As a side note, I want to respectfully ask that Councilmembers make their final commentary on the budget during second and final reading, which is scheduled for June 3, 2020, if all goes according to schedule during this Decision-Making session, and not at the end of Decision-Making or in Committee, if at all possible. We do this every year. We usually provide up to ten (10) minutes for comments as well. This request is being made so that Council Services Staff can immediately begin working to incorporate any changes made during today's budget session and in preparing any posting notices, floor amendments, etcetera, in preparation for our on-going budget process. There really is a lot of detailed work that the staff does to ensure we meet all Charter, Code, and legal requirements. Since we have already heard our public testimony, I will suspend the rules.

Councilmember Kagawa: I have a process question.

Council Chair Kaneshiro: Go ahead.

Councilmember Kagawa: In light of the fact that we did not hold any Departmental Budget Reviews, could we just allow maybe five (5) minutes of discussion today? We skipped a lot of meetings due to COVID-19. I think there is some frustration over the budget and some of the assumptions. It is almost like this County is now a dictatorship. This Council is left out of many decisions. It would be nice if we had the checks and balances so that we could come up with more public input. The Council hears different things than the Administration may hear. I am just putting it out there. I wanted to see if it is agreeable that we be allowed some time to discuss our thoughts as we end the cuts. Even if votes do not go that way, I think the public wants to hear our view, especially for those of you who are headed for reelection. I think the public needs this forum to know where our stance is on issues. We have not been allowed many opportunities to discuss our opinions with the Administration because of COVID-19 and canceled meetings. We also do not have staff around. I am just seeing if that is agreeable to the body. Thank you.

Council Chair Kaneshiro: If the body feels it is absolutely necessary to have five (5) minutes to speak on the budget at this time, I will allow it. I do not want us to speak on it in the Committee Meeting. Usually at that meeting, we just approve it and get it to second and final reading. That is when we typically have ten (10) minutes to speak on it. If you want five (5) minutes today, I am open to that.

Councilmember Kagawa: Thank you.

There being no objections, the rules were suspended.

(Prerecorded video message from Mayor Derek S.K. Kawakami)

DEREK S.K. KAWAKAMI, Mayor: *Aloha* Council Chair Kaneshiro and Members of the Council. Two (2) months ago, when I virtually addressed all of you at the opening of the budget process, I had described our world as changing at the blink of an eye, and all that we thought was solid and reliable is now ever-changing. Our world remains fluid and dynamic. The COVID-19 pandemic has continued to force us to make operational and financial adjustments to conditions that evolve by the day. Our supplementary budget attempts to adapt to this volatility to anticipate arising trends that are taking place. As the Administration made every effort to limit the amount of adjustments between the March and May budget submittals, we freely recognize profound changes which were predominantly necessitated by our COVID-19 response, and the lengthy recovery process that we anticipate. I want to thank the Council for your partnership, dialogue, and support over the past weeks. Your cooperation and work has been invaluable for our community in the government's effort to keep our community safe. As mentioned in my supplementary transmittal, the March revenue picture was partially inclusive of a number of new revenue enhancements varying from fee increases to tax adjustments. With the Council's cooperation, we asked that many of those bills be instead received, as we recognize that asking our residents to pay more for services is not an appropriate ask at this time. The only direct revenue enhancement remaining on the table is an increase in the tax rate for the residential investor class, leading to additional revenues of two million three hundred thousand dollars (\$2,300,000). These moneys are strictly to shore up the Housing Revolving Fund, which will keep some moneys in the hopper and ensure forward progress with our housing program. The other tax classes remain flat at this time. We recently received information from the Governor that sheds some light on our Transient Accommodations Tax (TAT) picture, but the revenue picture is still not entirely clear. We would still ask the Council to be prepared to rapidly adjust the revenue picture as the TAT forecast becomes clearer. We are also aware that twenty-eight million seven hundred thousand dollars (\$28,700,000) may be coming our way as a portion of CARES Act stimulus moneys are being discussed at the State Legislature. We commit to the Council to a dialogue about prioritization of these funds should they be approved.

Travel and training budgets have been slashed across the board by nearly fifty percent (50%) for the General Fund and forty-four percent (44%) overall. Further, most large equipment requests have been eliminated with the exception of critical items related to solid waste operations. The supplemental budget also cuts all vehicle requests. There currently remains a new hire freeze out of our Fiscal Year 2020 budget, with the exception of critical health and safety need positions. In tandem with that freeze, we are proposing to only six-month fund a number of vacant positions. Most new positions proposed in the March submittal have been eliminated. Throughout this time of adversity, the tenacity and durability of our people has shined through on hard days. I know there will be more of those days ahead, but the various acts of kindness, courage, and goodwill over these weeks give me enduring hope that we will come out stronger and tighter and even more resilient as a community. That continues to be our style. That is our way. That is who we are here on Kaua'i. Thank you, Members.

The meeting was called back to order and proceeded as follows:

Council Chair Kaneshiro: The Administration is available. Do we have any questions on the Mayor's message? If there are no questions on the Mayor's message, I would like to ask for a motion or agreement from the Committee to accept the Supplemental Budget Communication changes that were submitted on May 7, 2020 and to use the Supplemental Budget as our starting point for Decision-Making.

Councilmember Kualii moved to use the Mayor's May Supplemental Budget Communication as the starting point for Decision-Making, seconded by Councilmember Chock, and unanimously carried.

Council Chair Kaneshiro: We are starting with the Supplemental Budget. Councilmember Cowden, did you have a question?

Councilmember Cowden: No.

Council Chair Kaneshiro: In the past, we used to go through each department. I do not think we are going to have many changes. We will take any cuts to the Operating Budget. If there are no cuts, we will move on to cuts for the Capital Improvement Projects (CIP) Budget. If there are no cuts to CIP, then we will move on to cuts to all departments. If there are none of those...all of those cuts require four (4) votes. Once we get through that, then we will move to additions. Once we move to additions, that will take five (5) votes from the members. We will then go through additions for the Operating Budget, CIP Budget, and then we will go through provisos and tax rates. That is how we are going to frame today's discussion. Without going through each department, I am just going to open it up to the members. Does anyone have any cuts to any department in the Operating Budget?

Councilmember Kagawa: I have a cut.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I do not necessarily have to go first. Does anyone else want to go first? If not, I will go.

Councilmember Kagawa moved to renumber Position No. 9051, Deputy Managing Director to Position No. E-9051 to reflect the exempt status of the position and to convert the position back to a Program Administrative Officer II (EX EM-3) at a salary of ninety-one thousand seven hundred fifty-two dollars (\$91,752). The savings of thirty-one thousand five hundred sixty-six dollars (\$31,566) will be sent back to the Unassigned Fund Balance to reduce the use of the Fund Balance for Fiscal Year 2020-2021, seconded by Councilmember Chock.

Council Chair Kaneshiro: Since we have that cut on the floor, I just have a clarifying question. We are keeping the position in the Office of the Mayor, but changing it back to what it was originally. This was a position that moved from the Department of Public Works to the Office of the Mayor with a change from an exempt

position to an ordinance position, and a change to the amount. Are you leaving it in the Office of the Mayor, or are you moving it back?

Councilmember Kagawa: Correct. This proposal is from the lack of us having more thorough meetings on the proposed move. We had the Office of the Mayor before us and they told us that that was the intention. I do not think the public knew that. A lot of people did not know. I just found out a few days ago. I think ninety-one thousand seven hundred fifty-two dollars (\$91,752) is a nice salary for a manager. I do not think now is the right time to move it up thirty thousand dollars (\$30,000) to become a Deputy position that would be under the Salary Resolution. We have seen that Salary Resolution recently. The Mayor just got elected and it passed the Salary Commission. They come before us and tell us that is why we do not have a County Engineer. What do we do? We barely pass it. They still do not have a County Engineer. Everyone that took that position under the Kawakami Administration, they already took the job at the pay that they had. They get a big salary increase because the Salary Commission tells us that is why we do not have a County Engineer. You scratch your head. Now we have COVID-19. Those are all moneys that could have been saved in hindsight. Now we are going to add another position? The timing is poor. The public is outraged. Everyone I talked to in the public about the Deputy Managing Director position...I got zero (0) people telling me that that is a great idea at this time. Zero (0). I do not know what the feeling is. I think now is not the right time.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just to clarify, what this cut is doing is actually providing the position, but at a reduced salary?

Councilmember Kagawa: I think that person is already there in that position.

Councilmember Chock: Right. But we are not moving it?

Councilmember Kagawa: Correct and we are not giving them a thirty thousand dollars (\$30,000) raise. That is my understanding. If the Administration has a different account of what this position is, then they can help to correct us.

Council Chair Kaneshiro: Councilmember Cowden, then I will suspend the rules and have the Administration respond.

Councilmember Cowden: I want to first acknowledge that the Managing Director did take some time with me yesterday. I appreciated almost an hour of his time to work on some of this information with the budget. I did have concerns. I have asked numerous times for page six (6). Numerous meaning three (3) times. I do not know if there is a page six (6) for the Office of the Mayor?

SCOTT K. SATO, Deputy County Clerk: There is no page six (6). I responded to your E-mail and notified you that page six (6) was for the former Equal Employment Opportunity Office, which has since been moved to the Department of

Human Resources. Given that, the budget would be zero (0). We remove pages that are zeros (0) and do not include that in the budget.

Councilmember Cowden: Okay, so there is no page six (6). I did get three (3) calls from high-ranking community members who were uncomfortable with the Deputy Managing Director change. I asked them to write letters to testify. What I am sensing is that people who I would never think would be nervous, are nervous. They are nervous to testify on things. That is a little uncomfortable for me, that people feel that way. I think that this position is coming from the Department of Public Works and that they need that position. That is where we are taking this position from, correct? We are moving that position. Public Works needs a lot of attention. Is this person still dedicated to Public Works?

Council Chair Kaneshiro: Is that the question you want to ask?

Councilmember Cowden: I want to ask that question. I am also saying when we are not getting public testimony, these are big issues and with the amount of silence is kind of deafening.

Council Chair Kaneshiro: I do want to note that this position move was incorporated into the budget from the very start. The Mayor noted it from the start.

Councilmember Cowden: Yes, it has.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: This kind of baffles me. We announced all of the different roads that we will be paving. Moi Road. There was not one article in The Garden Island that says we will be adding a Deputy Managing Director position at thirty thousand dollars (\$30,000) more than the present salary for that position. It is like you are giving a thirty thousand dollar (\$30,000) raise to an individual. That is what this is about. He may be earning it, but maybe Mr. Dahilig might go to greener pastures and he can become the Managing Director. Let us hold off on this right now. We have COVID-19 to deal with. We have some big question marks financially. Is the TAT going to be cut? Are we going to make a move like this right now? For me, I am not comfortable.

There being no objections, the rules were suspended.

Council Chair Kaneshiro: I cannot see who is on the other side.

MICHAEL A. DAHILIG, Managing Director: Council Chair Kaneshiro, can you hear me?

Council Chair Kaneshiro: I can hear you. Mike, if you want to respond or defend yourself on this position, now will be the time. You can justify the move.

Mr. Dahilig: I am happy to answer the question regarding Position No. 9051. We certainly understand Councilmember Kagawa's concern

regarding not having the process where we would typically go department-by-department to go over any changes.

Council Chair Kaneshiro: Mike, can you maybe sit a little more back from the microphone?

Mr. Dahilig: Can you hear me better?

Councilmember Kualii: A little bit.

Council Chair Kaneshiro: I will let you know if it starts coming in patchy again.

Mr. Dahilig: Let me restart. We certainly understand what Councilmember Kagawa has raised. Typically, we have the normal budget process. Am I still coming in splotchy?

Council Chair Kaneshiro: Yes, it is coming in patchy.

Mr. Dahilig: Let us try something. Can you hear me better?

Councilmember Cowden: Your volume is fine, you just cut in and out.

Council Chair Kaneshiro: Maybe speak slower.

Mr. Dahilig: I am literally seven (7) feet from the microphone.

Councilmember Evslin: Can you turn your volume down, I think it is an echo from your speakers.

Mr. Dahilig: Can you hear me better now?

Councilmember Cowden: Yes.

Mr. Dahilig: Let me restart again one more time. We do hear Councilmember Kagawa's overall concern. We also hear Councilmember Cowden's concerns about the process on this. We acknowledge that the process has not been conventional. The normal opportunity for dialogue and discourse on some of these items have been pushed to explanations in writing, rather than the typical hearings that we did not have due to the health emergency. We acknowledge that the dialogue may not have happened to the degree that would satisfy the Council on this particular item. It is something that we had proposed back in the March submittal. In discussions with the Mayor going into this upcoming Supplemental Budget, he felt very strongly that he needed redundancy at the Deputy Managing Director-level, for the Managing Director. We are the only county that does not have a Deputy Managing Director that provides redundancy for that level. His thought process, in talking with other mayors around the counties, he was concerned that

there was not the redundancy in that process. The position is being moved from the Department of Public Works, but certainly going back many budgets, this position has always been assigned from the Department of Public Works to the Office of the Mayor by affiliation. In the process, it had always been in the Department of Public Works budget, but for all intents and purposes, this position had functioned as essentially a Public Works Projects Manager to push through initiatives and projects, and assist the Department of Public Works with those types of things. With the particular budget request, the position is meant to provide that ability to have direct authority given by the Office of the Mayor on a project, rather than just having a Project Manager or Program Administrative Officer provide authority and calls to the various departments. In the alternative, if the issue is an issue with savings, we do not have any objection to having a reduction in the amount the salary that is being put in. We were simply trying to align this line item with what we would anticipate the Salary Commission to market as we are marking it as an exempt position. If it is an issue that the Council would rather have arbitrated by the Salary Commission, then we see no objection dropping it down to ninety-one thousand seven hundred fifty-two dollars (\$91,752) and pushing the position and salary setting request over to the Salary Commission to properly arbitrate that item. We would proffer in that alternative given Councilmember Kagawa's concerns to drop the salary item, but still leave the title at that position.

Council Chair Kaneshiro: Any questions from the members? Is that what the proposal is?

Councilmember Kagawa: Yes.

Council Chair Kaneshiro: Any other questions from the members?
Councilmember Cowden.

Councilmember Cowden: I want to just be super clear on what we are voting for. Our proposal is to move the position to the Office of the Mayor, but leave the salary at the current rate? Is that correct, Council Vice Chair Kagawa?

Councilmember Kagawa: The move is to leave it at the Program Administrative Officer II position. That is an EM-3 position. He is receiving executive managerial pay. Ninety-one thousand seven hundred fifty-two dollars (\$91,752) is his current pay.

Councilmember Cowden: But you are moving it from the Department of Public Works to the Office of the Mayor?

Council Chair Kaneshiro: It has already been moved and he is operating from the Office of the Mayor.

Councilmember Cowden: Okay.

Councilmember Kagawa: I am keeping it at the same level as it is now. They have used that position in the past, I believe it was Keith Suga at the time, when Mayor Carvalho made that move. Keith was really effective, but he ended up

leaving. The problem for me is, we have...let me go through the Mayor's budget. The Mayor is making one hundred forty-two thousand dollars (\$142,000). The Managing Director is making one hundred thirty-seven thousand dollars (\$137,000). The Chief of Staff is making one hundred seventeen thousand dollars (\$117,000). The Administrative Aides are making eighty-two thousand dollars (\$82,000) and eighty-eight thousand dollars (\$88,000). The Public Information Officer is at eighty-eight thousand dollars (\$88,000). It seems like they are all receiving management-type pay already. I am hearing that we do not have what Maui, the Big Island, and Honolulu has, but they do have a larger population, I think. They are larger. It would be nice to have two (2) Deputy County Clerks. We could have one for the Elections Division, but now is not the time. If we mirrored the City and County of Honolulu and we mirrored the County of Maui and the County of Hawai'i, there would be a lot positions that we could add to say we could be more efficient. There would be many positions all over the place. We cannot afford that. We are the smallest. We are the smallest island and our budget is not going to allow all of the luxuries and the bells and whistles that the other counties have. To say now that we need this position to become more efficient, I think it is a stretch. There is so much uncertainty. We always say that we cannot help COVID-19. The Federal government is setting the pace. We are in a recession. We can at the County-level. We have to do what we can so that our budget is not constraining our future. That is how we help. To add any positions right now, I think we should be having a hiring freeze beyond just saying we are not going to hire vacant positions. We need a total hiring freeze. We need to be fiscally responsible as well as well as responsible health-wise. Health-wise, you folks are getting a one hundred twenty percent (120%) rating. You are going after local people for quarantines instead of being focused on the tourists. Where is our fiscal responsibility to COVID-19? That is why I am saying not right now. Let us work together. Not right now.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you. I just have a couple of questions surrounding the position. I thank Council Vice Chair Kagawa for the introduction of this. I think we can find a happy medium of having the position. Obviously, there is a need that the Administration mentioned. Councilmember Cowden had stated that this position was taken from another area, and I wanted to get clarity on what the implication of that is going to be? I want to be sure. This position will be broader in the sense of its administration and need. Public Works will not be getting extra attention, correct? What is this position going to be focusing on, now that we are taking away another position? In light of the request and the salary amount, is there any information on what the other counties are paying? I know they have more obligations and more oversight. What do their salaries look like just for context?

Mr. Dahilig: Councilmember Chock can you hear me okay?

Councilmember Chock: Yes, thank you.

Mr. Dahilig: Just to provide some context...this position is in the Department of Public Works. There is another position there that is the CIP Manager that is already embedded into that Department. What this position had

generally been, is almost like a goalie or a sweeper to handle project management items that are pretty much in the realm of large-scale contracts and things of that nature. What has become apparent is that there is a need across the whole county in terms of more comprehensive project management and implementation types of work. It is a skillset that we want to broaden. Typically, a lot of initiatives that come through the Office of the Mayor need some degree of more detailed attention rather than just pushing it to the Agency on Elderly Affairs or the Housing Agency. This person would essentially be more of a project manager in making sure that the initiatives are being implemented. That is in response to your first question. In terms of what the other counties have in terms of salary, I do not have any of their salary amounts in front of me. I am sorry. I will say that generally, based on a survey of the other three (3) counties, the County of Kaua'i is generally the lowest paid of the three (3) when it comes to appointed positions. I will say with respect to the salary that is in the budget as proposed, there is no particular process in the Charter to be able to establish a salary for an appointed position when you establish it in the budget. That number is based off of something that is aligned with commensurate spans of control and skill-level. As I proffered in my comments to Councilmember Kagawa, if the Council would rather leave it at the existing salary, but just do the title change, and send the question over to the Salary Commission to make that decision, we would be very amenable to that. In terms of complexity, what the Mayor has seen is that the County's Operating Budget is close to a quarter of a billion dollars now. We are the second-largest employer on the island. The span of control questions really start to become apparent as you have a whole workforce of over one thousand two hundred (1,200) employees and the budgets that you see in front of you. He is drawing from the business-sector experience and has concerns about the span of control that the Managing Director is responsible for. He wants to ensure there is proper redundancy in that operating management position in his Office to be able to control those things. I understand the difference of opinion and the timing that is being raised. If it is a financial question, we would not be opposed to the Council dropping it down to the ninety-one thousand dollar (\$91,000) salary level for now.

Councilmember Chock: Thank you.

Council Chair Kaneshiro: When I looked at it, it looks like the amount that they put in the budget is the same as all the other deputies in the Salary Resolution that we currently have. I think they just matched that to put in the budget.

Councilmember Chock: Okay.

Council Chair Kaneshiro: Any other questions?

Councilmember Kagawa: Yes. I want to leave it. If my amendment passes, it does not name it as the Deputy Managing Director. I want to leave it off the Salary Commission Resolution. The Salary Commission is dangerous. I want to leave positions off of there. I do not want to add to their list. They are going to come back with a bigger increase in another year. You only need two (2) votes for it and you can pass it. That is just ridiculous.

Council Chair Kaneshiro: Any other questions from the members?
Councilmember Cowden.

Councilmember Cowden: Without naming anyone, I believe we have someone in the Office of the Mayor who focuses on big projects, correct? I believe we have someone working on the Waimea project.

Council Chair Kaneshiro: Mike, if you want to say the position name or number, do not use any personal names.

Mr. Dahilig: The current position 9051, that is working out of the Department of Public Works has been handling projects that are extraneous to Public Works, like the Waimea project.

Councilmember Cowden: Okay. That person has not been able to do...well they do not do Public Works projects? This person would be doing Public Works and right now, would be making almost double what the other person is getting?

Mr. Dahilig: Can you refer to the other position that you are describing?

Councilmember Cowden: 9151. The Mayor's Administrative Aide. I believe that is the position you are talking about.

Mr. Dahilig: Position No. 9051. 9151 is an administrative assistant.

Council Chair Kaneshiro: So it is not doubled. 9051 was previously in the Department of Public Works at a salary of approximately ninety-two thousand dollars (\$92,000). They have moved it to the Office of the Mayor, renamed it Deputy Managing Director, and budgeted it at approximately one hundred twenty-three thousand dollars (\$123,000). That is roughly a thirty thousand dollar (\$30,000) increase.

Councilmember Cowden: Correct. I was talking about the person who handles the Waimea property and those other projects. I was trying to get a comparison. It is double that of Position No. 9151.

Council Chair Kaneshiro: The CIP Manager is...are you looking at the CIP Manager position? The other position in Public Works?

Councilmember Cowden: I see it now. The position is in Public Works.

Council Chair Kaneshiro: If I remember correctly, that position's pay is approximately one hundred eleven thousand dollars (\$111,000) or one hundred twelve thousand dollars (\$112,000).

Councilmember Cowden: Okay.

Councilmember Kagawa: Can I ask a question?

Council Chair Kaneshiro: Councilmember Cowden...

Councilmember Cowden: I am still trying to understand. I am struggling with this.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Mike, if you go through the Engineering budget in Public Works. If you go through the Building Division, and they work on projects. You have executive managerial (EM) positions in Parks. I think he is called a CIP Manager or something like that that moved from Buildings. They are all EM positions. Is the key to us being able to push these projects getting these current civil servants to do more? We just let them...we are almost to the point where we get complacent and just hire someone whenever we get a new project or job. At a certain point everyone has to step up, including civil servants. Not only do the Mayor and the Managing Director have to step up, the civil servants have to step up too. If they do more, we do not need the additional positions to go from the Office of the Mayor to direct the Department of Public Works to do what they do. What they say all the time is that we do not have a County Engineer. To me that is making excuses. Every department has a head and every division has a head. It may be a civil servant, but they are still a division head. Is that what is missing and we are trying to fill that need? Are we trying to fill that need with a position in the Office of the Mayor that is managing them?

Mr. Dahilig: Council Chair, if I could respond.

Council Chair Kaneshiro: Go ahead.

Mr. Dahilig: In terms of the budget, we are not adding any new positions to support any of the activities in the current budget in recognition of COVID-19. The position add that we have right now is one that will be paid out of special funds. There is a Liquor support staff in the Department of Liquor Control. That is fully paid for out of liquor fees. In terms of the actual addition of positions to carry more work, we are not asking for that. This position movement is coming from a standpoint of managerial structure. It is not necessarily just County Engineer, but it is to provide detailed assistance and direct communication with the Office of the Mayor that is outside of the Department of Public Works. This includes the Housing Agency, Department of Finance, and a lot of the other departments that are seeing CIP projects. As you survey the CIP project list, you will notice that a lot of the CIP projects are coming out of the Department of Parks & Recreation, Housing Agency, the Department of Finance with respect to technological upgrades, etcetera. The world of CIP management where it has traditionally been housed in the Department of Public Works is strictly no longer a responsibility of the Department of Public Works. When you look at the allocations in the CIP budget, there is generally a span of control question concerning other departments that are now engaging in very intensive capital improvement contracts. Even the Department of Human Resources has a very large contract with regards to information technology upgrades. Having

a level of project management expertise that goes beyond and above all fourteen (14) administrative departments and agencies is what the Mayor is concerned about. We have tried to do that with the current Program Administrative Officer that is housed in the Department of Public Works, but we often get the span of control questions about whether someone from the Department of Public Works should be telling someone from Housing what to do. Or someone from the Department of Human Resources being told what to do from the Department of Public Works. That is where the organizational alignment was recommended to align what you see in the budget right now. We are not proposing any new positions, but instead are taking a current position that is already seeing that type of demand on the work and trying to provide a broader span of control and more authority to exercise that management.

Councilmember Kagawa: My response to that is that Mayor Kawakami is not the one that did all of that maneuvering prior. That was Mayor Carvalho. He tried a lot of exactly what you are doing. He went from the Department of Public Works into the Office of the Mayor to try and get more efficiency, but believe me, in the six (6) years that I have worked with the Carvalho Administration I have supported many of the changes that he proposed trying to fix problems, and really, I feel that I am trying to help the County. A lot of these things do not work. What you need to do is manage the people that we have. They want to work. You have to give them the support. They want to work with each other. They are not saying this is the Housing Agency so we do not want to listen to them. They want to work and do the right thing. They need direction, support, and praise. Whatever it takes. We have a lot of bodies. When I look through the Department of Public Works budget, we have more EMs than...you know what executive managerial is? You are managing a lot of people and projects. They have EMs all over the place. More than I have seen ever when I worked as a staff member for the County. They were one (1) or two (2) EMs. There are so many now. That means they can handle a lot of responsibility. You have to give it to them. You have to support them. I do not think it is bringing one guy in with a magic wand that is going to change things. There is no magic wand out there. We have to build the team like Coach Belichick. He is still going to win even without Tom Brady. We have to do that. We cannot only excel in taking care of health and COVID-19. We have to do better with the operations. It is not going to take one person with a magic wand. I have seen Mayor Carvalho try. It did not work. It did not help the Department of Public Works. What we need is a new approach and a new attitude. I do not see the Deputy Managing Director as making any difference. If we just leave it at its current rate and title, that is a healthy pay for now. Let us see how the movement from the Department of Public Works to the Office of the Mayor will work. That is how it was before. The previous move by the Carvalho Administration did not work.

Council Chair Kaneshiro: Councilmember Evslin, then Councilmember Chock.

Councilmember Evslin: Thank you. Just a quick clarifying question. Councilmember Kagawa's proposal is to keep the position unchanged as Program Administrative Officer at the same pay? What Mike Dahilig is offering as a compromise is reclassifying that position, but keep the pay at the salary that he is

currently making until the Salary Commission makes their recommendations in March or whenever that happens? Am I understanding that correctly?

Council Chair Kaneshiro: We can double-check with Mike. Mike, you were okay with the position being Program Administrative Officer and then going to the Salary Commission to get it changed to Deputy Managing Director and any change in salary, correct?

Mr. Dahilig: We would want at least the consent from the Council through the budget to have the retitling done. That way, when we proffer the question to the Salary Commission, there is something to ask them to set a salary for. I do not think we have had a situation before where we have asked for a proposed position to add, have them change it in there, and have them give feedback on it. What this does, is it allows the Department of Human Resources to make the adjustments on the position description, be able to go through that process of development, and then we would actually go to the Salary Commission to set the salary properly. Our suggestion would be to do a retitling and leave the salary as-is, and not ask for the funds to do so.

Council Chair Kaneshiro: When you say retitling, currently the title is Deputy Managing Director.

Mr. Dahilig: Based on what Councilmember Kagawa is suggesting, the position 9051 in the 2020 budget is Program Administrative Officer II. The proposed new name for the position is a Deputy Managing Director. The retitled is inherent in the budget proposal. We would suggest leaving the title there and having the salary dropped down to what the existing salary is for the Program Administrative Officer.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: In that case, we would have to redraft a proposal just to do the cut to the salary and no other changes and then the title change would happen in the setting of the budget. On top of that, the Salary Commission would come back when they normally do their Salary Resolution, or would you ask them to act quicker on a separate Salary Resolution?

Mr. Dahilig: The way the Charter is written, it seems like we can only ask for that at the beginning of the calendar year anyway.

Councilmember Evslin: Okay.

Mr. Dahilig: It is a funky process that is defined by the Charter with respect when we can ask for the Commission to levy an opinion on a position. We would not be able to ask this question and have them render something. They themselves would have up until next year to make that decision. We are not in a position at this point, given some of the concerns, to do it on day one. We would not end up with a response right away anyway.

Councilmember Evslin: Process-wise, if that were to occur in theory, that would mean if Councilmember Kagawa's proposal does not pass, it would require a new cut proposed by someone of just adjusting the funding while keeping the position title unchanged, correct?

Council Chair Kaneshiro: Correct.

Councilmember Evslin: Okay. Thank you.

Council Chair Kaneshiro: Councilmember Chock, then Councilmember Kagawa.

Councilmember Chock: I think my question was answered. I was ready to vote on this given the support from the Administration. I think as it reads here, the motion is to move to renumber Position No. 9051, Deputy Managing Director to Position No. E-9051 to reflect the exempt status of the position and to convert the position back to Program Administrative Officer II at the salary of ninety-one thousand seven hundred fifty-two thousand dollars (\$91,752), which is the savings. I want to be clear that what we have on the table, Mike you are not supportive of what is being proposed? What you would like to see is if we would be open to just support the cut of the funding piece related to the salary? Is that correct?

Mr. Dahilig: We would concur with that assessment,
Councilmember Chock.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: That would mean that if we rename the position to a Deputy Managing Director, we save the funding now up until March. If the Salary Commission puts the Deputy into the next Salary Resolution in March, you could be seeing in nine (9) months or whenever it goes into effect, maybe the next fiscal year, you will save it for one (1) year. After that you will have to be obligated to pay a Deputy Managing Director its pay for the rest of the County's life. You are committing to whatever the Salary Commission proposes. They probably will propose the increase. If they put it in the Salary Resolution, the pay will be automatic already. It will show up like the Mayor's pay or the Managing Director's pay.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: If we approve this amendment, next year, on the next budget, this request could be made to be turning it into an exempt position that would be affected by the Salary Resolution. If we say yes to this amendment right now, we are not making a future commitment. We are making the commitment now to put it at the lower price. It can go up next year. They can make this decision in the next budget. It is not like when we approve this amendment right now, it approves it forever. If we do not approve this amendment now, we lose control of that forever. If I am understanding Council Vice Chair Kagawa correctly, we move this over to the Office of the Mayor so our quality staff member can have more unquestioned authority in areas outside of Public Works so we are achieving that

goal. When it becomes evident that this person is doing a really amazing job and has achieved the intention of what the Office of the Mayor wants, then next year when it is asked to be called a Deputy Managing Director then it is pretty easy. You get the nine (9) months to determine whether it is making as big of a difference as expected. If I am hearing correctly, a concern is that sometimes these changes do not achieve what is needed. Do I have that right? I am seeing a nod. Thank you.

Council Chair Kaneshiro: Councilmember Evslin, did you have another question? No? Any further questions from the members? Mike, any last thing you want to say before we make our decision?

Mr. Dahilig: We are available for any other questions, but no further comments at this time.

The meeting was called back to order and proceeded as follows:

Council Chair Kaneshiro: Any final discussion prior to our decision on the current proposal? I will make my statement. Hearing from the Office of the Mayor and looking at Councilmember Kagawa's proposal, I think the safest thing would be to vote for this proposal. I am not sure how the salary...I think the proper way to go about it is through the Salary Commission. I think the Salary Commission can recommend changing the position to a Deputy Managing Director, put in the salary, and the Council can vote on it. I am not sure if it needs to be changed in the Charter as well as far as Salary Resolution positions. That may need to be changed in the Charter and might be a question for the attorneys; I do not expect him to be able to give us an answer right now. I think the safest bet would be to vote for approval of Councilmember Kagawa's proposal. We are leaving the position in the Office of the Mayor. The position will be the same position as it was in the Department of Public Works and get paid the same amount. The Mayor will get that position in his office. Anyone else? Any discussion from anyone else? Councilmember Kagawa, then Councilmember Evslin.

Councilmember Kagawa: Thank you. I agree. Mike has stepped in and not having that person that wants to take the County Engineer positions has made it very tough to accomplish the things that the Mayor wants to accomplish in the right fashion with timing and all of that. People are crying for Kōloa Road. What is going on? Did you folks not approve the TAT? Lyle Tabata was here and said argumentatively, "Give us the money. We will do it." Kōloa Road and Olohena Road are still the same. We gave them the money. Do we add one (1) person and will things change? I wish I could make a bet on that. I am serious. I would bet whatever I got—it is not much, but I would bet whatever I have. With the team that they have, they have a lot of people with very high pay. You can compare it with the other islands, but we are not in a position right now to freely add positions and justify to the taxpayers increasing positions or pay when we have COVID-19 to worry about. If the State Legislature cuts the TAT, we are looking at furloughs for our County. How else are we going to solve it? Economists always say, "Furloughs are not always the right thing." What does that mean? You have less travelers and you have less people spending money at our local businesses. The only ones left will be the big box stores like Costco. Do we want to submit ourselves to having only that? I think

furloughs is the worst thing, but we need to be fiscally responsible since we have many question marks out ahead of you folks. I am not going to be here when a lot of things “hit the fan.” I know you all are rooted...all of us are rooted in the local economy knowing all of the middle-class and poorer people on the island. That is how we can help. We can help the global financial situation on the local end by being as fiscally responsible and tight as we can. That is how we help. The question marks are going to come, no doubt. I have hotels telling me that they are not sure whether they will be able to open until January 2021. Even at that point, if we are still going to have cases of COVID-19, the occupancy numbers are going to be low. Can you imagine our real property tax appeals? It will not only be from hotels, but from businesses and individuals. They are going to claiming that they do not want to pay all of their taxes if they cannot use their facilities that we are supposed to pay for. Why should they owe when their lives are restricted? This is only thirty thousand dollars (\$30,000), but it is a step in the right direction, of keeping our budget fiscally responsible. Those are the pleas that I am hearing from the business community that are suffering and from the people that are heading these organizations that oversee these businesses. They are just concerned that government is not being as fiscally concerned as they are. I think this is a step in the right direction. Thank you.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Evslin: I have another process question. Council Chair, given what you have said, if Councilmember Kagawa’s proposal passes, the position stays the same, are you saying that the Salary Commission can reclassify the position if they deem there is a need?

Council Chair Kaneshiro: The Salary Commission cannot reclassify it. The Salary Commission can propose for a Deputy Managing Director position and it would come through the Council, similar to how we saw increases in our Salary Resolution in the past.

Councilmember Evslin: So they would propose a new position and we could possibly then eliminate the current position, if it is deemed as a need, he could switch over? Is that correct? Okay. Just so I am totally clear, as I understand, that is not totally the same as what Managing Director Dahilig was saying, but it is kind of a path to the same end, possibly, if there is a need. It kind of leaves it up to the Salary Commission to determine that need? Okay. Thank you. Councilmember Kagawa, I appreciate you bringing this up for discussion. It is an important discussion for us to have.

Council Chair Kaneshiro: Councilmember Cowden, then
Councilmember Chock.

Councilmember Cowden: I wanted to be expressing how many of our people are suffering and still not even getting their stimulus pay or their unemployment. I know that some are now. There are probably at least half that did and there is a significant amount that did not. There is a lot of anger at the government right now for a lot of the choices that we are making. The people who are paid are able to be patient. When we are creating a significant raise, it sends a

loud and clear message to the people that we are not understanding where they are at. I think everywhere that we can, we need to be walking in step with the people who are pulling so hard, or have pulled so hard as business owners and workers. There are people having the hardest time and they get up and work every day, sometimes two (2) or three (3) jobs. I appreciate the value of the work that this person, and I believe we already have this person identified that is moving over. I hope we do. In fact, that is a question. A lot of time we create positions with certain requirements and we have a hard time filling those positions. I feel good about the choice of this amendment. We are going to be able to get the work person that we need, but we are not adding to the budget.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you. I want to be able to ensure that the Administration has whatever tools that they want necessary to achieve. With that being said, I also know that we also need to hold a line on the fiscal budget and the reality that we are in. I do appreciate this amendment. This gives us the chance still to look at the position and how it is used this coming year to see if that is a position we can establish in a more permanent fashion in the upcoming years. I will be supporting this amendment.

Council Chair Kaneshiro: Anyone else? Councilmember Kualii.

Councilmember Kualii: I just wanted to thank Council Vice Chair Kagawa for bringing this forward. I am happy to support it.

Council Chair Kaneshiro: I just want to add that we are not adding a position. This is just a position that is moving from the Department of Public Works to the Office of the Mayor. The understanding is that by doing that, this position has more flexibility. They have already been doing it from the Department of Public Works. By moving the position into the Office of the Mayor, it is more appropriate for them to be doing the projects that they are overseeing. They are not just projects for Public Works. That was the justification for the move. It is not adding a new position. I understand the move back to the Office of the Mayor. I believe that position was originally in the Office of the Mayor at one time, then it got moved to the Department of Public Works. It all depends on how much work they have. Public Works usually has a ton of work in the CIP budget. They have a lot of the larger projects. They want this position to oversee a lot more than Public Works' projects. They want them to oversee other departments. I can understand their rationale for moving the position into the Office of the Mayor and the flexibility that they need.
Councilmember Chock.

Councilmember Chock: I know we are on the midst of taking this vote, but I wanted to inquire that if it is not reclassified, then they are open to overtime as well? I understand the scope of the job that we are asking this position to do. I just do not want to put us in a position where we are paying more in overtime. That is something to consider in that decision as well.

Councilmember Cowden: I have a follow-up on that point.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I did consider that. In this move and if this individual ends up taking a lot more jobs and is working a lot of overtime, his or her salary will end up close to what is being proposed here anyway. I do not think we are exploiting that person. What we are seeing a lot of times when we try to fill these exempt positions, people do not even want them, because of that inability to have a number of those important benefits.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: If I look at the Mayor's budget, there is only one dollar (\$1) for regular overtime for next year. If they do incur overtime, they will have to take it from elsewhere in the budget. Maybe a lot of the overtime that they do spend is going to be paid with emergency funding. Hopefully most of that will get reimbursed. We have been saying that we are confident that we will recover most of our emergency operations spending for overtime and all of those costs. Hopefully, it will not, at least in this fiscal year, cause significant overtime in the amount of thirty thousand dollars (\$30,000).

Council Chair Kaneshiro: Any further comments? If not, roll call vote.

The motion to renumber Position No. 9051, Deputy Managing Director to Position No. E-9051 to reflect the exempt status of the position and to convert the position back to a Program Administrative Officer II (EX EM-3) at a salary of ninety-one thousand seven hundred fifty-two dollars (\$91,752). The savings of thirty-one thousand five hundred sixty-six dollars (\$31,566) will be sent back to the Unassigned Fund Balance to reduce the use of the Fund Balance for Fiscal Year 2020-2021 was then put, and carried by the following vote:

FOR MOTION:	Chock, Cowden, Evslin,	
	Kagawa, Kualii, Kaneshiro	TOTAL – 6,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Six (6) ayes.

(Councilmember Chock was noted as not present.)

Council Chair Kaneshiro: Any further cuts for the Operating Budget? I guess Councilmember Chock does not have any. Any cuts for the CIP Budget? Any cuts for all departments? Any cuts in general? Councilmember Cowden.

Councilmember Cowden: I would like to have a public description of what that three hundred thousand dollars (\$300,000) is for Waste-to-Energy. A number of people have brought that up to me. I did talk to the Managing Director

about it, but if he could just give a quick overview so that people in the community that are concerned about it can understand what it is about.

There being no objections, the rules were suspended.

Mr. Dahilig: I would be happy to do so. Just for everyone's edification and understanding of what that proposal is, right now, we have eight (8) years to figure out how to deal with municipal solid waste on the island once the airspace at the Kekaha Landfill is taken up. The current proposal on the table that was passed down by the Carvalho Administration is a site at Ma'alo and supporting infrastructure. However, in looking at the costs at what it would take to develop that property, as well as the fact that we do not have approvals from the Federal Aviation Administration (FAA) for that site, along with we do not have the land title from the State of Hawai'i for that parcel, we are having to ensure that we at least look at other options for dealing with municipal solid waste, before we come to the Council and say, "We need in excess of one hundred million dollars (\$100,000,000) to develop the Ma'alo Landfill."

(Councilmember Chock was noted as not present.)

Mr. Dahilig: What we have looked at as other options are whether there are more cost-effective ways of not having tipping fees be raised to a level where we have issues with being able to control the illegal dumping or the ability to pay down debt service for that very large-ticket item. Previously, the Integrated Solid Waste Management Plans have looked at waste-to-energy as an opportunity for supplanting the need for airspace at our current landfill. We would like to take a look at whether or not that particular mechanism could be stood up within the eight-year timeframe and bring down the anticipated debt service and/or tipping fee costs associated with looking at dealing with municipal solid waste. The proposal would be to look at the viability of any type of operation on island. What that would look like is understanding how our waste stream can contribute to be feedstock for a waste-to-energy production site and whether or not the actual consequential tipping fee costs and/or debt service that would have to be incurred to stand up such an operation would be lower in costs as compared to what the current anticipated costs for the Ma'alo Landfill would be.

Councilmember Cowden: Thank you so much. It is important for us to understand that we are taking a proactive and responsible look to what we are doing. Solid waste is a huge bread and butter part of the County. Thank you for that. I will support it.

The meeting was called back to order and proceeded as follows:

Council Chair Kaneshiro: We do not have anything on the table now. Any further cuts to any departments? Councilmember Chock, did you have any questions?

Councilmember Chock: No.

Council Chair Kaneshiro: We are going to move on from cuts. We are going to adds. We are moving into five (5) vote territory now. Any additions will take five (5) votes to pass. If we do add something, I would hope that we have a corresponding cut with it or a tax increase or whatever it is that we are going to do. Councilmember Kagawa.

Councilmember Kagawa: I just wanted to double-check, Ken, do we have anything to fix Kōloa Road in the near future? That would be an addition for me. That road is really bad. We have seen numerous claims on our last agenda. They are claiming the road damaged their vehicle. Our plan is to deny as many as we can. Seriously, if you travel the speed limit, you will have a good chance of popping your tire on that road. Council Chair Kaneshiro can attest.

There being no objections, the rules were suspended.

Mr. Dahilig: Councilmember Kagawa.

Councilmember Kagawa: Yes.

Mr. Dahilig: In response, we will be shortly having a socially-distanced groundbreaking in the next couple of weeks for the resurfacing projects at both Kōloa and Maluhia Roads.

Councilmember Kagawa: I just wanted to confirm that. Thank you.

Mr. Dahilig: Those are forthcoming. As a side note, the State Department of Transportation was very generous at being able to provide additional Federal Transportation Improvement funds in excess of eleven million dollars (\$11,000,000) so that we are no longer needing to use some of the money out of the GE Tax Fund allocated for this particular project. We want to thank Deputy Director Edwin Sniffen and those folks at the Department of Transportation for being able to fund this in a different manner. We will begin engaging in resurfacing and groundbreaking in the next couple of weeks.

Councilmember Kagawa: Who can we praise on the County's end for working hard on it? I am sure there are a lot of people, but who lead the charge?

Mr. Dahilig: It was the folks that work with Michael Moule and his Division. Keith Perry was also very instrumental in getting that done.

Councilmember Kagawa: Congratulations and thank you for that.

The meeting was called back to order and proceeded as follows:

Council Chair Kaneshiro: Those roads have always been a priority on our list. With general excise taxes coming in a few years ago, those were the roads that were on the top of the list. It takes a little while to get the road approved and that was a Statewide Transportation Improvement Program (STIP) road, which has matching funds. It sounds like we are going to be paying even less on it as a County.

It takes a while to engineer it and get it how the Federal government wants it. If we did not pass the GE surcharge those few years back, we would not even have the moneys to pursue those roads which are in dire need. Anyone that drives on those roads will be happy. Any additions to the Operating Budget? Any adds to the CIP Budget? Any other changes to the budget by anyone else? Councilmember Cowden.

Councilmember Cowden: I just have a question. We had public testimony on the skate parks. Are the skate parks still in here? They are not? Okay.

Council Chair Kaneshiro: The skate parks were in the CIP Budget. I thought that was one of the projects that was...

There being no objections the rules were suspended.

Mr. Dahilig: Council Chair Kaneshiro.

Council Chair Kaneshiro: Yes.

Mr. Dahilig: I just want to note that there still is four hundred thousand dollars (\$400,000) in the budget for general skateboard design and construction.

Councilmember Cowden: Okay.

Mr. Dahilig: If there is a need to enhance efforts, we will have those discussions with the Council. At this point, we want to keep things as level as possible.

Councilmember Cowden: Okay. I just want to say how much I appreciate that person calling in because I recognize the emotional health and well-being of our children is very important. Skaters can be more than kids. Perennial kids, maybe. There is a lot that has been taken and for many at that age, it is very difficult to not have graduation and a lot of elements that are important pieces for them to look forward to like a job upon graduation. I am glad that we are still considering their needs with the potential for skating.

The meeting was called back to order and proceeded as follows:

Council Chair Kaneshiro: Sorry, I knew it was in the original budget submission. I could not remember if it ended up getting cut. Councilmember Evslin.

Councilmember Evslin: A quick follow-up on that. I agree wholly with what Councilmember Cowden just said. Especially as we are going into an extended period where social activities indoors are going to be difficult to do, it is even more vital for us to support outdoor activities and skating is certainly something we need to provide safe places for people to do it. I hope that the Administration can work with the skate community to ensure that we get some adequate facilities.

Council Chair Kaneshiro: Seeing no additions to the budget, next up are provisos. Does any Councilmember have any proviso amendment? Please keep in mind that the budget proviso is not meant to micromanage the Administration, add unnecessary reporting requirements, or require the Administration to obtain all kinds of additional approvals, which is not allowed. The provisos should be meaningful and provide the Council with the information needed to make sound fiscal decisions. We will need five (5) votes to pass any proviso amendments, as this is an addition to the Mayor’s proposed budget. Does anyone have any proviso changes? Seeing none, our final action today is to vote on the proposed Real Property Tax rates. Are there any Councilmembers who would like to make amendments to the rates proposed by the Administration? No? Seeing no proposals for that, may I have a motion and a second to accept the Real Property Tax rates?

Councilmember Kualii moved to accept the Real Property Tax rates submitted by the Mayor in Resolution No. 2020-16, seconded by Councilmember Kagawa.

Council Chair Kaneshiro: Any discussion? If not, roll call vote.

The motion to accept the Real Property Tax rates submitted by the Mayor in Resolution No. 2020-16 was then put, and carried by the following vote:

FOR MOTION:	Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL – 6,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

JADE K. FOUNTAIN-TANIGAWA: Six (6) ayes.

Council Chair Kaneshiro: Before we adjourn, I would like to ask if we could have a motion and a second to provide Council Services Staff with the ability to make adjustments after entering the one change we have, and if necessary, to balance the budget.

Councilmember Kagawa moved to allow Council Services Staff with the ability to make adjustments to balance the budget, seconded by Councilmember Kualii.

Council Chair Kaneshiro: While we have this motion on the floor right now, I will allow everyone five (5) minutes if they want to say something right now. Councilmember Kagawa.

Councilmember Kagawa: Thank you, Chair, for allowing me...I just felt in this time of emergency and stress, I just wanted to first of all thank the Administration. The reason why I did not have my normal large cuts is that they have done a tremendous job, even prior to COVID-19, trying to control some of the concerns that were out there. Mayor Kawakami was sitting right here at the Council table, and his many years of experience, along with Mike, he has been with the County for a while, and they watch and they actually perform. They have controlled

a lot of the unnecessary spending that could reduce some of the unnecessary retirement obligations that we are getting in regards to spiking. We are going to incur some overtime, but a lot of that is coming back from the Federal government to help with COVID-19. Overall, the budget is lean and mean. Councilmember Kualii would normally have a lot of cuts. He still did his homework. He used to try to cut whether it be months or positions. They came in with a lean budget. Ken and Reiko, they did all they could on the budgeting end without furloughs or anything else at this time. For those of you that are headed on to the next Council, that may possibly be on the table later, but at least not now. Like I said earlier, furloughs are not really something economically that you want to jump in to. It has a big impact to the businesses on the outside. With less pay, you will have less spending. Sometimes it backfires. That was one of the problems that led to the recession. We went with furloughs and the State went with furloughs and it ended up being a larger negative to the business sector. We just need to be careful with that. The Federal government keeps helping us financially by printing money. Inflation will get worse. There are ways to avoid getting into a deeper recession. I am just really worried moving forward. The next few years will be heavily impacted. The impact of this budget and with the Administration's help, they have provided for a solid, fiscally responsible budget that cannot be cut more without furloughs or other options. We are still going to get some of the larger CIP projects done like Kōloa Road and Maluhia Road. I am hoping Olohena Road is soon along with other roads up in Wailua Homesteads. They are in bad shape. A lot of the roads in Līhu'e we paved. The roads look great. This is the time, there are not many tourists on the roads. We should be trying to push CIP projects. I know we cut our amounts of G.E. assumptions because businesses are closed, but whatever we can push to CIP, we will help stimulate the construction industry and hopefully they will be using our local workers with the travel quarantine. We do not have to fly in workers from the neighbor islands to take the jobs of the workers here. Sometimes it is necessary, but I am hoping we can localize our County moneys to help the people who live here. Going forward, I think that is the best way we can help, is to push the CIP projects to help our local contractors and our local people back to work with good salaries to make good improvements for our County taxpayers as we fight this crisis. At least we can fix our infrastructure which will be a good benefit from this. Thank you to the Administration. Thank you to the Councilmembers and I thank you all for supporting my cut. If anything, what I wanted to do in my last budget was to just make a statement about that position. He probably deserves the Deputy Managing Director pay, the guy who is slated for that position, but it is a statement to the public that we hear you and you out there in the public...you are tightening your belts, and we have to as well. The Administration, I hope you continue respecting the Legislative side as well. We are obligated to the public just as you are. Thank you, Council Chair.

Council Chair Kaneshiro:

Councilmember Chock.

Councilmember Chock: Thank you. I will just take a minute to also thank the Administration and the Mayor for essentially making it easier on this Council to pass this budget. Although we have not had the chance for really in-depth conversations with each department, it is evident by our initial response and earlier response to the original budget that we have some responsible...people are looking at this responsibly for the long-term. The cut of almost fifty percent (50%) of our travel

budget, taking out the revenue streams that were being proposed initially, and also the hiring freezes are indicative of how we are wanting to save up for a rainy day. Right now, that is going to be coming in the next budget. While we will be essentially passing this budget, I think down the road, we will really feel the impacts of this. We need to be prepared for that. I look forward to really looking at what are the State's responses to Federal funding streams and how we can strategize as a County to continue to get the work done for Kaua'i. Our unfunded liabilities are still on the horizon. Now they are going to be even more stressed as to how we can stabilize that. I want to thank the Council and look forward to getting this budget passed. *Mahalo*.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Thank you. I want to support and echo all of the comments of Council Vice Chair Kagawa. I want to definitely thank the Mayor, Managing Director Dahilig, Reiko, and Ken, and the entire budget team. Your being willing to meet on April 8, 2020 and again on April 22, 2020 was extremely helpful. Providing the written back and forth was also helpful. In many ways, with the budget process being different this year, with us having to do our work on our own, and not having the back and forth with the departments, made the work a lot more difficult, but still just as important. Being able to go back and forth with the Mayor and the budget team has gotten us to this place where today it was easy. I will say that there are several things that were already included in the budget by the Administration so I did not necessarily have to put forward any cuts or additions. Of course, the obvious one was with positions. The fact that we are having a hiring freeze and not adding any of the new positions or most of the new positions. All of the work that we do with the Vacancy Report and utilizing that to less-than-fully-fund positions has been important. We sometimes propose six-month funding and getting the savings of six hundred thousand dollars (\$600,000), that is pretty significant. I feel that a lot of the work that we do, in turn helps the Administration. You have taken our work and come back with this final product, makes today easy. I am extremely happy that we worked out making sure that some moneys were put to the Housing Revolving Fund. The two million six hundred thousand dollars (\$2,600,000) there is really important for affordable housing. Affordable housing is such a high priority and we need to continue to move forward and take action. Using some of the fund balance for things like the CIP Ho'olako/Ka'ana project or deferred maintenance of our parks facilities, which we cannot defer any more, were important. Adding some of the two million one hundred thousand dollars (\$2,100,000) back to the Highway Fund for the roads because of the GE tax loss was important. The Housing Assistance Specialist position was an important addition to me. I am glad to see that that position was funded. The Senior Clerk position was also funded so that we can go after the one million five hundred thousand dollars (\$1,500,000) in additional Section 8 funds, the Rental Assistance funding. It was also important to me to try and restore and I think we did, for most of the travel and training budget for the Department of Liquor Control. Those expenses do not rely on the General Fund. Also, continuing to fund and not cut all of the Grant-In-Aid funding and keeping them at the same level was important. As we all know, during this difficult time with COVID-19, the services provided by some of the nonprofits and social service agencies become even more important. Lastly, a little piece that was important to me was to get a little more money, an additional twenty-five thousand dollars (\$25,000) into the Transportation

Agency so that they can increase their promotion of free bus passes where they provide discounted bus passes to our nonprofit partners like Easter Seals and Catholic Charities, just to mention a couple. I just appreciate the Administration having work that all out in advance so that I did not have to come forward today to struggle to get my votes today to try and add or cut certain things. Thank you so much. *Mahalo.*

Council Chair Kaneshiro:

Councilmember Cowden.

Councilmember Cowden: I appreciate all that has been said and I second it so I will not repeat it. I want to thank you for making the budget relatively easy to deal with and especially taking the time to call and go over it with me. I do anticipate a turbulent financial year next year. I see the financial health of our County is directly tied to the well-being of our people. I am looking forward and expecting regular updates. We are doing the best that we can, but we do not know what is going to come for TAT or GE taxes or so many of the other areas where we get our moneys from. I have a concern on the ability for all layers of property ownership to stay in local hands. I want us to do everything that we can so that we do not have turnover of property to investors from outside. How that relates to the budget is how well people are able to contribute to our tax base too. When they are able to make these tax payments and when I look ahead, I think we are likely to have a lot of challenges. We need to position ourselves to be ready for that. I am hoping in these updates that we will be seeing about twenty-seven million dollars (\$27,000,000) from the CARES Act to how it is going to be spent. I am hoping that there will be an ample amount to be dealing with what I perceive as freshly needed social services, typically to the people who have never needed it before. We are going to have a lot of turbulence and struggle...we are already having it. I am anticipating that if some of these businesses fail...I know many small businesses that are paying the health insurance for people and when that drops, when that is not able to continue, I do not want to see the kind of problems that we have had with unemployment, of going on to Med-QUEST and challenges in that direction. I think we need to brace ourselves and be proactive for what might happen. As Chair of the Public Safety & Human Concerns Committee, I really want to recognize the Kaua'i Emergency Management Agency (KEMA) and the efforts that they have made and the success that we have had at thwarting the virus. Fire and Police, also has done a great job at their budget. I am particularly pleased with the Police Department. They are able to be training and filling these positions. It looks like we are well on our way to a new Fire Chief. I am happy that we have been able to move through it with the different departments working. The Agency on Elderly Affairs had really good comments about their 4-year plan. They are protective of the groups that are the most vulnerable. I want to make sure that we are able to handle their needs safely. I just want to acknowledge all of the work that has been done during this time of remote-working and not being able to see people. If they are watching, I just want them to hear a thank you for what they have done. I feel comfortable with what we have here. You hear a slight pause there, because I think we are coming into a lot of unexpected elements. When working with me, I think it is very helpful if I know ahead of time and not at a six (6) days-notice. I want us to be working ahead of time on that. I thank you all for the work that you have done. I feel good about it.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I agree with everything that has been said so far. To echo some of that, I want to say a huge thank you to our staff, Jade and Scott, working in an almost empty house here, it has been a difficult process. I also want to thank our staff that is working from home in less than ideal circumstances. I think everyone has done a really good job. Thank you to the Administration for turning over an entirely new budget fairly quickly with a lot of input from us. I appreciate the process. Thank you to previous Councils who through strong fiscal measures have given us a strong Reserve Fund. I want to go forward maintaining that strong Reserve Fund balance so that when next year we are facing a likely larger budget shortfall, we have that there. I really appreciate the work of previous Councils for ensuring that that is there. Thank you for the public. This process has been less than ideal. We all like our normal budget process better. It is more transparent and we go line by line. Nothing about this time period is ideal. I think the process was as good as it could be given the circumstances. I appreciate everyone's patience with that. I do want to briefly address...I feel that the budget, I supported it wholeheartedly basically every aspect or almost every aspect. There are so many good things in there. With some not so great revenue forecasts, we were basically able to maintain repairs and maintenance, the Housing position that can get us extra Federal housing moneys, and all of Grants-In-Aid that has been mentioned...all of the important things which act as stimulus and social services are fully maintained. We are in a good position. My one concern as Councilmember Cowden brought up earlier, is the waste-to-energy study. We are spending money on an outside consultant and I have deep concerns about waste-to-energy as a viable path forward, both from an energy perspective and a solid waste perspective. I worry that it can distract from other types of solutions. I worry about us getting stuck with a piece of infrastructure in the future that is costly to maintain and hard to make money from the cost of dispatchable solar amongst other things. All of that said, I do not have the numbers to back any of that up. I do not think any of us here do. I do understand the Administration wanting to go forward with that. That is important as we make the biggest CIP decision on this island in terms of a landfill, and that we explored every possible angle, or at least look at it. While I have strong misgivings, I decided not to try and propose a cut there. All of that said, I just want to once again express my appreciation to everyone involved with this process here. I will say a little more when we get to our final budget reading in two (2) weeks.

Council Chair Kaneshiro: Okay, anyone else? Councilmember Kualii.

Councilmember Kualii: I just wanted to add one more thing. I just wanted to let the Administration know...or to let us know how we can help in going after any of the Federal support that might be available. I was just on a National Association of Counties (NACo) Board Meeting call yesterday and they provided me with a lot of information. I am going to forward that on to you as well. We already know that in the third stimulus, or the CARES Act that was passed, that there are several pots of moneys with the Community Development Block Grant (CDBG) for rebuilding economies and they even mentioned tourism specifically, and also for affordable housing and homelessness assistance. Let us make sure that we are going for those funds. Right now, the United States (US) House of Representatives is

working on a fourth stimulus package that includes a lot of support for local governments. The hope is that this one can pass too. It will get passed the House fairly easily, but we do not know about the US Senate or the President of the United States of America. That would mean more support for local governments like us. Whatever we can do to help you and make sure that we are pushing our national representatives to advocate on our behalf is important.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I just want to add a little bit on that as well. When we are looking at where we can get moneys and support from the Federal government, I want to be sure that we work really closely with the community and we look at how we target our recovery for what is healthiest and most welcomed to the residents of our island. When we do this reset and when we move forward, there might be little changes that we can make that are better in creating better quality of life and locally-based economy. I support those efforts to work in that direction. I am very much volunteering to be a part of those efforts.

Council Chair Kaneshiro: With that, as the Council Chair, I am going to take ten (10) minutes to repeat what everyone just said. I will save my comments for second and final reading. The motion on the floor again is to allow Council Services Staff to make any adjustments for the one (1) change that we did.

The motion to allow Council Services Staff with the ability to make adjustments to balance the budget was then put, and unanimously carried.

Council Chair Kaneshiro: The motion passes. The Committee Decision-Making session is now complete. Before we adjourn, I would like to go over a few more housekeeping items. Staff will be preparing our amendments made today and incorporating them into the budgets. On May 27, 2020, the Committee of the Whole will be formally approving all decision-making items by procedurally amending and approving the budget bills and real property tax resolution, along with receiving the Committee's report detailing the cut we made. I would respectfully like to ask Councilmembers to refrain from making their final commentary that week and make your final comments during the second and final reading of the budget, which will take place on June 3, 2020. As I mentioned, after Committee, the Council will then approve the Fiscal Year 2020-2021 budgets on second and final reading, which will be accompanied by the Council's budget message on June 3, 2020. On June 3rd, Councilmembers will be able to make their final remarks on the budget in accordance with our Council Rules. We will give everyone ten (10) minutes at that time to make their comments. That is, if they have additional comments. For me, I just want to thank Mayor Kawakami, Mike, and his Administration for making this, my sixth year as the Budget Chair, a smooth one considering the circumstances that we are in. This is the most unique budget I have ever been in as far as us not being able to have the Administration here to answer questions. I would also like to thank my colleagues at the table for working diligently and with respect to uphold the integrity of this decision-making process. We had a very unique situation where we had to go through the budget on our own and E-mail all the questions over, and the Office of the Mayor E-mailed all of the answers back to us. This was a little more tedious than

us being here talking about it on the floor. I just want to thank everyone for their hard work on the budget. We can see how the hard work ended up showing up in the Supplemental Budget Communication. There were not a lot of questions going back and forth. A lot of them have already been answered through the questions that we sent over. It is not that we are not doing our work. It may look like that to those watching, but we actually sent over a lot of questions and received those responses back. We have been in constant communication with the Administration as far as changes that were going to happen with the Supplemental Budget Communication. Lastly, I would like to thank Council Services Staff for helping all Councilmembers navigate this process and for providing such exceptional support as they always do. This has been a very unique budget process and I am thankful that we are one step closer to passing the Fiscal Year 2020-2021 Operating and CIP budgets, and approving the Real Property Tax rates. With that, the Committee of the Whole's decision-making session is now adjourned.

There being no objections, the meeting was adjourned at 10:51 a.m.

Respectfully submitted,



Scott K. Sato
Deputy County Clerk

APPROVED at the Committee Meeting held on May 27, 2020:



ARRYL KANESHIRO
Chair, Committee of the Whole