

**BUDGET & FINANCE COMMITTEE
FISCAL YEAR 2018-2019 DEPARTMENTAL BUDGET REVIEWS**

MINUTES

The Fiscal Year 2018-2019 Departmental Budget Reviews of the Budget & Finance Committee of the Council of the County of Kaua'i, was called to order by Arryl Kaneshiro, Chair, at the Council Chambers 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Thursday, March 22, 2018 at 9:06 a.m., after which the following Members answered the call of the roll:

Honorable Mason K. Chock
Honorable Ross Kagawa
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura
Honorable Arryl Kaneshiro

Excused: Honorable Arthur Brun
Honorable Derek S.K. Kawakami

Committee Chair's Budgetary Comments

Committee Chair Kaneshiro: Good morning, I would like to call to order the Budget & Finance Committee and the Fiscal Year (FY) 2018-2019 Departmental Budget Reviews. Let the record reflect that we do have a quorum and Councilmembers Brun and Kawakami are excused. On the schedule today, I will go through some ground rules for the budget proceedings and shortly thereafter, the Mayor and the Administration will be given time to present their FY 2018-2019 budget submittal, followed by the Departmental Budget Reviews for the Office of the Mayor, which includes Life's Choices Kaua'i, Youth Work Program, the EEOC/ADA Coordinator, and the Office of Boards & Commissions.

Each day during the budget proceedings, we will take public testimony at the beginning, 9:00 a.m.–the budget meetings start at 9:00 a.m. Members of the public, if you are interested in the budget, probably the easiest way to see it is online in our OpenGov, the budget is in there. With that, is there any one from the public wishing to testify this morning?

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

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Committee Chair Kaneshiro: I would like to provide some ground rules and expectations for this year's budget session. These are the same ground rules we provide every year. Number 1, for the entire budget session, Council Rules with emphasis on Council Rule Number 6(f), will continue to be enforced. That is no more than two times talking or a total of five minutes, especially during the Decision-Making process. When we are in the Decision-Making process, we have a lot of proposals come through and be prepared to make your decision. A memorandum dated December 1, 2017 was distributed to all Members regarding the FY 2018-2019 budget expectations and we all should have gotten that. It went to the Councilmembers and it went to the Administration. It basically said to take time to review

the budget, come prepared, and we will try to minimize our follow-up questions. We will try to get our questions out on the floor when we ask them. I laid out expectations for the Administration, such as, your presentations should be limited to major budget changes and we are not going to go through a very long reading of a budget presentation. Departmental Budget Reviews. Please review all budget material and prepare any questions pertaining to the budget prior to each scheduled review. If additional time will be needed to compile a response, please transmit your questions in advance to limit the number of follow-up questions at the end of each session. I know a lot of us have some big questions for certain departments, if we can get the question to them ahead of time, so that they can come prepared with the answer, would be the best. That way the dialogue happens here. With follow-up questions, we just get bombarded with E-mails and letters and I think the Administration gets bombarded with a lot of questions. Last year, we did a very good job on follow-up questions. We reduced it by probably fifty percent (50%) of what we usually did, so that was good. The Departmental Budget Reviews will follow the pre-established, should any department's or agency's review finish before their allotted time, the next scheduled review will follow immediately. This is to minimize the need to schedule Budget Call-Backs. As you know, once we get through a department or division, we do not go back, unless it is completely absolutely necessary. In the past, we have not gone back and we will continue to do that. Come prepared as Councilmembers with our questions and we are just going to keep moving. It is going to be a long three (3) weeks. Questions and answers between Council and the Administration will commence after the respective department or agency has finished their presentation. Questions should be focused on the FY 2018-2019 budget proposal. The Administration has been asked to come prepared with key personnel to answer any questions relating to the budget in an effort to minimize the amount of written follow-up questions transmitted, which may take a considerable amount of time to prepare and to avoid interfering with their regular Council operations. One of our goals is to try and minimize our follow-up questions. If we can get the answers here or if we can get them the question ahead of time so that they can provide the answers here, that works best.

Decision-Making will be on Thursday and Friday, May 10th and 11th, and if necessary Monday, May 14, 2018. Staff will be scheduling meetings with each Councilmember between April 23 and May 4 to prepare any budget amendments prior to Decision-Making. Any proposal to add to the budget should identify the appropriate source that will be used to account for the budget increase. For example, a budget cut or an additional revenue source. As you all know during Budget Decision-Making, four (4) votes are required to reduce or remove an item, five (5) votes are required to increase or add an item. Decisions will be made department by department. The Committee will consider any revenue proposals thereafter if necessary. The Committee will not revisit items after it has been addressed unless the Committee deems it absolutely necessary. Those are the ground rules. Same ground rules as always.

Councilmember Yukimura: I have a question.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I agree that we should focus on this year's budget, but if we want to know how last year's money was spent and whether the goals were met, I think that is a legitimate budget question. I would like some leeway on that.

Committee Chair Kaneshiro: Yes, that is a legitimate question. I know sometimes we end up focusing on things that are not even in the budget and that is why I made that comment—let us just focus on budgetary items.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: If it is a matter of, "What did you do with the money last year? How was it spent?" Yes, that is a valid question.

Councilmember Yukimura: Okay, thank you.

Committee Chair Kaneshiro: In advance, I would like to thank all the Councilmembers and the Administration for their consideration, cooperation, and I look forward to a very efficient and productive budget this year. I know you all work hard on it. As I always say, this will be a very difficult session again, as we have to balance providing the essential services of the County with various other financial considerations, including the General Excise Tax (GET) which will come into play the second half of the next fiscal year, the ever increasing costs due to collective bargaining, our Employees Retirement System (ERS), Other Post-Employment Benefits (OPEB), and trying to improve upon our services and infrastructure needs moving forward.

I have asked the Administration to focus their budget presentations to the FY 2018-2019 budget proposal and to include any additional narrative information to their written presentations, which we have all received in advance. We received the Mayor's and the Department of Public Works' already and I am anticipating we will get more presentations as we move along. It is my hope that this will allow for more efficient budget sessions focused primarily on their budget being presented to us.

Moving on with our schedule, I would like to suspend the rules and call up the Administration to present their FY 2018-2019 budget overview. Again, I ask that we hold our questions until the end of the presentation. The Mayor will present his overall budget, we can ask him questions on that, when we are done asking him questions on that, then the Mayor's Office will come in and present the Mayor's Office budget. That is what we have for today. I will suspend the rules.

There being no objections, the rules were suspended.

BERNARD P. CARVALHO, JR., Mayor: Good morning, Chair Rapozo, Budget & Finance Committee Chair Kaneshiro, and Members of the Kaua'i County Council. I am here this morning with our Finance Director Ken M. Shimonishi, our Managing Director Wallace G. Rezentes, Jr., and our Assistant Chief Procurement Officer/Budget Chief Ernest W.

Barreira, and of course our Department Heads right in the back of me, working really hard. I want to first thank you for attending last week's State of the County's address and I also wish to thank the Council Services Division and the staff here for their participation on our electronic budget submittal process. It took time to sort through all of that, but thank you for that. Our March FY 2018-2019 submittal represents a proposed Operating Budget of two hundred fourteen million eight hundred thousand dollars (\$214,800,000) and Capital Improvements Budget of forty million seven hundred thousand dollars (\$40,700,000). It also reflects our Administration's efforts to complete key initiatives, maintain core services, and uphold our commitment to provide a structurally balanced budget and a minimum reserve of thirty percent (30%) per the Council's 2017 Resolutions.

Moving on to revenues. We wish to thank the County Council for successfully passing an ordinance to enact a half-percent (0.5%) general excise tax surcharge, beginning January 1, 2019. The surcharge is expected to generate an additional twelve million five hundred dollars (\$12,500,000) in FY 2018-2019 and approximately twenty-five million dollars (\$25,000,000) the following year. This funding helps us to ensure that the County can address its most critical road repair and maintenance needs. While we expense an increase in property tax revenues, we should remain cautiously optimistic. Kaua'i County must continue to work with our Legislators to find ways to ensure an increase in our transient accommodations tax (TAT). I still maintain that the County should provide an increase in TAT revenues or should be provided an increase in TAT revenues as an increase and visitor arrivals results in an increase use of our roads, beaches, parks, and emergency services. It is critical that the County be able to maintain and enhance these services for both our residents and our visitors. Increases in salaries, benefits, and collective bargaining expenses also continue to challenge the County's finances and we must acknowledge that the bulk of our expenses are not within our full control. Such as, collective bargaining agreements, OPEB and much needed contribution benefits, and increases to the ERS. We remain committed and adhering to our obligations as bargained including the full funding in OPEB, annual required contribution as we have done since day one. As stated in both our Budget Message and the State of the County's address, the highlights of the budget includes, Number 1, roads and bridge repair and reconstruction; dedicating eight million five hundred thousand dollars (\$8,500,000) in road and bridge resurfacing and repair. This represents a significant increase to the roads resurfacing and repair budget made possible by the passage of the GET surcharge. Additionally, County funds that we have proposed to dedicate to major collector roads could leverage at least an additional seven million five hundred thousand (\$7,500,000) in Federal funds. Number 2, getting back to basics. As a result of the community feedback, this Administration is dedicating additional resources to upkeep our bus shelters, our public park facilities islandwide, and to help maintain these facilities for all users. Number 3, CIP bond projects. The sizable increase in our CIP budget is primarily due to the new bond issuance of twenty-six million dollars (\$26,000,000) to address much needed capital improvements, including projects that collaborated with State funds. Such as our one hundred percent (100%) affordable housing project, Lima Ola, the Adolescent Treatment and Healing Center, and the reconstruction and realignment of 'Aliomanu Road. Number 4, no new positions. This Administration will achieve increased public services by repurposing existing personnel so as to not require any additional positions. Number 5, real property tax

rates and user fees remain consistent and constant. This budget was balanced without a proposed increase and real property tax rates and user fees. Throughout the current FY, we have made significant progress on several priority projects, such as, the groundbreaking of the Adolescent Treatment and Healing Center, the completion of the Kawaihau Spur of Ke Ala Hele Makalae. The construction contract for the Lihu'e Revitalization Transportation Investment Generating Economic Recovery (TIGER) project and necessary approvals to develop several affordable housing projects namely Lima Ola, Koa'e, and the transit oriented development project in Pua Loke. We have also made progress on our internal initiatives to go paperless to decrease waste and increase productivity, including the implementation of the electronic purchase orders, digital signatures, and one hundred percent (100%) electronic building plan review process. Not to mention our first ever electronic budget process. As you can see, I am still getting used to it. We look forward to continued progress in these and other initiatives to further improve customer service and enhance the customer experience within the County of Kaua'i. Our Departments Heads will speak to these initiatives in detail during their initial or individual departmental reviews. Before I hand it off to our Finance Director Ken Shimonishi to give a brief overview of our entire budget, I want to thank you for your continued time, effort, and continued partnership. As we embark on the budgetary process for FY 2019, the final budget submittal for my Administration, I maintained the overall goal to lead the County of Kaua'i in a better financial position that it was the day I took office. We look forward to the open and respectful dialogue as we work hand-in-hand to shape the future of Kaua'i. *Mahalo*, Chair Rapozo and Councilmembers, and Budget & Finance Committee Chair Kaneshiro. Are there any questions or I can turn it over to Ken to go over the overall budget process.

Committee Chair Kaneshiro: Let us have Ken go over the presentation also and then we will do questions after that.

Mayor Carvalho: Okay.

Budget Overview:

KEN M. SHIMONISHI, Director of Finance: *Aloha*, Council Chair Rapozo, Budget & Finance Committee Chair Kaneshiro, and Members of the Council. Ken Shimonishi, Director of Finance. As we have done for the past few years, we have a brief presentation on the budget overview for you. Our budget proposal submitted to the Council continues to adhere to the elements of Long-Term Financial Planning elements that we embarked on last March, which includes providing a structurally balanced budget where recurring revenues are covering recurring expenditures. As the Mayor has mentioned earlier, we maintained the reserve fund that we established roughly forty-three million five hundred thousand dollars (\$43,500,000) or thirty percent (30%) of the prior year's general fund revenues. None of that money was used to balance the budget. Looking back at where we have come from, you can see that historically back in 2013, we have used significant amount of fund balance to balance the budget and really over the last four (4) to five (5) years, we have made significant improvement and again submitting a budget that does not rely on any fund balance to balance our General Fund.

Overall, our Operating Budget expense categories, our Salaries and Related, which includes ERS contributions that increase by three percent (3%) for our police and fire, as well as one percent (1%) of all other employees. We have also baked-in an anti-spiking allowance and allowance for Unit 14. You can see that our Salaries and Related increased by five million seven hundred thousand dollars (\$5,700,000) or about four point two percent (4.2%). Our Utilities is just nominal increase there of one hundred thirty-four thousand dollars (\$134,000) off of a five million seven hundred thousand dollar (\$5,700,000) budget. Operations increased by about eight million two hundred thousand dollars (\$8,200,000), the bulk of that as the Mayor mentioned earlier is directly tied to our increase in our efforts to do more road, bridge repairs, as well as our repair and maintenance (R&M) on our buildings, vehicles, and equipment. The Reserve is not factored in on this particular worksheet, however we are proposing contributing an additional seven hundred fifty thousand dollars (\$750,000) towards that. Our debt service remains relatively flat. As last year, we had already budgeted in for the new bond issuance, so this minor increase is just an adjustment to the actual new principle and increase or debt service payments required.

Looking at the budget on our overall Operating Budget elements by category, FY 2018 versus FY 2019, you can see that the Salaries and Related, there is a slight decrease in the total percentage of the budget that goes towards that. Again, that is because we are able to push more funds towards the operations, including our roads and bridge repair work. Overall the Operating Budget by departments, again, our Public Works Department is our largest department that would house the roads effort as well. This year, the Department of Public Works represent roughly twenty-nine point four (29.4%) of the total Operations Budget. You can see that in the light blue pie sections by fund, followed by our Police, Fire, Parks & Recreation, and Finance. Focusing in on our General Fund budget by expense by categories. Still the significant part of the General Fund budget is related to our salaries, benefits, and collective bargaining. In FY 2019, eighty-two point three percent (82.3%) of the budget is directly related to that. Fifteen point two percent (15.2%) are operations and the small piece of that would be our utilities. A slight downward shift in the salaries and benefits percentage due to our shift of our Transportation Division into our Highway and GE tax fund sources.

Looking at the General Fund budget by salaries, benefits, and collective bargaining by our departments, no surprise there. Again, our Police and Fire make up the largest pieces of the pie. Roughly fifty-seven point seven percent (57.7%) of the General Fund budget salaries, wages, collective bargaining is made up by those two (2) public safety departments. It is a slight increase from where we were last year, but again, pulling out the Transportation operations caused that shift. Looking at the revenues for this year's budget. Revenues increased by roughly twenty million dollars (\$20,000,000) or by ten point six percent (10.6%). Six percent (6%) of that is directly tied to the GE tax fund, which is twelve million five hundred thousand dollars (\$12,500,000).

In a nutshell, the General Fund increased by five million five hundred thousand dollars (\$5,500,000) or three point seven percent (3.7%). Primarily attributable to the real property taxes of five million eight hundred thousand dollars (\$5,800,000). This was

primarily due to new construction and market conditions or increased valuations, the TAT increased by one million four hundred fifty thousand dollars (\$1,450,000). As you remembered last year when we proposed the budget, the TAT at that time was reflected at the ninety-three million dollar (\$93,000,000) cap to the Counties, which was subsequently increased or restored to the one hundred three million dollars (\$103,000,000), but we were comparing this year's budget against last year's budget, thus you see the one million four hundred fifty thousand dollars (\$1,450,000) increase there. The overall increase in the General Fund was offset with lower public service company taxes of eight hundred thousand dollars (\$800,000) and bus fares of one million dollars (\$1,000,000), which we are now proposing to be deposited into the Highway Fund Revenue. The Highway Fund increased by one million seven hundred thousand dollars (\$1,700,000). Again, one million dollars (\$1,000,000) from the bus fare revenue transfer, followed by increased projections in fuel consumption, public franchise revenue estimates, and vehicle weight. And also our GE tax with the twelve million five hundred thousand dollars (\$12,500,000) makes up the difference in the overall revenue budget for the County.

We still must look at revenue uncertainty. Real property valuations will at some point flatten out and if not decline as we have already experienced six (6) straight years of growth. Two (2) years ago, I attended a Department of Business, Economic Development & Tourism (DBEDT) seminar on O'ahu where they were projecting an eventual downturn in the economy, so we just need to be mindful of that. Despite last year's special legislative session, which set the TAT cap at one hundred three million dollars (\$103,000,000), there continues to be bills that could affect the County's share of the TAT, both negatively and positively with the possibility of additional requirements being placed on the County. Again it always seems that there is a struggle between the State and the County and as the Mayor said, we believe we are entitled to an increase or a fair share of the TAT and it is a back and forth type of thing. The State Legislature seeks to impose State real property tax surcharges on certain residential investor or visitor accommodation type properties, so this is the State trying to go into an area that is really under the County's authority and our General Fund revenue of real property taxes make up the bulk of our revenue there.

Our challenges ahead, the ERS with contribution rates mandated by recent legislation in order to keep the funding solvent. You can see that for our Police and Fire in FY 2019, the contribution rate is thirty-one percent (31%) of salaries. In FY 2020, it goes up by five percent (5%) to thirty-six percent (36%). In FY 2021, it will go up another five percent (5%) to forty-one percent (41%). All other employees for this year is at nineteen percent (19%), next year it goes up by three percent (3%) to twenty-two percent (22%), and then in FY 2021, another two percent (2%) increase to twenty-four percent (24%). This is in addition to the impacts that we will see for the Act 153, which is referred to as the Anti-Spiking Bill, where we need to contribute additional funds for those employees who have basically exceeded their contribution levels. Additional debt service will be incurred also. Most notably our State Revolving Fund (SRF) loans, which we expect to draw down in this year related to our landfill expansion at Kekaha, as well as our transfer stations. We are projecting roughly twenty-six million dollars (\$26,000,000) in loans on that, which would actually become due to debt service in the following year of one million four hundred thousand dollars (\$1,400,000) or one

million five hundred thousand dollars (\$1,500,000). In addition, the County must regularly replace aging heavy equipment as well as vehicles, which will require additional funding until we can really have a sustained level going forward and the maintenance of our aging facilities continues to present financial and operational challenges.

Something to help you and everyone in the public analyze our budget. Again, we have our budget analysis tool or Financial Transparency portal on the County of Kaua'i website. You can see there where the link is located. Clicking on that will bring you to our launch of the portal and then the first two (2) reports on the top would be our annual budget ordinances going back to FY 2010. We have that from FY 2010 up until this submittal, FY 2019 Mayor's Proposal, as well as the second report there would be a side-by-side comparison of the proposed FY 2019 versus the approved FY 2018.

As we move forward in this budget hearings Section 2 of the budget ordinance that the bulk of what we will be looking at...just some things to take note of. Section 2 is comprised of reports that are generated from our main system, as well as we insert this three (3) year trend, last year's budget, this year's proposed budget. I want to point out that on the bottom of each of the pages in this Section 2, the bottom right, we have put page numbers that will go sequentially from one (1) through whatever the ending is. You might want to refer to that, so that everyone is on the same page number, so to speak.

If you are using this file electronically to review, we also have placed bookmarks in there, so if you click on the bookmark and pop up that Section, you can click there to jump to the particular budget sections within each Division, Fund, et cetera to help your navigation. With that, *mahalo*.

Committee Chair Kaneshiro: Thank you for the presentation. Do we have any questions? Again, when we ask the questions, let us try to ask questions on their presentation and if the question might better be answered in the actual department when the actual department comes up, maybe we will take note of that question and hold it to then. Do we have any general questions on the presentation or what the Mayor had to say? Councilmember Kagawa.

Councilmember Kagawa: Thank you for the overview and thank you to the Mayor for being here. Congratulations on your last budget that you will be working on and thank you for all your past service. I am curious and have a general question. When you ask your Departments to look at last year's budget and prepare this year's budget, I am wondering, do you have a figure as far as when they first propose what they want, how much the Administration and the Budget Team has cut from their initial proposal to get here? I look at every line and at the least every line is the same as last year's, so I am wondering if we do some cuts or in a lot of cases did they ask for more and you folks brought it back to close to last year's. Did we keep a total as far as how much we started with and how much cuts the Administration did to their individual departments in totality?

Mr. Shimonishi: I can say that yes we definitely made cuts to the request that the Departments put forward. I do not have that figure right in front of me, but we can definitely get you that.

Councilmember Kagawa: Yes, but do you have a ballpark figure? Did you cut two million dollars (\$2,000,000)? One year you folks reached a point that you had to make cuts and I think you ordered everybody to come back with a five percent (5%) reduction in all of their budgets, so I am just wondering how much have you achieved? I hope that we were doing at least some cutting on the Administrative end before it reaches here.

Mr. Shimonishi: Again, definitely. We provided significant cuts to the request that came forward. Yes.

Councilmember Kagawa: Okay. The GE tax surcharge, the twelve million five hundred thousand dollars (\$12,500,000) that we are assuming that we will get in January 2019. It is basically a new source of revenue. I am wondering if we have a breakdown of where the projected twelve million five hundred thousand dollars (\$12,500,000) is going? How much is going to CIP for roads and bridges? How much is going to transportation? Do we have a sheet anywhere in this budget that I can look at that shows where the twelve million five hundred thousand dollars (\$12,500,000) of GE tax surcharge is going?

Mayor Carvalho: It is there.

Councilmember Kagawa: We have that?

Councilmember Yukimura: Is it also on OpenGov?

Councilmember Kagawa: Okay, I am good.

Committee Chair Kaneshiro: Further questions? Councilmember Yukimura.

Councilmember Yukimura: Mayor, with this being your last budget, I just want to thank you for your service.

Mayor Carvalho: Thank you.

Councilmember Yukimura: And the many, many things you have given leadership to. I think in terms of leveraging partnerships, the TIGER grant was a partnership of your stewardship agreements that are blossoming forth. One of your big accomplishments, which I do not think people fully recognized is this structurally sound budget because without a structurally sound budget, you cannot do anything else. You are just constantly at-risk for not being able to do the basic operations as well as do the kinds of proactive things we need for the future, so thank you very much.

Mayor Carvalho: *Mahalo.*

Councilmember Yukimura: I also want to thank Ken who has been an excellent Finance Director and has really pulled us out...we were in very precarious position about four (4) to five (5) years ago. It has taken years to bring us back to a good place and I hope we can follow good financial principles to stay there because this is a wonderful community, but we cannot support the community without that. I do have a lot of questions. Mayor, if the questions are too specific for you, then let this be a heads-up to the Departments when they come before us. On the TIGER grant, you show that the federal funds now cover close to ninety percent (90%) of the total project that we got some additional federal funds and kudos and congratulations for that. I am just curious about what is the County savings and where did it go?

Mayor Carvalho: Can we do that within their Department?

Councilmember Yukimura: Okay, is that a deferred question? Okay.

Mayor Carvalho: My instructions are Department Heads, but in each department to really have everything, I came here today to give you the overview. I can tell you the overview of what my directions were to our Department Heads and they have done a tremendous job and thank you for acknowledging that, Councilmember.

Committee Chair Kaneshiro: Maybe we will make note that that might be a question for the Engineering Division or the Planning Department during their presentation.

Councilmember Yukimura: I also as someone who has lobbied for the last five (5) years for the GET because we have needed transit expansion, I was a little disconcerted to see that...I know you said you have taken public input to increase cleaning of the bus shelters and I am very grateful for the additional bus shelters, especially in weather like this, so that people have some shelter while they are waiting for the bus. If you ask for input from the bus riders, what they really need and want is this additional frequency on weekends and holidays. People still have to work on holidays and weekends and it is impossible for the workers at Wilcox Hospital and Garden Island Health Care. They told me they cannot accept weekend work because they cannot get to and from work. I want to know why when we have twelve million dollars (\$12,000,000) we are not spending one million dollars (\$1,000,000), I think it is less than that, to increase weekend service.

Mayor Carvalho: I know we are going through the transit planning process and all of that. I talked to Celia folks and the team. The bigger picture does fit into what you are saying. I agree with you, but at the same time, we are going through the process right now to get the information needed so we can make those decisions.

Councilmember Yukimura: I think we have the information. I know they are looking for more efficiencies, but the need is so great and you are a Mayor of action, I think we need to put something in for this year. It is not just for the employees, it is for the employers. We all know that everybody from the small businesses to the large corporations

are saying, "We do not have employees," and if people are willing to work on weekends and they cannot work, it is about employers too and about the economy.

Mayor Carvalho: Yes. Like I said, I agree and when the Transportation team comes up, they will show you what they are discussing and what you are saying, and how we are looking forward to addressing this.

Councilmember Yukimura: If it is not in this year's budget, when will it be?

Committee Chair Kaneshiro: That will be a question for the Transportation Agency. We did have the short-term transit plan come out and they talked about what are the low-hanging fruits, what did we want to do, and I think they are going to look at that plan real critically. Celia would be able to address what steps they are taking from that plan currently, and what their future steps are.

Mayor Carvalho: I just want to be sure that we trust the Transportation Agency overall and you know that. With this particular discussion, I said that our team is diligently looking into that. I agree with you, but at this particular topic, I cannot give you the exact input.

Councilmember Yukimura: The proof is in the pudding. It is like, "Where is the service?" That is what I would like to see.

Mayor Carvalho: Okay.

Committee Chair Kaneshiro: I believe the Transportation Agency will probably be able to address that. I know they had a lot of points on the short-term transportation plan on what we could do, but again, it all depends on the type of resources we have and what they thought were the best steps to take. Council Chair Rapozo, did you have a follow-up?

Council Chair Rapozo: As I remember when the consultant came up, it was phased into full operation. In the initial phase, the commitment from them as well as what I felt was the County was that it was going to require no additional funding for the first phase. That is what I remember. We are going to walk before we run and we have not started walking yet with the new transit plan recommendations and when that happens, we will see you at the appropriate time. That is what I recall from the consultant's speech. Not that we were going to increase the budget this year, but I think we are on track with what the consultant recommended. Thank you.

Councilmember Yukimura: The consultant did not know we were going to get the GET and so if the efficiencies are taking longer than they thought to take to get to, why can we not infuse some money now? We are taking the bus off of the General Fund and we are using money. We need to see some results in expansion of services for the bus riders and we can find efficiencies too, but if that is taking long, why make it dependent on that when we have money now. Anyway, enough, I will not pursue it anymore. I have a question for

Ken. Ken, thank you for this great presentation. The revenue uncertainty you talked about, the ERS. Is the contribution increase going to go up to thirty-one percent (31%) this year?

Mr. Shimonishi: Yes, that would be Police and Fire. They have a higher contribution rate that the employers need to contribute at.

Councilmember Yukimura: So, it is in the budget right now for a dollar increase.

Mr. Shimonishi: Yes.
Councilmember Yukimura: How much is that?

Mr. Shimonishi: I know what it is combined for the regular employees, which went up one percent (1%), for the Police and Fire, it went up more. Combined impact on that was just under one million five hundred thousand dollars (\$1,500,000).

Councilmember Yukimura: Regular employees, one percent (1%), and Police and Fire is thirty-one percent (31%).

Mr. Shimonishi: No. The contribution rate for Police and Fire is thirty-one percent (31%) of the salaries and all other employees are nineteen percent (19%).

Councilmember Yukimura: Okay.

Councilmember Kagawa: I have a follow-up.

Committee Chair Kaneshiro: Councilmember Kagawa has a follow-up.

Councilmember Yukimura: Can I just finish asking this question? I just want to understand. Regular employees is nineteen percent (19%) increase, Police and Fire is thirty-one percent (31%) increase, and this year is totaling one million five hundred thousand dollars (\$1,500,000)?

Mr. Shimonishi: Over last year, yes.

Councilmember Yukimura: What is the total? Last year plus one million five hundred thousand dollars (\$1,500,000) is what?

Mr. Shimonishi: I believe the budget is around a little over nineteen million dollars (\$19,000,000), this year.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: We had the head of ERS here and Janine was here and we were describing the problems with Police and Fire was that overtime was added into their "high three." He agreed with us that eliminating overtime, just like every other government worker does not get high three with overtime included would be a solution to try and at least bring more fairness. Instead of nineteen percent (19%), it is thirty-one percent (31%), so have we pursued any legislation with the legislature as far as trying to look into that going into the future. I know we cannot touch the current employees, they are already contracted, but going forward we will never fix the problem if the ERS heads tell us what the problem is and we do not try and fix it. Are we pursuing anything to look at that? We will go broke. If it continues like this, if you continue to see folks retiring at forty thousand dollars (\$40,000) more than their salary is; we will go broke. Police and Fire is going to break our back. Are we going to look at this or not? The head told us to look at it. Are we going to look at trying to eliminate overtime from going into the high three? The salary is large enough for a comfortable retirement. I do not believe overtime is necessary.

Mr. Shimonishi: Councilmember Kagawa, I understand your frustration and questions. I would think that it would be best answered by our department heads of that area. I know this has been a subject that has routinely been discussed, but I know certain overtime things are baked into the bargaining contract.

Councilmember Kagawa: And that is why the head said that going forward for the employees that sign up after, we have to do it, but at some point we have to do it. Every year we wait, there is another recruiting class that will get overtime into their high three.

Committee Chair Kaneshiro: The overtime applies to the folks that were hired prior to 2014.

Mayor Carvalho: 2014 or 2012.

Mr. Shimonishi: 2012.

Committee Chair Kaneshiro: 2012.

Councilmember Kagawa: Does the overtime go into their high three for the folks after 2012?

Mayor Carvalho: Right.

Councilmember Kagawa: So, that has been fixed.

Committee Chair Kaneshiro: The problem with it is anybody that was hired before 2012, so those folks are going to retire in 2037, they can still get their high three based on overtime.

Councilmember Kagawa: Okay. I am mistaken. I thought that it had continued until we pass legislation with the legislature.

Committee Chair Kaneshiro: Janine.

JANINE M.Z. RAPOZO, Director of Human Resources: Janine Rapozo, Director of Human Resources. Yes, in 2012, there was a law passed that changed that requirement that overtime is not going to be considered part of your high three.

Councilmember Kagawa: So, we are just going to bear the cost until they all retire.

Committee Chair Kaneshiro: It will be another twenty-five (25) years or so before we actually see the fruits of that legislation.

Councilmember Yukimura: That is right.

Councilmember Kagawa: Well, at least it is going to happen.

Councilmember Yukimura: We could go broke before that.

Council Chair Rapozo: That is why overtime is how the Counties can control that expense by really making sure that the department heads are managing the overtime efficiently in all departments and making sure that overtime is used only when absolutely necessary. That is a whole generation of employees that has got to go through the cycle and that is a lot of money.

Councilmember Yukimura: I have a question.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I just want to say, however, the evolution of overtime where much of it is actually necessary makes it a little bit difficult to control overtime. It is not as discretionary as it used to be and so you can limit overtime, but then you do not have operations and that makes it difficult. I want to continue on this, it is actually slide 12 on your report, Ken. You said that the ERS and you say, "The continued impacts on Act 153 'Anti-Spiking Bill' is expected for the foreseeable future." You said something about employees who have exceeded their contributions, what did you mean by that?

Mr. Shimonishi: This relates to what we just was discussing on the high three where within the last ten (10) years of employment, an employee makes considerably more money in their high three years of compensation than those ten (10) years of contributions are not sufficient to cover their new recalculated retirement benefit so that the State ERS system will come back to the employers, the Counties, or the State, and say,

“This is additional funds that you need to contribute basically to make up for the funding of that higher retirement benefit.”

Councilmember Yukimura: In other words, they are putting that increase specifically back to the Counties?

Mr. Shimonishi: Correct.

Councilmember Yukimura: And that is in addition to the percentages that we are having to fund?

Mr. Shimonishi: Yes.

Councilmember Yukimura: So it is in addition to the one million five hundred thousand dollars (\$1,500,000) additional that we have this year if there are these draws that exceed the contribution then we have to pay. What are those amounts? What kind of amounts have we been looking at?

Mr. Shimonishi: The last bill we got was about eight hundred thousand dollars (\$800,000).

Ms. Rapozo: Almost one million dollars (\$1,000,000).

Mr. Shimonishi: Yes, almost one million dollars (\$1,000,000).

Councilmember Yukimura: So this has been happening since 2012?

Mr. Shimonishi: I do not think that far back. Maybe in the last three (3) years.

Councilmember Yukimura: Can we see what the amounts are for those last three (3) years? Can you make projections or is that not something that is easy to do? I am sure it is dependent on when people retire. Is it hard to predict?

Mr. Shimonishi: Yes, we would not be able to do that and that is something that we unfortunately are at the mercy of the ERS to provide us with the numbers. We can kind of do a test to see, “Yes, this was the compensation amounts that we saw,” but other than that, we are relying on the ERS to provide us that information.

Councilmember Yukimura: How does it interface with the fact that I hear there have been a lot of miscalculations done and now the State is trying to recoup the money that they have given out in accurate payments?

Mr. Shimonishi: That would be a question for the head of ERS.

Councilmember Yukimura: Just related to that, Mayor, you said in your speech that collective bargaining agreements are not under our control. How can you say that when we are the ones, you and the Council, who approve these agreements?

Ms. Rapozo: I think what the Mayor is saying is we do collectively bargain as an employer group and Kaua'i is not the only one making the decision. We have a vote, but we are not the only vote, and so even if we are against an agreement, it still may go through. I think that is what he was trying to say is that we are not in direct control.

Councilmember Yukimura: But that is under the direction of the Council, right?

Ms. Rapozo: When it comes here as far as funding it, that is correct, but we as a group cannot control what is going to come to you, you do have the final decision whether to fund it or not.

Councilmember Yukimura: But if we use any power we have, that is one way to assert some control.

Ms. Rapozo: That is correct because when it does come to the legislative bodies, it is not a group vote. It is individual.

Councilmember Yukimura: County by County.

Ms. Rapozo: Yes.

Councilmember Yukimura: Thank you. The other uncertainty to me in the budget is the price of oil.

Mayor Carvalho: The price of oil?

Councilmember Yukimura: Yes. For example, our bus system—thirty percent (30%) of the budget...is it fifteen percent (15%) of the budget is fuel? I see Celia nodding. So if the price of oil doubles, that becomes thirty percent (30%) of our transit budget and true of everything in the County, such as the stadium lights and all of that. That is, I guess, an uncertainty. I just want to ask about the Adolescent Drug Treatment Center. Congratulations on the groundbreaking. Anticipated construction to be done by the end of 2018, so that is the end of this year?

Mayor Carvalho: Yes.

Councilmember Yukimura: Where are we on a request for proposal (RFP)? Will that be ready sometime this year so that when it is open then we are going to have somebody running it?

Mayor Carvalho: We have that presentation ready.

Councilmember Yukimura: Do you want to...

Committee Chair Kaneshiro: You folks let me know when is the best time to have the presentation, if you are planning on doing it with the Mayor's budget or if you were planning to do it with CIP or wherever that would come, just let us know.

Mayor Carvalho: Okay.

WALLACE G. REZENTES, JR., Managing Director: Wally Rezentes, Managing Director. What the Mayor said is true, we are going through the construction process and our best case scenario is completion by year-end. We are also at this time, Theresa Koki folks are working with her committee are working on the RFP for operations. That has not yet been done, but it will be completed prior to the construction completion and kind accordingly. We are hoping to get out with that bid in this calendar, probably the third quarter of the year in moving forward. The intent is to time it appropriately so that there is not much, if any, of a lag between the construction and the operational aspects of the center.

Councilmember Yukimura: And you are doing it as an RFP or a request for quotation (RFQ)?

Mr. Rezentes: Ultimately, an RFP and again, we can talk about this during the Mayor's Operating Budget.

Councilmember Yukimura: Okay. Go ahead if other Members want to ask questions.

Committee Chair Kaneshiro: Any further questions from the Members? You still have the floor, Councilmember Yukimura.

Councilmember Yukimura: Okay. One more thing on the Adolescent Drug Treatment, you say five million dollars (\$5,000,000) of State moneys, but is it not a total of six million dollars (\$6,000,000) for construction because I remember the County gave an extra million last year?

Mr. Rezentes: Yes, the soft cost was close to one million dollars (\$1,000,000). Construction was anticipated to be five million dollars (\$5,000,000). We are in the process of reviewing the bids right now for the work, so hopefully we will get more specificity in the next week or so on that award and bid.

Councilmember Yukimura: But it is more accurate to say six million dollars (\$6,000,000) is the actual cost. You do not think it is going to be five million dollars (\$5,000,000), do you?

Mr. Rezendes: No. It is not going to be five million dollars (\$5,000,000).

Councilmember Yukimura: Okay, so six million dollars (\$6,000,000) is the cost. Coming to the homelessness, how many more homeless people are we housing and what are our goals with respect to homelessness?

Mr. Rezendes: Can we have this discussion during the Housing Agency?

Councilmember Yukimura: Sure. On the E-Plan Review, I am glad we are there, but I have been getting a lot of feedback that the process is pretty user-unfriendly.

Mr. Rezendes: We can have that discussion during the Public Works Department and the Planning Department's reviews.

Councilmember Yukimura: But you folks are getting that feedback too, are you not?

Mayor Carvalho: There are a lot of kinks along the way, but the bigger picture was to actually implement this and I know we are trying to address it accordingly. Our team will be here to tell you some of the challenges with the bigger picture being full for customer service.

Councilmember Yukimura: Okay. I see your energy initiatives here, where is the Climate Action Plan?

Mr. Rezendes: Can we have that discussion in the Office of Economic Development's presentation, please?

Councilmember Yukimura: Okay. Our Transportation budget has increased by eight hundred sixty thousand dollars (\$860,000) or ten point two percent (10.2%) over last year, is what you say in your message. What is that increase due to or what additional services is it giving?

Mr. Shimonishi: I think about six hundred fifty thousand dollars (\$650,000) is directly related to an increase in our salaries line for the Transportation Agency and we have another two hundred thirty-two thousand dollars (\$232,000) in additional personnel from our Highway Division that would be dedicated to the maintenance and repairs of our bus stops, including a vehicle for that crew. Again, three (3) personnel dedicated to do the bus stops and their truck, plus the six hundred fifty thousand dollars (\$650,000) increase directly related to the Transportation Division. A total increase of about eight hundred sixty thousand dollars (\$860,000) would come out to the ten point two percent (10.2%) overall.

Councilmember Yukimura: You said sixty thousand dollars (\$60,000) was for...

Mr. Shimonishi: Six hundred twenty-seven thousand dollars (\$627,000) directly related to the Transportation Agency wages, and in addition to that we proposed a dedication of three (3) highway personnel for the maintenance of the bus stops and a truck or equipment—that is another two hundred thirty-two thousand dollars (\$232,000). Those two (2) numbers total is eight hundred fifty-nine thousand dollars (\$859,000) and that is a ten point two percent (10.2%) increase over the prior year's Transportation Agency's budget.

Councilmember Yukimura: Okay. Thank you for the information. On your State Revolving Fund loan with respect to our Wastewater Treatment Improvements, and I am glad we got such a low interest loan, there is no mention of the issues that Wastewater Treatment in Po'ipū and I wondered if the County is involved in that or if that is purely a private concern? Is that something I need to wait?

Mr. Rezendes: Lyle Tabata and our Wastewater crew can better answer that question, but it is a private system and I know that there has been discussion amongst the players there that there may be some opportunities for the plant expansion. As you know there was an environmental impact statement (EIS) done a few years ago and it was taken off the hot plate and put on the side for a bit. There may be some potential for that to get relooked at with private funding sources, but again, that discussion would be better had with Lyle and his team.

Councilmember Yukimura: Okay. It is a heads-up to Wastewater. I have not been involved, but I know that at one point the County was looking at a regional sewer treatment because everybody has an interest in making sure that the pristine waters of Po'ipū Beach are kept clean and a regional system is probably more cost effective than a lot of private sewage treatment plants on...I do not know what they are on...so there seems to be a public stake in this economic engine that is down in Po'ipū. I am wondering what the appropriate role is for the County to play, but it is a huge issue actually that could become a crisis if it is not addressed.

Mr. Rezendes: The good thing, Councilmember, is that I think there is a lot more discussion happening like in the last few months along those lines, so we are hoping that there is going to be a solution sooner than later and I agree and I think everyone agrees that the more you can gain in the economies of scale and get more businesses and homes hooked up to a solution and system that solves the problem, the better.

Councilmember Yukimura: I look forward to a good briefing when Wastewater comes before us.

Mayor Carvalho: Yes.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I know the GET has frozen up a lot of money at seven million nine hundred thousand dollars (\$7,900,000) to the Public Works Department. Have we looked at possibly using some because I think some roads are in so bad condition with potholes that to just wait until we have the full money to pave the whole road properly, that may be better pothole techniques could be used as we wait until we have full funding? Have we looked at having an improved pothole crew or even contracting out? Is that answer going to come in at the Department of Public Works' presentation?

Mr. Rezentes: I am not sure if we can give you a quick answer.

Mayor Carvalho: No, I would rather wait for the Department of Public Works to give you a big overall presentation.

Councilmember Kagawa: Okay. It is a rainy time and...

Mayor Carvalho: I know. We have been going through this...

Councilmember Kagawa: We received a letter from a person who said that his daughter was over at his house the other night and she drove home on Olohena Road, she blew out a tire, and I guess scared the heck out of the kids when the tire popped. I work at Kapa'a High School, so I drive Olohena Road probably three times a week at least and I never popped a tire, but maybe I have better technique in avoiding the large potholes...I am just wondering that in the meantime, can we wait one year? Seems like the techniques we were using, people witnessed that the County made it nice, but as soon as it rains, it turns back into that same puddle. I know it is frustrating for our workers too because they are working in the rain, doing the best they can patting it down, and then as soon as it rains, it turns back into that same pothole. I know it is frustrating for everybody.

Mayor Carvalho: We had numerous discussions about that regarding the material. We asked, "What type of material and how it is not the same type of material as before?" Our team went out and assessed the roadways already.

Councilmember Kagawa: Kirk Caldwell had a pothole crew, but I do not think it worked really good too because the same thing is happening. He has even a roller and they seem to make it nice, but as soon as it rains, the road tears up again.

Mayor Carvalho: We have a plan.

Councilmember Kagawa: The pothole question will come in the Public Works Department presentation.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think there is no substitute for proper surfacing and repaving and doing it in a preventive maintenance schedule then you do not get to that point of potholes. I am hopeful we can get to there soon now that we have the GET. In your message, you have completed FY 2018 projects, which include...so that is going to be this FY by June. You have Puhī Road Phase I, Kekaha Methane Collection; well that is not a road, but Kapahi Bridge Replacement, et cetera. I want to make sure that these are totaled funding figures. For example, Puhī Road Phase I, is four million five hundred twenty thousand dollars (\$4,520,000). Is that the total figure? Is twenty percent (20%) County and eighty percent (80%) is the feds?

Mayor Carvalho: Yes.

Councilmember Yukimura: Okay. Lastly, we are going through your Office presentation momentarily, but you say that the vision is for, "A feasible solid waste diversion through a reduce, reuse, and recycle," but I do not see anything in the budget that is going to move us towards that. Is there anything that is happening on that front?

Mayor Carvalho: Our Public Works team will go over that, but the bigger picture is obviously the full diversion program and efforts there and then we are looking at solid waste program as well. I want to wait until they come before you and they can give you the full picture, and then after that, I will answer whatever.

Councilmember Yukimura: Okay. That is a heads-up to the Solid Waste Division.

Councilmember Kagawa: I have a follow-up.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Have we found a new head of the Solid Waste Division now that Mr. Suga left?

Mayor Carvalho: We are in the process right now.

Committee Chair Kaneshiro: Any further questions for the Mayor on his presentation? If not, we are going to move to the Mayor's budget. Councilmember Yukimura.

Councilmember Yukimura: We are showing a fifty-five thousand eight hundred dollar (\$55,800) increase in Debt Service, but for FY 2018, it was eleven million dollars (\$11,000,000). Is that the rough amount of our Debt Service now?

Mr. Shimonishi: Every year we know what our Debt Service is, but in FY 2018, we took our Debt Service amount plus we made an estimate based on what we were forecasting the bond issuance to be and we added another roughly one million five hundred thousand dollars (\$1,500,000) to that, so we had that budgeted in FY 2018. Now in FY 2019, that we have actually issued the bonds, we know what that amount is, we have put that amount in here at that specific calculated amount. That is why we do not see a big difference from last year to this year because we are already trying to build that in the budget.

Councilmember Yukimura: Is that going to be the expected ballpark amount in the next four (4) or five (5) years or is it expected to increase?

Mr. Shimonishi: I think it will be relatively around there. I need to look at if there is any other drop-offs in any of the previous bond issuance. I do not expect so and I will look to see if we also had put that on our transparency portal. We can put that on our transparency portal so we can see that runout of the amortization schedule.

Councilmember Yukimura: For the new bond?

Mr. Shimonishi: And what Mr. Rezendes was just reminding me was to mention that this does not include the additional State Revolving Fund (SRF) amounts that will come due as we start borrowing more money to fund those projects at the lateral expansion at the landfill, which would add another one million (\$1,500,000).

Councilmember Yukimura: Thank you. That is my concern. I wanted the whole big debt picture over the next four (4) years.

Mr. Shimonishi: Right.

Mr. Rezendes: That is an important piece and that would likely hit from FY 2020 and beyond, so we have to be cognizant of that happening. We definitely cannot replace the SRF any day we want to take that ahead of the G.O. (Government Obligation) bonds because of the interest rate and terms of the SRF is a lot more favorable than the G.O. types of borrowing.

Councilmember Yukimura: Yes, but if we have...I do not know what the timetable is on the new landfill, that is going to be a huge increase in the SRF funding, right? I would like to see some projects. I can see a converging of debt, collective bargaining increases, and pension obligations. I mean we could fall back into a structurally unstable budget pretty fast. Okay, thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I got the two (2) budget experts, you both being Finance Directors, and I have the highest respect for you folks for the work that you do and that you are doing now. This is just an overall question going forward and possibly looking at the future Mayor coming in. Would the Council be better off having a program type budget

process rather than this line item process? I know the Big Island said their Operating Budget went up five percent (5%), their proposed is going up five percent (5%), and Kaua'i County is about six point five percent (6.5%). Not to say the one point five percent (1.5%) is excessive growth because it is comparing apples and oranges, Big Island and Kaua'i. What if we had a process that just said, because we kind of got it wired already as far, as priorities and duties, "Every budget can only go up four percent (4%) over the prior year's." We set the limit and everybody is going to live within a four percent (4%) increase next year going forward. Would that be simpler rather than this line item process that you folks have to deal with, with your individual departments and then we have to deal with these line item cuts. It just seems random where if everybody had, just like at home, this much money to spend on food, rent, and what have you, and you have to live within your means. That is why you are the Director of Parks & Recreation, that is why you are the Police Chief, or what have you, but to have this line item process...every year I come up with two million dollars (\$2,000,000) to four million dollars (\$4,000,000) of cuts, but it is unlikely I will get four (4) or five (5) votes. I might get four (4) or five (5) votes on ten percent (10%) of those cuts in the end. We go through all this pain and in the end of the day it is basically kind of random cuts, but if we had something more like a programmed budget that say, "We kind of got everybody's budget fixed properly and if something unforeseen comes, yes, of course, let us raise their program because they have something big this year that they need more," but would it not make more sense to go back to that type? I think this type for me, I think we need to look at change. You men are the outgoing administration and going forward, can I get both of your feeling? Like I said, I have the utmost respect for you folks. You have been working with this line item for a while, but do you have any opinion? If not, you can pass.

Mr. Rezentos: Thank you. My personal thought since joining the County is that the level of detail that the Council goes through to approve the budget is cumbersome and excessive. I would personally prefer to see some kind of broad goals issued from the top and have the departments or the administration work down on that or even the administration work down that way. This is a very detailed budget to approve at this level. As you know, there is some three hundred (300) pages of budget detail and it is a question of whether or not we have that agreement where the Council is willing to give some of that control over to the Administration is what would be my opinion.

Councilmember Kagawa: To use this as an example, for the Police Chief to say, "We got to go to this and this and this conference because it is necessary that our officers get that expertise," but for you folks, how do you determine whether he is accurate or not and seeing if they really need to go to that conference? What I am saying is if we just had percentage increases, we could leave it up to the management to decide what is important and they have to spend accordingly to their budget and you do not have to go through that review, which you really do not know for sure because you do not work in the Police Department. That is why I say that even for us on this side of the street, we are under the same thing, right. Every time we say we are going to cut something, they tell us that what we are cutting is the worst cut of all and they really need it. Do you have any thoughts on budget versus line item based on your years?

Mr. Rezendes: Yes. Before I had gray hair, I tried it. We tried it for a couple of years.

Councilmember Kagawa: Yes, you folks did try the program.

Mr. Rezendes: Yes, we tried our performance-based budget, goals, objectives, performance measurements, and we thought we had enough buy-in at the Council, but what happened at the time was we still created a line item budget and we had a performance-based budget kind of layered on top of that. The Council ultimately did not like the performance-based program budgeting method. On the Administrative side at the time, it was very new for the folks that were not involved in federal budgeting, but those that were, like in the Elderly Affairs Office, the Housing Agency, and Transportation to a certain extent; I believe they were all accustomed to and introduced already early on in that process. We tried to educate ourselves. I went to a conference with Council staff members as well as our Budget Director at the time to learn more about what was happening in other Counties and States. If there is buy-in on both sides, I think it is something that is doable, but like Ken said, the Council must be willing to push some of the authorities and everything over to the Administrative side of the house because you no longer can delve into the specific details. If you are talking about a true performance-based type of budgeting program. It is more, "Hey, you are setting goals and objectives and specific measurements to meet those goals and objectives." It would be a lot less oversight and specificity on the budget when it comes to the Council decision-making.

Councilmember Kagawa: I am just thinking through the budget process, the Council would have direct control over the amount and the amounts distributed as far as the checks and balances and day-to-day operations. We still have our normal Council and Committee Meetings where we can ask questions about issues in detail, so that is my thought on that. Thank you for your response. It really bothered me that perhaps there was a better way and like you said, we tried it and the Council did not like it because they wanted to get more into the details.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Thank you for asking a very big question, which is good. Can it be better? My concern about that process and I am interested in the information you might have about it, is whether there were clear program goals and objectives and whether you could tell if you were reaching them or not. As a Councilmember, I would be willing to give it if I agreed with the program goals, which is services and...because we cannot take our hands off of that and it is not just a matter of saying, "Oh, yes, we improved this service," or when you do not actually have any numbers to show it or feedback, so that has to be part of this program that the Vice Chair is talking about. Do you have any insights?

Mr. Rezendes: I think it is not done overnight. I think what you are speaking to is, and is, something that we were starting to realize that we needed to evolve and improve is, how do we tie and how do we put forth specific performance measurements

that are tied directly to the objectives and goals and how do we develop the detailed measurements to ensure that we are meeting those objections and goals. I know it is not an overnight process. It is something that takes some time, even years to fine tune and get right, but to be honest, I have not researched it in years, but I did probably fifteen (15) years ago when I was first starting as the Finance Director. I am sure there are good examples in different municipalities, different roadmaps that do it well, but that is something that can be looked into again. We would need to really investigate it and do homework to see who are the cities and counties that are doing it right and learn from their experience.

Councilmember Yukimura: Thank you. Ken, is there anything through the Government Finance Officers Association (GFOA), because there has to be a connection between money and program delivery, right? Why are you smiling?

Mr. Shimonishi: I honestly do not have the experience of doing that, but clearly funding...and I am sorry, I do not mean to be funny. Clearly, funding taxpayers' dollars to achieve programs and services, there is as Wally as mentioned, the need to be able to provide the results and the proof of the results is the critical piece of it. I was only chuckling because maybe that is something that the new Director of Finance can look at.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: What really is the difference between the model you folks were talking about and what we have now?

Councilmember Yukimura: It is the details.

Council Chair Rapozo: Councilmember Yukimura. I am trying to be patient today. I asked one question and I want them to answer and not Councilmember Yukimura.

Mr. Rezentes: That is a good question because the reality is what is in the line item is supposed to still be tied to goals, objectives, and specificity.

Council Chair Rapozo: I do not want the people to think you folks come up and say, "We need three million dollars (\$3,000,000) for this." The Council will still ask for what. It might not be in the line item format, but the specifics are still there. Right now, you folks in any department can take money that was approved for x and use it for y without coming to Council. It is one of those things that sounds good some times, but at the end of the day, you folks are in a performance-based program, right? You folks come to us and tell us that you need x amount of money for this, but that is subject to change and if it is within your department, you change it without Council approval, correct? You move the money from here to there. I am not complaining. I am just saying that that is the process we have today. Next year, you are back here and we are asking you, "What did you do with the money?" It is the same thing. If you go strictly and not go hybrid, like this County did and it was before

my time that performance-based program...but if you have a hybrid, it makes no sense. It is the same thing. I think with that one, Maryanne was the Mayor, right?

Mr. Rezentos: Yes.

Council Chair Rapozo: The Council still went through the line items.

Mr. Rezentos: Yes, the Council made us do the line items, so we basically were doing two (2) budgets. That is not what we wanted, but...

Council Chair Rapozo: I know. I am not saying it was the Administration. It was the Council at the time. The Council did not want to relinquish that line item review. You said it, "If the Council buys-in" and you go to a true performance-based budget, I think it does and can work, but the Council needs to buy-in so that we are not having you here every week and asking you, "Why did you spend the money that way?" There comes a point where the Council needs to trust the Administration to a point where, "You said you are going to do this next year and you need twelve million dollars (\$12,000,000)," and maybe every quarter you come up and do some benchmarks, but you cannot have a hybrid.

Mr. Rezentos: You are going to be analyzing the measurements and the performance on the measurements and how does that relate to the goals and objectives.

Council Chair Rapozo: That is in the budget process where the Administration and the Council would come to agreement as far as what both sides want to accomplish in the following year and then "here is your money and get it done." I like that because it saves a lot of time in the budget process, but will you ever have a Council with the majority of the Council willing to relinquish this line item review, which really does not make much sense because they can move the money around anyway. It is just a trust issue between the Council and the Administration.

Councilmember Kagawa: My point is that instead of me trying to cut two million dollars (\$2,000,000) from this budget and not getting the votes, I could, with a program budget, say that every budget increase by four percent (4%) instead of six point five percent (6.5%) as it is now, as an average. We cut two point five percent (2.5%) of two hundred million dollars (\$200,000,000). I would cut four million five hundred thousand dollars (\$4,500,000) and it would not be personal. It would be across all boards including ourselves. That is what I am talking about. Achieving the cuts in a more efficient manner rather than this process.

Committee Chair Kaneshiro: Any further questions? If not, we will take a ten (10) minute caption break and when we get back, we will go over the Mayor's budget.

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

The meeting was called back to order at 10:46 a.m., and proceeded as follows:

Committee Chair Kaneshiro: We will get into the actual departments, starting with the Office of the Mayor. I think you have a general presentation for the entire Office of the Mayor and then from there we will go through each division as far as Administration, Youth Work Program, the ADA Coordinator, and the Office of Boards & Commissions. When we are done with the Office of the Mayor, we also took some time to go over Human Resources (HR) as far as the vacancy report. We will let Wally do his presentation and then we will ask questions on the presentation. If we can keep the questions to the actual division, that will be best. We have the list, which is Administration, Life's Choices, Youth Work Program, ADA Office, and then the Office of Boards & Commissions.

There being no objections, the rules were suspended.

Office of the Mayor (including Life's Choices, Youth Work Program, ADA Office, and the Office of Boards & Commissions)

Mr. Rezentos: I will be providing an overview of the Office of the Mayor's Budget and hopefully answer all the questions that you may have today. Also here is Linda Nuland-Ames from our ADA Program, Nick Courson from Boards & Commissions, and Theresa Koki from our Life's Choices Program. The overall Operating Budget for the Office of the Mayor and respective sections totals three million forty thousand dollars (\$3,040,000) for FY 2019 as compared to approximately (\$2,700,000) in FY 2018. The salaries and wages budget for the Office of the Mayor is representative of a one point eight percent (1.8%) or a twenty-two thousand nine hundred eighty-nine dollar (\$22,989) increase over FY 2018. Operations cost reflects an increase of three hundred thirty-seven thousand dollar (\$337,000) that is largely attributable to our grant budget that I will explain in more detail shortly. The budgets for our Life's Choices and for our Equal Access / ADA Section stayed basically flat for FY 2019 as compared to FY 2018. The budget for Boards & Commissions reflect some changes that are worth discussion. Specifically in FY 2019, we are proposing the transferring of our video and streaming line item of one hundred thirty thousand dollars (\$130,000) to the IT Division. We believe that the skillsets in IT will allow for better management of the technical and contractual aspects of the contract of the third party vendor. We are also proposing to move the contested case hearings officer funding from the Planning Department to the Boards & Commissions Office to address any potential conflict issues. Nick Courson can explain the details, if you wish, when I am done.

We have two (2) new grant funding requests for Council consideration. One of them is for the International Americas Competitiveness Exchange, called the (ACE). This grant would be a joint application with the County of Maui and the City and County of Honolulu. Each of us would be required to fund ten thousand dollars (\$10,000) conference fee. The funding for the conference will only be necessary should the Counties' application be approved. This is an innovation and an entrepreneurship grant that is coordinated by a number of agencies of the federal government including the United States (U.S.) Department of Commerce, Economic Development Administration, EDA, U.S. Permanent Mission to the

Organization of America States, as well as the U.S. Department of State. We have electronically submitted more of a detailed explanation of that grant program to you folks, I think just yesterday. Lastly, the Office of the Mayor included a grant request to fund the completion of the Kaua'i Philippine Cultural Center in Puhi, with a request of five hundred thousand dollars (\$500,000). We are requesting that the County Council review and discuss this grant request at the beginning of the Office of Economic Development's budget on April 5th at 1:30 p.m. Key representatives from the Cultural Center are off-island and we are continuing to work with them on the details of the grant application request. We are hoping that with your approval, we can have them available here on April 5th with the appropriate members of their group. Some of them are on the mainland at this time. That is basically my synopsis of the Mayor's Operating Budget.

Committee Chair Kaneshiro: Okay. Do we have any questions from the Members regarding the presentation? Councilmember Chock.

Councilmember Chock: Thank you for the presentation. I was wondering if you could go over again...I did not catch the benefits of the ten thousand dollar (\$10,000) grant proposal of the ACE conference. I wanted to see how that would work? It sounds like it could collectively help Kaua'i, but if you could highlight those?

Mr. Rezentes: This is something that came about as a result when the Mayors were in D.C. at their conference and going from department to department. Representatives from the federal government had discussions with the Mayors about the possibility of hosting the conference in Hawai'i. It is our understanding that it is pretty rigorous. There is a lot of competition for this grant and there are representatives from numerous countries, including the United States. It is slanted towards entrepreneurship opportunities internationally. We are beginning to have the discussions with our fellow Counties on the application, but it is something that we needed to...if we were going to entertain pursuing it, we needed to at least have available funding in our budgets. It will not happen on the Mayor's watch. We will be gone if and when we are successful, so it will be in the next Administration that would have to carry forward with the other Mayors and Counties.

Councilmember Chock: So, each County is committing ten thousand dollars (\$10,000) to this effort?

Mr. Rezentes: Yes.

Councilmember Chock: And it will be held on Honolulu?

Mr. Rezentes: It will be held on all the islands that participate. For what I understand, at least it is over a week long and it is not that large as far as numbers of participants from Americas, but they have support staff that are also coming. There is security, as well. Apparently, it is a pretty substantial undertaking that is just really evolving. It is really a placeholder for us because we are not really sure at all what our

chances are, but I know that some of our staff in the Office of the Mayor is having the discussions with our counterparts; O'ahu and Maui and folks back in D.C.

Councilmember Chock: The other question I had was regarding the IT transfer. I think it is a great idea, I just wanted to know if the intention is to build capacity or integrate more internally. What do we expect in the move out outside of just the overseeing of the budget?

Mr. Rezentos: I think it is just marrying the expertise that IT has on the technical side. Oftentimes we have the boards' folks just kind of being in the middle between our vendor and IT, instead of having that layer. We have them directly talking to each other and boards will be once removed from that discussion. A lot of the contract issues are a little bit more technical in nature, so we are just hoping to utilize the expertise that we have in IT, which is probably a little better for this particular contract versus what we have in the Boards & Commissions area.

Committee Chair Kaneshiro: I have a follow-up on the ACE request. Are all Counties participating?

Mr. Rezentos: I believe for now, Hawai'i County may not be, but I am not exactly sure yet, but the other three (3) are committed.

Committee Chair Kaneshiro: Okay. Any other questions? Councilmember Kagawa.

Councilmember Kagawa: I want to thank the Members here. We have four (4) Members that are here from six (6) years ago and I initially put in the project graduation amount. What did it start out at? Was it one thousand five hundred dollars (\$1,500) per school?

Mr. Rezentos: I believe.

Councilmember Kagawa: It was one thousand five hundred dollars (\$1,500) per school and now it is two thousand five hundred dollars (\$2,500) per school? It is under the grant-in-aid on page 4, Members. We raised it up one thousand dollars (\$1,000) because the bus cost went up?

Mr. Rezentos: I think the request over time have gone up and we wanted to help provide enough funding to make the opportunity worth their while and it was something that the schools and the kids will cherish. Maybe it is the cost of doing business over those years and now it is kind of a catch up, but we hope to continue that program at those levels.

Councilmember Kagawa: For me it is a no-brainer. The saving that we get by not having additional police on the road. On graduation night, these kids are on a high and this is really a safe, good event. I want to thank Theresa to supporting project grad

because that is a wonderful program that if it ever got cut, we would go back to our days when it was crazy on graduation night. I hope we do not have to go through that again. Second question, did anybody ask about the Kaua'i Philippine Cultural Center?

Councilmember Yukimura: No, but I have.

Committee Chair Kaneshiro: If we do not have any more questions on the presentation, then yes, let us take...

Councilmember Kagawa: Am I going too in front?

Committee Chair Kaneshiro: No, that is fine. We will start it on the Mayor's Budget because a lot of our questions are focusing on that anyway.

Councilmember Kagawa: The five hundred thousand dollars (\$500,000) came up because they are short of funding to finish the project?

Mr. Rezendes: Yes. That is my understanding that the request would provide the necessary funding to complete the center.

Councilmember Kagawa: Have they given assurance that this is the last...because I know we helped with the land...

Mr. Rezendes: That was...

Councilmember Kagawa: ...the State helped with the bulk of the money and they got a lot of private donations and they donated work.

Mr. Rezendes: Yes.

Councilmember Kagawa: Did they provide totals?

Mr. Rezendes: That is what we are working on. Our request is to have a robust presentation with specific details on what they have accomplished so far, what has been completed so far, as well as what are the necessary things that needs to be included to finish. The intent is, you are correct Councilmember Kagawa, the funding is to complete one hundred percent (100%) of the construction of the facility.

Councilmember Kagawa: Okay. Thank you.

Committee Chair Kaneshiro: We moved it because there were key people involved with it off-island and we thought we can asked them the questions, if they want to take back the questions and come prepared with it, we can let them know some of the questions we have now. It would not make sense for us to ask questions and expect answers when the key people are not here.

Councilmember Kagawa: Okay.

Committee Chair Kaneshiro: That is why we moved it to another date. I think we should still, if we have a lot of questions on it, we can E-mail it ahead of time. It will make the process a lot faster because it is on the same day of the Office of Economic Development and I know that day, we usually have a lot of questions also because we are looking at every single project on that. If we can get them the questions ahead of time, they can come in and address all of them at once, I think it would move the process up.

Councilmember Kagawa: So we are just going to discuss this item during the Office of Economic Development?

Committee Chair Kaneshiro: Yes, just that one item.

Councilmember Kagawa: Okay. Yes, that one item we can discuss on the Economic Development day.

Committee Chair Kaneshiro: Yes, that was the intent.

Councilmember Kagawa: Because the key people are not here.

Councilmember Chock: Can we write in questions?

Committee Chair Kaneshiro: Yes, we can write in questions.

Councilmember Kagawa: My question on that is; is this going to be the last request to complete? I just wanted to know that. If it is something more, I would like to see the full request. Let us just complete it. It looks like the shell is up and it looks like only the finishing work needs to be done. I want to see that thing done. If it takes a little more, I do not mind, but I want to see it done.

Mr. Rezentes: I do understand there is so far to-date they have really been successful at leveraging sweat equity into the building. If the County were to construct the building like that, we would be coming back here for money. I think that is going to be an important part of the presentation—what really is the sweat equity that went into this because it is pretty significant.

Councilmember Kagawa: Yes. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I just want to say that the Mayor and I both met with Lester and he gave us the assurance that that would be enough to completely complete it and open the doors. The Mayor and I met with Wally as well and agreed that they are going to have to come up with a budget, what their plans are for the funds, but I agree I think

Kaua'i needs another facility and that would fit that need. I do not remember the number we had Wally when we talked about what they had spent so far to construct that building, which was way under what it would cost anybody. It is an opportunity for us to provide funding to get that completed. That was the condition, Councilmember Kagawa, and it was not that generous, it was just that he assured that five hundred thousand dollars (\$500,000) was going to be the number, and I think that is what drew the support from the Mayor and myself.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I think what would be important for us to hear, see, or know the direct correlation to the County's oversight or agreement that we have. If the County is putting an effort into it, which sounds like we want to, what is the takeaway for the County in terms of the community's...

Mr. Rezendes: Public use.

Councilmember Chock: Yes. I just think that needs to be clear.

Mr. Rezendes: Okay.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I have a question also, if that could be included in the mix when they come. Can they not get private money to do this last amount?

Mr. Rezendes: Yes. Okay.

Councilmember Yukimura: That is the question because we did provide the land.

Mr. Rezendes: Yes, and I think they have been...

Councilmember Yukimura: And we have a lot of other needs.

Mr. Rezendes: Yes, I believe they have done work along those lines. They will try to raise private money, but it is my understanding that the request is over and above what they raised on the private side.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any other questions? We are on the Mayor's Budget, so any questions regarding the Mayor's Budget.

Councilmember Kagawa: Just regarding my last comment, I just received a call from the Department of Education (DOE) Administration and they said that they are

getting some conflict with the Cultural Center on where their covered gymnasium is. I guess the covered gymnasium for Chiefess Kamakahahei Middle School is on County land, which may belong to now the Kaua'i Philippine Cultural Center, but I just want to make sure that we work with the school and the Cultural Center and find a solution. I do not want to see us knocking down the gym that has been there.

Mr. Rezendes: I may be mistaken, but I believe it is not the coverage, but the external outside court.

Councilmember Kagawa: Okay. If it is something that can be moved, fine, but I do not think we should be knocking down anything that the school uses.

Mr. Rezendes: Yes, absolutely.

Councilmember Kagawa: I want to make sure in all of these things where the County and State are helping each other, let us find workable solutions instead of saying, "You knock this down so I can do my road." I just want to make sure that we tie up all of those knots and make sure there is no impact to the children. Thank you.

Committee Chair Kaneshiro: Any other questions?

Councilmember Yukimura: Along those lines, I would be concerned if there is not even clarity about where the ownership begins and ends between the two (2) parties because we do not want that kind of dispute or uncertainty to affect either of those properties. This is the first that I am hearing of that potential problem and I do not know how that happened, but it should be fixed.

Councilmember Kagawa: My last comment is that I think DOE may have messed up a little bit, but that does not preclude us from finding a solution that works for both sides because it is our land that we have basically gifted the school and the Cultural Center. As the original owner, hopefully we can be the mediator to make sure to make it work for both the school and the Cultural Center. That is all I am saying.

Committee Chair Kaneshiro: Any other questions on the Mayor's Budget?

Mr. Rezendes: That would probably be a good time to have that discussion when the County Attorney is here too. They might be able to shed some light.

Committee Chair Kaneshiro: Our D.C. consultant services increased ten thousand dollars (\$10,000) this year. Do we have a multiyear contract with them or is it every year we negotiate? I know we get a lot of value out of having them. They direct us to a lot of grants. I think when we are up at D.C. they set up a lot of meetings for our folks to meet with the right people, but I was just wondering if we do it year-to-year?

Councilmember Yukimura: I do not think we can do it alone, so are you talking to partners like Kaua'i Economic Development Board (KEDB), and the Chamber?

Mr. Rezentos: Yes. The Statewide Chamber of Commerce is in discussions with the Counties as well. Definitely we need to leverage nonprofits to help with us participate. Again, there has been discussions with the Chamber of Commerce on O'ahu, the main entity over there, and I think each island is starting to engage our respective nonprofits like KEDB and others.

Councilmember Yukimura: Okay. I would like to talk about your Equal Employment Opportunities Office.

Committee Chair Kaneshiro: Let us finish the Mayor's Administration first.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: There was a name change to the Program Specialist III. How come it changed?

Mr. Rezentos: That position is tied to collective bargaining, so my understanding is because they have to fit it in with what the other Counties do, the name change was appropriate and something that was worked on with HR. They are not civil servants, but they are tied into the collected bargaining agreements, so they have to match what our counterparts have more closely, so that is the reason for the change.

Committee Chair Kaneshiro: But no change in what they do or anything?

Mr. Rezentos: No, it is just kind of fitting in that box. Perfect, I was just going to say maybe Janine can explain that better.

Ms. Rapozo: Janine Rapozo. The position is now classified as a Program Specialist III. I think Theresa's working title is still Life's Choices Coordinator. We had to classify the position. Initially when it was started, it was exempt from civil service and it was exempt from...because it was in the Mayor's Office, but all Mayor's Office positions have to be classified, so it is now a classified position like any other civil service position. It is a Program Specialist III, but her working title is still whatever it was last year, Life's Choices Coordinator.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: What was the title and classification last year?

Ms. Rapozo: It was unclassified at the time.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Any further questions in the Mayor's Budget? If not, we will move on.

Councilmember Yukimura: I do. So, in your operations you have a great increase under Administration and what is that due to?

Committee Chair Kaneshiro: I believe it was the grants.

Councilmember Yukimura: Okay. So why is it not in Economic Development if it is an Economic Development grant?

Mr. Rezentes: Which one are you talking about, the ACE?

Councilmember Yukimura: Both.

Mr. Rezentes: The reason the ACE one was left in the Mayor's Office was that it was an initiative that came from all of the Mayors' visits to D.C., so the Mayors were the initial points of contact. I do not think there is really any significance other than one of the Mayor's office staff is the liaison with the other Counties and not anyone from OED at this point in time.

Councilmember Yukimura: Okay. So who in the Mayor's Office is working on this?

Mr. Rezentes: Cyndi Ayonon.

Councilmember Yukimura: Cyndi. Okay. If we are going by the Administration first, I do want to really say that this entry here in the Mayor's Office report about Public Information Office providing timely information, 24/7, three hundred sixty-five (365) days a year, that is really an incredible achievement and I just want to acknowledge it and recognize it because they work hard.

Mr. Rezentes: My wife does not appreciate the beeps on my phone at ungodly hours, but...

Councilmember Yukimura: Well, you are getting paid for your job too, but it is not easy, I have to admit that. Our financial status was upgraded from AA- to AA, which is a great achievement too. I just wondered how much do we save therefrom? In terms of bond interest and so forth, has anybody quantified that?

Committee Chair Kaneshiro: That might be a question when Ken comes up when your budget is up.

Councilmember Yukimura: That would be good.

Committee Chair Kaneshiro: Because that service number is in their budget. I think it would basically be taking whatever interest rate we are getting and then increasing it to some other number if we had a worse credit rating.

Councilmember Yukimura: Right, but people do not realize when they see that upgrade that it actually manifests in money for our County.

Mr. Rezentos: I am kind of old already, it has been a number of years for me, but the higher rating the better at least to the point when you are buying bond insurance to buying up to get the higher rate. If you are an "A-" versus an "A", that cost would be greater or worse even if you were a "B" versus an "A." You are bridging the gap with the insurance and that is a cost in and of itself. The hard part of understanding is that it is marketing as well. When you go out to the markets and you are an "A+" credit versus an "A-" credit. You would think that the market would have more comfort in the fact that you have a higher grade and it is a better grade of a bond and that would be part of the marketing. You would think that you would get a premium or more of an ability to sell.

Councilmember Yukimura: Okay. As far as the Adolescent Treatment & Healing Center, all your references are to five million dollars (\$5,000,000) and I think the more accurate figure is six million dollars (\$6,000,000) and the one million dollars (\$1,000,000) is a big difference, so just so we can be accurate there. The actual cost of building it is six million dollars (\$6,000,000). Can we talk about the Equal Employment now?

Committee Chair Kaneshiro: Next is Life's Choices, Youth Program, and then Equal Employment. If we are done with the Administration and Life's Choices, we can move on.

Councilmember Yukimura: Well I would like to have my question about the Adolescent Treatment & Healing Center answer then, if that is appropriate?

Committee Chair Kaneshiro: That should happen now. They do have money in the CIP, so if it is going to be a long discussion about how the money is going to be spent, then I will...

Councilmember Yukimura: My questions are about operations that I was asking the Mayor and Ken about the RFP and so forth.

Committee Chair Kaneshiro: Let us take some questions now and then if you folks think it might be better answered in CIP, just let me know.

Councilmember Yukimura: We will get to you, Linda.

Committee Chair Kaneshiro: Let Theresa come up first.

THERESA KOKI, Life's Choices Kaua'i Coordinator: Good morning, Theresa Koki, for the record.

Councilmember Yukimura: Good morning, Theresa. Congratulations on the groundbreaking.

Ms. Koki: Thank you.

Councilmember Yukimura: Can you tell us what the plan and timetable is for getting the treatment center in operation?

Ms. Koki: Okay. I believe they said earlier right now we just received bids for the construction, so when it goes out for the award, they have the Notice to Proceed, and then we will have a timeline following that.

Councilmember Yukimura: A timeline for construction?

Ms. Koki: For everything. For the construction...so right now the offsite infrastructure is almost finished and they should be done at the end of this month. At the end of this month, we would probably have a contract secured with the building contractor, the construction of the building. At that time...I already have a shell of the RFP that we are going to issue, but I do have to work with my committee, which is part of the Blue Ribbon Panel, our Procurement Officer, and the County Attorney.

Mr. Rezendes: That is to finalize the RFP.

Ms. Koki: Yes, to finalize it. Once the Notice to Proceed goes out for the construction of the facility, then we will have a better timeline of the construction, of the RFP award, and everything.

Councilmember Yukimura: So you do not have an RFP developed yet?

Ms. Koki: Not completed.

Councilmember Yukimura: But if you finish the building as has been said in the Mayor's thing, by the end of the year, you have to make sure that there is somebody to start operating it, right? I am not familiar with how long it takes to find somebody...I mean to go through the process to qualify them and to work out a contract for operating it. It sounds like it could be a real crunch if you are not already working on it.

Ms. Koki: It is a crunch and so has my entire career with the Mayor's Office trying to do all of this by myself. I do believe the last time we came here, Ernie did talk to you about how we cannot procure something that does not exist, so everything has to be coordinated and done in a specific way.

Councilmember Yukimura: Well, okay. That does not give me a lot of assurance that there is going to be an operator in place when the building is completed.

Mr. Rezendes: The intent...

Councilmember Yukimura: And...

Mr. Rezendes: The intent is to time, again...

Councilmember Yukimura: Yes, I got the intent.

Mr. Rezendes: That is what we are shooting for. I cannot guarantee you one hundred percent (100%) the construction completion is December 31st or January 1st, we have an operator, but that is the intention of having it roll from construction to operation as seamlessly as possible. You are right to be concerned that we stay on our course as far as getting the RFP, getting an award, and moving forward, but that is the intention. The intention is to time the construction piece with the operational piece.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any further questions? If not, we are going to move on to the Youth Work Program. Okay. We are going to move on from Administration and Life's Choices to the Youth Work Program. The Youth Work Program—the money stayed the same. There is no change in the budget. It was ten thousand dollars (\$10,000) last year and ten thousand dollars (\$10,000) this year. Any questions on the Youth Work Program?

Councilmember Chock: Just to confirm that that is the summer internship...

Mr. Rezendes: Yes. Kauai Tanaka manages that within the Mayor's Office.

Committee Chair Kaneshiro: If no questions, we will move on to the EEOC, ADA Office. Any questions? Councilmember Yukimura.

Councilmember Yukimura: First of all a commendation for the really great work, Linda.

LINDA NULAND-AMES: Thank you.

Councilmember Yukimura: How long have you been in that position?

Ms. Nuland-Ames: It is about five and a half (5.5) years.

Councilmember Yukimura: Okay.

Ms. Nuland-Ames: Time has really been flying by.

Councilmember Yukimura: Yes.

Mr. Rezendes: She is our employee of the year, by the way, for the Mayor's Office.

Councilmember Yukimura: Right, that is right. Congratulations for that. Well deserved. We were talking about measuring our project success or our program success and your measures have been really impressive. In this write up, it says that there have been ten (10) to twelve (12) formal ADA complaints annually in the past and this has been dropping. In fact, I think last year, I do not know if you were able to be here at budget time...

Ms. Nuland-Ames: No, but I think it was zero, I think, last year.

Councilmember Yukimura: It was zero last year? Wow, that is incredible.

Ms. Nuland-Ames: Well I try to be very available to people so that if there is a concern, we address it and it does not have to become adversarial.

Councilmember Yukimura: I do not know if there are other Counties that have that kind of record. The bottom line is that people are being served in the ADA community. Thank you. Is there anything else you want to say about your program? Is the funding adequate?

Ms. Nuland-Ames: Well, like Theresa, I would absolutely to have an assistant, but we are doing fine. What I have done rather than be the person everywhere doing everything, which is impossible, I work often one-on-one with people in different departments. I do specific training for problems they are encountering so that being open and accessible and following ADA is just a part of working for the County. It is not separate, it is not me in an office somewhere, but it is all of us participating.

Councilmember Yukimura: So it is fully integrated into the County program, it is not an afterthought. It is like what people think about whenever they are developing or providing a program.

Ms. Nuland-Ames: Right.

Councilmember Yukimura: That is very good. Thank you.

Committee Chair Kaneshiro: Any further questions from the Members on the ADA Office? Okay. Thank you.

Ms. Nuland-Ames: Thank you. It is nice to see you all again.

Committee Chair Kaneshiro: We will move on to the Office of Boards & Commissions. Any questions? I have a question on the Contested Case Hearing Officer. Can you just explain the move? Did we have this money in the Planning Department last year? Is there a person that is doing it and the move to the Boards & Commissions?

NICHOLAS COURSON, Boards & Commissions Administrator: Good morning Chair Kaneshiro, Council Chair Rapozo, and Members. Nick Courson, for the record. The money is currently in the Planning Department and there are a number of allegations that there is a conflict if the Planning Department procures the Hearings Officer for the Planning Commission. Those allegations are being litigated by the Office of the County Attorney and we will see whether or not that is a conflict, but as a proactive preemptive measure, if we shift that money over to the Boards & Commissions, that should eliminate the opportunity to even create that allegation. The money is currently there. It is in the Planning Department and it is being moved over to the Boards & Commissions. It really should just be a wash.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Yes, I like the move. I think being separated from any department where there might be appeals is a good thing and my question is whether this is going to be specific and only for the Planning Department or whether the contested-case officer can be available for other due process appeals?

Mr. Courson: The way I would like to write the RFQ would be to open it to any board or commission, but that money is currently money budgeted for the Planning Department. So while I would write the RFQ to give us flexibility, that might require coming back to find more funds, if necessary. That has not come up so far, so while I plan to give us the flexibility just in case, I do not anticipate hiring a hearings officer for anyone but the Planning Department.

Councilmember Yukimura: And it would be on an "as-needed" basis, but you would have a qualifying list perhaps like the Office of the County Attorney does.

Mr. Courson: Very similar to that.

Councilmember Yukimura: Because it is not going to be a permanent position in the County, right?

Mr. Courson: No, not this year anyway.

Councilmember Yukimura: So it would be contracted out on an as-needed basis.

Mr. Courson: Correct.

Councilmember Yukimura: Because I have been working on, I do not know if you were there, but amendments to our dangerous dog law and the determination of a dangerous dog and then if people want to challenge that, because certain consequences happen if they are designated as such, does need that kind of adjudication, if you will.

Mr. Courson: Right, but it would have to be linked into one of the boards or commissions.

Councilmember Yukimura: Well if you write it that way.

Mr. Courson: Yes, which I will consult with the Office of the County Attorney about, we want to accomplish efficiencies for the County certainly, but also stay within the scope of the office. That idea has been kicked around whether the Office of Boards & Commissions would administer a contract for Countywide hearings officer or simply a hearings officer that somehow associated with one of the seventeen (17) boards, commissions, or committees.

Councilmember Yukimura: Well a hearings officer might be considered almost a board or commission. It is that kind of administrative process.

Mr. Courson: Possibly.

Councilmember Yukimura: Good move to get it out of the Planning Department.

Mr. Courson: Thank you.

Councilmember Yukimura: Is there any net monetary increase? Are you just moving the money?

Mr. Courson: Yes.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any other questions for the Boards & Commissions? Councilmember Kagawa.

Councilmember Kagawa: You have anticipated vacancies coming up, do you have a list of which ones are nearest to come up?

Mr. Courson: I do not have any anticipated vacancies in Boards & Commissions.

Councilmember Kagawa: Zero?

Mr. Courson: Zero.

Councilmember Kagawa: Okay. Will it carry over to the next Administration?

Mr. Courson: The Office of Boards & Commission are all appointed positions, so that would be very much up to the next Administration.

Councilmember Yukimura: But they have staggered terms.

Mr. Courson: Oh, I am sorry. The staff is all appointed.

Councilmember Kagawa: I am talking about the members on the Charter Commission, the Planning Commission, et cetera.

Mr. Courson: I am sorry. There are a number of vacancies.

Councilmember Kagawa: Do you have a list of available candidates out there that you hold in place or do we just kind of go by, "Well, it is open now and then we will go and hunt." Is that how we do it?

Mr. Courson: I have only been in the position for one (1) month. I do not know if there is anything as formal as a list, but I am pretty sure that the Office of the Mayor, depending on the commission, definitely has some idea of interests. Other commissions, I do think we have to hunt, so I think it would depend on the commission that you are talking about.

Councilmember Kagawa: It has only been a month for you, but maybe you can look at whether it will be better suited for the County to have a short list of available people out in the community so when we have the vacancy come up, we have a go-to list at least, and then open it up also to others.

Mr. Courson: Yes, I think there is a lot of merit in that idea.

Councilmember Kagawa: Because obviously people that served before could be already on the list because they already have experience in it.

Mr. Courson: I am under the impression that one of the things the Administration seeks is balance in the commission, so a list is helpful for that, but depending on who is on the list, they might not bring an element of diversity that you are looking for.

Councilmember Kagawa: Okay.

Mr. Courson: The list is certainly a helpful starting point, but...

Councilmember Kagawa: I hear people all the time saying, "I would not mind serving on this or that," and I was thinking that at least their name could go on a list, not that they would make the cut, at least there would be a process where they can call you and say they are available and they go on this list that could be considered.

Mr. Courson: Yes, certainly, we keep all the applications on file in the Office of Boards & Commissions and the applications are located in the front, they are welcome to stop by.

Councilmember Kagawa: Okay, so that process is open where they can apply when the vacancies come up, if they are suited for it, they will be considered.

Mr. Courson: Yes.

Mr. Rezendes: Do you want to know how many turn back around when they realize they have to submit financial disclosures?

Councilmember Kagawa: Oh, okay. That becomes a problem—the financial disclosure. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I have a question about the County's strategic goals and objectives that are mentioned in the Mayor's message for his office. You say, "Continued support for implementation of Kaua'i Nui Kuapapa, I just wondered if there was a report, because we funded it. I forget at what level, but I would like to get a report of the accomplishments and how the money was spent last year.

Mr. Rezendes: That would be under OED.

Councilmember Yukimura: Okay.

Mr. Rezendes: Nalani Brun can respond to that.

Councilmember Yukimura: Do we send that to them now so before they come to us, they will be ready? Same thing—it says, "Support initiatives for future development of the Technology Center," which I presume is the project we know as the Creative Technology Center. I would like to know what the plan is for that. The Mayor sign with the Governor a commitment to the Paris agreement for the Climate Action Plan and last budget you folks said you were coming back with a proposal, so I have not seen anything mentioned or in the budget or in the Mayor's message. That is something...who is going to address that? Is that an OED thing as well?

Mr. Rezentes: Yes.

Councilmember Yukimura: Okay, that is a question that we will send to them too. Thank you.

Committee Chair Kaneshiro: Any further questions from the Members? This is our last item for the Office of the Mayor. If not, we are going to move on and I think we will take our last item. Okay. We will move on to Human Resources Reports. Janine, do you have a presentation or are you just going to go over the vacancy report?

Councilmember Kagawa: This is so small.

Human Resources Reports

Committee Chair Kaneshiro: This is the first year that I have been in budget where there is going to be a turnover in Mayor, for sure, and I know that there are certain positions that have rights to return and things like that. How did we handle positions? Did we partially fund it assuming that certain people are going to return back to their civil servant position and then we fully fund the department heads in anticipation that somebody may take it?

Ms. Rapozo: Good morning. Janine Rapozo, Director of Human Resources. There are a few appointed positions that have return rights and so what we did is we funded it for seven (7) months, basically from December 1st. The civil service position that they can return to, so that would be a Planner position, HR Manager position, and the Budget position in Finance. The other thing we did was for the vacant, our Engineer position, we also funded it for seven (7) months, assuming that the new Mayor may want to fill that one when December 1st comes around.

Councilmember Yukimura: (Inaudible).

Ms. Rapozo: It is actually the vacant County Engineer position right now—it is funded for seven (7) months.

Committee Chair Kaneshiro: Questions? Councilmember Kagawa.

Councilmember Kagawa: This glares out at me that when I look at the vacancy, so for the Fire Department, there is one Fire position open, it is a Fire Preventative Inspector I. The Private Secretary will not come back. If I look at the Police Department, there are so many officer positions open, similar to the City and County of Honolulu. They are trying to fill six hundred (600) positions or something and they are hiring like crazy. A lot of Kaua'i graduates are actually becoming Honolulu police officers. I am wondering if there is any way that perhaps...because you keep hearing about how many Kaua'i residents are applying for the Fire and then do not make it, can we tell them through the process, "Hey, same pay and you can be a police officer." Is there anything we can do on that end to maybe encourage those that want to be a fireman that, "Maybe you will not make the fireman this

time because you did not make the top fifty (50) in the test, but why do you not try for the police position because you can make the same pay or maybe more.”

Ms. Rapozo: That is an interesting concept. It is one (1) application form right now because it is online, so they can simply choose to apply for the police officer when they do the fireman position. We can look at how we can encourage that even more.

Councilmember Kagawa: If we take that step and act like a job finder, maybe perhaps it will fill some of those police jobs because I think a lot of them are getting the notion from other people that are firemen or have family that are firemen that tell them that it is a great job, you get a nice pay, but the police, yes, you get that same pay, maybe a little more dangerous, but still with everybody struggling to survive in this economy of ours, it is certainly a similar option financially. I hope that maybe we could utilize that large applicants of Fire and then be like a job hunter and push them towards trying out for the police.

Ms. Rapozo: That is a good suggestion. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Can you explain to us the return rights? I read the rule and what it says, or how I read it anyway, is that we have to offer them the position or a comparable position. That we do not have to hold a position like we have done for...I mean even here at Council Services, we have held a position, but is it not true that we do not have to do that? We can actually fill that position and when the appointed person is no longer appointed wants to come back, they got to take a comparable position. Is that what the rules actually say?

Ms. Rapozo: For the first four (4) years, you do go back to the same position, but after that, it would be a comparable position.

Council Chair Rapozo: So, we are required to hold a position vacant for four (4) years?

Ms. Rapozo: No. In fact, in the Finance situation, we actually filled a position, but it is on a temporary appointment because Ken has the right to return back.

Council Chair Rapozo: Right.

Ms. Rapozo: So you do not have to hold it. I think we had dollar funded a lot of the positions because of finances.

Council Chair Rapozo: Yes, I know, I think this last year was the only time that I went in and read the rule because I was always told, "No, we have to hold the position." Even here. Even from our people here—"No, we have to hold it." That sounds crazy. I think that is what is important for Councilmembers to understand. That if somebody is going to take an appointed position, nothing prohibits you from filling the position at that point.

Ms. Rapozo: That is correct.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: So if we fill that position and then for some reason that person decides I no longer want to be the appointed one, then we would have to open up an additional of that same pay?

Ms. Rapozo: No, the person who filled that position would have been on a temporary appointment, so they would lose their job.

Councilmember Kagawa: Oh, so the temporary would get bumped.

Ms. Rapozo: Yes.

Council Chair Rapozo: Only for that first four (4) years though.

Ms. Rapozo: Correct.

Council Chair Rapozo: After four (4) years, it would be a comparable position, if that position is...

Ms. Rapozo: It is basically when you ask for return rights, you are asking your appointed authority to return after four (4) years, so people can actually ask again to a new appointing authority if that happens. If the appointing authority stays longer than four (4) years like the Mayor, then after the first four (4) years, you are correct, it would just be to a comparable position.

Council Chair Rapozo: Okay.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Can you tell me again what the list is for firefighters, how long it is, or how many people are on it in terms of firefighter candidates by passing the test?

Ms. Rapozo: I think the last test we had, I think we had over two hundred (200) applicants and I think there was a percentage that did not show up to the test and then there was another percentage that did not pass, but I know there was definitely about one hundred (100) or more that passed the written test. After that, there is still the performance test. Right now, we are inviting the top forty (40) candidates to do the performance test because it is a pass/fail and then from there whomever passes that, the Fire Chief can ask for the whole list or he can ask for the top five (5), if he has one or two positions. It depends on what he wants to do.

Councilmember Yukimura: I see. At any time, there is what ten (10) to twenty (20) people who are qualified and tested who could be chosen.

Ms. Rapozo: A lot of times the list will expire and they will have to redo the test and everything, so I think the list is good for...most lists are good for three (3) months. I think the firefighter list is good for a little longer and they can extend the list. This past year, I believe they had about over ten (10) vacancies that they had to fill, so I believe this last class filled twelve (12) to fifteen (15) new firemen that started because of all the retirements that we had at Fire.

Councilmember Yukimura: Yes, they certainly are better off than the Police are in terms of having a list of people.

Ms. Rapozo: Yes. For Police, we are testing every month and we are still not able to catch up.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Council Chair.

Council Chair Rapozo: I am not sure if this is for Janine or for the individual departments, but as I look at this sheet, I still see a bunch of positions vacant. I just highlighted the ones for over five hundred (500) days, but there is still a significant amount, well over one thousand (1,000) days, one thousand five hundred (1,500). There is a couple that are three thousand six hundred (3,600) days and that is like ten (10) years. Is that something I need to ask the departments why those positions are still on the books? I know last year, I tried to propose cutting a bunch of them, but could not get the votes. They are still showing up at one thousand seven hundred (1,700), one thousand five hundred (1,500), one thousand two hundred (1,200), one thousand four hundred (1,400), and I do not get it.

Ms. Rapozo: Some of the positions are dollar funded, so that is the reason for the high numbers, but there are some fully funded that are not being filled. That would be an individual department question.

Council Chair Rapozo: The dollar-funded position to me creates an opportunity for that position to be used for something else. That is my problem with it, not so much the dollar. If they have not used it for one thousand seven hundred (1,700), that tells me that they do not need that position. What they need is a position number to use for contracts or whatever and that is my concern and the Council has no idea what they do with those position numbers. I hope this year, my colleagues are going to understand that argument and say, "If it is one thousand seven hundred (1,700), let us get rid of it." The County needs a position for whatever they need a position, they can come and ask for it, but to hide behind these position numbers, I do not think that is genuine and it does not go away. The dollar-fund is meaningless to me because it still provides an opportunity and I think I would much rather have a more transparent process from the Administration on what positions are needed. That is all I am suggesting. Is that a question we ask of the departments when they come up?

Ms. Rapozo: As far as why it was not filled, yes. I have some information that some were on continuous recruitments on certain hard to fill positions, but not on all of them, so it would probably be better answered by the department.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Any further questions? Councilmember Yukimura.

Councilmember Yukimura: No.

Councilmember Kagawa: How much is there in total in Police with officer positions that are vacant? I mean if you count the Traffic Monitors, too, it looks like thirty something. If the test is too hard and we just do not do anything, then the list just grows. Is it perhaps a change needed? Maybe simplifying the test. I come from a sports background and I found that many times physical gifts and the mental intellect on a reading comprehension test does not impact what kind of football player that person is going to be or what kind of brave officer...I think it just relates that it is the coaching, the work ethic, the attitude, which does not figure in to a test. Do we just stay with the same test and struggle or is there any model out there in the other municipalities that have made some adjustments? Obviously the pay is good. The overtime is good. The police job, I can only imagine it is not easy in bad times, but when you get promoted and work into the office level, I can see it being quite an easy job. Maybe you have to put in your time before you get there, but certainly those first years as a PO out in the one (1) beat on your own, handling Kapa'a, must not be too much fun. Is there any way we adjust the test? I just think we have to find a solution to open the window and then let us let our coaching and evaluation process work to weed out of those that may not be so high testers.

Ms. Rapozo: Book smart.

Councilmember Kagawa: Book smart, yes, whatever you call it, and then you let the coaches or the hiring task force be the ones to determine, "Okay, these low testers, they are doers and go beyond the test and they are going to make good officers in our judgment." Is there some kind of way we can work towards that? Then when we reach that point when we fill those vacancies and we are back to the short normal list, then we can go back to the harder test. Perhaps, problem solved.

Ms. Rapozo: I think the Police Department is going to be presenting in their budget some of their efforts on what they are trying to do to fill this. If you look, the Traffic Monitor positions in your budget are changed to Police Apprentice positions. Some of the things that they are trying to do is give classes on the test and things like that to help some of our people in the high schools here locally to try to be able to prep them. The apprenticeship program is something that I think they are taking may help to do that because right now, I do not know if the local kids understand like you are saying, "It is a good career." It is the nature of the job that is not something you go in and out every day, you are faced with a lot of different things, the pay is there, but the hours are not good. They need to understand at some point, that is going to be great for their career for their financial stability, but I do not know if we have enough of that that we are doing out there to try to get these kids to understand that. You have to be twenty-one, so there is that gap and Police is hoping that apprenticeship program can help where they can come in, start doing some of the things, but they are not a full-blown police officer yet. They are looking at ways. We are working with them trying to figure out ways to do this.

Councilmember Kagawa: The apprentice program could be used almost like an evaluation stage and they can see if they want to do this.

Ms. Rapozo: Yes, or if we really want to keep them as an officer.

Councilmember Kagawa: That sounds good. It just seems like it would take too long for my liking.

Committee Chair Kaneshiro: Further questions on this vacancy worksheet? I think it has reduced a lot since we previously seen it and I think Janine folks have worked hard to put in all the information we have been wanting. I do not remember it being this sophisticated before and I think with all the questions we have asked, they have modified it to answer a lot of the questions we have had. Councilmember Yukimura.

Councilmember Yukimura: I noticed that there are seven (7) vacancies in the Transportation Agency and bus drivers, mechanics' helpers, I think those positions are hard to fill anywhere in private or public places. The Program Specialist and I am thinking some of the feedback I have been getting is that they are not doing their short range transit efficiency programming as quickly as they had anticipated. I am wondering if the Program Specialist position could help in that respect.

Ms. Rapozo: This particular position, Program Specialist, is going to be focused on the paratransit side and looking at alternatives as well as managing the program right now. I believe they have already interviewed for that position, so that is going to be filled shortly. You are correct, Celia is having difficulty with the bus drivers. Again, it is shift work and not the most desirable. The pay is okay, but it is just a matter of they are operating 4:00 to 12:00 midnight, pretty much, almost every day of the year. It is something that she is looking to try and fill at least the full-time and have enough substitute drivers to make sure that the routes continue, but that has been a challenge for them.

Councilmember Yukimura: There is no such thing in our framework of human resource categorizing, or what is the word, how you set positions, for shift pay that gives those with more difficult shifts some premium or bonus or something to give an incentive to take those harder shifts?

Ms. Rapozo: There actually are differentials built into the United Public Workers (UPW) contract for the bus drivers and for other types of positions. Any shift that goes between 6:00 p.m. and 6:00 a.m. has a night differential. For bus, they also have a split shift differential if they have to work hours that are longer than a forty-five (45) minute break, they have a split shift differential as well.

Councilmember Yukimura: Is that included in these positions?

Ms. Rapozo: Yes.

Councilmember Yukimura: So, it is part of just the overall lack of employees right now which I hear is almost a crisis situation for many small businesses.

Ms. Rapozo: Yes, unemployment is just...

Councilmember Yukimura: One percent (1%) or whatever it is.

Ms. Rapozo: Yes.

Councilmember Yukimura: That makes it difficult. It also makes the human resources that we are not using, which is homeless people and actually people with disability...if we can make those matches. I heard that in a Sand Island homeless village that they are doing, three hundred (300) homes, they are actually training the construction companies building the homes and apprenticing the homeless into construction workers, which is what they were not planning, but they have such a need and the homeless are looking for work. That work was supposed to be part of this homeless community, work and childcare, so it is actually a really nice synergy. Thank you.

Committee Chair Kaneshiro: Further questions? As we go through each individual department, we will probably have more specific questions on these positions as

far as why it is vacant, whether they should be dollar-funded, and whether it is needed. Any other questions from the Members? Councilmember Chock.

Councilmember Chock: I have a question regarding the Mayor's budget and since Wally is here I was hoping that I could at least pose the question here because what I heard earlier was that we would be...some of these questions and I am looking on page 6 under challenges. The siting of Maalo Landfill. It says, "Find methods to direct waste from our landfill in a cost-effective manner," and my experience has been that this solid waste plan has been a little bit of a red mark on our record in terms of effectiveness. I certainly think that the landfill is a priority and that is where we should be focusing our time and energy. When I read, "Find methods to direct waste from our landfill in a cost-effective manner," I can tell you that I have been somewhat frustrated and been hitting my head on the wall about what we cannot get done. What I am anticipating is that we might be able to get a little bit more about when I read something like that, what the Mayor really means by moving forward on something or can we call a spade and spade and say that the solid waste plan is just not in existence for us. That way, we can move on to other things. If we can get that from the department when they arrive, that is my expectation. Thank you.

Mr. Rezentes: I think the recycling and avoiding the landfill is a challenge and is more of a challenge because we are in the middle of the Pacific. Unfortunately now, there are commodity price changes that is making it more of a challenge for anyone in the State or even nationally or internationally versus ten (10) years ago, say. Yes, I get your question and we can have further discussion when we hit Solid Waste Division.

Councilmember Chock: Thank you.

Councilmember Kagawa: I know when Keith left, I called Lyle and asked about the management and he said, "While Keith is out, myself and Mike will be in charge of the Solid Waste Division and we will answer all questions and we will manage the void that is left." During the budget, since we still have not hired that manager, can we expect Lyle and Mike answer these questions?

Mr. Rezentes: Yes. I can tell you that staff within that division has also picked up the pieces as best they could to fill the gaps and challenges that face them on a day-to-day or even contracting the Administration basis, working on what we need to do for the lateral expansion, and those types of things. Yes, definitely I think Mike and Lyle as well as the staff have tried to work together to get the job done. It is not ideal, but hopefully this is going to be short -ived and we are going to have someone in there managing the operation very soon.

Councilmember Kagawa: So, we will get answers. Okay.

Committee Chair Kaneshiro: Further questions from the Members? If not, I want to thank everyone. I think you folks have a heads-up on some of the bigger questions that Council is going to be asking Solid Waste, Adolescent Drug Treatment Facility, a bunch

of the OED projects, and so just giving you folks a heads-up that just because we finished early today, there is going to be a lot of discussion on those other items. We will be back here tomorrow and reconvene at 9:00 a.m., Friday, March 23rd, and we are going to hear from the Department of Public Works. We actually have the Department of Public Works and their CIP down for two (2) days, so tomorrow and Tuesday. The plan is to get as far as we can tomorrow, if we can finish, we finish, if not, then we still have Tuesday for the Department of Public Works.

There being no objections, the Committee recessed at 12:06 p.m.