

Office of the Prosecuting Attorney

Honorable Arthur Brun (*present at 10:30 a.m.*)
Honorable Mason K. Chock
Honorable Derek S.K. Kawakami
Honorable Mel Rapozo
Honorable JoAnn A. Yukimura (*present at 9:35 a.m.*)
Honorable Arryl Kaneshiro

Excused: Honorable Ross Kagawa

The Committee reconvened on April 10, 2018 at 9:02 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Good morning. I would like to call back to order the Budget & Finance Committee and the Fiscal Year (FY) 2018-2019 Departmental Budget Reviews. On the schedule today, April 10, 2018, we will be hearing from the Office of the Prosecuting Attorney, Transportation Agency, Housing Agency, and the Department of Liquor Control. As we do each morning, we will accept public testimony. Anyone in the audience wishing to testify?

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: We will suspend the rules and start with the Office of the Prosecuting Attorney.

JUSTIN F. KOLLAR, Prosecuting Attorney: Good morning, Arryl, Mason, Mel, and Derek. Justin Kollar, Prosecuting Attorney. I have with me, Art Williams and Jamie Olivas here as resource people this morning. Pursuant to our conversations with staff, we will forego doing a formal presentation and just go to questions as the Members see fit. Our budget is essentially the same as it is every year. Our budget is about ninety-seven percent (97%) salaries for our staff and employees plus benefits and things like that, so very little in the way of programming, et cetera. The one "ask" that we do have and it is not reflected in the initial Mayoral submission, but we are asking if the Council would consider, and I believe that it is justified by the numbers contained in the budget narrative, adding a Deputy Prosecuting Attorney position. I believe if Council will support that, I can work with the Administration on hopefully getting that included in the supplemental submission that comes up. That is the only ask that we have. It has been six (6) years that I have been doing the budget presentations for this Office and it is the first time I have come in to ask for a position. That is all I have and I will defer to any questions from the Committee.

Committee Chair Kaneshiro: Any questions from the Members? We have the presentation. We also have their write-up. I have a question. In your write up you talked about space limitations, I cannot remember, last year, did you folks try to rearrange space?

Mr. Kollar: Initially, there was some talk on the Administration side about rehabbing some space in the Pi'ikoi Building that we would be able to use to house our Victim-Witness program. My understanding is that those plans were shelved, so unfortunately we are still very maxed-out in terms of our space envelope. We have people doubling up in work spaces, et cetera. We are working with the Administration on hopefully locating some supplemental office space that might be in other administration

facilities, as well as potentially using Victims of Crime Act Assistance (VOCA) grant funding to look into leasing some space for the Victim-Witness program. That is the “Plan B” that we are looking in to at the moment. We are going to try to leverage that, get some additional space, hopefully without expending any additional County funds, but that is our priority for this year.

Committee Chair Kaneshiro: And the reason is Victim-Witness can operate without having to be at the building where you folks are at?

Mr. Kollar: It is beneficial to have the program located some place away from the Police Station. Sometimes our crime victims, especially if they have been through a traumatic situation, it can be difficult for them to want to come down to the Police Station and come visit with us in our offices. Even just coming into our offices, you got people in there that could be talking about other situations involving violent crimes and things like that that we do not necessarily want to expose our victims to. A lot of other agencies house their Victim-Witness services separate from their offices and we hope that we can do that as well as also locating it closer to other services. If it is over here in one of the County buildings, it could be closer to the State building and YWCA—co-locations of services can be very beneficial, so they do not have to be running all over town to get the services they need.

Committee Chair Kaneshiro: That is the only question I had. Councilmember Chock.

Councilmember Chock: The need for the position and one of the things you said is a challenge is that you have an increase in drug cases, specifically. So, this position will help to address the need to answer those drug cases.

Mr. Kollar: The position would go into Circuit Court felonies, which would include drug cases and also property crimes. Over the years, crime has not increased dramatically on Kaua‘i, in fact, in a lot of categories crime is at pretty low levels. Violent crime and things like that is a pretty low level on Kaua‘i, but over the years we have seen the drug cases creeping up and up and up and it is taking more and more of our resources especially as we work harder to ensure that these cases go into pretrial diversion and treatment programs. They have become a lot more labor intensive than it used to be because we are doing more hearings, more status reviews, there is more mental health cases that are requiring multiple hearings. If somebody is in Drug Court, they could come up for a hearing every week or two. If someone is in a Mental Health Court as a result of their substance problems, they could be coming up for review hearings more frequently, so it takes more and more hours from staff to manage those cases. The drug cases, you can look at the narrative and see how they increased over the years. We are seeing more and more heroin and opioid cases on Kaua‘i. Methamphetamine (meth) problem remains at a high level, and so we are just trying to do all we can to attack those cases and getting those folks...whether there is somebody that is an addict that needs treatment, you know, can we get them into Drug Court or some kind of probation/supervision situation where they are getting the services they need. If it is a case involving a drug dealer that we are going to have to go to trial and be seeking extended prison sentences.

Councilmember Chock: That is what I wanted to get my head wrapped around in terms of our plan to try to address this big issue. Are we looking at the need to just really do the low offenses rather than looking at really trying to bring this extra energy on in order to address the root problems? I know it is a coordinated effort.

Mr. Kollar: Prevention programs are not necessarily within our *kuleana* as an office, but we do work closely with Theresa Koki in her office, there are several different committees that we participate in, in terms of making sure we are all sharing our best practices and sharing what we are seeing on the ground whether it is the Police, the prevention, programs that Life Choice's Kaua'i runs, and the programs that Hale Opio runs. We all get together and make sure we are sharing our information so that if we are seeing a particular trend, we can talk to the other providers about what they are doing and make sure we are coordinating our responses to this program. It is something that goes beyond law enforcement. It goes into the schools, it goes into the very roots of the community in terms of really trying to prevent these kids from getting into the drug problem. By the time they get into that life and by the time they start getting in trouble with the criminal justice system, it is going to be incredibly difficult and expensive to get them back out of that life. It really is all about the prevention. On our side, what we can do is enforce the law and hopefully through our enforcement mechanisms get people treatment, help, and support so they can regain their status as productive member of the community.

Councilmember Chock: How are we getting to the sources of distribution and is that part of this coordination of bringing in more staff?

Mr. Kollar: Yes. On the enforcement side, over the past couple of years, we have really forged deeper relationships with the investigators on the Kaua'i Police Department (KPD) side who work the Vice cases, as well as our federal partners in Honolulu. The new United States (U.S.) Attorney Kenji Price, has made reinvigorating the project Safe Neighborhoods Program a priority for his office as directed by the U.S. Attorney General. We have been working with them. They have indicated that they want to start taking on more and more complex cases. We are working with the Police in setting up potential wiretap operations so that we would have the capability to really do deep interdiction on the dealers who are bringing the drugs to the island. Letting those folks know that we have the technology, the means, and the resources to track them and to develop these complex investigations so that we can take them down. Although that particular operation is not up and running yet, that is going to be an incredibly labor intensive operation as well on both the Police side and the Prosecutor's side. Once you go live with a wiretap, that is multiple staff members being devoted full-time for that investigation for weeks, if not, months. Yes, those are some of the things that we are doing.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: Since the enactment of the Justice Reinvestment Initiative (JRI), has that impacted your budget and have we actually seen any positive results? There seems to be some mixed reviews in Hawai'i. How has it impacted your office?

Mr. Kollar: The JRI initiative to us kind of flamed out. That was an initiative of Governor Abercrombie's and there was some talk about, "Okay, how can we move away from mass incarceration; how can we move away from the use of private prisons in Arizona; how can we refocus the efforts of the criminal justice system on being more reform minded." The problem was that the State did not really provide the resources to back that up. They came up with reports and they had (inaudible) foundation and do a report, but then they did not give us the resources to back that up. They were talking about giving us twenty thousand dollars to forty thousand dollars (\$20,000 - \$40,000) a year and then forcing us to do monthly reports in support of that money that was going to take about

twenty percent (20%) of that budget, just to keep up with the reporting requirements. It was not going to be a recurring annual thing, it was just going to be a “Well, maybe this year you will get twenty thousand dollars (\$20,000), maybe next year you will get thirty thousand dollars (\$30,000), and then the next year, who knows.” So it was difficult, not just for our office, but I think for the offices across the State to really buy into that program not knowing that the State was going to be there to support them on their side. Unfortunately, JIR was well intentioned and had good motives behind it, but it seems to have stalled out.

Councilmember Kawakami: The State is not continuing to pursue it on your end as far as the reporting and funding, it is just sort of fizzled, right?

Mr. Kollar: It has kind of fizzled. The State does provide some funding to some of the larger agencies. I know Honolulu Prosecutors and Big Island Prosecutors, they have some support staff that do get funded through that program, but for what they wanted to give us, it was not going to be enough to even fund one (1) position. The requirements that they wanted to add on to that money made it essentially senseless to take advantage of it.

Councilmember Kawakami: So, it was not an unfunded mandate, it just seems to be optional, from what I am hearing.

Mr. Kollar: It was not a mandate. They did not come in and tell us, “We have to do all these things,” but they said, “If you want this money, this is what you have to do to get it.” It turned out to be a very small pool money with a lot of strings attached to it.

Councilmember Kawakami: They originally modeled this after Texas.

Mr. Kollar: Yes.

Councilmember Kawakami: And Texas is making it work.

Mr. Kollar: Texas has done some smart things with criminal justice reform. I think Hawai'i, if we can get some consistency from Honolulu in terms of follow-through on these things from Department of Public Safety, Judiciary, Probation; our partners on that side, then I think there are smart things we can do. We are participating as part of a Pretrial Bail Reform Task Force right now that was convened by the Legislature, they passed a Resolution HCR 134 last year convening this task force to look at how can we make sure that in terms of our pretrial incarceration we are locking up the people that need to be locked up to protect the public versus people who just do not have the money to post bail. We spend a lot of money on the State's side housing people in prison who have not been convicted of crimes. That is a potential opportunity for reforms—can we save money on the State's side that way, so we are looking at a lot of models. New Jersey has done some very smart things in this regard, the federal system seems to have good results, although they deal with a slightly different offender base. If the State can be consistent in terms of adopting the recommendations that the task force ends up recommending, and we are still in the fact finding phase, if they can pass those reforms, if they can implement them and follow through on them, there are really good things we can do as a community in terms of reforming the way we do our criminal justice programs.

Councilmember Kawakami: Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Thank you for being here. I just have one clarifying question on Slide Number 4 on the position update. The second from the bottom, the Administration Officer, you have a Position Number of 2822.

Mr. Kollar: Yes.

Council Chair Rapozo: But the text in the budget is showing 2801. Is that a typographical error or are you planning on...

Mr. Kollar: No...

Council Chair Rapozo: You have a Senior Clerk.

Mr. Kollar: It is a typo.

Council Chair Rapozo: Okay. 2801 is the correct number?

Mr. Kollar: Your position is 2801, Art?

ART WILLIAMS, Administrative Officer: Yes.

Council Chair Rapozo: Okay.

Mr. Kollar: Yes, that is a typo.

Council Chair Rapozo: Okay, no problem. That is good, actually.

Mr. Kollar: Yes.

Council Chair Rapozo: Are you still seeking the Legal Clerk III?

Mr. Kollar: The Legal Clerk III is the one that is attached to the Drug Nuisance Grant. That position is still vacant. We have not been able to hire into that position, because we do not have a desk to put that person on.

Council Chair Rapozo: It is showing that it is new position.

Mr. Kollar: Which position is that, Jamie?

Council Chair Rapozo: Legal Clerk III. The last position on the actual.

Committee Chair Kaneshiro: Page 35.

Mr. Kollar: We did not include any new staff positions in the budget.

Council Chair Rapozo: That is in there.

Mr. Kollar: What is the position number?

Council Chair Rapozo: There is no number yet because it is brand new.

Mr. Kollar: That must be the one that was attached to the Drug Nuisance Grant. Does that have a funding item attached to it?

Council Chair Rapozo: No.

Mr. Kollar: Yes, that is the grant funded position. That is just the vehicle in case we get the money.

Council Chair Rapozo: Okay. Thank you.

Committee Chair Kaneshiro: Any further questions for the Prosecuting Attorney? If not, thank you.

Mr. Kollar: Thank you.

Committee Chair Kaneshiro: I think the Transportation Agency was told to come at 9:30 a.m. We will take our ten (10) minute caption break right now.

There being no objections, the Committee recessed at 9:20 a.m.

The meeting was called back to order at 9:30 a.m., and proceeded as follows:

Transportation Agency

Committee Chair Kaneshiro: Up next, we have the Transportation Agency. Celia, do you have a quick presentation or are we just going to go straight into questions? Let us go through the budget line items and as you have questions, we will take them. The first budget is the General Fund Small Equipment. What is this General Fund money for and then how come the salary allocation went down?

CELIA M. MAHIKOA, Executive on Transportation: Celia Mahikoa, Executive with the Transportation Agency. The small equipment repairs for the County are handled by our agency at the moment. Therefore, these line items all related to that subgroup within our operation, which the last FY included two (2) mechanical repair workers. One's employment was terminated during this current FY and therefore, each time we have a team member leave, we do an overall assessment as to how best to structure or restructure. At that point, we were able to determine that it would be much more practical to have an individual who is able to work on transit as well as small equipment as needed, depending on the demand at that point in time. This second position that was in there was reallocated to a mechanic helper for right now to help support the entire shop operation rather than just small equipment. Therefore, it was moved into the 4502 division, which is transit operations.

Committee Chair Kaneshiro: They are fixing equipment for like the Parks Department and Roads or something?

Ms. Mahikoa: Yes. All of the small equipment, so all of the weed-whackers, the smaller lawnmowers, generators, and items of that sort are handled by our agency.

Committee Chair Kaneshiro: The priority is Transportation first and then the small equipment?

Ms. Mahikoa: No. We have the separate section for small equipment, so as their items are coming in, they are being addressed by the mechanic who is there and we have field operations clerks who handle all of the Parks procurement and tracking the work orders. We also have dedicated mechanics to the transit side of our operation, however, we like to have...this one individual who is listed within 4503 is dedicated to small equipment, however, we would like to have more flexibility involved in just about every position that are able to allow for as demand increases in different areas, we are able to utilize their skills as such.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I am a little concerned because the complaints we hear is that small equipment takes forever to get fixed. I am not sure what qualifies as a small equipment. I think it is the mowers, the weed whackers, and that is one of the biggest complaints that I get from Parks, from our park caretakers is that this stuff goes in the shop and it never comes out and it takes forever. I am just wondering how is one (1) person going to take care the entire fleet of small equipment for the County? I am not sure what the numbers are.

Ms. Mahikoa: When our individuals are able to be in and working forty (40) hours a week, they are able to maintain it. There have been quite a few challenges that we have encountered when the individual needs to be out for different reasons. We see that there is a slowdown in the number of pieces of equipment that are turned in and I am not certain if that is simply because they are not wanting to drop them off because the mechanic is out, at which time we have been working with having these jobs done within small business and having purchase orders created in order to get the work done. Bottom line is, we know that the equipment needs to get repaired. I was not aware that there were complaints that there was a slowdown in production, that is the reason why this operation was moved to our agency, was because of the efficiencies that we had lent in being able to get equipment repaired promptly and back out. I will certainly be following up to find out what the issue is.

Council Chair Rapozo: I am not even sure why it is even in your Division. That makes absolutely no sense to have small engine repair in the Transportation Agency. That makes no sense. That should be with the shop and the rest of the mechanics. We will follow-up as well, but that is what I heard. I am sure the other Councilmembers have heard the same thing, with the small equipment especially, the mowers. We have a problem with the mowers.

Ms. Mahikoa: Okay.

Council Chair Rapozo: I am not sure if it is too much of a hassle to get it to Līhu'e, but I am not sure and that is what I heard. I am concerned now because when this person goes on vacation, we do not have a small engine mechanic.

Ms. Mahikoa: That is why we want to lend the flexibility of the other positions within our operation, but I will certainly follow-up because I was not aware that there was this issue again. Thank you.

Committee Chair Kaneshiro: How come that position is in the Transportation Agency? Is it because you folks have space for them to be doing the work? It seems like it would be something that would fall under the Parks Department.

Ms. Mahikoa: It was under the Parks Department. They were experiencing some challenges and it was therefore moved to the Transportation Agency to address that. It appears that based on the feedback that you are getting that it is now become an issue again and therefore we will need to follow-up on that.

Committee Chair Kaneshiro: Does the Transportation Agency have any equipment that they are working on?

Ms. Mahikoa: Any small equipment?

Committee Chair Kaneshiro: Yes.

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: Oh, the Transportation Agency does have small equipment that this position works on also?

Ms. Mahikoa: Oh, for our Agency, small equipment? Maybe a generator, but that is about it. For the most part, our mechanics are most exclusively on transit buses and a couple of service vehicles that we have.

Committee Chair Kaneshiro: I am under the same impression. I do not understand why this position is in the Transportation Agency.

Ms. Mahikoa: Yes.

Council Chair Rapozo: It may have been for space, but at the end of the day, it is just not practical. Eighty percent (80%) of the work is done for the Parks equipment, right? I am sure you have the numbers.

Ms. Mahikoa: For the most part, yet.

Council Chair Rapozo: I do not know how many of these work orders are generated every year, but I would guess that eighty percent (80%) to ninety percent (90%) of them are for the Parks Department. We will follow-up as well with the Parks Department.

Ms. Mahikoa: If we are looking at space, we are maxed out as well. If that was at one point an advantage we had, that no longer exists.

Committee Chair Kaneshiro: Any other questions for General Fund small equipment? If not, we will move on to Administration.

Councilmember Yukimura: Is it the Transportation Agency's desire to move that out?

Ms. Mahikoa: The Transportation Agency's desire is to do what is best for the County overall. I have a very limited scope as to what is best for the overall operations of equipment and vehicles repairs. I certainly would want to maintain having our buses kept being maintained at our facility, however, it lends significant challenges having this operation there, but I will carry it out as necessary.

Councilmember Yukimura: If it moves though, what will the impact be on your Agency's mission?

Ms. Mahikoa: It will provide us more working area for our shop. We are currently dealing with some difficulties because of space constraints and it removes some of the complexity of allocating certain types of funds that are directed just for transit use; federal funds, our highway funds, the GET funds, now are specifically more so for transit and roads versus having this operation in our agency. It makes it just a bit more complex.

Councilmember Yukimura: Do you have small equipment needs? Do you utilize that division for your purposes as well?

Ms. Mahikoa: No, we have not had that need thus far.

Councilmember Yukimura: Okay. So you do not use that division at all?

Ms. Mahikoa: For carrying out transit?

Councilmember Yukimura: Yes.

Ms. Mahikoa: No.

Councilmember Yukimura: Okay, thank you. Did you want to say something?

WALLACE G. REZENTES, JR., Managing Director: Wally Rezentes, Managing Director. My understanding is the change to put it under Celia's operation was about three (3) or four (4) years ago.

Councilmember Yukimura: I remember that, yes.

Mr. Rezentes: About four (4) years ago. And as you know, the Transportation Agency, up until this proposed budget year was generally funded. The mechanics were also general funded. At one time, I believe it was under our highways crew, so we felt it more appropriate that the funds to support the small equipment come from the General Fund. I think at one point in time, Celia's operation had more space than it has versus today, but the bottom line is that no matter where you place it, it is going to be coming under physical constraints of having enough of a building overhead to support the small equipment. I cannot say right now if it is better to house it...be physically housed under the Transportation Agency or in Lihu'e where it was at one point in time. That is something we need to look at if there was going to be any changes. I do believe that if we can afford Celia's operation to have the flexibility in utilizing the mechanic, that position on both small

equipment as well as buses, that is the ideal situation where you can cross utilize them as the need arises.

Councilmember Yukimura: Okay, but I just heard the Executive say that they do not use that division at all.

Mr. Rezentos: Yes, I believe if you can...it is a matter of funding source, too, right? Right now the mechanics would be...if the mechanic had the ability to cross-utilized better between the two (2) sides.

Councilmember Yukimura: It is a matter of job costing. You put down your time. We do this everywhere.

Mr. Rezentos: It is how we fund it, too, right? It is how we fund it on both sides. Whether it would be GET and General Fund, so we would need to work that out.

Councilmember Yukimura: You can do that by job costing, right?

Mr. Rezentos: In the budget, maybe. If we can estimate 70/30.

Councilmember Yukimura: I thought it is zero? From what I heard, it is zero.

Ms. Mahikoa: That has been the reality of it, thus far. Ideally, we would like to define them as flexible, but the reality of it has been, that one position has been strictly for small equipment.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Because I think the need for small equipment repair is vast. I cannot sit here and believe that one (1) person can handle all the small equipment repair for this County. I cannot buy that, I just cannot. There is no way. Of all the mowers, all the weed whackers, all of the Parks equipment—one person? And when that person is out, the job is backed up. You know what is really interesting is when someone is scheduled to be on the mower today and that mower is unavailable, no work. There is no production. This is not directed to you because I think you are being very honest about the use of this person and if in fact you need more resources for the buses, then...do you want to recess to discuss this? The bottom line is if you need resources for bus mechanics then you need to ask, but a small engine mechanic is not a bus mechanic. That is two (2) separate trades. The small engine mechanic should really not be working on a bus. Likewise a bus mechanic should not be working on a lawnmower or weed whacker.

Ms. Mahikoa: However, there are some areas where certain duties will parallel within the mechanic field. For the most part, the skill levels are different, but there are a few areas where there is a duplication.

Council Chair Rapozo: We talk about our parks and the condition of our parks and we need to improve the condition of our parks, but we are taking away a position for the tools and resources that these folks use. I am not sure whose decision that is, but I would ask that you folks reassess that because I know what I am hearing from the workers.

Some of these workers are not going to say anything because they are afraid or whatever, but the bottom line is, I hear it and I am sure the others are hearing it as well.

Ms. Mahikoa: It lays a lot deeper than simply equipment not being turned around. We do observe quite a few other issues that are called to the attention of the supervisory staff: items sometimes not being brought in, items that appear to be maybe not maintained well, and therefore, it does add to the workload. There is far more to the picture than it is being presented to you.

Council Chair Rapozo: Let us take away the damage, let us say the misuse or whatever, let us just take that away. Just the normal maintenance, the oil changes and the normal routine maintenance of every park equipment in this County, that in and of itself in my opinion is much more than one (1) employee. That one (1) employee that is entitled to his vacation and his time off.

Ms. Mahikoa: Based on what we experienced, it was working.

Council Chair Rapozo: Okay.

Ms. Mahikoa: In the initial transition to our Agency, but various things happened that make it rather difficult to maintain an acceptable level.

Council Chair Rapozo: Yes, because the equipment is not being maintained at the sites and I understand that. We see them back here. I guess that is another discussion, but when the equipment is broken, we have to fix it. We deal with the personnel issue, whoever broke it, the supervisor can deal with that, but as far as the County's responsibility for making sure that the equipment is out and running so our people can do the work, one (1) person for the entire County—I find it very difficult to believe. Thank you.

Committee Chair Kaneshiro: I guess for me if with the Supplemental Budget, you can re-evaluate where this position would be best, I do not think it is fair to have it under Celia when it is all Parks stuff that is going there. I think Parks should manage where their equipment goes and who is taking care of it and then they can prioritize what equipment needs to be done first. I do not think it should have to fall on Celia, especially if she is not using the position. I am sure in the past when we had two (2) positions, they had enough time to work on bus or something else, but with one (1) person left...

Mr. Rezendes: You are right. At one time, there were two (2) in that function and Celia correct me if I am wrong, but I believe it was moved from the small equipment side to the bus maintenance side, is that correct?

Ms. Mahikoa: On the books, yes, and the individual was fully expected to be supporting mechanics on both sides.

Committee Chair Kaneshiro: For us, we want the best utilized positions. If the equipment is keeping them busy and they can work on buses, I would love to have them work on buses, but again, where should it be? Where is the best use of that position?

Mr. Rezendes: We can re-huddle and relook at it for our May 8th submission.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Who manages the equipment repair person?

Ms. Mahikoa: We have a working supervisor in the shop and then our transit safety specialist, David, manages the entire repair shop operation.

Councilmember Yukimura: So, it is people who are being paid out of the bus funds, whatever they may be who are supervising a person who is doing parks repairs?

Ms. Mahikoa: Based on the proposed FY 2019 funding shifts, yes. These positions were in General Fund prior the Administration Operations Management positions and are currently in this FY.

Councilmember Yukimura: That is why the best solution might be to use General Fund moneys for certain positions because then they would be applicable to all functions.

Committee Chair Kaneshiro: Is there a question?

Councilmember Yukimura: Yes, is there a Human Resources solution to this?

JANINE M.Z. RAPOZO, Director of Human Resources: Good morning, Janine Rapozo, Director of Human Resources. Just a little bit of history about the movement of that. The intent was at that time is that they were part of another operation and it seemed like we would be able to be more efficient by using cross-utilizing a lot of the positions with bus to help them with their repair shop. Unfortunately, due to several issues, I do not think Celia has ever really had two (2) people at any one time working in the shop, even if two (2) positions were allocated for the small equipment, due to personnel issues. Really I think this budget, the intent was to move it back, one to bus. She has made it clear to the budget team that the position will be doing, if we put it in bus and they help with the small equipment, that is going to be problematic if it is funded under GET. We were looking at how to fund that either how we did it in Highways where we would pay back the GET with General Funds. We are already aware of that and we were going to make some changes in the May 8th budget as far as the positions that have to go in both areas.

Councilmember Yukimura: So that kind of analysis is underway.

Ms. Rapozo: Yes.

Councilmember Yukimura: Okay, great. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: In the current FY, we have two (2) small engine mechanics, right?

Ms. Rapozo: That is correct.

Council Chair Rapozo: I am looking at the budget now, there is one (1) for the small equipment maintenance, there is just one (1) position now that is a mechanical repair worker? So, there is no more small engine...

Ms. Mahikoa: It is now mechanic helper. If you look in the 4502 division, which I believe has been moved to...

Committee Chair Kaneshiro: It is on page 292. Position 1969.

Ms. Mahikoa: Yes.

Ms. Rapozo: There was a total at Transportation Agency of six (6) mechanical type of positions. There were some reallocations done to lower some of the levels. She did lose some mechanics due to retirement and so in order to recruit, there was some difficulties, so we lowered some of the levels. At the end of the day, she still has six (6) mechanics, it is just budgeted one (1) in the small equipment and now five (5) in bus. However, something that we need to look at because the five (5) that are in bus are actually under GET now, so it might make more sense to move it to General Fund where they could then still work on bus versus vice versa.

Council Chair Rapozo: Right now, we do not have a Small Equipment Mechanic, like we used to. We have two (2) now and in the next FY, we will have zero?

Ms. Mahikoa: We will have one (1), plus two (2) Mechanic Helpers that will be able to work on both sides.

Ms. Rapozo: If you are talking about the level, there is only a mechanical repair worker now in the new budget, in the small equipment...

Council Chair Rapozo: What is it called now in the current budget?

Ms. Mahikoa: Two (2) Mechanical Repair Workers.

Council Chair Rapozo: So, you had two (2) Mechanical Repair Workers.

Ms. Mahikoa: When we attempted to go out for recruitment at that level as well as Heavy Vehicle Mechanic I position, we were unable to get individuals in who were qualified. Therefore, we had it reallocated to Mechanic Helper.

Council Chair Rapozo: I am assuming you folks keep track of how many jobs were assigned to the mechanics in your shop, for the small engine and small equipment.

Councilmember Yukimura: I have a question.

Council Chair Rapozo: We will send that question over.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Ms. Rapozo, I did not understand what you said, you have five (5) mechanics in the bus division now.

Ms. Rapozo: In the upcoming budget FY 2019.

Councilmember Yukimura: Under GET.

Ms. Rapozo: Correct.

Councilmember Yukimura: Why would you want to put them in General Fund, do they not just do all bus?

Ms. Rapozo: What we have currently, we have four (4) and two (2) right now.

Councilmember Yukimura: Four (4) bus.

Ms. Rapozo: Four (4) bus, but they are all General Fund right now in the current year, so it does not really matter. In the upcoming budget if we are going to move some to GET, it would make more sense, maybe, something we need to look at to maybe put the resources in the General Fund so they can work bus versus, "You cannot have this one work the other way."

Councilmember Yukimura: Right. So, you were just talking about the mechanic...the person that is assigned to small mechanic jobs.

Ms. Rapozo: Correct. Right now, we changed it to five (5) and one (1), but funding wise, it was all the same the current year.

Councilmember Yukimura: It did not matter.

Ms. Rapozo: So, it did not matter, but now it is going to matter, so that is something we all need to look at.

Councilmember Yukimura: Yes. I understand. Thank you.

Committee Chair Kaneshiro: Any other questions for this General Fund position? Okay, we will move on. Yes, with General Excise Tax, Highway Fund, General Fund, if you can just let us know. For me, I thought General Excise Tax and Highway Fund is one in the same. They are for transportation items, so I was under the impression that mechanics that work on buses would clearly be covered by GET, but let me know how you rearrange it. Councilmember Yukimura.

Councilmember Yukimura: I think the problem is for parks maintenance, which is not transportation related to use GET moneys or Highway moneys. That is the problem.

Ms. Mahikoa: And the management of those staff as well.

Committee Chair Kaneshiro: So you are saying that some of your Heavy Vehicle Mechanics do parks work?

Ms. Mahikoa: No.

Committee Chair Kaneshiro: It is clear.

Ms. Mahikoa: The one that would come into play as we are proposing would be the Mechanic Helper positions, whereas they would be expected to fill in as needed as the demand fluctuates.

Councilmember Yukimura: As funded by GET, they cannot be used for parks. That is the dilemma.

Committee Chair Kaneshiro: Okay. We will move on to Highway Fund Administration. Councilmember Yukimura.

Councilmember Yukimura: I think this comes under Administration. I have a question about the Short-Range Transit Plan, if I may ask that? In your budget narrative, you say that "the Short-Range Transit Plan and Transit Feasibility Study were integrated into one document. The final draft has been completed and a comprehensive review is being conducted to be completed by May." So, we do not have a completed short-range and feasibility study document that we can say is done?

Ms. Mahikoa: Depending on how you define done. The consultant has completed the document. It is simply at a point where our administrative team is reviewing it and just providing just, "Okay, there is nothing further that needs to be addressed," and/or they want to look at other areas that may need to be refined.

Councilmember Yukimura: I have been waiting for the completed Transit Feasibility Study and I know there were a lot of small things that had to be reconciled, so that the whole thing would be finished and completed. I am confused that it is not yet done.

Ms. Mahikoa: I am sorry. It is held up...I will take full responsibility for it not getting the final go.

Councilmember Yukimura: When is it going to be done?

Ms. Mahikoa: By the end of this month was our goal.

Councilmember Yukimura: Okay, that is good to hear. It mentions the North Shore and South Shore transit. I think it is talking about the feasibility for North Shore and South Shore, you are really talking about the circulator or shuttle systems, right, for North Shore and South Shore. As I recall Līhu'e, west side, and Wailua/Kapa'a were going to be in there too, shuttles for those.

Ms. Mahikoa: That was part of the integration. Why we found it more feasible to integrate the two (2) plans was because one was dealing specifically with North and South Shore and the Short-Range Transit Plan was dealing with everything else. We felt that it would be much more reasonable to have an integrated plan that would address all areas.

Councilmember Yukimura: Okay. I am concerned that only North Shore and South Shore are being mentioned here, but if you are also including Wailua/Kapa'a, if the transit plan is because I think now that funds are available, we need to go into implementation of those shuttle systems. Rice Street revitalization requires it,

Kapa'a/Wailua traffic is more terrible than ever, and I think these shuttles are going to play an important role in addressing both parking in Līhu'e and traffic congestion in Wailua/Kapa'a. I am eager to see the plan done, so we can move into the implementation phase, but you are saying that this plan will be completed for us to all look at and refer to by the end of this month?

Ms. Mahikoa: I am not going to expand on the statement that much, but our goal is to have the completion, the review completed by the end of the month. If we have to ask them to make a couple of fine tuning items, I would give them several weeks to carry that out.

Councilmember Yukimura: I do not anticipate that. If they are true to what was discussed during the discussion of the Short-Range Plan...

Ms. Mahikoa: Yes, and they are doing their best as well to work with us on that.

Councilmember Yukimura: They did an excellent job up to the time we adopted it, but I have never seen a plan take that long to finalize.

Ms. Mahikoa: Yes, I am sorry.

Councilmember Yukimura: Because we adopted it November...

Ms. Mahikoa: I do not know the exact date.

Councilmember Yukimura: So, it is coming on six (6) months. Okay.

Committee Chair Kaneshiro: Any questions? I see in the automobiles budget, we have six hundred fifty thousand dollars (\$650,000), that is for buses?

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: And that is according to the plan you have replacing buses.

Ms. Mahikoa: It is a portion of what is needed, yes.

Committee Chair Kaneshiro: What is MPET software?

Ms. Mahikoa: The County recently enacted a maintenance work order software program within the...I believe Parks led the initiative. It has been activated for the County for any work orders, requests that we have, to be using this system, and what we did was work with the Parks contacts and the software developer to see if we are able to use additional features on this program that are already active in County to assist us with our repair shop, work order systems for our buses, as well as some inventory management. That is what we are wanting to do is to capitalize on the County's existing investment in order to just add on a couple of extra features and make it useable for our operation.

Committee Chair Kaneshiro: Because it is a system that the auto shop uses also?

Ms. Mahikoa: I do not know if the auto shop uses it. I know we key in work orders, things we need done at our facilities or passenger shelters out on the highways.

Committee Chair Kaneshiro: Okay. Any other questions?

Councilmember Yukimura: Yes. Because it would seem that they are trying to produce the same type of work orders, right, the bus mechanics and auto shop folks would be almost doing the same thing, right?

Ms. Mahikoa: Right, they are not. I do not know why, but they have not activated that for their operation yet.

Councilmember Yukimura: We are on operations, right?

Committee Chair Kaneshiro: No, we are on Highway-Administration.

Councilmember Yukimura: What page is that?

Committee Chair Kaneshiro: Page 281.

Councilmember Yukimura: You are using all the Highway Funds to fund Administration? Is that how you are allocating it?

Ms. Mahikoa: Yes.

Councilmember Yukimura: And then the bus operations are using the GET.

Ms. Mahikoa: 201 is Highway, I believe, is that correct? Administration is in Highway and I believe 202 is GET and therefore operations is within GET.

KEN M. SHIMONISHI, Director of Finance: Ken Shimonishi, Director of Finance. The operations is currently split between both the Highway Fund and GE Tax Fund.

Councilmember Yukimura: Okay.

Mr. Shimonishi: We started actually splitting out the operations or roughly fifty percent (50%) of the bus drivers' salaries from the General Fund to the Highway Fund a couple years ago to help alleviate some of the pressure on the General Fund. We kept that, but now with the GE tax, we have then also pulled over most, if not all, of what was in General Fund for operations to the GE Tax Fund as well as any bargaining increases and all of that as well. At the same time, we moved the administration from General Fund to GE Tax Fund. Earlier in the discussions there may be some need in the May Supplemental submittal to push some of that allocated cost for the administration back into General Fund, because they are managing that small equipment component as well as some portion of the mechanic helper back into General Fund. That is in the GE tax side because they do cross work and the small equipment as well.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: We will move on to operations.

Councilmember Yukimura: Congratulations on the great work on the bus shelters and thank you to this Council and also to the legislature for funding it. The implementation has been really exciting as we see the shelters pop up and people have shelter from the sun and rain, especially our elderly have a place to sit. It is all really a great improvement. Your agency did very well in implementing it working with the different community groups too. It was a lot to orchestrate.

Ms. Mahikoa: I would also like to acknowledge Public Works.

Councilmember Yukimura: Yes, you are right. It really was a cross team effort.

Ms. Mahikoa: Thank you.

Councilmember Yukimura: I want to move to your narrative on the weekend service. You say here that funding for implementation of several priority changes is being quantified through a run cutting effort currently underway with the Short-Range Transportation consultants. How much money is expected to be saved through these efficiencies in order that we have weekend service?

Ms. Mahikoa: I do not have a dollar amount to provide you in response to that question however discussions with the consultants, they strongly believe that the results of the run cutting and efficiency identification within our operation would be able to provide what it takes to expand the weekend services, the recommendations that they made for taking it to hourly and later service for weekends.

Councilmember Yukimura: Okay. If we did not do any run cutting and we just added weekend service, how much would it cost?

Ms. Mahikoa: I can get that figure to you.

Councilmember Yukimura: Would you, please?

Ms. Mahikoa: Sure.

Councilmember Yukimura: I want to talk about paratransit, but if somebody else wants to talk about something else, they can go first.

Committee Chair Kaneshiro: R&M vehicles, is that for buses also? Three hundred fifty thousand dollars (\$350,000).

Ms. Mahikoa: That is exclusively buses, yes.

Committee Chair Kaneshiro: The six hundred fifty thousand dollars (\$650,000) in the administration for automobiles.

Ms. Mahikoa: Replacement.

Committee Chair Kaneshiro: In total, it is one million dollars (\$1,000,000) in bus replacements.

Ms. Mahikoa: Repair and maintenance and replacement, yes.

Committee Chair Kaneshiro: Oh, R&M vehicles, I am sorry. I answered my own question. Just the replacement of vehicles is six hundred fifty thousand dollars (\$650,000).

Ms. Mahikoa: Replacement of some.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: On the paratransit service modifications based on the Short-Range Transportation Plan recommendations, you are projecting that it will take about two (2) years to implement.

(Councilmember Brun was noted as present.)

Ms. Mahikoa: Realistically, yes.

Councilmember Yukimura: Do you have a timetable for that process?

Ms. Mahikoa: Detailed timetable, no. We are currently recruiting for a Paratransit Manager for our agency to help us carry out what is needed. We are hoping that it will be successful within the last month or two (2). From that point, we would need to work together with this individual, all of us get up to speed on exactly what needs to happen based on the recommendations provided, and carry them out. It is going to involve an extensive amount of public consultation with the stakeholders and the individuals who are going to be impacted by the proposed changes. I am not going to say, "Yes, we can pull it off in six (6) months or a year," I think just to be realistic to get all if not most of the changes that are being recommended. I am given a ballpark figure of two (2) years.

Councilmember Yukimura: So, you do not have a Paratransit Manager right now.

Ms. Mahikoa: No.

Councilmember Yukimura: Is that vacant position?

Ms. Mahikoa: It was reallocated from a Clerk Dispatcher that was vacated. We felt that priority wise we needed these actions to be carried out for the long-term success of transit on island needing to more effectively manage the paratransit portion of our operation and therefore we were able to get the position reallocated and then went through the recruitment process, we are not at...we are hoping at the tail-end of that process right now.

Councilmember Yukimura: Actually, you folks have been operating without a separate Paratransit Manager—you have had somebody that has been managing the whole system, both the regular routes and the paratransit system?

Ms. Mahikoa: For the most part, we have our operation side who manages. We have Bill back here who manages our drivers and has managed our dispatcher team up until recently. The paratransit section has been basically processing applications and assessing the ability for our vehicles to access certain locations. It has been extremely, how should I say it, we have been processing the applications, but there has not been very strict application of whether or not individuals are truly qualified or not. Therefore, it has resulted in a generous amount of service being provided that there could be better ways to serve certain individuals through fixed route service or other options. That is ultimately what we need. We are seeing that we need a professional level individual who will be able to assist us and carry out what is needed. It is not an easy task to carry out.

Councilmember Yukimura: Yes, if paratransit was mainly processing applications or if the job was viewed as that, one can see that it is much more in terms of managing the routing, the drivers, and some of the modifications to who gets what service within the paratransit community.

Ms. Mahikoa: That and dealing with the public, communicating with those that we serve and ensuring that we are all on the same page as far as the purpose of the service as well as being able to effectively service many as possible.

Councilmember Yukimura: It is clear to me that you need a Paratransit Manager. I am amazed at my own ignorance that I did not realize that you did not have such a position, but it makes a lot of sense given the recommendations of the Short-Range Transit Plan and the direction that you have to move in, that you will need a manager. Are you in the process of recruiting?

Ms. Mahikoa: Yes.

Councilmember Yukimura: When do you expect to have that position filled?

Ms. Mahikoa: I am hoping by May 1st.

Councilmember Yukimura: It is well underway.

Ms. Mahikoa: It is not sealed yet.

Councilmember Yukimura: Okay, thank you.

Committee Chair Kaneshiro: Any other questions for Operations, Highway Fund.
Councilmember Yukimura.

Councilmember Yukimura: You have here a paragraph on electric bus opportunities.

Ms. Mahikoa: Yes.

Councilmember Yukimura: Saying that among the four (4) Mayors there was a goal to convert City & County operated vehicle fleets to one hundred percent (100%) renewable energy by 2035 and that one of the opportunities is converting our bus system to electricity. Indeed that was one of the issues highlighted in our Multi-Modal Transportation

Plan, which showed that thirty percent (30%) of our budget right now is fuel or is it fifteen percent (15%).

Ms. Mahikoa: Of the Transportation Agency budget?

Councilmember Yukimura: Yes.

Ms. Mahikoa: Probably close to about ten (10).

Committee Chair Kaneshiro: Seven eighty, I think you have in the budget.

Ms. Mahikoa: Yes, that is probably about ten percent (10%) of operations.

Councilmember Yukimura: Ten percent (10%) of operations.

Ms. Mahikoa: Overall.

Councilmember Yukimura: But it is mainly gas and diesel.

Ms. Mahikoa: Right.

Councilmember Yukimura: So if the price of gas or diesel were to double, it would jump to a twenty percent (20%) operating cost and that leaves us very vulnerable in times of fuel increases, which is predicted to happen in the next twenty (20) years. It is great that we are looking at it. One of the key charges of the Multi-Modal Plan was to find a renewable source that would take away that vulnerability that we have right now being on fossil fuels. Public Works is working on this methane gas capture system and the idea of running our buses by gas. I am just wondering how this is reconciled. Are we going to do electric buses or gas buses?

Ms. Mahikoa: I suppose it depends on what becomes activated first on island and what is available. We are attempting to coordinate with State DOT as well as O'ahu transit. Right now, as far as demos, the availability of opportunities related to electric vehicles has been growing coming from the federal level. We are extremely limited, resource-wise to where we are needing to direct our attention towards where we are going to go to get the financial opportunities. That is what has driven our interest being directed more towards the electric vehicles at this point.

Councilmember Yukimura: I think the Multi-Modal Plan anticipated that we would take a rather aggressive approach and analyzing which future track to take in terms of fuel. Is there somebody in your department that is doing that? What would an all electric bus scenario look like and how much would it cost? What kind of conversion would be required versus an all gas situation? The adequacy and availability of gas is a fuel, right? Are you folks looking at that?

Ms. Mahikoa: Yes, we are. We do not have the manpower available to do full analyses on everything, but we do keep the lines of communication open with O'ahu transit and the actions they are taking. One of the challenges we have is the size of vehicles that we are operating here do not have electric power as an option at this point. If

we are looking at operating a fully electric fleet, at least as of right now, it would need to be the large city transit bus type of vehicles.

Councilmember Yukimura: Yes, you have a paragraph about that in your narrative as well.

Ms. Mahikoa: Right.

Councilmember Yukimura: Would it be cost effective and worthwhile to have a Planner position in your division in order to work on these projects because they are so critical to the future operation of your system.

Ms. Mahikoa: That would be ideal. There are many needs that we have. I believe at one point we had a position set up for that purpose, but it always comes down to daily operations and keeping reliable service going for the people that we serve and operations tends to need our daily attention.

Councilmember Yukimura: Definitely the top priority—the buses must keep going, so no question about that. However, unless you deal with these future issues, one being in the future the buses might not go. It seems to me that you have got to have both.

Ms. Mahikoa: Right.

Councilmember Yukimura: Would the Transportation Agency object to having a planner position?

Ms. Mahikoa: No, as long as it came with office space for them. We are short.

Councilmember Yukimura: Well that is another thing. Are you not planning to move across Eiwa Street here where you would have more space?

Ms. Mahikoa: Yes.

Councilmember Yukimura: See, that is where a Planner could really come in handy too. Where is that right now?

Ms. Mahikoa: That would probably be covered under the TIGER grant discussion. I believe they are in the middle of doing design as to the office space right across Eiwa Street here. That is supposed to include space for us to move some of our administrative function to the old Big Save building.

Councilmember Yukimura: Okay, so right now in the Planning Department, the people are sitting on top of each other and it is pretty bad. But it may be worth the while to suffer with a Planner for a short time in the space given, but then move over. Okay, thank you.

Ms. Mahikoa: Just as a side note. When reviewing what our needs are when we were providing our plan through the GET discussions, one of the most crucial positions we saw in need of our operation was for a Shop Manager.

Councilmember Yukimura: Is that your first priority? If you were to get a new position, that is your first priority?

Ms. Mahikoa: That was the priority that we listed, yes, because operationally...I have such an amazing team down there, but everyone is wearing multiple hats. That is one area where we could certainly use quite a bit more support. Our shop has frequently...they do a great job keeping things going, but they need a stronger support. Dave has been doing great doing that as well as carrying out all of the training and all of the other items that he is tasked with, however, that is just something I felt compelled to share, aligned with the prior discussions that we have had.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any other questions? If not, we will move on to Operations-General Excise Tax Fund, page 291. Any questions? For bus shelters, forty-three (43) completed, some under budget, so we are going to do another ten (10) to twelve (12) more.

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: So that is about fifty-five (55) bus shelters. Does that cover all of the bus stops that we want to address or are we going to be looking at putting more money into more bus shelters?

Ms. Mahikoa: We could always work on sheltering additional locations. That definitely does not cover all of the locations we have. We had not even considered it as an option. The funding that came through for those shelters was all from thankfully the legislature had provided. At this point we are looking at successfully maintaining what we have up and as opportunities present themselves with various projects coming up in different areas, if we can partner up with whomever the individual or businesses are that are doing construction in certain areas, that we can work with them to provide shelters where they are needed.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: The shelters that you currently have up, that is just for protection from the sun or they have someplace to sit?

Ms. Mahikoa: Pretty much all of the above.

Councilmember Brun: But the shelters are small. Everybody is still getting soaking wet when the rain comes.

Ms. Mahikoa: I saw a few quite protected.

Councilmember Brun: I think we should make it deeper.

Ms. Mahikoa: You would be surprised because even with the small size of what they are, in quite a few locations we run into, space constraints, I guess because we are so limited.

Councilmember Brun: I received a call about the shelter in front of Walmart on the side of the road, I guess somebody was trying to get with their wheelchair from Wilcox and there is a telephone pole, so they cannot get on the sidewalk, so they are struggling to get to there.

Ms. Mahikoa: That is unfortunate as far as our sidewalks have phone poles and hydrants, and other obstacles there. We do communicate with our riders when they inquire about situations where they cannot access the stop to please call us and we either instruct the driver to find a more accessible location that is safe in the nearest area or if they have other options available that we can discuss with them and work out. Thank you.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: One compelling thing that came up on the City & County of Honolulu and their bus program is they said one of the biggest conflicts with bus operators are fare altercations with riders, do we see the same type of challenges here?

Ms. Mahikoa: It does occur. You have individuals who will try to short it and thankfully our drivers are pretty on top of it and will call them on it. There may be once or twice a day there is something, they will try to use an old bus pass, but because of our drivers being trained and being alert with those boarding, they call them on it and they will report it to dispatch.

Councilmember Kawakami: We might not be ready for it right now or we may be, but that is why I need to ask the question. They are transitioning over to what they are calling the *Holo* card. It takes the conflict between the bus operator and the rider and it creates some efficiencies as well. I think they are even planning to be able to utilize this *Holo* card to pay for other services in the future. Have we taken a look as how much it would cost to modernize our bus transportation system and then on a broader scope, what would it cost to modernize some of our bill paying at a Countywide level. If we could utilize this *Holo* card with even Wailua Golf Course and some of our other County amenities, it could really make sense at the end of the day. Have you taken a look initially under your purview as to whether it makes sense or not?

Ms. Mahikoa: Yes, we have done some preliminary review of what is out there as far as these type of more effective payment methods. It all comes down to the cost of it to where just preliminarily looking at what it would take within the vehicles as well as giving a method and locations for individuals to reload. We are looking at...I do not know the exact dollar, but it was clearly in the millions.

Councilmember Kawakami: Out of our budget.

Ms. Mahikoa: Yes.

Councilmember Kawakami: Okay.

Ms. Mahikoa: In order to implement something that would work and be very user friendly.

Councilmember Kawakami: That is sort of why I tied that in on the bigger scope, it may make sense if we roll it out system-wide as a County and if there is some way to collaborate with State agencies as well at some point. Clearly, this is something we should try and explore on a bigger scope and not just necessarily for the Kaua'i Bus.

Ms. Mahikoa: That would be excellent.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I would like to go back to the question that Councilmember Brun raised about access to the bus shelters, the people in wheelchairs. Have we not worked with our partners, the State and County Public Works and State Highways such that we no longer build sidewalks with telephone poles in the middle? Do we not have a standard building process now where we do not do that anymore? Because I think that sidewalk from Wilcox Hospital is fairly new.

Ms. Mahikoa: Yes. I do not know what their process is. I had the impression and have the impression that, yes, it is being addressed, but I do not know what kind of challenges they come up against.

Councilmember Yukimura: Can you, as the Transportation Agency, bring this problem up to them as a matter of asking your partners to help there, because it just seems really backwards to keep building sidewalks with utility poles in the middle of them. Is it possible that even if the pole has to stay where it is, in building sidewalks they build a portion around...you know like a stub-out where the wheelchairs could go around the pole instead off of the sidewalks. It seems to me that would be a good retrofit option because accessibility is kind of key for our people with disabilities. You build a sidewalk for that purpose, but if it does not fulfil that purpose, it seems really crazy. Will you follow-up?

Ms. Mahikoa: Yes.

Committee Chair Kaneshiro: Any further questions for the Transportation?

Councilmember Kawakami: Do we track our on time arrival and departure for buses as far as the percentage? I know that the airline industry has a fourteen (14) minute window where they consider it within the realm of being on time. Do we also do that?

Ms. Mahikoa: The consultants carried that out in going through this run cutting exercise that we are going through right now for the purpose of updating our schedules. Our schedules are extremely outdated right now and that is why we are working with them to basically give it an overhaul as well as our drivers' schedules. I would say right now it is probably not even close to where it should be as far as our on time performance with all of the things that have occurred say in Kapa'a, Wailua back-ups and all of these other things. That were not happening back when this schedule was originally assembled. We have that ability now that we have our route map software active for the past couple of years and will be able to do that. I would say right now because we need to overhaul our schedule, we probably find it quite concerning on the fluctuation of time at which we are servicing certain stops. Needless to say our drivers and our dispatchers work together very well communicating via radio to ensure that when individuals need to connect with certain buses, as long as it is within a reasonable amount of time, they are working together in order to

make that happen. I would be the first to admit that there are times when we are unable to pull that off further with certain individuals.

Councilmember Kawakami: The route mapping software, what exactly does that do?

Ms. Mahikoa: One part of it is that it manages all of our paratransit trips that we need to take in so people call in and make reservations and then it takes all the reservations, matches it to our drivers' schedules, and will assign trips accordingly and create the manifest for each driver. Additionally, the tablets, we are able to see the location of the buses when they are at certain locations in order to be able to see what resources we have available if instances come up and we need back up.

Councilmember Kawakami: Is it a GPS tracking software?

Ms. Mahikoa: Yes.

Councilmember Kawakami: Is there a way that our riders can use this technology as far as an application and deploying that technology, sort of what Ridesharing, Uber, and Lift does because it is really convenient when you are utilizing transportation in that nature and even taxi cab companies has started deploying this type of technology, so that your rider can open up an app and see a real time where their bus is. Is that something we are planning on rolling out?

Ms. Mahikoa: Yes. That is an excellent point and that is something that we have been actively working on with Google Transit, our Attorneys, and IT. I believe we are right near being able to activate it, I am hoping within the next few months. We have had some ongoing challenges with getting that done.

Councilmember Kawakami: What are the challenges? Is it legal challenges or is it collective bargaining?

Ms. Mahikoa: We had some legal stumbling blocks for a bit. They were having certain requirements as far as an agreement to be activated on Google Transit, but we were able to work through that several months back and then we do not have our own dedicated staff who can sit there and go through what Google needs exactly as far as the mapping and everything else. IT has been great stepping up to the plate and helping us as they are available. That is pretty much where we are at right now. They are helping us get through the final little elements that need to be worked out before we can actually go active. We are looking forward to that very much so for our customers.

Councilmember Kawakami: Do you have a proposed timeline or deadlines that you are putting down as tangible benchmarks to actually deploy this program? We cannot blame you folks for not being on time, the traffic problem is everybody's problem, but as a rider, this gives them predictability on how they are going to call up their employer and let them know, "Hey, there is a delay. The bus is not here and I am trying to get to work and I have been at the bus stop." Really, it solves a multitude of problems. I would like to know if we have a launch date in mind that we would like to set.

Ms. Mahikoa: I would love to if it was just my team that was carrying it out, but we need to rely on the help of others who are very generous and helping us to get things done and I do not know what their...

Councilmember Kawakami: Committee Chair Kaneshiro maybe we can send a communication to IT, Transportation, and everybody else involved to see what kind of collaboration and movement needs to happen. If it is a line item in the budget that needs to be added in, add it in. This would be the time to be making the ask if it is a priority.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think I raised this possibility at least four (4) years ago and for two (2) years, we could not do it because we had a County Attorney's opinion that said we could not do it or that said we would refuse to sign an agreement with Google requirements. Finally, when I was working to get that County Attorney opinion made public and then get a second opinion, finally our transit consultants pointed out that at least thousands or maybe millions of agreements have been done across the Country with no problem. Finally, we started working with Google and now we are hopefully soon there, but it was the County that caused years of delay on this thing. I agree with Councilmember Kawakami that it will be a great user benefit to be able to see where those buses are in real time and not have to overload dispatch, "When is the bus coming," and also if we had more frequent buses, then even if they are delayed, you just have more possibilities of buses. That is in the works and surely by the end of this year, we will have it onboard?

Ms. Mahikoa: I truly hope so.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Any further questions for Transportation?
Councilmember Chock.

Councilmember Chock: How much does it cost to maintain the proposed fifty-three (53) bus shelters?

Ms. Mahikoa: I do not have an answer for that. The maintenance of the shelters has been allocated to the various caretakers of County facilities.

Councilmember Chock: So it is going to the Roads Division and then the adoption program is that to defer some of these costs as well?

Ms. Mahikoa: Ideally, yes. Some businesses and/or individuals are wanting to be involved and contribute to the maintenance of them, so we are extremely grateful for those who have been and are interested.

Councilmember Chock: How many do you have adopted?

Ms. Mahikoa: There is no formal adoption program. There are quite a few stops that are located on or adjacent to places where individuals take extremely good care of them. We have the North Shore Lions who designed, constructed, and continued to beautifully maintained the one in Kilauea and Princeville. Because there is no formal program set up, basically anything that we see needing to get taken care of, we are keying in

work orders to have done. There is no one on our team who handles the actual hands-on maintenance stops.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Any further questions for the Transportation Agency? If not, thank you. We will move on. Thank you Celia. Next up is the Housing Agency.

Housing Agency

Committee Chair Kaneshiro: Kanani, do you want to give a brief overview or do you want to go straight into questions?

KANANI FU, Housing Director: Good morning. No, I will not be giving a brief overview. We can go straight into questions.

Committee Chair Kaneshiro: We will start with the General Fund Housing Program on page 250. Council Chair Rapozo.

Council Chair Rapozo: I am on page 251. I noticed that there are three (3) positions, Position No. 9534, Position No. 9541, and Position No. 9661 that are being moved to Parks. My concern is I believe these positions, during the last budget were positions that I was considering to cut and was told that these were placeholder positions and when we get grant funding, we use these positions, so we did not cut it. Then I looked this year, it is being moved to Parks to facilities maintenance. Let us start with that question because I keep hearing about affordable housing and the need for affordable housing and the need to work on affordable housing, and to lose three (3) positions...I am not sure what a Housing Technician does. I think I know what they do and I think I know what a Senior Clerk does and a Housing Assistance Specialist. They are all critical positions as we move towards affordable housing, so that is the first question. Why are we taking three (3) Housing positions and moving them to Parks? Maybe that is for somebody else to answer, I do not know. I cannot believe that the Housing Director is saying, "I have three (3) positions for Parks because I think Parks needs it more than I do." I just want to know why we are doing that.

Ms. Fu: The three (3) positions that are being removed out of the Housing Agency were historically funded through grant funds. Position No. 9534 and Position No. 9541 were historically funded under moneys whether it came through our Pakui Funds, which we had a lot of and that fund has since dwindled. The other two (2) funding, Position No. 9541 and Position No. 9661, similarly comes at a time when there are highly (inaudible) in our Section 8 program and therefore were granted a higher Administration fee. So, in response to the Pakui Funds or grant funds that historically funded these positions being depleted, these positions were never funded and left vacant. It has been the Housing Agency's position that should we receive grant funds or should we receive an influx of development money, we would hire based on the need. You will see that on Position No. 9537, that is dollar funded in our current budget, that is in anticipation for us receiving the DURF flow. We would be able to fund that position should that money become available.

Council Chair Rapozo: Is my memory correct, though, last year was that this Council was told that that were positions that you needed in the event that external funding that we would use those positions to use the funds?

Ms. Fu: Yes, I made that statement. We wanted to always keep those positions open to be able to readily move people when funding is made available.

Council Chair Rapozo: This, you cannot answer and I do not know if someone in here can, but I would assume that these three (3) positions that are going to go to Parks will not be grant funded. It will be funded by the General Fund. I am speculating and maybe someone can help me...I do not think we are moving three (3) supposed grant funded positions over to Parks, because if we are moving it from Housing to put it into Parks that is going to be funded through General Funds, I am going to be honest, I would rather General Fund the positions in the Housing Agency.

JANINE M.Z. RAPOZO, Director of Human Resources: You are correct. The positions are General Funded in the Parks budget for the coming 2019 budget proposal.

Council Chair Rapozo: Does the Administration see the higher priority there than in the Housing Agency?

Ms. Rapozo: I think the Mayor had looked at various priorities and one of his priorities was the cleaning of the various parks. He wanted to ensure more cleaning and I believe through the budget team, they looked at five (5) different pods of parks that needed to have this additional cleaning. Not saying that housing is not a priority as well, but where could we get the most bang for the buck at that point. We did have to also, Kanani, if you do not mind, some of the positions already funded, we did have to add some moneys to them, percentage-wise so the Housing Agency has already been losing some funding in other positions. If you look at their budget rather than only funding them only forty percent (40%), it has now become one hundred percent (100%). There was money put into the Housing budget for some positions as well. It is just that you are not seeing them as new positions, it is because we are basically we are funding an additional amount because they are losing some funding.

Council Chair Rapozo: I understand. I would expect the County to pick up the shortage on housing because it is a priority. I think that is the biggest priority right now. I would say it is a higher priority right now than parks, but that is just my opinion. It sends a very strong statement when we take three (3) positions out of the Housing Agency and move them over the Parks. To me, that is a very strong statement saying, "Right now, we are going to focus on parks and housing will wait." That is how I read this and I do not think that is right. I hope my colleagues feel the same way, so we can prevent this from happening. We need to focus here and if we need to fund these positions, then we fund the positions. I cannot imagine taking General Fund money and moving it over to Parks at the expense of Housing. That is just my position and that is the position that I am going to have when we go into decision-making. Again, the message we are sending right now to this body is that we do not need these Housing positions and I disagree.

Committee Chair Kaneshiro: Councilmember Yukimura, do you have a follow-up?

Councilmember Yukimura: Ms. Fu, basically, the Housing Agency's position is we do not at this time need these positions?

Ms. Fu: The Housing Agency's position is we have no grant funding to finance these positions.

Councilmember Yukimura: Okay, that is one thing. We do not have money for these positions, but you could ask for General Fund moneys to fund these positions, if you felt they were really important to the mission of the Housing Agency. I am hoping that we are all not going to be victims to, "We do not have enough money; therefore, we are not going to ask for it." I think we are all aligned with producing more affordable housing—all of us here and I think the community. If in order for the Housing Agency to do that, can these positions be of use to you? Do you need these positions is the question I am asking and not whether you have funding for it because we are the ones who provide funding.

Ms. Fu: The answer to that is yes. If you look within our current proposed budget, like I stated earlier, we do have positions...the Housing Agency had an influx of retirements happen. We had five (5) people go out in three (3) years and aside from one (1), we did not replace them. That is where the vacancies occurred. There is an effort within the budget currently to...there are two (2) positions that are dollar-funded, so I look at that as seen in this upcoming fiscal, should the need arise, we have those positions available. It is finding a mechanism. Again, if was my intent that with the granting of the Lima Ola, DURF, and approval, that moneys could finance one (1) position. The other dollar-funded position would come at a time if development picks up or we saw an influx of grants come in or we could talk offline about General Funding that position.

Councilmember Yukimura: Okay.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: I think where we are getting at is just looking for transparency in budgeting. If Parks and Recreation is going to prioritize clean restrooms and I think we are all for clean restrooms and put it in their budget as a budgetary ask. The correct way to do budgeting is in this current fiscal year, do you need the positions in coming year and if there is no need for them, by all means, we can all agree. It becomes ambiguous when we are saying, "We could use them if we had grant funding," and that is clearly not there. I think the question is as we speak today, do we need to fund the positions from the General Fund? It is a tight rope with housing because we want to put as much money as we can, right, into the Housing Development Fund because that is (inaudible). We want to put in as much resources into the Housing Development Fund because that is what gets projects moving. Now, do we want to tie it up in warm bodies that we might not utilize to the best of our ability? I think this is where the Council is having a little bit of heartburn. Collectively as a team, it oftentimes seems that we are not all on the same page and quite frankly it is because positions are moving from one agency and department to another agency and department. The needs for the positions in my opinion are something that we can vouch for. We had complaints about the cleanliness of restrooms and so if we need to add to make sure that we have clean restrooms, which our people deserve, then so be it. Ms. Fu in this case maybe between now and decision-making, we have to determine in this budget are these positions priorities or not. And I do not think it has anything to do with the message that we are sending that we are prioritizing parks over housing, it is just how you do business. Do we need it, can we afford it, and can we afford to maintain it.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Do you folks not have four (4) projects on the board?

Ms. Fu: What do you mean by “projects”?

Councilmember Brun: Four (4) developments that are going to happen.

Ms. Fu: Yes, we are concurrently doing four (4).

Councilmember Brun: Could you use more staff?

Ms. Fu: Yes.

Councilmember Brun: Okay.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I am trying to find where these positions...according to the text in Housing, it says, “The position moved to Parks Facilities Maintenance,” and I am looking at the Facilities Maintenance and there are no positions that are being transferred from Housing. That is why I did not catch it in the Parks budget because I would have picked up on that if I seen it, but it is nowhere on the text.

Committee Chair Kaneshiro: It is on page 233. There is a new district park caretaker.

Council Chair Rapozo: Okay. It is not Facilities Maintenance, it is Parks Maintenance. The text in Housing says, “Facilities Maintenance,” which would be page 226, right?

Committee Chair Kaneshiro: Yes.

Council Chair Rapozo: Page 233. So the plan is to fund three (3) positions, forty-one thousand dollars (\$41,000), that is one hundred twenty thousand dollars (\$120,000) in just salary and not counting benefits, that could be funded in Housing. Because we are going to spend the money, it is not like we do not have the money. We have the money. We are just taking the potential use of the funds in Housing and taking it over Parks. If Parks needs the position, like Councilmember Kawakami said, you come and ask. Do not take from someone else that we could use. So, it is in Parks Maintenance and not Facilities Maintenance, okay, I got it. Thank you.

Committee Chair Kaneshiro: Any further questions on the positions?
Councilmember Kawakami.

Councilmember Kawakami: I think it just comes down to the most efficient use of limited resources. We do not have the resources to just add positions. Every department is going to need extra positions and I think collectively, this is where the Administration has to come together to sit down and if this is where we are trying to do more with less or what we

have existing than what the priorities are, then they need to be able to relay that message to us clearly and concisely. We have a limited amount of resources and this is the most efficient use of the resources and to make it clear to the Council that that in and of itself is the message. We are seeing departments come up here hesitant to say, "No, we do not need the positions." We are putting them in a precarious situation to go against the grain. I think we are waiting for that collective message.

Committee Chair Kaneshiro: Any other questions? I have a question on the DURF loan. Can you explain what is DURF, how much did we get, and what is it for?

Ms. Fu: DURF stands for Dwelling Unit Revolving Fund. We have not gotten it approved yet, it is subject to Council approval. The loan terms were approved by Hawai'i Housing Finance & Development Corporation (HHFDC) and the board and amounts, so it is thirteen million dollars (\$13,000,000) loan for Lima Ola's infrastructure costs. That is to be paid back through improved lots. The financing and details will come over shortly. We are working on preparing that presentation for Council.

Committee Chair Kaneshiro: That loan amount of sixty-five thousand dollars (\$65,000) is just the yearly...

Ms. Fu: Yes, so what is embedded in the General Fund is there is a one (1) time administration fee charge on the loan amount withdrawn. I believe it was one percent (1%) of the loan amount, so we budgeted for that in this budget.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: The sixty-five thousand dollars (\$65,000) (inaudible).

Ms. Fu: Yes, the loan origination fee, yes.

Councilmember Yukimura: This is for Phase I of Lima Ola?

Mr. Fu: Yes, the infrastructure is for Phase I that is being installed, but it will service the entire project.

Councilmember Yukimura: Because the infrastructure is roads and waterlines and electrical.

Ms. Fu: Yes. There are infrastructure improvements that have to occur in Phase I that will also serve the entire phases. They include the intersection, the Kaumuali'i Highway intersection, the ingress into Lima Ola, the community park, the detention basin, waterlines, sewer lines, and those upgrades. A lot of the costs are coming in Phase I to make way for the remaining phases.

Councilmember Yukimura: And it is going to be paid back through improved lots, which we will give to the State?

Ms. Fu: Yes, it is improved lots on appraised value of the improved lots that get conveyed to HHFDC.

Councilmember Yukimura: And with that the State is going to build the dwelling units?

Ms. Fu: And then the State will similarly do what we do. What we do is issue an RFP and they are the partner in the development of it.

Councilmember Yukimura: So the payback on the loan would be all of the improved lots.

Ms. Fu: No. For this particular loan, the payback is just if lots that are multifamily. So, in Phase I, there is two (2) parcels slated for prepayment. Again, what makes this tricky is that it is based on appraised value, so there could be a scenario where the improved lots are not the value of appraisal of the loan. We know that and we recognize the cost, so moving into Phase II, there is an option to convey another lot to make up that difference.

Councilmember Yukimura: So, the State is going to build multifamily units on that lot through an RFP process.

Ms. Fu: Yes, that is the intent.

Councilmember Yukimura: And then the other lots are going to be build out?

Ms. Fu: Are we looking at Phase I or going beyond Phase I?

Councilmember Yukimura: Phase I.

Ms. Fu: Currently in Phase I, there are two (2) lots slated for multifamily and that would be State. There are thirty-four (34) single-family lots, that we would potentially issue out to a developer as well and have the developer...

Councilmember Yukimura: Would that be under the County?

Ms. Fu: Yes, that one would remain under County.

Councilmember Yukimura: And they would be leaseholds?

Ms. Fu: Yes. Most likely. We would utilize an RFP to get the best value out of these units.

Councilmember Yukimura: Well one of your requirements of the RFP is permanent affordability, I trust.

Ms. Fu: That decision has not been made on the RFP, but the project itself, we are required to do one hundred percent (100%) affordable housing.

Councilmember Yukimura: I am not talking about the initial housing. I am talking about long-term affordability.

Ms. Fu: No, that has not been decided yet on whether or not the single-family homes will be leasehold.

Councilmember Yukimura: But that is going against our existing policy where I think all of our single-family houses have been provided by leasehold. Are we deviating from the policy, which could be implemented in the RFP or it could not be, so you either going to leave it up to the developer application or you are going to make clear what are policy of this County is that they need to abide by.

Ms. Fu: We have not finalized the route on the RFP or that decision. Frankly, it is premature because many things can happen before then. We could have a land trust set up and various things could happen. The decision on whether to make those lots fee-simple or leasehold has not been rendered yet. I can give you some examples of successful projects like Habitat for Humanity, they do fee simple, they do not leasehold. There are different models that we could enter into to build these single-family homes, we just have not gotten there yet of finalizing the requirements for the developer.

Councilmember Yukimura: So, some of the homes that we are counting to build or Habitat for develop in thirty (30) years, which is I believe Habitat's buyback, or is it twenty (20)?

Ms. Fu: Twenty (20).

Councilmember Yukimura: Okay, twenty (20) years could be sold at prices that qualified families cannot afford and is that what we are setting up?

Ms. Fu: That decision has not been made yet, so the answer to that is the decision has not been made.

Councilmember Yukimura: I am concerned that it has not been made.

Ms. Fu: To be frank, I think that decision will come with a new Administration as well. That decision will not be made within this Fiscal Year. We are looking at the single-family lots are slated to be developed towards the end of Phase I, which is a 2020-2021 fiscal year. Again, we can go back to the policy, we can go back to the ordinance and the Housing Agency's direction at the time. That decision on whether to grant leasehold sales or fee simple is not going to be made and you are not going to get an answer on the floor today. It will probably be the next director or the next administration to collectively come together and make that decision.

Councilmember Yukimura: Yes, and I am not trying to get an answer...I hear you.

Ms. Fu: Yes, and I do not have that answer.

Councilmember Yukimura: I hear your answer, but I am just trying to understand and help people understand the implications of that answer. It appears to me to be a deviation from our existing policy.

Ms. Fu: Not necessarily. We partner up with many, many developers. We do a multitude of things. We do fee simple, we do leaseholds, we contribute to

gap financing, our homes at (inaudible) are not leaseholds, so there is a variety of options open. We have not analyzed all of the options and again, that is a decision that will be made within the next...not in this fiscal, for sure.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: The Tenant-Based Rental Assistance (TBRA) program—how much does that program cost to serve the fifteen (15)?

Ms. Fu: The TBRA program was budgeted and that comes through our HOME Investment Partnerships Program (HOME) program funds, our grant funds. That is one hundred percent (100%) funded through federal funds. I believe TBRA was funded two hundred...because we are carrying over about...I am trying to find it, hang on. I want to say one point two (1.2).

Councilmember Chock: You can send it if you need to.

Ms. Fu: The TBRA program is a combination of HOME funds and HTF funds.

Councilmember Chock: Right.

Ms. Fu: So, I am trying to find where we have it here.
Councilmember Chock, let me get back to you on that.

Councilmember Chock: Yes, no worry.

Ms. Fu: On that particular program for the TBRA, there was an allocated amount and I would have to look.

Councilmember Chock: I am interested in understanding what percentage of eligible applications this fifteen (15) is reaching. Is there a long list that could be served here and just limited by the funds here? Where are we in the service of this program?

Ms. Fu: The TBRA program really went into effect in October of this past year. We currently have thirteen (13) families utilizing the voucher and I believe we have eighteen (18) families in a holding area, which means they have been lined up with a case manager. The TBRA program is not just only housing, there is a case management component and that has been the key for permanent housing.

Councilmember Chock: Is eighteen (18) the ceiling for us or is there a bigger need?

Ms. Fu: It is just what was budgeted and then we divided it by rent subsidies and at any given time, we could have anywhere between fifteen (15) families and eighteen (18) families. Again, the number is based on when we go out to market and what the rent is, what a family size is, it all varies, so our sweet spot is to stay within fifteen (15) and eighteen (18) vouchers out on the street for the TBRA program.

Councilmember Chock: Got it. Do we know what the need is? If we look at the need here for Kaua'i, what is it? Are we short one hundred (100) or two hundred (200) in terms of being able to serve this particular need? Do we even know? I do not know.

Ms. Fu: The TBRA program is specific to homeless families. If we are looking at what our homeless needs are, what we are chasing is forty-three (43) families, four hundred six (406) homeless individuals, so we go off of our point in time count is. We anticipate new numbers as a point in time count for 2017 was conducted in this past January, so within the next month or so, we will have new numbers to start then fiscally chasing and housing those families.

Councilmember Chock: Is the last figure you had was forty-three (43) families?

Ms. Fu: Yes.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: The forty-three (43) number is forty-three (43) families that are homeless on the island?

Ms. Fu: As of our last point-in-time count, yes.

Councilmember Yukimura: Which was about a year ago.

Ms. Fu: Yes, the point-in-time count for that dataset was done in January 2017.

Councilmember Yukimura: And we are coming on the next year's homeless count.

Ms. Fu: Yes. I would anticipate an increase of that number. In addition, there was an increase of outreach on this point in time, so you can see greater numbers come in, yes.

Councilmember Yukimura: When we use these moneys, which you said, was how much? Are you going to give that figure to us?

Ms. Fu: (Inaudible).

Councilmember Yukimura: How long does the money last in terms of the services offered? What happens when the money runs out?

Ms. Fu: With the TBRA program, they have a one (1) year rental assistance subsidy and case management, so it is up to a year. What we see happen and we find successful is that when our waitlist opens, so we house the families, they are housed with a TBRA voucher, our regular waitlist will open for Section 8, and they convert over to a regular Section 8 voucher, so it frees up the TBRA. Our exit plan in knowing that TBRA moneys may come to an end, because it was slated for three (3) years, so at the end of

2019, we recognize that we can easily, through opening up the waitlist, transition the families into a HUD subsidy, if we have to. That is how we will exit the families. We are not going to put all these families on, house them for a year, and then cut their subsidy. That was not our intent. There is a transition plan for them.

Councilmember Yukimura: Right.

Ms. Fu: Over three (3) years—three hundred nine thousand (309,000) a year for the TBRA program. We split them out. It was for 2017, 2018, and 2019. Nine hundred and twenty-seven thousand (927,000).

Councilmember Yukimura: Okay. That sounds like a good start because it is moving people into permanent housing basically.

Ms. Fu: Yes.

Councilmember Yukimura: And oftentimes with other services, maybe job training, maybe education, that type of thing.

Ms. Fu: Yes. To be clear the TBRA program requires a case management component.

Councilmember Yukimura: Right.

Ms. Fu: So the family has to be referred by KEO, an agency, and the agency is committing to stay with the family while we house them. So we are committing to the housing and the agency is committing to the long-term case management services.

Councilmember Yukimura: That sounds like an excellent program.

Ms. Fu: Thank you.

Committee Chair Kaneshiro: Any other questions? We will move on.

Councilmember Yukimura: I have.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: The Family Self-Sufficiency Program comes under this? Yes, because your positions are here.

Ms. Fu: Yes.

Councilmember Yukimura: I just want to really commend you. The results that are described in your narrative are outstanding. You are showing ninety-six (96) households in your Family Self-Sufficiency Program forty-eight (48) household increase their annual incomes by an average of nine thousand eight hundred (9,800) a year, so almost ten thousand dollars (\$10,000). That is very spectacular. Sixteen (16) household participants enrolled in postsecondary classes, six (6) households transitioned into non-subsidized housing, and this is the most remarkable to me, ten (10) households graduated with a

collective total on one hundred thousand dollars (\$100,000) in escrow deposits that can be utilized for homeownership, higher education, or other qualified saving goals. That is really fabulous. Certainly, more than a down payment for a house and that is ten (10) out of ninety-six (96), but it is still it is ten (10) families and other families that are achieving different levels of self-sufficiency. Congratulations to your team.

Committee Chair Kaneshiro: Any other questions for General Housing Fund? If not, we will move on to Housing and Community Development Fund, page 342. What is the TODs of three hundred thousand dollars (\$300,000)?

Ms. Fu: Transient Oriented Development.

Committee Chair Kaneshiro: That is for the project near...

Ms. Fu: Pua Loke, yes. And it is not only for that project in itself, there are a couple of other parcels that we have been working with the State to perhaps utilize for the development. This money ask is to do our...what we do our predevelopment vetting, like we look at sites, we have to do some due diligence work, an EA—that is what this is for.

Committee Chair Kaneshiro: We are on page 342 and 343. Councilmember Kawakami.

Councilmember Kawakami: Would one of the potential TOD sites be by the old Līhu'e Police Station parking lot, which is now just a parking lot?

Ms. Fu: Yes, that is one of the sites that we are exploring for this particular type of development.

Councilmember Kawakami: Right. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: First of all, another commendation on what you talked about preserving Kaua'i's existing affordable inventory and reroofing Pa'anau and doing exterior maintenance of Kalepa. That is really, really good. I think maybe this was the prior year, but you used HOME moneys to replace siding on Līhu'e Court.

Ms. Fu: Yes.

Councilmember Yukimura: So, it is really good to see that. Had we taken that attitude with our roads, we would be much better off today.

Committee Chair Kaneshiro: Any other questions for Housing and Community Development Fund? If not, we will move on to the Housing Revolving Fund, pages 361 and 362. I have a general question on the Housing Revolving Fund. Correct me if I am wrong, but this is the fund you were saying that if we put in a dollar, we get twelve dollars (\$12) out of it.

Ms. Fu: Yes. Historically, we have used this fund to leverage projects. So what we use this fund for is a lot of our predevelopment costs or

matching...meeting matches when we have to for grants or for competitive applications. What we have seen historically is our dollar, our physical dollar is worth about twelve dollars (\$12). So, we have been doing really good like when the County does an investment, we see a high return on our money.

Committee Chair Kaneshiro: How much is in this Revolving Fund currently?

Ms. Fu: At the last CAFR, with this excluded or included?
When we take this amount out, I believe we have one point three (1.3) remaining.

Committee Chair Kaneshiro: When I hear Revolving Fund, it sounds like the money never goes away and it continues to revolve. Is that true or not true?

Ms. Fu: For this particular fund, the money does not go away until we spend it. What replenishes it is either fees paid in lieu for housing, or program income, which is interest paid into the account.

Committee Chair Kaneshiro: And that all comes out of this one fund anyways?

Ms. Fu: Yes, and that is dwindling. That is the fund that after this pullout, we have one point three million (\$1.3 Million) remaining.

Committee Chair Kaneshiro: Do we add money into this at any time?

Ms. Fu: Historically, we have never added our money into it, like General Fund money.

Committee Chair Kaneshiro: Yes, because I remember at another meeting you said if there is anything we can do for Housing would be to add money into this Revolving Fund, right?

Ms. Fu: Yes.

Committee Chair Kaneshiro: Okay. Did you have something about increasing it ten percent (10%) or was I reading it wrong?

Ms. Fu: Okay, so you are talking about our Strategic Plan. Yes, so our Strategic Plan for the...like what we go through under the objectives of growing the capacity, one of our objectives has been to increase the development fund for the future of the agency, so there are mechanisms we would do.

Committee Chair Kaneshiro: I guess if for some reason we have a lapse in money, how much money could the Housing Agency handle getting put into this fund as part of management and utilizing?

Ms. Fu: Given our current...kind of how we have been developing and what we utilize, about one million and a half to two million is our predevelopment a year. If we continue to crank like how we have been. I just wanted to put the disclaimer that the Housing Agency has had a successful two (2) years, but again, it was a culmination of previous five (5) years of planning and land banking that has arrived us here, so everything is converging right now at one time, but it was not the case three (3) years

ago. What we will start to see is that as these projects wrap up, such as Koa'e, which will ground break and we will hand it off to the developers, we need to start looking at putting more projects on the books to set up the next push for Housing that we have been doing.

Committee Chair Kaneshiro: An infusion of one point five or two million, the Housing Agency could handle that and...housing is probably one of the hottest things we have right now as far as how do we help the local residents with housing. I guess for us, this seems to like one of the only tools we have or one of the very few tools we have to help. Councilmember Yukimura.

Councilmember Yukimura: What did you say was the origin of this money?

Ms. Fu: The Housing and Community Development Revolving Fund (HCDRF)—what we utilize it for is there are our in lieu fees that are paid through from developers that goes inside that as well, in addition to program income that comes back, such as interests made on loans and those things.

Councilmember Yukimura: Yes. So this fund is what we created by ordinance, right?

Ms. Fu: Yes.

Councilmember Yukimura: At times, the Pakui moneys have gone through.

Ms. Fu: Pakui moneys was a separate account and that one remains at, I believe it is at less than two hundred thousand dollars (\$200,000). We are kind of using that as an as-needed to just supplement loans or things until we run that fund down.

Councilmember Yukimura: Yes, it may have been as far back as the Moana development, which was Kiahuna's.

Ms. Fu: Yes, and that paid into the fund.

Councilmember Yukimura: It started with two million dollars (\$2,000,000).

Ms. Fu: And we are still seeing payments come in from that development. As people from that area are developing, they are still paying.

Councilmember Yukimura: Okay, excellent.

Committee Chair Kaneshiro: What type of projects would we see coming out of this Revolving Fund as far as individual projects or anything that would help the community as far as housing goes?

Ms. Fu: This fund is really for preserving affordable housing or creating new inventory. It really is at the discretion of the Housing Director and what we have utilized it historically for is to either make up gap financing available when people need the gap financing for purchase of their home or we have historically used it to do predevelopment costs. For example, Kaniko'o, Koa'e, we handle a lot of the predevelopment, the environmental, and those things before we send it off to a developer.

Committee Chair Kaneshiro: Right now, we are limited in the amount of money we have to provide things like gap financing...

Ms. Fu: It is dwindling, yes. So our ability to service families is lower and so what we have been doing is mostly servicing families who are purchasing home opportunities in partnership with the agency. Whereas before we could really service families who are out looking for homes as well, we had to narrow down our service or our people who we serve.

Committee Chair Kaneshiro: Okay. Any other questions for the Revolving Fund? If not, we will move on to Kalepa Housing. Sorry, I am going to break my rule and go back, the seventy-five thousand dollars (\$75,000) for the housing study.

Ms. Fu: Yes.

Committee Chair Kaneshiro: Which study is that for?

Ms. Fu: Where is that?

Committee Chair Kaneshiro: It is in the Revolving Fund.

Ms. Fu: Other Services?

Committee Chair Kaneshiro: Yes.

Ms. Fu: Did we break that down as a study? There are two (2) things that are coming up that we have to participate in. One is our every four (4) year Hawai'i Housing Planning Study and our portion to that is I think forty-five thousand dollars (\$45,000), so we team up with our County-counterparts to produce the State study. In addition, it is a time of the year where we need to do our market study on rents for the Section 8 program. We do that study to justify increased rent amounts for our island, if not, we have to only go according to what HUD publishes and that published rent is a lot lower because it does not take into consideration housing demands and all of that. We do our own study to create a mechanism to justify why we give a larger subsidy.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: While we are talking about that subsidy program, in your narrative, you have an objective, which I think is very valid. "Expend one hundred percent (100%) of housing choice voucher programs annual budget authority" and you point out that in the last calendar year, we issued one hundred eighty-eight (188) new vouchers to households on top of what we normally had, we had another one hundred eighty-eight (188).

Ms. Fu: In the calendar year, we had one hundred eighty-eight (188) new, but not in addition. That is the same number.

Councilmember Yukimura: Okay.

Ms. Fu: We were striving to put unduplicated people, because we have to make up for attrition because we have people leaving the program every

month or their income disqualifies them, they pass away, they move on, and so in order to make up that attrition and keep us consistent amount of lease-ups, we have to put out new vouchers. As you are aware the federal programs now are spend it or lose it. There is this real game we play with that moneys where at any month we could have seven hundred (700) people and then the following month, we will have six hundred (600), so we have to figure out how to spend it. It is a numbers game that we play every quarter.

Councilmember Yukimura: But basically you are trying to utilize everything so that we get that and sometimes more.

Ms. Fu: Yes.

Councilmember Yukimura: Sometimes they give us more because our record is good.

Mr. Fu: Yes. So, how the funding works is you get what you spend plus an additional of what you put out. It is called growing the program.

Councilmember Yukimura: And so if we put our own money, which I thought you were going to come back this year with a budget figure where we put our own money in so that we are always higher because we have that money to go far beyond, so even if we fall back month to month, than we are still at their one hundred percent (100%), right?

Ms. Fu: Yes.

Councilmember Yukimura: How much money could you use for that? If we were able to do...we have six hundred twenty (620) per month...what is full funding?

Ms. Fu: What is full funding?

Councilmember Yukimura: It depends of course on the rental rates, right?

Ms. Fu: Yes, it is rental rates, family size, amount of vouchers, so it is a tricky formula.

Councilmember Yukimura: But it is six million dollars (\$6,000,000) annually.

Ms. Fu: But at any given point, we have about five hundred thousand dollars (\$500,000) out on the street in subsidies.

Councilmember Yukimura: So if we gave five hundred thousand dollars (\$500,000) of County money...

Ms. Fu: It banks us...

Councilmember Yukimura: On top of what we get from the feds, we would then always be over the one hundred percent (100%)?

Ms. Fu: So the following calendar year, you would get what the feds had allocated the previous year and your spent...pretend it is one million dollars (\$1,000,000). So, they give me one million dollars (\$1,000,000), I spend the one million

dollars (\$1,000,000), but if I put one hundred thousand dollars (\$100,000) towards that, the following year, they give us one million one hundred thousand dollars (\$1,100,000), because you invested and you spent it. The (inaudible) budget grows the funds...so it takes one (1) full calendar year to show progress.

Councilmember Yukimura: Right.

Ms. Fu: For us, it would be half a fiscal year and then the following year because we operate on a fiscal. So, if you gave us one hundred thousand dollars (\$100,000) today and we put it in the program, you do not see that until 2019 coming back in a federal payment.

Councilmember Yukimura: And what it means is then because our allocation has grown, we can either reduce the extra annual amount that we are giving and we can kind of wean the federal government to keep giving us more and more.

Ms. Fu: Yes.

Councilmember Yukimura: So that might be worth some money because it is seeding federal money, right?

Ms. Fu: Yes.

Councilmember Yukimura: What do you want to start with?

Ms. Fu: It is like Christmas up here.

Councilmember Yukimura: That is because the housing need is so great.

Ms. Fu: Our annual spend-down is five hundred thousand dollars (\$500,000) a month. We spend five hundred thousand dollars (\$500,000) on rent subsidies. We talked about this because no one ever wants to over put vouchers on the street and then you have to rescind them because you do not have enough money.

Councilmember Yukimura: Right.

Ms. Fu: So frankly you need five hundred thousand dollars (\$500,000) to do this.

Councilmember Yukimura: Okay.

Ms. Fu: Other counties when they started it, they did one million dollars (\$1,000,000) to one million five hundred thousand dollars (\$1,500,000), but they had higher populations. They have more vouchers, those things.

Councilmember Yukimura: So, if it is one million five hundred thousand dollars (\$1,500,000) to two million dollars (\$2,000,000) for the Housing Revolving Fund and then another five hundred thousand dollars (\$500,000), so we are talking about two million five hundred thousand dollars (\$2,500,000) that we could allocate to Housing and really grow our housing program and provide housing for families.

Ms. Fu: Yes, that is a mechanism.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any other questions? We have about five more minutes before we have to take our next break. If we can get through Kalepa and Pa'anau, then we will be done with the Housing Agency. Any questions for Kalepa?

Councilmember Yukimura: Yes, I do. I just want to make sure we are putting some money aside for replacement and long-term...

Ms. Fu: Yes.

Committee Chair Kaneshiro: There is a replacement reserve of seven hundred fifty-three thousand dollars (\$753,000).

Ms. Fu: Yes, and that is on our detailed separate budget sheet, Councilmember Yukimura.

Councilmember Yukimura: Okay. Good. I mean that is really commendable, again, for government to do that.

Ms. Fu: Yes. Our replacement reserve on page (inaudible) is seven hundred fifty-three thousand dollars (\$753,000).

Councilmember Yukimura: Thank you. Same thing with Pa'anau. Do we have a replacement fund?

Ms. Fu: Yes.

Committee Chair Kaneshiro: Seven hundred thirty thousand dollars (\$730,000).

Ms. Fu: The replacement reserve was at four hundred fifty thousand dollars (\$450,000).

Councilmember Yukimura: I just last night heard a Kōloa resident who is quite well off say that he was really proud of Pa'anau in Kōloa because it is providing so much housing and it is well-managed and looks good. The kids can just walk to school. It was really nice to hear that.

Ms. Fu: Thank you.

Committee Chair Kaneshiro: Do we have any other questions for Kalepa or Pa'anau, then we will be done with the Housing Agency.

Councilmember Yukimura: I just wanted to make one comment and it is a commendation too. It is actually to the Council because I wanted to...we are going to be ground-breaking on Koa'e later this month. The Council was the one who approved the modification of the Kukui'ula zoning ordinance to allow a different form or inclusionary zoning that really has worked into a workable project. As you know, Kukui'ula, instead of

providing turnkey is giving us land and offsite infrastructure with more construction and more development, we are doing the building. Those units are going to be affordable in perpetuity because the County owns the land. It is a really good model. Thank you to the Housing Agency and Council and A&B and Kukuī'ula.

Committee Chair Kaneshiro: Okay. With that, thank you Housing Agency. We will take our ten-minute caption break and our final will be the Liquor Department.

There being no objections, the Committee recessed at 11:38 a.m.

The meeting was called back to order at 11:53 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. Our last and final department for today is the Department of Liquor Control. Do we have any questions for the Department of Liquor Control? Councilmember Yukimura.

Department of Liquor Control

Councilmember Yukimura: I do not have a question, actually, I just want to thank you Gerald for good work.

GERALD RAPOZO, Director of Liquor Control: Thank you.

Committee Chair Kaneshiro: I do not have any questions for Liquor Control. Their budget is pretty flat. If there is no questions, then we are done for today. Okay, well, thank you for waiting.

Councilmember Chock: He was here all morning.

Committee Chair Kaneshiro: Your budget was flat, so we do not have any questions.

Councilmember Yukimura: Plus, it is a special fund that we cannot raid.

Committee Chair Kaneshiro: It is a special fund...the money does not come from the County anyway and your budget stayed flat. With that, thank you for being here. At this time, I would like to recess the Departmental Budget Reviews. We will reconvene at 9:00 a.m. on Thursday, April 12, 2018, where we will hear from the Planning Department, Office of the County Auditor, and Office of the County Clerk. That is our final budget day. We have Friday scheduled for Call-Backs, but I am not anticipating any Call-Backs. We are going to scratch the Friday Call-Backs already because we need a forty-eight (48) hour notice. If we need to, we will go as long as we need to for Thursday's departments and when we are done with that, we are done, and then we will wait for the Supplemental Budget. With that, thank you.

There being no objections, the meeting recessed at 11:54 a.m.