

**BUDGET & FINANCE COMMITTEE  
DELIBERATION AND PRELIMINARY DECISION-MAKING  
FISCAL YEAR 2017-2018 ANNUAL BUDGET**

**MAY 11, 2017**

A Deliberation and Preliminary Decision-Making Meeting on the Fiscal Year 2017-2018 Annual Budget of the County of Kaua'i was called to order by Arryl Kaneshiro, Chair, Budget & Finance Committee, on Thursday, May 11, 2017, at 9:04 a.m. at the Council Chambers, 4396 Rice Street, Room 201 Līhu'e, Kaua'i, Hawai'i and the presence of the following was noted:

Honorable Arthur Brun (*present at 9:41 a.m.*)  
Honorable Mason K. Chock  
Honorable Ross Kagawa  
Honorable Derek S.K. Kawakami  
Honorable Mel Rapozo  
Honorable JoAnn A. Yukimura  
Honorable Arryl Kaneshiro

The meeting proceeded as follows:

Committee Chair Kaneshiro: Let the record reflect that all Members are present. Councilmember Brun is on his way. He is running a little late and he called early this morning to let me know he was going to be running late. Today we will be addressing decision-making for our Fiscal Year (FY) 2017-2018 Operating and Capital Improvement Projects (CIP) Budgets and Real Property Tax rates for the same FY. We have had nearly three (3) weeks of budget reviews, substantial discussion with the Administration on their proposed budget, and we also received lengthy responses from the Administration to the numerous follow-up questions that probably were about one hundred (100). So, you folks can thank us because I think last year there were three hundred (300) questions, so we reduced it by two hundred (200) questions. Good job, team. I will not be requesting that the Administration come up today, unless they definitely need to answer a question we have. We may have questions on the supplemental budget, but I think for the most part we have heard lengthy discussion on a lot of the budget that we saw already. We can bring them up for clarification. I just do not want us to get into a debate here. In the end, we make a decision and we move on.

Today will be our opportunity to offer proposals to the budget. I would like to remind the Committee that any proposal to reduce or remove an item requires four (4) votes. Any proposal to increase or add an item requires five (5) votes. Once we vote on that item today, we will not revisit that item unless it is deemed absolutely necessary.

Additionally, once a proposal is introduced, I respectfully ask that Members be concise and considerate with their time during this time. We can end up being here all day, if not.

As we have heard from the Mayor and his team, as well as through our budget discussions, I wanted to reiterate a few of the many challenges that we are facing as our County. Of course the biggest one which we recently found out was that the Legislature

recently adjourned decreasing the counties' share of Transient Accommodations Tax (TAT) which means a decrease to the County of Kaua'i of roughly \$1,450,000 and we were also not given the opportunity for a General Excise Tax (GET). To no control of our own, we are chasing an additional \$1,450,000 in this budget that we used to get in the past that we are not getting now from the State.

This year we were also faced with additional increases as we received arbitrated or negotiated collective bargaining agreements and we have tried to accommodate for that in our budget, which is why our budget has increased. We are not budgeting for what we have last year and then doing money bills throughout the year to cover any increases. We tried to budget as best we could for these upcoming expenses. There is also, as we all know, considerable backlog of our roads and bridges repairs and we have tried to address that in the budget. We had \$6,000,000 but we had to reduce it because of our loss of State TAT money, so we do have \$4,800,000 in the budget for roads, which we have all heard have been a problem.

Also things that have popped up—retirement costs from anti-spiking. We saw about \$500,000 this year in the budget for spiking. We also saw increases in the Employees Retirement System (ERS), our contribution which will continue to increase over the next few years. We also budgeted for the increase cost due to the recycling efforts, which we had a long discussion on it yesterday.

Lastly, I just want to remind everyone that the Council also recently voted on two (2) resolutions relating to the use of the Reserve Fund and Fund Balance, as well as maintaining a Structurally Balanced Budget, which places tighter restrictions on the use of unassigned funds.

Just a refresher. The Reserve Fund policy established the amount we want to maintain in the General Fund Reserve, how the Reserve will be funded, and conditions under which the Reserve may be spent. Therefore, we finally have a target as far as how much we want to keep in our savings account for any "rainy day." The goal of the Structurally Balanced Budget policy is to have recurring revenues cover recurring expenses. In both of these policies, it is frowned upon to use the Reserves or the Unassigned Fund Balance to balance the budget. As we all know there was practice in the past to do that. We saw our Reserves go from \$70,000,000 down to \$35,000,000 and just that is an indication that there is an imbalance in our budget. We are spending way more than we are getting in revenues and it is not a good thing. If nothing is done to remedy that, that trend will pretty much run ourselves broke. We will be running on a trend of pulling from reserves to cover our expenses every single year, which is not fiscally sound.

Let me remind everyone that it is our responsibility to make the difficult decisions to ensure a fiscally sound budget and to keep in mind that we are not only trying to get through this budget, but to set a path of success for the future. We cannot continue to kick the can down the road which all have been hearing has been pretty bumpy, Kōloa Road, for instance. Not all of our decisions will be the most popular, but may be necessary to maintain the services and standard of living on our beautiful island. Of course it is always a difficult balance and I know we are all looking forward to today and struggling with that balance of how do we address deteriorating roads when we do not have enough money to pay for the roads that we need to do. We hear the public telling us that they want the roads done, we do

not have the money available, and so how do you balance that? How much are we willing to raise and tax residents to get the roads that they want done? Obviously, we cannot raise taxes \$100,000,000 this year and just stick it to everybody to get our roads done and that is the balance we are constantly dealing with. Even yesterday, we heard the balance. We heard of people who wanted recycling at their house. They wanted us to be able to pick up the recycling from their house. Again, I would love that, but it comes with a cost to the County and to the taxpayers. That is the balance we constantly struggle with and also the balance of cutting. It is not only about adding, it is about cutting, and the balance of if we cut this, what are the ramifications to the services? Those are the decisions we weigh and that is our reality here on what we have to do. At the end of the day, our cuts and adds—we will probably end up with three (3) options and I want to start thinking about what they want to do now. Of course if we cut money and we have money available, we have three (3) things we can do. We can put the money into the Unassigned Fund Balance, keep it in the Reserve and then pull money out of it based on the reserve policy, which says you can use it for CIP, roads, and such. We can put that cut towards projects now in the budget or we can try to reduce the Real Property Tax increase, which we have proposed by the Mayor. Again, I think we are chasing \$3,000,000 so if we cannot cut \$3,000,000, which I think is highly unlikely, then we will need to make a decision on the Real Property Tax increase. We have a lot to think about as we go through this process. Please keep in mind as we go through the process any additions that you may be proposing should have a corresponding reduction or identification of funding or revenue source. On the screen above, we will have all our proposals in real time. Staff will be putting any cuts, adds, whatever we do and we will get to see it in real time where we are at. I want to remind everyone that if the Committee does not come to an agreement within the allotted time for decision-making, the Mayor's proposed Operating and CIP budgets that were transmitted on March 14, 2017 will go into effect. Does negate all the time we spent going through the entire budget, so really it is up to us to make the decision on it, if not, we wasted a lot of time going through budget items and we should have just accepted the budget from the start.

I will be opening today's session as we have done throughout the budget session with public testimony. Following public testimony, I will allow Mayor Carvalho and his team to briefly address the Committee on his Supplemental Budget Communication. Following the presentation, I will immediately go into the Council's Decision-Making. We should have had time with Council Staff already, so I know we all have our cuts and adds prepared. The difficult part with Sunshine Law is we have no clue what anybody is cutting or adding and we have to make decisions on the fly, which is not comfortable, but it is our job.

As a side note, I want to respectfully ask that Councilmembers make their final commentary on the budget during second and final reading, which we have always done in the past, which is scheduled for May 31, 2017, rather than at the end of this Decision-Making or in Committee, if at all possible. It will help save time on the staff because we are probably going to be repeating ourselves three times and they are going to have to write it up three (3) times. May 31, 2017 would be the time when we really stick it to everybody and say everything we want to do and we have time to prepare for that. With that, I will suspend the rules. Anyone in the audience wishing to testify on the budget?

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: Mayor, you have the floor. Can you give us a brief presentation on your Supplemental Budget?

BERNARD P. CARVALHO, JR., Mayor: Good morning, Chair Rapozo, and Budget & Finance Committee Chair Kaneshiro. As I always done, I am here again this morning to just give you a recap or a synopsis of our most recent submittal, of course. I asked all of our Administrative team to be present with me. Just a note that these men and women have done a tremendous job in trying to follow the process so we can come out with a good, sound budget submittal. We are working closely with you, Councilmembers, I want to make that clear so the public knows that we tried our very best to reach out to you, so I really appreciate the opportunity to just give you a briefing of pretty much of what you did Committee Chair Kaneshiro.

In my State of the County Address this year, our Administration identified pressing needs and critical projects. Chief among them was our proposal to dedicate \$6,000,000 in County funds...I want the people to understand that the \$6,000,000 in County funds towards road repair and maintenance. Further, we had planned to use a portion of that money to leverage federal funding, that is another big part that would have helped us to move, which would have resulted in an additional \$6,000,000 for road projects.

In addition to road repairs, we allocated \$600,000 to repairing our unpaved parking lots at our beach parks, as well as investing money in replacing our aged vehicle and equipment fleet to the tune of \$1,000,000 this year to properly equip our crews to do their jobs in an efficient manner. Since our initial FY 2018 Budget was presented to you in March, we have been diligently following concerns there were brought forth during the Council's Budget discussions, as well as issues discussed internally with our Department Heads, like I stated earlier. We have also taken into account the outcomes of the 2017 Legislative Session.

Taking all the above into consideration, the Supplemental Budget recently submitted for the County of Kaua'i for FY 2018 is roughly \$203,500,000 and reflects a decrease of \$607,042 below the March submittal. The most significant impact affecting our Supplemental Budget was the unfortunate news that the State Legislature decreased our County's share of the TAT revenues by \$1,450,000. Additionally, the Legislature did not advance a GET measure that would have allowed us, the Counties, to receive up to \$20,000,000 a year in highway and transportation related revenues.

This additional funding would have helped to address the \$126,000,000 backlog in roadway repair and maintenance projects. We will continue to work with our partners at the State Legislature in hopes of revisiting the possibility of receiving an increase in TAT funding and favorable consideration for the GET allowance...allowing us to move on that.

However, absent the development of a diversified revenue stream, Real Property Tax revenues remain the primary resource to meet the overwhelming majority of County expenditures. No different from the other neighbor islands, due to the loss of TAT revenues, coupled with the 2½% to 3% collective bargaining raises that were recently awarded to Firefighters and Hawai'i Government Employee Association (HGEEA) units, which will set the trend for all of our employees. We must maintain our request of an across the board increase in Real Property Taxes by \$0.19 per 1,000 square feet.

In addition, we have been forced, almost, to reduce the amount allocated to our roads repair initiative by approximately \$1,200,000 in order to balance the budget. We have also increased funds to address additional facility repairs and operational needs that were identified through our in-depth discussions with the Council and our department heads through the budgetary review process.

We have allocated \$150,000 to the Kaua'i Veterans Center to support their efforts to make much needed repairs to the facility's roof, as well as \$22,000 to the Historic Waimea Theatre for a new air conditioning (AC) system. Additionally, the Administration has included \$30,000 in the Operating Budget to address irrigation needs at the Historic County Building. Other changes have been made to address new priorities, which were outlined in my Supplemental Budget Message.

We took into account the Council's suggestion to revisit our Grant-in-Aid (GIA) process, to ensure fairness and equity in the distribution of grand awards. The Office of the Economic Development will now issue a joint exempt Request for Proposal (RFP) for designated Grant-in-Aid projects, and selection committees will help to determine awardees and amounts.

In the end, despite the disappointment of losing a large portion of our TAT funding, we are proud to say that our budget proposal remains structurally balanced while still maintaining a reserve of 30% of last year's revenues as established via two (2) Resolutions which were mentioned earlier and approved by our County Council.

I want to say *mahalo* again to the Council, and Budget & Finance Committee Chair Kaneshiro, for recognizing the importance of maintaining adequate reserves to allow the County, our County, to respond to natural disasters or unforeseen economic challenges. *Mahalo* for working together with our Administration not only on this Fiscal Year budget, but having the foresight to create a long-term financial plan that seeks to build a County government that is fiscally sustainable for years to come. I will end with that. We have a lot more work to do, but I just want to thank you for the opportunity and know that our administrative team sitting right behind me have done everything they can to reach out and see how we can work together. We have submitted our Budget to you folks and we look forward to some healthy discussions and make sure that we do the best for the people that we serve. *Mahalo* and thank you.

Committee Chair Kaneshiro: Thank you, Mayor. Do we have any general questions? If we have any questions relating to the budget items that he mentioned, I would just ask that we wait until we get into the budget "adds" and "cuts" and we can go through those changes. Councilmember Yukimura.

Councilmember Yukimura: Good morning Mayor and thank you to you and your Administration for all the work that has been done on the budget. There has been a lot and a lot hinges on the work that we do in terms of the welfare of the people, so thank you. The Legislative Session's actions or inactions have huge implications for us and I just wondered whether you aware of midterm discussions that are going on and what the likelihood is of having some decisions revisited by the Legislature before the next Legislative session.

Mayor Carvalho: Yes. I can say that we as Mayors have met recently to talk about that and I understand there is opportunity there that is stirring, so we will support that effort as Mayors, as well as individuals.

Councilmember Yukimura: So there is a possibility that we might even get the Excise Tax?

Mayor Carvalho: There is a possibility, as I know right now.

Councilmember Yukimura: I take it your Administration is preparing for proposing the use of the Excise Tax should it come to us?

Mayor Carvalho: We are very hopeful that we have the opportunity to utilize the Excise Tax, that will help us move forward in our budget process.

Councilmember Yukimura: And you are doing some preparations?

Mayor Carvalho: Yes.

Councilmember Yukimura: Okay, thank you.

Committee Chair Kaneshiro: Any further questions?

Councilmember Yukimura: Yes, I actually have one (1) more question.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think it is really commendable that you are revamping the GIA process and it looks like you will be a much more rational process and should allow the best projects to rise to the top, so that is really good. And you are going to have selection committees to make those decisions or make those recommendations, I presume. Are you also going to have criteria by which the committees make their decisions?

Mayor Carvalho: I will just have our folks answer. They are ready for that. Our folks went through the entire process and I know that is included in our new way of managing our grants.

Councilmember Yukimura: Okay. Will that come up later, Committee Chair?

Committee Chair Kaneshiro: It will. Will it affect your voting on a certain item or is it something that they can respond to you in E-mail or at a later time and explain the process they are going to go through?

Councilmember Yukimura: It will affect one (1) of my items, but I do not know that it will be pivotal to an issue.

Committee Chair Kaneshiro: Maybe when that item comes up we can see if that is the appropriate time to go over it.

Mayor Carvalho: The bottom line is we did revamp our entire process and the programs. If you want to go into specifics, then I will have our folks come up and explain if you need.

Committee Chair Kaneshiro: Again...

Councilmember Yukimura: I think it is a very good direction.

Mayor Carvalho: Okay.

Councilmember Yukimura: I wish the State would do the same, but thank you very much.

Committee Chair Kaneshiro: With that, thank you, Mayor. I know you folks worked really hard through all this time.

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

Committee Chair Kaneshiro: I would like to ask for a motion or agreement from the Committee to accept the Supplemental Budget Communication changes that were submitted on May 5, 2017 and to use the Supplemental Budget as our starting point for decision-making.

Councilmember Chock moved to use the Mayor's May Supplemental Budget Communication as the starting point for Decision-Making, seconded by Councilmember Yukimura, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

Committee Chair Kaneshiro: Motion passes. We will be doing all of our work off the Supplemental Budget Communication to keep things consistent.

Councilmember Chock moved to allow Council Services Staff to balance the budget after entering Decision-Making proposals, seconded by Councilmember Yukimura, and carried by a vote of 6:0:1 (*Councilmember Brun was excused*).

Committee Chair Kaneshiro: As far as our plan goes, my plan is...and I do not know if you folks want to write it down, but we are going through reductions to individual departments first and we are going to follow the tabs. So, any individual reductions in the budget, we will go through those. We will go to any individual reductions to the CIP and then we will go to proposals affecting numerous departments, and we are just talking about only cuts, so if you have a cut that goes through numerous departments, say you want to cut 10% of overtime from every department or something, at that time when you will do that proposal, and then we will have our cuts and adds. We are not going to go through each department. By the time we get to our cuts and adds and the proposals affecting numerous departments, I will just take it in order whoever want to propose something and then we will go through them. Lastly, we will go through our adds. Of course, we will have our running total here the entire time. I just ask Councilmembers to be cognizant on our cuts. As far as our Reserve policy budget, Structured Balanced policy, if we make a cut now that we know that the department is going to come back for a money bill during the year, I would say let us try not to make those types of cuts because we can make the cut now, spend the money, and then they are going to come back for the money, and it will be a double-whammy for us. I am just putting that in everyone's ear. Again, we will go through each individual department. I will go fast. I know you folks have your notes already on what departments you have cuts in, I will go through them, give everybody a little bit of time to say whether they have one or not, and we are going to just keep moving through all these departments. Of course, when it comes up you will have time to explain what your cut is, what your add is, what your cut and add is, and then we are going to take a vote on it—up or down. Again, four (4) votes to cut and five (5) votes to add. On the adding and cutting at the same time, it is going to take five (5) votes because you are adding in that proposal. Councilmember Kagawa, do you have a question?

Councilmember Kagawa: Yes. My question is if I am going to make a motion to disagree with the Mayor's \$3,600,000 Real Property Tax hike, does that come during the add portion?

Committee Chair Kaneshiro: My plan is to go through all of our cuts and adds, we are going to have a total up here of whether we have added more to the budget, decreased the budget, or stayed the same. Once we have that number solid, then we are going to move on to the Real Property Tax changes and that is when we will have to make a decision on whether...which I do not want to do...pull money from the reserves to fund that amount that we have missing or if we are going to adjust the Real Property Taxes to make up for that amount. I think if we do all our cuts and adds and everything to know exactly where we stand and then we make a decision on our Real Property Taxes from there, is the plan. That is my plan.

Councilmember Kagawa: I just feel if there are solid votes to not go along with the Real Property Tax proposal then that perhaps is a better way to go than we just chasing \$3,600,000. I understand that you have that process, but I just feel like there might be some strong consensus that the Real Property Tax increase is just ridiculous and that we should not even include that in the budget, from the outset.

Committee Chair Kaneshiro: We are chasing \$3,600,000, so if we do not find \$3,600,000 in cuts, then something is going to have to give. This \$3,600,000 may be smaller depending on the cuts that are made or may be bigger if people get an add that they want to do and then that is the decision we will need to make as far as what do we want to do. If we can cut \$3,600,000 then there will be no Real Property Tax changes. Councilmember Chock and then Councilmember Yukimura.

Councilmember Chock: I have a process question also regarding cuts. I have a lot of questions regarding the Supplemental Budget and I just wanted to know, do you want to take the Supplemental Budget at the end? I know you are going through each department individually and look at all of those or do you want me to try and bring it up during the actual department?

Committee Chair Kaneshiro: If we can bring it up during the actual department, that would probably be the best. How many do you have?

Councilmember Chock: I have the entire list right here.

Committee Chair Kaneshiro: Do you have it by department? It would be best if we could go through it in the department so that we have the department up here, we may have questions on the certain cuts that we are doing in that department already, we will have them up here and we can ask them the question rather than everybody playing musical chairs the entire time.

Councilmember Chock: Okay, thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I would actually be much more willing to consider doing away with the Real Property Tax raises if somebody can show me reasonable cuts.

Councilmember Kagawa: I have.

Councilmember Yukimura: In one sense a proposal to do away with Real Property Taxes would be a combination of cut and reduce.

Committee Chair Kaneshiro: Let me put it this way, if we have \$3,600,000 worth of cuts at the end of our meeting, we can do away with the Real Property Tax increase. If we do not have \$3,600,000 worth of cuts, then we have to make a tough decision. That is why it is better we go through the cuts and adds now and then we get to see what we are dealing with at the very end. Okay, with that, are we ready? I do not know, I am not too ready. Just kidding.

Councilmember Kawakami: You are ready.

Councilmember Kagawa: I have a process question.

Committee Chair Kaneshiro: Yes, Councilmember Kagawa.

Councilmember Kagawa: In order to do my cuts, I am going to need Councilmember Brun to be here.

Councilmember Yukimura: If you need a second, we will second it.

Councilmember Kagawa: Because I think the votes are going to be close.

Councilmember Yukimura: That is true.

Committee Chair Kaneshiro: It is 9:30 a.m. I would like to have...

Councilmember Yukimura: Maybe we can take up Councilmember Chock's questions.

Committee Chair Kaneshiro: Yes, let us do that. I actually do want everyone here.

Council Chair Rapozo: Can someone call Councilmember Brun and see where is he and how far out he is?

Committee Chair Kaneshiro: Yes, and rather than taking a recess, Councilmember Chock, let us go through your questions. I do not want Councilmember Brun hiding from adds and cuts. It is a difficult decision for all of us, but it really does matter when a cut takes four (4) and an add takes five (5), you really need everybody here. I completely agree with Councilmember Kagawa. Councilmember Chock, let us go with any questions you had with the Supplemental Budget for now and then we will see where we get from there.

Councilmember Chock: Thank you, Chair. I guess my initial feeling is not inclined to support additions within the Supplemental Budget unless it is time sensitive and would like to be able to have that justified. I think it is really difficult because we get this amount within a short period of time and we are not able to properly vet it as we have other items within the budget. As I look at everything from the Veterans Center roof to Waimea air conditioning to the County Building plants and how we maintain them, a lot of questions come up for me. I am inclined again to actually start with cutting those if I do not have a very good answer as to why we need it right now. That is sort of the direction I am looking at and want to just get a sense from the body how you would like to do that.

Committee Chair Kaneshiro: Right now as we are waiting for Councilmember Brun, let us start going through the list of questions on those supplemental items and we will be playing musical chairs. We will go through the list and whoever can answer it can come up, you will say what the item is, we will have the person come up and answer it, and then we may need to briefly repeat when Councilmember Brun is here if it does come up for a cut, but we may as well do it now so we are not wasting any time. Councilmember Chock.

Councilmember Chock: I do not have my actual Supplemental Budget with me. I gave it to Scott, but maybe we can start with what I wrote down on my list here and the first is the Veterans Center. So, this is GIA funds and I guess it is with the Office of the Economic Development. Can we cover the Veterans Center and the Waimea air conditioning? Again, what I am looking for is why do we need it right now and how does it really apply to our core functions at this point?

Committee Chair Kaneshiro: The Veterans Center came through the Mayor's Budget.

Council Chair Rapozo: If I can help, Committee Chair. That was one of the projects I had spoken to the Mayor about, that they had requested, but I am not going to disagree with you and your question that is that something that we need to do now. It started off as air conditioning. The Veterans Center had requested some assistance in air conditioning and then the Veterans Council prioritized what they needed and then it became the roof instead of the air conditioning. I do not know how you answer that question other than, "Do we need to do it now?" A lot of things in this budget, right now, the answer would be no. I would love to see it go through, but again for me it is not a deal breaker. I am kind of in the same boat as you now. We really have to scrutinize the adds that is in place, but I just wanted to say that I spoke to the Mayor about that and he put it in the budget.

There being no objections, the rules were suspended.

WALLACE G. REZENTES, JR., Managing Director: Along the same lines, Wally Rezentes, Jr., Managing Director. That was a late addition. We had discussed it with the Veterans Council in a meeting. I believe a couple of the Councilmembers were there. Initially, I think the Veterans group were looking to the County to assist with AC for their center, but based on the condition of their roof, which we were advised was in pretty dire straits with significant areas of concerns; holes, et cetera. They felt that it was prudent to reprioritize. They came to me with the Mayor a week ago, so it was pretty recent. We asked them to provide cost estimates quickly so that we could include it in the May 8, 2017 budget. They did get cost estimates and that is how we came to the number. Obviously, we did not have a lot of time to vet it, but no pun intended, but that was the best information we have and the approximate cost was what we presented.

Councilmember Chock: In terms of urgency, is the roof leaking at this point?

Mr. Rezentes: Yes. My understanding from talking to...because we had a later meeting with a couple members from the Veterans Council and they said there are locations where there are significant holes and leakage.

Council Chair Rapozo: One thing too, real quick, the discussion we had or I had with the Veterans and the first discussion I had with the Mayor is when we were figuring out whether we were going to get \$108,000,000 or \$103,000,000 from the TAT. At

that point, we did not think we would be dropped to \$93,000,000, so that changes a whole lot of things when the Legislature dropped it to \$93,000,000. Now it is a whole different prioritization going on in my head now. Anyway, thank you.

Committee Chair Kaneshiro: Councilmember Kawakami and then Councilmember Yukimura.

Councilmember Kawakami: What is the funding source for the Veterans Center? Who funds that building, generally speaking.

Mr. Rezendes: I think they self-generate some of their funds or majority of their funds, but this is a request from them.

Councilmember Kawakami: Is it federally funded?

Mr. Rezendes: I believe some of the funding is federally funded. Some is within the fees that they generate from parties, group meetings, and whatever.

Councilmember Kawakami: It would be good to know what their source of funding is and then I noticed that they have significant amounts of photovoltaic panels on their roof.

Mr. Rezendes: Yes.

Councilmember Kawakami: Is the leaking caused by the photovoltaic (PV) panels and if so, who was the contractor and are they liable for some of that leaking?

Mr. Rezendes: They did not indicate that that was the cause of the leaks and basically in certain areas there are significant leakages, but they did not indicate to us that the cause was the result of the PV panels.

Councilmember Kawakami: I do not want my comments to be misconstrued as not supporting the Veterans Center. I think we all support the Veterans Center. We all support our veterans, but I think during these tough times if we are asked to add, some of these questions need to be asked because in that sense if somebody else is liable for some of these damages, we should do some due diligence and go and research the cause. I know it is a common problem. When you take a look at commercial properties we have had solar contractors come in, some of them better than others, some of them put photovoltaic panels up, void the roofing warranty, and then we end up in this problem. I just would not want this to be an easy way out for...and if it was, if was, and if it was not, it was not, but I think we should ask the question—what is the cause of the leaking?

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Good questions that are being asked and I think this is demonstrating the need for adequate vetting of requests that come before us. Some questions I have is what is their source of income? Can we turn it into loans? Are they qualified for Community Development Block Grant (CDBG)? Is there a way that we can maximize, if we do decide to help and I think we all want to help; it is a quasi-public place. On the other hand, not every member of the public can reserve it, I do not think.

*(Councilmember Brun was noted as present.)*

Councilmember Yukimura: What is the best way to help them is the question and it seems like we could use more time to find the answers to those questions. Do you know what kind of income they get?

Mr. Rezendes: I do not have the specifics on the income, but we surely can ask what are the sources so we can understand what percentage is funded by the feds, what percentage is funded in-house organically from their operations. We can surely ask that.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further questions on the Veterans Center?  
Councilmember Kagawa.

Councilmember Kagawa: Does this set bad precedent when we are starting to fund items from the Federal government? The Federal government already collects a lot of taxes from every working individual on the island, far greater than the State, far greater than the County fees and taxes. You folks are asking the public to pay more property tax and it is going to items like this that are federally responsible where they have trillions of dollars in defense. It comes to a point where...does it set bad precedent? What are we going to fund next? When they have schools in disrepair, are we going to fund schools too? Yes, we see needs out there that other sectors of government are not as responsive, but where does it stop?

Mr. Rezendes: I see part of it as collaboration, too, I think we have collaborated with, not only the federal government, but state government at Hanapēpē Veterans Cemetery. So, it is something that the County is involved with and participates with, but yes, I understand totally why the question is asked. Thank you.

Committee Chair Kaneshiro: Any further questions? Councilmember Chock.

Councilmember Chock: I think just based on the process that we are going through and kind of where I am feeling, I do not if this will help to save time, but I know today is about cuts and adds, but I am just going to propose that we put all of these in the Supplemental Budget on the table. That way if we need to ask any questions (inaudible) I know this can go on for a long time.

Committee Chair Kaneshiro: Unfortunately, it came in the Supplemental Budget, we do not have a lot of time to decide on it, but we do have to decide on it. If we decide to leave it in, then that is \$150,000 that we are leaving in, if we cut it, then they may have to come back at a later time and give us more information. Unfortunately, that is the decision we need to make today. I know we would love to be a little more comfortable on getting more information, but it is what it is.

Councilmember Chock: Chair, just to let you know that the Staff is preparing individual cuts for each of the Supplemental Budget items.

Committee Chair Kaneshiro: Okay, thank you. I had a similar question. Did they exhaust all of their resources as far as trying to get money from the federal money or whomever helps to provide those types of infrastructure improvements for them? I do not think we will get that answer, so we need to make a decision on it. If not, based on the information we have, maybe we will try to start going through the departments. Council Chair Rapozo.

Council Chair Rapozo: One of my cuts will be a significant cut, as I talked about during the budget process, regarding the cutting of positions that were vacant for extended periods of time. These cuts amount to \$1,200,000, but I would ask Staff to pass out this list to the departments and they can take some time to look at these positions and unless there is a very convincing argument why they should remain, at that point when we get to that point, then I am going to be proposing these cuts. I do want to give them the opportunity to come up. Some of these positions have been vacant for an extended, extended periods of time. Again, just out of the General Fund, it is totaling \$612,000. Can we get that list out to the department heads here and they can start figuring out how they are going to justify it and when we get to that point, when we get to the multiple department cuts, then hopefully we can have some discussion.

Committee Chair Kaneshiro: Would we be looking at taking those ad seriatim or just one (1) total vote on it?

Council Chair Rapozo: That is why I want them to get the list now and when we get to that section, if anyone wants to come up and justify to this body why they need to keep that position. The justification has to come with a reason why it has been vacant for so long. Again, I do not want to hear again like we hear every year, "We are working on filling it," because three (3) positions on that list belong to Council Services, just so that everybody knows. It is not just "everyone else." In my proposal, it is to cut three (3) positions from our Office as well.

Committee Chair Kaneshiro: Any questions? Councilmember Kagawa.

Councilmember Kagawa: I am not really going to be comfortable hearing the excuse today. If they have been vacant for a while and we are asked to raise taxes on our residents, we are going to cut everything that we deem reasonable. The excuses today are not going to sway my decision. I think we have a job to do. If there are evidence that it is not needed, I think we should cut it. I do not think we should be listening to excuses.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think it is important that we hear...if I recall last budget session, we hear from the departments as well. I appreciate the Chair passing it out ahead of time so the Administration can look at it because to the extent that it could...I am thinking of the position in Building, which is a rotating position. We need to understand those issues.

Mr. Rezentos: With your request to review, is it possible if the Administration take a time-out and huddle up on that list?

Council Chair Rapozo: It will be a while before we get to that point.

Mr. Rezentos: Okay.

Council Chair Rapozo: Because we are still going down the departments and this is going to come after, when we are done with the individual departments. You take as much time as you want, Mr. Rezentos. I really want to have a good discussion, you take as much time as you want, but again, I think you understand where I am coming from because we heard every year. Every year, we see another three hundred sixty-five (365) days added to the vacancy time. The Committee Chair keeps saying that we need to make those

tough decisions, basically inferring that are going to have to tell the public, "You are going to pay new taxes," and I am saying, "I agree with that we need to think about that," but likewise, we also have to make the tough decisions and tell the Administration and the Council, "We have to do more with less." It is a two-sided deal. It is not just making tough decisions and the public will suffer, but we have to make tough decisions to ourselves as well. That is my whole philosophy on this entire deal.

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

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I just want to add to what you said and that is why some of us here are cutters, like me, and some of us are adders like Councilmember Yukimura.

Committee Chair Kaneshiro: Let us not get there especially this early in the morning. We have three days for these meetings and really hope we do not take all three (3) days, so let us try to keep the comments directed at questions and the budget. Councilmember Yukimura, did you had anything else to mention? Okay. With that, as far as the Supplemental Budget items that came in new, Staff is working on putting the cuts together and putting them in the department they are supposed to be in. We are going to start the process that we set on. We are going to go through each Department, if we have cuts in that Department, let me know. If not, we will move on. Jade, did you want to read through the departments?

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Do you want to go by tab?

Committee Chair Kaneshiro: Again, when we think of the cuts, let us try to be cognizant of is this a cut that we are going to have to get a money bill after. Councilmember Brun.

Councilmember Brun: So for the cuts, if we are not cutting individual, for example, I have a blanket cut for multiple departments, do we wait until the end?

Committee Chair Kaneshiro: Yes. The order is going to be, we will go through each individual department and if you have an individual cut, we will do those now, and then we will go through reductions in CIP, if there are any reductions in CIP, individuals, and then we will go to proposals that affect multiple departments. Then we will go through ones that have cuts and adds at the same time because then our votes will be consistent. The first three (3) will take four (4) votes to cut. Once we start getting to the cuts and adds, it is going to start taking five (5) votes, so I do not want us to get confused on how many votes we need to get something to pass.

Ms. Fountain-Tanigawa: Committee Chair Kaneshiro, the first department is the Office of the Mayor.

Council Chair Rapozo: You want me to start?

Committee Chair Kaneshiro: Yes.

Council Chair Rapozo: This is a really awkward add because when we had the discussion the Men's Conference...

Committee Chair Kaneshiro: Oh, we are doing adds after.

Council Chair Rapozo: This is a cut.

Committee Chair Kaneshiro: Oh.

Council Chair Rapozo: Let me preface it by saying the discussion was, "Hey, where is the money for the Women's Conference," which made a lot of sense to me. I went home thinking, "That is so true," but anyway at this point, I am making a motion that we remove the \$10,000 from the Men's Conference.

Council Chair Rapozo moved to cut funding in the Office of the Mayor in the amount of \$10,000 in Grant-In-Aid, Men's Conference, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Do we have any questions or discussion on this?

Council Chair Rapozo: The only thing is if I do not get this cut then I will be suggesting an add for Women's Conference later. I just think that was a valid point. As much as I do not want to add more, I would much rather just remove the funding. Thank you.

Committee Chair Kaneshiro: Do we have any questions from the Members? I know we had discussion on this during our meeting. It was a little unclear on what the money was going for and I think everyone had the idea that we were likely to cut it, but again, the cut is here. Any question or discussion before we take the vote? If not, we will take a roll call vote on it. Councilmember Yukimura, do you have a question?

Councilmember Yukimura: No, I am okay.

Committee Chair Kaneshiro: It is very uncomfortable on these, I know, because we do not have much time make the decisions.

Council Chair Rapozo: There were a lot of time from when the presentation was made to today.

Committee Chair Kaneshiro: Exactly, we heard about it. Okay. Can I get a roll call vote, please?

The motion to cut funding in the Office of the Mayor, in the amount of \$10,000 in Grant-In-Aid, Men's Conference was then put, and carried by the following vote:

FOR MOTION:	Chock, Kagawa, Kawakami, Rapozo, Kaneshiro	TOTAL – 5,
AGAINST MOTION:	Brun, Yukimura	TOTAL – 2,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Five (5) ayes.

Committee Chair Kaneshiro: Any other cuts for the Mayor's Office?  
Councilmember Chock.

Councilmember Chock: Yes, I have two (2) cuts. The first is the Grant-In-Aid for the Veterans Center roof and I have a second cut for the...

Committee Chair Kaneshiro: We will start with the Veterans Center.

Councilmember Chock moved to remove funding of \$150,000 in the Office of the Mayor, Veterans Center – Roof, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Any discussion?

Councilmember Kagawa: Yes.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Every cut is uncomfortable. I wish the Mayor balanced the budget without increasing the Real Property Taxes, but if we are for not increasing taxes, we have to cut. That is why it is uncomfortable. I wish we could just celebrate and approve the budget. Every cut is uncomfortable. I do not enjoy doing this. Nobody does. It is not a good feeling process for sure.

Committee Chair Kaneshiro: We had some discussion on this. I feel bad Councilmember Brun is the first vote on every single vote and he was not here for some of the discussion, but I think the general consensus was that we did not have enough information on it. We did not know how much it was needed. We did not know what avenues they vetted out as far as trying to get funding because ultimately this is not our building. I know a lot of us use that building, but it is not a County building and that is what the decision comes down to. Do we have any discussion? Councilmember Kawakami.

Councilmember Kawakami: I know it is a difficult situation we are put in and I think that is why from a process standpoint it is very important for some of these organizations to approach us proactively versus just to give the ball to somebody and have them carry the message. I wish there was somewhere in our process where we could loop back because some of the questions I had are valid. I am not ready to support the cut for this particular item right now because I do think that if it is a matter of public health and safety with the roof, then we do have some way to go and support some of the adds. I know it is a federal building, but I also like the fact that they generate their own revenue. I know that the federal government is making some big cuts and this is surely an asset for our island. I wish there was a way that we could come back to the item, but if it is not, I support the process set forth, but I do not think I am ready to support the cut just about now. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think this could be a valid amendment to the budget, but I do not think it is ready for a vote and therefore without the information we need, I am not able to vote for it. I think when there is more information, the Administration can come back, but right now we need to have a complete vetting to see what the alternatives are. Councilmember Kawakami's point about it possibly having been a...something that happened during the installation of the photovoltaic needs to be checked out at least. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: My sentiments are similar. I also want to acknowledge the Office of Economic Development with this GIA, they really heard what our concerns are and created a competitive process that is fair and equal. The fact is GIA resides

in a lot of different departments. I would like to see that... well at least for what we are looking at here. I would like to see some of that equality occur so that we are very strongly connected to what our core mission and vision is so that we know that the projects that we are looking at have been vetted and have a strong connection to those. I am not saying that any of these do not, I am just saying that there is a process for that to occur that I have not seen in some of these other GIA and they exist. They exist in Parks, in the Mayor's Office, and others, and although they are small and most of the GIA's are in OED, my request is that we look at them all that way. That is one of the other reasons why I will not be supporting this at this time. Thank you.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I guess my suggestion is that as the item comes up, we vote and if you are not ready to support it, then you do not support it. At the end of the day when we have that magic number up there whether it is negative; red or black, I would hope that we would be able to revisit some of these items that maybe people had problems with. I do not suggest we pull it off to the side and do it later or wait for information because it is just going to prolong the process. At this point, I actually share some concerns of Councilmember Chock and at this point I will not support the cut, but that may change as we move forward through the process because I do not know what everybody else has right now, so I do not know what that number will be. It is very difficult to figure out what we are going to do until we get to that number.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: For me, I always had a soft spot for them because they are the reason we have our freedom and I never had the guts to serve in the military. I am not going to be supporting this cut, I can tell you that. Yes, if we receive more information and it is not valid, then yes, but for now, I will not be supporting this cut.

Committee Chair Kaneshiro: I say this for everybody, as far as a cut or an add to keep it in, it does not mean we do not support the veterans. It is just a matter of we having the responsibility of managing the County's money, Real Property Tax money from taxpayers, and we really do draw a tight line as far as where do we go in the gray area as far as a building like this. It is not really the County's responsibility. If we had a lot of money, we would love to do things like this. Veterans are a very important part of our island, but again, this is money we take seriously and we need to manage on our own. Unfortunately, I think there is a lot more information to be had on this. Maybe if it came up on the original budget, we would probably have a lot more time to vet it, but we need to take the vote now. We need to make the decision now and sometimes when the projects come in last minute and we do not have information, it is going to get cut and that is just the way it goes. I will be supporting the cut. Can I get a roll call vote, please?

The motion to remove funding of \$150,000 in the Office of the Mayor, Veterans Center – Roof was then put, and carried by the following vote:

FOR MOTION:	Chock, Kagawa, Yukimura, Kaneshiro	TOTAL – 4,
AGAINST MOTION:	Brun, Kawakami, Rapozo	TOTAL – 3,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: 4:3.

- Committee Chair Kaneshiro: Councilmember Chock.
- Councilmember Chock: I have one (1) more...for the Waimea Theatre...oh, this is in the Housing Agency, I am sorry. That is all I have.
- Committee Chair Kaneshiro: Any other cuts for the Office of the Mayor? If not, we are going to move on. Jade.
- Ms. Fountain-Tanigawa: Committee Chair, did you want to go through the different parts of the Mayor's Budget?
- Committee Chair Kaneshiro: I do not think anybody else has anything in the Mayor's Office, yes? Yes, we will move on to Council.
- Ms. Fountain-Tanigawa: Next department, Office of the County Clerk.
- Committee Chair Kaneshiro: We will start with the Council Services Division. Any individual cuts to the Council Services Division? Let me take a quick one (1) minute recess because let me try and figure out how this process is going to go because I actually have a cut and it will probably affect Council Chair's cut that he mentioned earlier. Councilmember Kawakami.
- Councilmember Kawakami: Is the Auditor's Office separate from the Council Services Division, right?
- Committee Chair Kaneshiro: Yes. It will go Council Services Division, Elections Division, and the Auditor's Office.
- Councilmember Kawakami: Okay, because I have some that I am planning to introduce.
- Committee Chair Kaneshiro: Okay, we will take a recess for one (1) minute.
- There being no objections, the Committee recessed at 10:04 a.m.
- The meeting was called back to order at 10:06 a.m., and proceeded as follows:
- Committee Chair Kaneshiro: Sorry for that quick break. I wanted to see how it was going to go because I know Council Chair has a large proposal to cut many positions and I am just going to say if we are going through and cutting some money and it affects your County-wide one, let me know, and we will probably need to pull an individual cut and make a decision on whether we want to go with the two (2) different proposals. One could be a six (6) month funding and another could be eliminating the entire position and it would make no sense to vote on the six (6) month now and then we come back and vote on the total elimination. I do not think it is going to happen a lot, but if there are individual situations like that, then we will try to pull it out so that we do not have to vote on the same thing twice.
- Council Chair Rapozo: Just to clarify regarding the cuts that I talked about, the position cuts that I am going to bring up later does not include the Auditor's Office. None of the positions...and I believe a few of us probably have the Auditor's Office on their cut sheets, but just so that we know this one, as far as my proposed cuts later, does not include the Auditor's position or any of the Auditor's Office cuts.

Committee Chair Kaneshiro: If any comes up, just let us know so that we do not vote on one now and then have to go back and vote on it again when it is already six (6) month funded. I actually do have a cut for our own County Clerk's Office. My cut is six (6) month fund position for the Legal Analyst and the Legislative Assistant and related benefits in the amount of \$103,979.

Councilmember Kagawa: Second.

Council Chair Rapozo: I am sorry, which position is that?

Committee Chair Kaneshiro: It is the Office the County Clerk...we are six (6) month funding position E-38, Legal Analyst, and position E-76, Legislative Assistant. I came up with this cut, I spoke with Jade regarding it on when do we think we are going to be filling it, do we need the money because I know there are other things moving around, and this was a cut that we can say we are looking at all of the other departments as far as cutting and we need to look at ourselves too. I started with us and asking "What do we cut from our budget," and this was one of the cuts that I proposed and talked to Jade about to see if it is manageable. Councilmember Kagawa.

Councilmember Kagawa: I need to make the motion for you since you are the Committee Chair.

Councilmember Kagawa moved to reduce funding (6-month funding) for positions E-38 (Legal Analyst) and E-76 (Legislative Assistant), and related benefits from the Office of the County Clerk, Council Services Division, seconded by Councilmember Chock.

Committee Chair Kaneshiro: Any questions or discussion on it? Council Chair Rapozo.

Council Chair Rapozo: I think that the exercise we went through, I mean these are recently vacated positions, I guess, that we do need and it is just going to take the time, but I think that this is the exercise that all the departments have to go through. It is very simple to have just let this funding go through and create a little slush fund in Council Services for us for travel or whatever. Like I asked Jade, and I really appreciate Jade's total support of this practice, is that...let us really tighten down the budget to really what the numbers that we need. I think if we do that in every department, I think we will be surprised at the amount of moneys that we will save. Thank you, Jade and to the staff, and Committee Chair Kaneshiro for the suggestion.

Committee Chair Kaneshiro: With that, can I get a roll call vote, please, for the cut?

The motion to reduce funding (6-month funding) for positions E-38 (Legal Analyst) and E-76 (Legislative Assistant), and related benefits from the Office of the County Clerk, Council Services Division was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Kawakami, Rapozo,	
	Yukimura, Kaneshiro	TOTAL – 7,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes.

Committee Chair Kaneshiro: Any other cuts for the Office of the County Clerk? I actually had one (1) more. It is something that I hear constantly from Council Chair Rapozo and he may not vote for it though, but it was just to cut a portion of our Performance Audit Budget line item.

Councilmember Kagawa moved to cut \$100,000 from Other Services – Performance Audits from the Office of the County Clerk, seconded by Councilmember Yukimura.

Committee Chair Kaneshiro: This cut comes again from reflecting on our own budget and looking at where do we have places that we do not spend all the money that we budget for. I think currently we have \$375,000 budgeted for audits and all I am saying is...and these are audits that we would do...I agree we need this amount in because we do not even have an Auditor's Office and this amount would be used to do Performance Audits to do any audits we want to do. The only thing is, when looking at it I thought we did not spend much money last year, we have \$375,000 budgeted, I was thinking if we cut it by \$100,000, we would still have \$275,000 for audits for one (1) year to do. Again, this only comes from, if we are going to cut from the Administration side, we also should look at our side to tighten up the belts. We cannot say, "We are going to cut from theirs and not look at ours." We are doing both. We are looking at everybody and we are doing everything. Councilmember Kagawa.

Councilmember Kagawa: I am going to support it, but I think the entire Performance Audit amount, if you have a good Administration team working with the Legislative team, the Council, we do not need audits because we will communicate together and we will work efficiently. It is the "mess ups" that cause us to want to do audits. I think going forward we really do not need that money if we work a better relationship and stop eliminating the huge mistakes that occur. Thank you.

Committee Chair Kaneshiro: I want to say we did use some of this money in the past. An example of an audit that we did was the Kaua'i Humane Society Audit and you can see the benefits that not only the Council, but the Administration got out of those types of audits. Council Chair Rapozo.

Council Chair Rapozo: Thank you. You are right, I am not going to support the cut. We have follow-up audits that we are behind in. Even after yesterday's meeting, if you are not convinced that we have to pull some audits, I do not know what else to say. I will do four (4) resolutions for audits in the next month if I can get the commitment from this body that we are going to pursue. The thing is to prep an audit, our staff will sure have a lot of work, and to come to the Council and not have the support, I think...the Humane Society was easy because it was a non-County entity, therefore, it was like "Let us go after the Humane Society and see what they are doing," but it is not easy to get the support. Trust me, I am saying this through experience. I think cutting back that number is a mistake because when you look at the magnitude, I will be honest right now, the Department of Public Works is going to be definitely the first resolution that I come up with. It is going to be a complex audit. Transportation is a complex audit. I do not want to be limited to only two (2) audits because that is about what the \$275,000 will cover. People say that is a lot of money, well the Humane Society was not a Department of Public Works audit. It was complicated in a sense that they could not provide a lot of the information, but in the audits that I would like to see done, yes, we will be able to do a couple with \$275,000, but I believe that is critical. We do not have an Auditor and even if we get an Auditor though this process that we are exploring, it is going to take that Auditor probably a year, if not eighteen (18) months, to get

that audit office and audit plan ready to start conducting audits. That does not guarantee that our audits will be done. The Auditor does his or her own audit plan and it may not include audits that the Council would like to see, so I would suggest that we keep that funding in there. Let us not look at that obligation or authority that this Council has. Let us not look at that lightly. We can scrutinize the budget, we can do investigations, and we can do audits—that is all we can do. We have not really taken advantage of those powers and I think the result is what we see. We see a lot of issues and problems. The audits can be a cooperative audit with the Administration. It does not have to be a “finger pointing” audit or finding problems. It is just working with the Administration and how we can make departments more efficient. That is the real purpose of an audit and I would ask for your favorable axing of this proposal. It is an oxymoron.

Committee Chair Kaneshiro: Yes, and any comments. Again, it was a cut that I looked at and it is up for discussion. Council Chair Rapozo makes a great point, but what is our responsibility, too, moving forward. If we leave the \$375,000, it is our responsibility to go and maybe work with the Administration and ask, “What departments do you folks want audited? What do we want audited? What do you think we can enhance our performance in?” As we all seen, an audit is not to point fingers. An audit is to improve the operations of any department or anything that we are doing. Councilmember Chock.

Councilmember Chock: I share the same sentiments in terms of the value of the performance audit. I think it is such an important tool that we have, if used properly in coordination with the Administration to create efficiency. However, we still have a hill to climb in this budget. I think we could get two (2) good audits out of this with what we will still have left in, if we cut \$100,000. I think for me it is one of those things that, as Council Chair Rapozo has said, “At the end of the day, let us take a look at...” but at this time, I am going to support the cut. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I, too, support constructive audits and I think there are some real possibilities for this year. I am in favor of audits that are aimed at improvement, but I do think there is probably enough to start with. The Council had a pretty large ending balance, so there is money if we need it. If we need more than what we would leave, so I am in favor of the cut at this point and still look forward to some really good audits.

Committee Chair Kaneshiro: Again, as we all know, even with the Veterans Center vote, at the end we will have our total of cuts and if you can get five (5) votes, add more money back into the budget for certain things that we may have cut. I am just throwing that out there as far as how our decision-making goes. Any further comments from the Members? Councilmember Kawakami.

Councilmember Kawakami: I will support the Budget & Finance Committee Chair for this proposed \$100,000 cut. We still have \$275,000, but speaking from the real-world experience I think we should really start looking at audits through a different lens, the way that it should be looked at. When we had Big Save, we hired somebody to analyze our ordering system and how we could improve supply chain, ordering considering it takes three (3) weeks for our produce to get over, and how we could be more efficient. I would like to see more self-proactive audits being driven by the Administration to take a look at where there could be efficiencies and for them to work with us to see where we want to improve the overall operation and so I think for the time being, we can live with \$275,000. Like we said, at the end of the day if everything is rosy and sunshiny, then we can always

decide what we want to add back in based on our priorities, therefore, I will support you and your cut.

Committee Chair Kaneshiro: Further discussion? Council Chair.

Council Chair Rapozo: Just to respond to that. I agree. Councilmember Yukimura was here...and I know because she was here every time I was here, but whenever we brought an audit up to the table in the past years, that was always the response of the Administration, "Hey, let us do it. We will do an audit. We will make sure..." That is yet to be done. An audit is exactly what you said, "An outside expert to come in and assess all of the internal operations of a department with the simple desire to come up with finding the inefficiencies and recommendations to make it better." That is what it is supposed to be, but it is not done. Have you ever seen a line item in a department's budget for auditing? No, because they are not going to do it. It is difficult. It is a very touchy subject, but at the end of the day there is no other way that we one this body to let people understand what needs to be done unless we have...I am not going to argue that \$275,000 is not enough, but I will say that these audits are not cheap. The audits that I am going to be proposing will be very complex, very complicated audits, and I think we may get away with one (1), possibly a complicated or complex one and a smaller one, and I just want to have that tool available. I obviously respect the opinions and we will deal with it...

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I just want to say that I have seen some efficiency efforts in the Administration that have been impressive and I am thinking of Purchasing and also Human Resources (HR). There have been some major efforts to kind of self-reflect and make improvements and we also have seen areas where it has not happened to the real detriment of the public. We do have a lot of areas to improve.

Committee Chair Kaneshiro: Any further comments? Again, I do appreciate that number in the budget. \$275,000 I think is a lot of money to still do some audits and there is value to it, we saw it with the Humane Society audit, and I look forward to seeing audits that come up and I will be voting for those audits as they come up. Again, it was just a matter of looking at our own budget and being tight on whatever we do and we all know how tight this budget is. With that, can I get a roll call vote to cut \$100,000 from the Performance Audits line item?

The motion to cut \$100,000 from Other Services – Performance Audits from the Office of the County Clerk was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Kawakami, Yukimura, Kaneshiro	TOTAL – 6,
AGAINST MOTION:	Rapozo	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: 6:1.

Committee Chair Kaneshiro: Any further cuts for the County Clerk's Office? If not, we will move on to the Elections Division. Any cuts for the Elections Division? Okay, we will move on. Any cuts for the Auditor's Office? Councilmember Kawakami.

Councilmember Kawakami: Yes. It is a broad sweeping reduction to dollar fund the entire office with the exception of the copier line item, which was a seven (7) month funding and the Comprehensive Annual Financial Report (CAFR). The total reduction of \$504,462.

Councilmember Kawakami moved to dollar (\$1) fund all positions in the Office of the County Auditor and related benefits, and dollar (\$1) fund all other accounts with the exception of Copier (7-month funding for lease) and Consultant Services (CAFR Contract), seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Any discussion from the Members?

Councilmember Kawakami: Sure, I have some brief discussion.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: I think this is an unintended consequence when things get thrown on to Charter Amendments that sound like great ideas without having the proposed costs. The fundamental question as to whether we can afford it, whether we can maintain it, and whether we can afford to maintain it. Here is an office that sounds great. It has not been staffed for a while. I think we have proven with the Humane Society Audit that we can do audits and I think there are alternatives, like even having a (inaudible) made up of community members that can identify where they think audits should be done, that could be another option. I think in the long haul the time to make broad-based sweeps to the departments is when there are no warm bodies because we all know that as soon as somebody's job is on the line it makes it very difficult to cut it. I think this is a temporary cut that hopefully leads to the broader discussion as to whether we want to repeal this entire office because I can tell you what the Other Post-Employment Benefits (OPEB), which is really the "white elephant in the room," which is going to be very expensive to fund something like this in perpetuity. Basically, dollar fund it. I know that we had the discussion of trying another round of seeing if we can find somebody to fill it and that would just urge us not to make rash decisions if we see somebody apply for the position without fundamentally asking whether this is something we need or can afford to pay for the rest of our lives.

Committee Chair Kaneshiro: Any questions or comments? I know I had a proposal, but it was not as drastic. Obviously, if we dollar fund this that means a lot of things are going to have to happen within that time. Any comments or questions? Councilmember Yukimura.

Councilmember Yukimura: I think this is both premature and not abiding by the Charter because we have decided to go through another process to fill the position. I think we agreed that if that did not work, we might propose to the people to change the Charter, but as long as it is in the Charter and until the people of Kaua'i say, "We do not need an Auditor," I think it is premature to totally defund the Office. I also would really like to have us go through this process we have determined that we want to go through because I think otherwise without any money, we cannot really go through the process.

Committee Chair Kaneshiro: Council Chair Rapozo, Councilmember Kawakami, and then Councilmember Brun.

Council Chair Rapozo: I want to thank Councilmember Kawakami for introducing this. I have a similar one and I think I need to explain the difference because it is critical. I have the exact same proposal except mine keeps three (3) months of funding for

the Office because it is going to take time to move the things out of that office. We need to maintain. It is a month to month lease, so we are bound by that, but after having discussions with the Clerk's Office, it is going to take, what they believe, about three (3) months to be able to coordinate the relocating of the assets in that office. There are a lot of things in that office that need to be taken out. That is just really a cushion and it is really only \$4,000, no, I am sorry, about \$9,000 that would be available to the Clerk's Office to really get those things taken out of there. Aside from that, everything is the same. I hate to bring that up now because if...

Committee Chair Kaneshiro: I am glad you brought that up because if we cut everything then that proposal is pretty much moot.

Council Chair Rapozo: Then it becomes an add later.

Committee Chair Kaneshiro: Yes, it would become an add and I would rather us consider the options now. I completely understand where Councilmember Kawakami is going with this Auditor's Office because we have struggled with it as long as I have been on the Council. The last three (3) years we have been funding an office with barely anybody in there, we are not getting results from the Auditor's Office because we do not have an auditor, we have been looking for an auditor, and have not been able to find one. We have done exhaustive searches, so I think right now you saw what Councilmember Kawakami's proposal is, you have heard what Council Chair's proposal is, so you can sort of get a feel. Councilmember Kawakami.

Councilmember Kawakami: I think just logistically hearing, I think fundamentally we are on the same page and so I have no problem just withdrawing my proposal and supporting the other one. If it takes three (3) months, it takes three (3) months. I do not know what the lease agreement says, if we have to return things to the original condition, but we had to vacate stores and if it takes three (3) months, it takes three (3) months, but I find it hard to believe that it is going to take three (3) months, but I am not one to judge. I can support just withdrawing the entire proposal. I do not even think I made the motion. Oh, I did. Did I get a second?

Councilmember Kagawa: Is that a motion? Are you withdrawing?

Committee Chair Kaneshiro: Councilmember Brun, did you want to say something first?

Councilmember Brun: I just wanted to make sure and I think a Councilmember brought it up about the legality with the Charter Amendment because I am in full support of taking that out, but I just want to make sure that we are legit, legal.

Councilmember Kawakami: There is a dollar in it.

Council Chair Rapozo: It would be no different than our County Engineer's Office. (Inaudible) trust me, you all know that. We are still trying and I have been assured by the Clerk that should we find an Auditor in the next process then we would be able to house them here in our building. Again, doing more with less. We are trying to practice what we preach here and I feel really bad that we allowed that office to go as long as we did, but there was always hope that someone was going to take that job. I agree three (3) months, Jade, realistically...

Councilmember Kawakami: We can leave it at three (3) months that is fine.

Council Chair Rapozo: I mean I said that same thing.

Committee Chair Kaneshiro: Councilmember Chock and then Councilmember Yukimura.

Councilmember Chock: The other thing we have talked about is the uncertainty in terms of the needs if we do hire an Auditor, how they want to form their team and what their needs would be. I think what we had decided is that we would like to support starting from scratch. This figure is kind of obscure for us at this point. I think at this point it would be okay to start it, but I just also want to reference that part of the request from the Chair was to make sure that it does not come back with additions later. Councilmember Yukimura and I sort of have a feel for where this is going and I will make a comment right after you, Councilmember Yukimura.

Councilmember Yukimura: I cannot understand how we could complete the process we have agreed on. Who is going to want to take a job with no office and no salary? We said we are going to actually try an innovative process, which maybe I can mention here. I mean it is hard to discuss it publicly because we are reversing a decision that we have made as a personnel decision, but you cannot hire somebody and certainly you cannot recruit somebody if there is no salary there and if there is no office and if there is no assistant position. They do not have any assurance that they are going to have the clerical support or anything. If that is the case then we are basically saying we abandoned our efforts and I was willing to say that once we went through the process, but to me, we are abandoning it mid-stream which ensures that that process is not going to work. It is a self-fulfilling prophecy to remove all of this money.

Committee Chair Kaneshiro: Based on what I have heard, I think the best thing for us to do right now would be to have Councilmember Kawakami withdraw his proposal and then we actually get to see Council Chair Rapozo's proposal. We may actually see that there is going to be funding in there, it is just a matter of—are we able to hire somebody within the next nine (9) months, if not, the salary will still be there, but I really would like to see that proposal first. Councilmember Brun, do you have one (1) more question before we do the withdraw?

Councilmember Brun: The seven (7) month Copier is because it is on a lease, Councilmember Kawakami?

Councilmember Kawakami: (Inaudible).

Councilmember Brun: Okay.

Councilmember Kawakami: We do not want to void any contracts that we have.

Committee Chair Kaneshiro: Do you withdraw your motion?

Councilmember Kawakami withdrew the motion to dollar (\$1) fund all positions in the Office of the County Auditor and related benefits, and dollar (\$1) fund all other accounts with the exception of Copier (7-month funding for lease) and Consultant Services (CAFR Contract). Councilmember Kagawa withdrew the second.

Committee Chair Kaneshiro: Council Chair, do you want to introduce your proposal?

Council Chair Rapozo moved to dollar (\$1) fund all positions in the Office of the County Auditor and related benefits, and dollar (\$1) fund all other accounts with the exception of Electricity and Building Lease (3-month funding), Consultant Services (CAFR Contract), and Copier (7-month funding for lease), seconded by Councilmember Brun.

Councilmember Chock: I have a follow-up.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Council Chair, my only other concern in regards to what Councilmember Yukimura is saying is that when we had decided we would move through the process and I want to ensure that we have the right funds available to accomplish that.

Council Chair Rapozo: That we have. That process as far as...

Councilmember Chock: The executive search.

Council Chair Rapozo: We are going out with an executive head hunter and with the help of the Administration's Procurement Officer, we are moving on that and that is happening. I am not sure when we will start, but the process takes a while. We did not believe that we would have an Auditor in place because what happens is that they will go through all of the applicants and then they come back with a list of recommendations and at that point this body will make a selection or whomever is sitting here at that time.

Councilmember Chock: Would we be able to make an offer based on the condition of this position?

Council Chair Rapozo: I think that is a valid point that we will probably have to check with HR. I would assume that we would have to have...

Committee Chair Kaneshiro: I may have a happy medium. We had to see this. I have a proposal too. It is up to us what we want to do. There was just a small change from Councilmember Kawakami's proposal to this one. I had another proposal to six (6) month fund the positions, related benefits, and six (6) month fund travel, training, electricity line items, there were a bunch of other items being that if we do not hire, we have some transition time. Either way, whatever the body wants.

Council Chair Rapozo: What was your amount?

Committee Chair Kaneshiro: It would total \$177,330.

Councilmember Yukimura: That you keep in or take out?

Committee Chair Kaneshiro: Taking out. It would be to 50% six (6) month fund all positions assuming that we are not going to be able to hire anyone within the first six (6) months. If we do find an Auditor and hire them prior to that, I do not think they are going to be able to hire their staff within that six (6) months. It is just trying to tighten the belt on it,

but still giving us the flexibility to look for an Auditor. If we get one, we get one, if not, then the money goes into the Reserve. Councilmember Yukimura.

Councilmember Yukimura: I would feel much more comfortable, Committee Chair Kaneshiro, because that would allow us to actually exhaust the process that we already set in motion and we said if we can then find someone, we will move ahead with that, but if we cannot then we might propose a Charter Amendment. To cut midway the process that we agreed to really bothers me because that means we will never know that we went all the way to try. I would rather that we have half a year of funding, we go out with this head hunter process, and see if we can find somebody. If we cannot find somebody than it goes into the Reserve and we propose an amendment. We have full evidence for the people of Kaua'i that we tried—we did not leave any stone unturned, but we could not find somebody. That to me is a better way to resolve this question.

Committee Chair Kaneshiro: Again, it is difficult because of Sunshine Law. I do not know what Councilmember Kawakami proposed, I do not know what Council Chair Rapozo proposed, nobody knows what either one of us proposed and we just have to vet it on the floor now, which is difficult. Council Chair Rapozo.

Council Chair Rapozo: Does your proposal keep the Office going or is it removing the office?

Committee Chair Kaneshiro: I think my proposal was being conservative to keep the office there and if we did not find anybody, I mean any money we do not spend on that...if we finally go through the process and cannot find an Auditor and we need to cut it, then any money left in there goes back to the Reserve or whatever we want to do. It was just to give some flexibility.

Council Chair Rapozo: Jade, when do you anticipate the head hunting to begin?

Ms. Fountain-Tanigawa: If all goes well, between July and August to begin actually start taking the applications.

Council Chair Rapozo: And that is about a six (6) month process.

Ms. Fountain-Tanigawa: Six (6) months.

Council Chair Rapozo: Then we get the list of recommendations, so realistically, we are not going to get an Auditor in this fiscal year. I am just looking at my proposal here, if in fact we did...and I want to make it clear, I think you asked the question, but it sounds like Councilmember Yukimura is still not sure. We are not abandoning any process. We are trying to get an Auditor, but let us say July we start, six (6) months later we get the list and you saw how long it took us just get people interviewed. Let us say in three (3) months we can hire somebody, make a job offer, and it is accepted, a money bill will be sufficient. Rather than hold the money and then if we do not spend it put it in the Reserve. Let us just let it in the Reserve and if we need it, let us take it out of the Reserve. Either way it is six (6) of one or half dozen of another, but I want to make sure that we all understand that this process is moving and it is not that we do not want to fill that position. I had been assured by our staff that we have space and it may not be the palace that is over there, but again, look at the Planning Department what they have to work in. We have the space here. The Auditor is not going to come in and hire three (3) people in one day. The Auditor, he or she, is going to have to figure out how they are going to run that office, look at the staffing,

and it is going to take some time. Again, this is just a proposal. What I do not want is I do not want to put money where we know we are not going to spend it.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I feel uncomfortable continuing to fund rent of an empty office and I have issues with that. I like the hybrid approach here. I like some of what you have done because it gives it some flexibility, but I am also comfortable...as long as we can move forward on it and we are in agreement that that is what we are going to do, if the process is successful for us. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think you have to put yourselves in the shoes of somebody we are trying to recruit and to have no budget there is a clear message of...“We are not sure we even want you.” If you want to take out the office space and say that we will provide office space here that is okay, but to cut a whole budget, not have a salary for the Auditor or for some staff and to be at the whims of a political body, who would accept a job like that? We are looking for a high level, high performing person. That is hard to recruit, so I mean if we do not want an Auditor, then we should fund it with no money, but we are not really being clear of our intention. We are not being clear about our intention if we do not put the money there that is going to support an office and we are pretty much...it is going to be self-fulfilling, we are going to kill the possibility of an Auditor by decimating the budget.

Committee Chair Kaneshiro: Councilmember Brun, Councilmember Kagawa, and then Councilmember Kawakami.

Councilmember Brun: I have been here for six (6) months, we have been funding it all this time and we never had anybody jump up and say, “I want to be the Auditor.” We have been struggling for how many years. The last person we had turned it down. I do not think it is about putting the money in because some complained that they were not getting enough money anyway, so I think we should just dollar fund it and work on a money bill if we needed. I do not think we are going to fill the position within the year. I do not see that happening and if we have to put it in next fiscal year, let us do that, but we can do the audits ourselves. That is my opinion on that. Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I think the three (3) months the realistic number. Like Jade said we are not going to get the recommendation for probably six (6) months after July. The fastest we can get that person in is probably nine (9) months from June, so I think it does not send a message that we are not looking for an Auditor. We are always looking for an Auditor, ever since I have been here. You could say that the previous Auditor did not even have the Auditor experience that this job asks for right now and so the previous Auditor would not have qualified had there not been a “political plum choice.” Realistically, we do want an Auditor, the head hunters will find us, hopefully, an Auditor, and I think the three (3) month funding is realistic. Nobody said we do not want an Auditor, we want an Auditor, we have always wanted an Auditor, we just need to find a qualified Auditor, which is the problem. I think the Auditor looking at three (3) month funding would not take that as a message that we do not want an Auditor. The Auditor will look at it as, “Wow, this County is in financial trouble and it really made a wise financial decision after not having an Auditor for three (3) years to eliminate a lot of funding that was just sitting in the budget when they are asked to raise taxes by \$3,600,000.” I think it is a great, wonderful financial

decision to put only three (3) months of funding in there and it shows commitment that we still want the Auditor.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: I do not want this to be a venue to mislead the public, so I want to be very clear. I think for me personally, we are unnecessarily growing government. Like I have stated, I think there are other options that allow us better flexibility to conduct Performance Audits rather than add a whole new department that is going to tie our hands for a very long time. With that being said, I was here on the Council when we hired our last Auditor and there was at the time, I believe, only two (2) applicants. We have continuously tried to identify a possible applicant and it has not come to fruition. I mean what else do we have to do? We have a \$119,000 salary in the middle of paradise and we still could not fill...the implication that we have not been trying or now that we are going back and trying to discourage people from applying is to me misleading the public as to what the actual reality is. The reality is that we had this in place. The reality is that we had local applicants and outside applicants come in and the reality is that nobody wanted to take the job for whatever reason. We continue to try, and purposefully in my opinion, grow government larger than what it has to be. I mean the amount that it cost to fund this we could run based on the numbers that it took us to do the Humane Society audits, ten (10) audits a year. We could do ten (10) audits a year based on what it would cost to keep this office open and the County Auditor does not necessarily mean that they have the expertise to go and audit the Planning Department or to go and audit the Buildings Division or Transportation. They probably still have to contract services out for experts that actually have the expertise in these types of departments. I can support any type of effort to keep it funded partially while we move their office out, but I cannot in good conscience support something that I think is unnecessary, that just continues to grow government, and quite frankly we have better options at our disposal. Thank you.

Committee Chair Kaneshiro: Thank you. Council Chair, a little more clarity because I think we are all on the same page. It is just a matter of where we are cutting the pie. I know we talked a lot about three (3) months and it is real hard because we have all the line items separated, we cannot really tell how much is...is the three (3) month funding is to fund...what are we funding for three (3) months? It is not to fund the entire department for three (3) and then cut it, right? It is just...

Council Chair Rapozo: The only funding that would remain would be the office and the expenses of the office such as the electricity...everything else would be dollar funded. Like Councilmember Kawakami just said, we have tried for years and to think that we are going to get it done in the next six (6) months or nine (9) months, for that matter, I think it is just not realistic. The amount would not be substantial where we could not float the money bill and this County Council has already made the decision that we would go forward with the head hunter that we would seek out applicants, and try to come up with an Auditor. Now, the head hunter is not going to not in the ad, "Here is an Auditor's position, Kaua'i County, dollar in the budget. Please be worried, we might not hire you." They are going to apply for the Auditor's position and it is going to be up to us to fund that position. So to assume or insinuate that "Who is going to come if the County does not have any money in the budget," I mean we are not posting that in the ad.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: If you remember the candidates that we had, first of all it was very hard to find somebody who was qualified with the kind of attitude about

constructive audits and the depth of experience in Performance Audits and when we found someone...and the vision of that possibility is what we are trying to get. I think we need to ask our head hunter how her job will be affected if we were to just put in \$4,000 for the office. We need to ask the expert how the search will be affected by what...and maybe we can do that at lunch time, have Jade call her because if we ask her and she says, "These candidates, they research what is happening in terms of salary and so forth. They are not going to make a big move to this position." We are trying to recruit people away from jobs and they are not even looking for jobs. That is the whole purpose of a head hunter. To have nothing for them to look at or start with, I think, will affect the search. If we are going to reduce the budget that much, I mean it sounds like Councilmember Kawakami has already decided that an Auditor is really not needed. If that is our decision then we should not even hire the head hunter.

Committee Chair Kaneshiro: Yes, and...

Councilmember Yukimura: But if we want to "leave no stone unturned," and try to get a really qualified person, then we need to check how this proposed action is going to affect our search or we need to just cut the head hunter out too.

Committee Chair Kaneshiro: I want to move forward on this. We all know the situation. I do not think anybody has said, "We are not trying to find an Auditor or we are not trying to fund an Auditor." Even me, I have been through the process. We have tried and tried. That is why my proposal was to just six (6) month fund it. I think within this year we are going to know if we are going to fish or cut bait.

Councilmember Yukimura: I agree.

Committee Chair Kaneshiro: Now, we are just looking at the pie. Where are we going to cut our bait at? It is not saying that we are not going to look for an Auditor. If we are able to find one, I hear the intention is to fund an Auditor, but again, I think we are all talking about the same thing, it is just a matter of how we are cutting the pie. As far as I am concerned, I would like us to just move on to the vote. Any last comments? My intention was to not have to do a money bill, that is why a six (6) month fund, if somebody wanted to just three (3) month fund the office, I am fine with three (3) month funding it, and have something in there just in case the possibility of us getting an Auditor in there. We will let the votes fall where they fall. My only intention was to get some money in there so we do need to pull the money bill if we do hire. Councilmember Kawakami.

Councilmember Kawakami: Chairman, I am sorry I am dragging this out. I am guilty of that and I will try to not do that in the future, but I just really feel obligated so that there is no misinterpretation to my intentions. I am not against the audits. I am all for audits. In fact, I think audits make us a better organization, but I am a proponent of also looking at where we can outsource and this is an opportunity to really be proactive because like I said, it is very hard to go back. Now, I am just relaying the message from the constituents that I come into contact with. I have not heard many of them saying, "My gosh, we are failing because we do not have an Auditor's Office." I have heard people talking about potholes, park improvements, affordable housing, homelessness, and public safety, but I surely would like to see some of that money that we are not utilizing, for gosh knows how long, to go towards some of the potholes, park improvements, affordable housing, and homelessness issues and public safety. With that being said, I really felt compelled to not be misinterpreted and people think I am not for audits, I am all for audits, it is just that I do not think it should be done in-house.

Committee Chair Kaneshiro: Councilmember Brun, Councilmember Yukimura, and then last comments, I think we are going to take the vote, so if you want to make a quick comment on why you are voting the way you are, we will do it and we will move. I think we have spent enough time on it and I think a lot of us are all in agreement on which direction it is, it is just how we are cutting the pie and we could probably be here all day deciding how big of a pie we are going to cut. Councilmember Brun.

Councilmember Brun: That would be my question. If we are going to vote on Council Chair Rapozo's proposal first, if that does not pass, we have a chance to vote on your proposal? How does that work?

Committee Chair Kaneshiro: Yes, we can come up with a proposal that people want to do...

Councilmember Yukimura: I have a procedural...

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: It sounds like we are converging on maybe a three (3) month funding and if so, would you both be willing to work on it so that you can propose something like that?

Council Chair Rapozo: Can we vote on mine and then...we are going around the circle...listen, like I said earlier, it is going to take six (6) months to get the list from the company, the head hunter. It is going to take us some time to hire and at the end of the day three (3) month funding, we may not need a money bill. We may have those funds in our own department that we can move. We do not know what to predict in the next year and truth of the matter is that the Auditor's salary is not like anybody else where the Salary Commission sets the cap. The Salary Commission sets the cap on the salary. For the Auditor, it is set. You cannot alter that, so the auditor candidate is going to look online, research the County, and see the Auditor's pay and that is what they will see. I do not know if Councilmember Yukimura is saying that we are going to put out the thing, hire, and then at the last minute say, "We do not like you," I do not know if that is what she is trying to allege, but at the end of the day this body made the decision to go with the head hunter search. That is what the decision was made and that is where we are heading. I would say to just take the vote on mine, if it fails, then somebody can come up with something else.

Committee Chair Kaneshiro: Okay, any final comments on the vote. Let us just keep it to the vote. Any final comments? For me as far as the vote, I think I am going to vote no because again, I do not want to have to go back to a money bill. If we had a little more money in there, I think...again, it is just a difference on how we cut the pie, but either way we are cutting the pie. We had a long conversation on this already. Jade, can I get a roll call vote, please, on Council Chair Rapozo's proposal for the \$490,567 cut?

The motion to dollar (\$1) fund all positions in the Office of the County Auditor and related benefits, and dollar (\$1) fund all other accounts with the exception of Electricity and Building Lease (3-month funding), Consultant Services (CAFR Contract), and Copier (7-month funding for lease) was then put, and carried by the following vote:

FOR MOTION:	Brun, Kagawa, Kawakami, Rapozo	TOTAL – 4,
AGAINST MOTION:	Chock, Yukimura, Kaneshiro	TOTAL – 3,
EXCUSED & NOT VOTING:	None	TOTAL – 0,

RECUSED & NOT VOTING: None

TOTAL – 0.

Committee Chair Kaneshiro: Motion passes.

Ms. Fountain-Tanigawa: 4:3.

Committee Chair Kaneshiro: Let us take a ten (10) minute caption break.

There being no objections, the Committee recessed at 10:57 a.m.

The meeting was called back to order at 11:10 a.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. We just finished up with the Auditor's Office. Any further proposals for the Auditor's Office? Okay, if not, we will move on. Jade?

Ms. Fountain-Tanigawa: County Attorney.

Committee Chair Kaneshiro: Do we have any proposals for the County Attorney's Office? Okay, if not, we will move on.

Ms. Fountain-Tanigawa: The next department is the Prosecuting Attorney.

Committee Chair Kaneshiro: Any proposals for the Prosecuting Attorney's Office? Okay, we will move. Department of Finance, we will take it as a whole.

Ms. Fountain-Tanigawa: Department of Finance.

Committee Chair Kaneshiro: Any proposals of cuts for the entire Department of Finance. This will include Administration, Accounting, IT, Treasury, et cetera. Councilmember Yukimura.

Councilmember Yukimura: (Inaudible).

Committee Chair Kaneshiro: The cut should say.

Councilmember Yukimura: I am telling it does not.

Committee Chair Kaneshiro: Do you have a question on the Debt Service? Let us do that now because I know when we did our Budget Meetings, we took it in the Finance section. Just make your proposal and you can make your motion.

Councilmember Yukimura: My proposal is a cut in the Debt Service Fund and it would reduce the contribution from the General Fund to the Debt Service Fund in the amount of \$62,000 for the Adolescent Treatment and Healing Center. The Mayor proposed this in the budget we got last Friday, \$1,000,000 more in the Bond Fund...sorry...

Council Chair Rapozo: Was that a motion?

Councilmember Yukimura moved to reduce Contribution from General Fund to Debt Service Fund by (\$62,000) for the Adolescent Healing & Treatment Center, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: The County is planning to build, now it looks like a \$6,000,000 Adolescent Drug Treatment Center based on a service model that is not considered best practice. We are proposing to spend \$6,000,000 to build a facility and \$1,200,000 per year and it will cost us \$1,200,000 per year in annual operating costs that will treat eight (8) to ten (10) teens at a cost of \$120,000 per teen per year with a relapse rate of over 50%. The practice that is emerging as a best practice that insurance companies are willing to cover, cost about \$38,000 per year per person and has a recovery rate that is 350% of the national average. I would like to run a four (4) minute podcast that is about this best practice that was played on public radio last month.

Committee Chair Kaneshiro: I would rather not run the podcast. You did a pretty good overview of why you feel that...

Councilmember Yukimura: It is only four (4) minutes and it is during my five (5) minute period.

Committee Chair Kaneshiro: Are we timing the five (5) minutes? Okay, you have...I mean I think you E-mailed it to us and I listened to this podcast, but...

Councilmember Yukimura: This is part of my public discussion, if you would, and I do have five (5) minutes as a proposer.

Committee Chair Kaneshiro: Okay.

*(Councilmember Yukimura's podcast played)*

"There are two (2) big problems with the way drug addiction is typically treated. It can be expensive and patients often relapse. New Hampshire's public radio Jack Rodolico reports on a new treatment model. It is helping some people get better results and for less money. Hannah Bercuates is twenty years old and when she was a senior in high school, her life flew off the rails. She was abusing drugs, she was suicidal, she moved into a therapeutic boarding school to get sober, and she did, but only while she was on campus during the week. 'I would come home and try to stay sober really hard, like really, really hard, and sometimes I would make it through the weekend and sometimes I just could not make it. It just depended. I was white knuckling it...just holding on.' The transition back home always triggered a relapse for Bercuates. 'I thought it was just my fault and there was no hope.' No hope, but Bercuates did have luck. She had private insurance and she lived in Connecticut, right as a start-up began treating clients in the very environment where Hannah struggled to stay sober, her home. Matt Eacott of Aware Recovery Care says his company has figured out a cost effective way of treating addiction with better results than most of their competitors. '99% of the industry really treats addiction as an acute problem, like a rash on your arm that you rub lotion on and you are done.' Rather than a bad rash, Aware treats addiction as a chronic illness that does not disappear just because symptoms are under control. Aware comes into clients homes and connects them with a nurse, a primary care doctor, a therapist, peer support, twelve step meetings, and a case manager. Clients hooked on opiates can get medication-assisted treatment. They can also submit to urine screening and global positioning system (GPS) tracking. Hannah's mother, Louis Bercuates, says the program is intense at first, but as Hannah built coping skills, the supports faded into the background. 'It is not like they are doing the work for the addict, but they are just basically taking them

by the hand and saying here are the places you need to go that will help you and I will go with you to start so that it does not feel that uncomfortable and then we are going to let you fly.' Before they fly, Aware clients have a pretty long runway. The treatment lasts for a full year. Now, this is not cheap. It cost \$38,000 and in 2015, Anthem Blue Cross Blue Shield agreed to pay Aware to treat its members in Connecticut. One of Anthem's behavioral health experts, Dr. Steven Korn, says he is a big skeptic of big health care claims, but he says Anthem was convinced to be the first to pay Aware because the treatment is based on hard science that is yielding solid results for clients. By the way science and results, Korn says, those are surprisingly rare in addiction treatment. "There are old notions that have hung pretty tough when I was young, when I was in training, and as soon as substance abuse was mentioned, the response of physicians was, 'go to AA. That is not our problem, we do not treat that.' For one year of treatment, Anthem says that it is paying Aware about the same as the cost of a month or two of inpatient treatment. Anthem also says that 72% of Aware clients are either sober at the end of one year or still in active treatment. According to Dr. Stewart Getlow, past President of the American Society of Addiction Medicine, that is about twice the sobriety rate of people who check into a facility for a month and then get no follow-up care. Getlow says that treating addiction at home makes sense because it is the exact place where people learned all their bad habits. 'It is all based on this concept that addiction is not about the substance use, but it is about what led to the substance use in the first place. You cannot really get there without getting to know the patient.' Anthem is now paying for the program in Connecticut and New Hampshire and Aware says it is in negotiations with four more major insurers. For NPR news, I am Jack Rodolico."

Committee Chair Kaneshiro: The proposal on the floor is to cut \$62,000 out of our Debt Service. I think as far as our Debt Service goes, these are projects that have not been approved yet, but the Administration is anticipating on going out for a bond for...I think it was approximately \$24,000,000 including the \$1,000,000 for the Adolescent Treatment Facility. They are saying if we go out for bond this year and get \$24,000,000, this is what our Debt Service is going to cost us and the proposal is to reduce it by \$62,000 because of an additional \$1,000,000 for the Adolescent Treatment Facility, so do we have any comments or questions? Councilmember Brun.

Councilmember Brun: The comment is about the \$62,000 or on this whole presentation that we just heard?

Committee Chair Kaneshiro: It is not on the presentation. It is on this \$62,000.

Councilmember Brun: Okay.

Committee Chair Kaneshiro: It is basically, as we go through the Bond, they are going to have to come to us with these projects and we are going to need to approve them anyway. If it does not get approved then either our Debt Service will reduce or we will put in another project for that amount, is what I am thinking will happen in the future when it comes next fiscal period.

Councilmember Brun: Okay.

Committee Chair Kaneshiro: Councilmember Chock and then Councilmember Yukimura.

Councilmember Chock: I know that this was part of the Supplemental Budget and one of the questions that I had. I just wanted to get a sense of urgency on whether or not this is needed or necessary at this time or is this something we can come back to. As the project progresses, one of the questions I have is whether or not we have made any progress towards a service provider. Similar to the Kilauea Ag Park Project, it is like, if we want them to get the water, I want to ensure that we are making progress in that. I have not had an update on this and so I just want to ensure that as we are making these difficult decisions in the process, will this make or break the movement on this and it sounds like it does not, so thank you.

Committee Chair Kaneshiro: Did you want to ask the Administration a question?

Councilmember Chock: I would like to be able to give them an opportunity to respond, if anything, on it.

Committee Chair Kaneshiro: Again, this was a supplemental item that came in, so we did not have time to vet it during the regular budget. The question is on the \$1,000,000 of the Adolescent Treatment Facility. Councilmember Chock, maybe you want to restate the question.

Councilmember Chock: In terms of urgency and need and if this is something that we can come back to revisit along with an update on where we are in the process of securing a provider of this facility.

There being no objections, the rules were suspended.

Mr. Rezentos: We are a handful of months away; couple, two (2), or three (3) months maybe, from proposing a bond issue to the Council and usually what the Finance Department does is try to budget for the anticipated debt service for the bond issue. Ultimately, the County Council will in a two (2) or three (3) month period be able to decide what projects make the cut, what projects do not make the cut. This \$62,000 add equates to about \$1,000,000 in project and it is based on the most recent update that we have from our consultant to build the facility the way we want it and not eliminate facets of the programs that will go into the center. That is their best guess or estimate on the construction cost. We do not ultimately know, at the end of the day, \$5,000,000 may be all that we need, but we do not know what the construction marketplace will be at that time. We have to come now to you with the best information we have. Again, ultimately the County Council in a few months will have the say as to what projects make the cut, what projects do not make the cut on the final bond list. I guess what I am saying is we are trying to budget with the best information we have today and two (2) to three (3) months from now when we are ready, we may be able to better update you on each of the projects including the Adolescent Treatment Center.

Committee Chair Chock: Questions? Councilmember Yukimura.

Councilmember Yukimura: Right now the treatment center is not in the Bond Fund list, right?

Mr. Rezentos: We are proposing...we do not have a formal list completed yet, but we have a draft project list that we have provided you. This additional funding, which equates to \$62,000 in added Debt Service would include \$1,000,000 for the treatment center.

Councilmember Yukimura: I thought we could not use Bond money for something that is going to be privately operated?

Mr. Rezendes: It could be because the type of bonds that we issue will allow for that.

Councilmember Yukimura: Okay, but the Adolescent Drug Treatment Center is not on the Bond list...it was not on the Bond list and you are adding it now?

Mr. Rezendes: Yes, it is an informal bond list because we have not really officially presented in a Bond ordinance form to the Council yet and we will do that hopefully in the next two (2) or three (3) months, Mr. Shimonishi?

Councilmember Yukimura: If we took \$1,200,000 which we estimate to be the operating costs, we could put thirty (30) teens through this treatment that we are hearing about that is what 350% times more effective rather than eight (8) to ten (10) teens per year. Why would we spend so much money to do that; taxpayers money?

Mr. Rezendes: We have experts that would be on two sides of the coin.

Councilmember Yukimura: I have not seen that.

Mr. Rezendes: And it is your ultimate call on the decisions for...

Committee Chair Kaneshiro: Let me preface it this way. Ultimately, we make the decision, yes or no, do we want this money in there or not? We can debate it all day on whether the treatment facility is the right thing, is a wrong thing, but it all comes down to is our vote on this as far as do we want to give them the flexibility to have the \$1,000,000 in their for their future Bond Float or do we not. I think that is the decision we are going to vote on. Any other comments on why you are going to vote for or against it and I think we will take the vote?

Councilmember Yukimura: I just have one more question.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: This \$1,000,000, the projected cost is \$5,000,000 and we got that from the Legislature, correct?

Mr. Rezendes: We received \$5,000,000 from the Legislature, yes.

Councilmember Yukimura: So this \$1,000,000 is like a 20% contingency fund.

Mr. Rezendes: Well again, I would not call it a contingency fund because it was the \$6,000,000 figure is the best estimate we have from our design consultants, so if we look to scale back on the center, we could reduce the \$6,000,000 to a certain extent. Ultimately, though as you folks know, we are not going to know what the construction industry will bear as far as a price.

Councilmember Yukimura: Who are your design consultants?

Mr. Rezentes: I believe it is a host of people, but it include Ventura as our main architect, but he also has subcontractors under him, some civil subs and some other subs as well.

Councilmember Yukimura: Okay, so he is your design consultant. Can you give us the documentation that shows that a \$1,000,000 more is necessary?

Mr. Rezentes: Sure, we can do that.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Any further discussion on this item? If not, we are going to take the vote. Councilmember Yukimura.

There being no objections, the meeting was called back to order and proceeded as follows:

Councilmember Yukimura: One of the things that raises the cost of the budget is big projects that do not achieve their goals or do not achieve their goals at a really cost effective way. I think we see that there are a lot of...the two neighbor island Adolescent Drug Treatment Centers that were built have failed, they closed down. They support much larger populations than we do, they have larger populations than we do and now we are hearing that the best practice and the consultants that did the feasibility study on the Adolescent Drug Treatment Center, the one that the County hired, that our experts said that, "You should not have this residential treatment until you have this continuum of care," because when they go back home, they just relapse unless they have the type of care that has been described in the program that we just heard about.

Council Chair Rapozo: Committee Chair Kaneshiro, I am going to raise a point of order.

Councilmember Yukimura: ...so without...

Council Chair Rapozo: I raise a point of order. The point of order is at the beginning today when you started, you said we are not going to get into the debates of projects. We are going to talk about the funding, if we agree or disagree with the funding. Unless you are going to give everybody around this table time to justify why we want the Adolescent Treatment Center, which I happen to support 140%...I suggest we talk about the \$62,000 and not about the best practices...I mean that was your rule that you stated up front. I hate to have to do this, but it has been going on...

Councilmember Yukimura: Committee Chair, he is...

Council Chair Rapozo: I have the floor.

Councilmember Yukimura: He is arguing.

Council Chair Rapozo: So, that is my point and you need to rule on whether or not this is in compliance with the rule you set when we started this hearing.

Councilmember Yukimura: I am talking about the \$62,000.

Committee Chair Kaneshiro: I do want us to tighten it up. We watched a four (4) minute video on this item, we had the questions, I kind of get a feeling just looking around the room, I know where the votes are going to go. Again, we have a lot to do today, if you can tighten up your conversation on...we all know where you stand on it. You do not want it. I know that is clear and we are going to vote on it right now.

Councilmember Yukimura: I am not trying to say where I stand on it. I am trying to explain why I think the \$62,000 should not be in the budget.

Council Chair Rapozo: Committee Chair Kaneshiro, if you are going to allow me to explain why in the next half hour, I will gladly take that opportunity.

Committee Chair Kaneshiro: Yes, I do not want to do that. Councilmember Brun.

Councilmember Brun: That was the question I asked—if we are talking about the budget because I can tell you right now we should not even let recreational marijuana out there and that is the debate I did not want to get in and now we are in this. That is why I asked if this was just about the budget. We going fund the Adolescent Treatment Center that is what we are after now...I mean I have great ideas on how to stop our drug problem, but I do not think this is the time and place right now and that is why I asked you in the beginning.

Committee Chair Kaneshiro: Again, I would like to move on. We know where you stand.

Councilmember Yukimura: I do too.

Committee Chair Kaneshiro: Can you...

Councilmember Yukimura: I think we have a responsibility to use public taxpayer money as cost effectively as possible. If effective drug treatment is our goal, and I believe that is everybody's goal, we have to find the best way to do it and I do not think the residential drug treatment center is the best way to do it. Therefore, we should not continue to add cost to the budget because it is not going to achieve our goal and it is not going to be good use of taxpayer money.

Committee Chair Kaneshiro: Any further discussion? If not, roll call vote, please.

The motion to reduce Contribution from General Fund to Debt Service Fund by sixty-two thousand dollars (\$62,000) for the Adolescent Healing & Treatment Center was then put, and failed by the following vote:

FOR MOTION:	Chock, Yukimura	TOTAL – 2,
AGAINST MOTION:	Brun, Kagawa, Kawakami, Rapozo, Kaneshiro	TOTAL – 5,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion fails.

Committee Chair Kaneshiro: Any other cuts for Finance? If not, we will move on.

Ms. Fountain-Tanigawa: The next department is Human Resources (HR).

Committee Chair Kaneshiro: Any cuts for the HR Department? Okay. Any cuts for Planning? No. Any cuts for Economic Development? I think we may have...did money go in for one of the supplemental? Any cuts for Economic Development? Council Chair Rapozo.

Council Chair Rapozo: I have a few. I will start with the first one which is the Airport Greetings.

Council Chair Rapozo moved to cut funding in the Office of Economic Development in the amount of twenty-five thousand dollars (\$25,000) in Other Services for Tourism-Airport Greetings, seconded by Councilmember Kagawa.

Council Chair Rapozo: We talked about this earlier about the Veterans Center and how much of the State's function are we going to take on. As I watched the Legislature go through their hearings and speaking with many of the Legislators throughout this last session, and I am not talking about our Kaua'i Delegation, they actually supported us or tried to support us. It was kind of the general theme that we were going to get reduced and we cannot continue to fund these tourism activities that some may argue that they have a direct benefit on our island and I disagree. I think the amount of moneys that the State is withholding from the Counties and the TAT, that they should be able to find \$25,000 to fund these things. That is plain and simple. Take it out of what you took from us, that is my point.

Committee Chair Kaneshiro: Any further comments or discussion on this. Councilmember Kawakami.

Councilmember Kawakami: I appreciate those comments and I do think we should look for alternative sources of funding through HTA or through current TAT money, but I am not ready to support the cut. We just attended a NACo conference and they had a whole breakout session on how arts and culture are vehicles of economic development and I think especially for our case where we are a tourism-driven economy and knowing that first and last impressions really benefit whether tourists will return or not, I think that I would be willing to support this \$25,000, but I think moving forward, we should be looking to working with HTA which does have and is more appropriate as a funding source. I am just not ready to make the cuts today for this line item, but I do appreciate the comment and I do agree that there are other sources that we should be looking at, it is just that I am not ready to make the cut today.

Committee Chair Kaneshiro: Okay. Anyone else? If not, we will take a roll call vote.

The motion to cut funding in the Office of Economic Development in the amount of twenty-five thousand dollars (\$25,000) in Other Services for Tourism-Airport Greetings was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Rapozo, Kaneshiro	TOTAL – 5,
AGAINST MOTION:	Kawakami, Yukimura	TOTAL – 2,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion passes 5:2.

Committee Chair Kaneshiro: Any other cuts for Economic Development?

Council Chair Rapozo: Am I the only one?

Committee Chair Kaneshiro: Anyone else with any cuts?

Council Chair Rapozo: Every year I am the bad guy. Nobody else got? Okay. These are tough, but when we start looking at (inaudible) budget and what is needed now and can wait, and I know this is some tough calls, but I am prepared to at least introduce them and let us have the discussion. At the end of the day, I may not support my own cut, but I need to have that discussion on the floor. The next one is the cut funding for the Other Cultural Projects (Holo Holo) and I really want to hear what the Council feels.

Council Chair Rapozo moved to cut funding in the Office of Economic Development in the amount of forty-two thousand five hundred dollars (\$42,500) in Grant-In-Aid for Tourism-Other Cultural Projects (Holo Holo), seconded by Councilmember Kagawa.

Councilmember Kagawa: I have a comment.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I appreciate the work you have done in this area. I am going to be the bad guy at some point, probably the worst guy, but I appreciate any type of reasonable cuts that I think the public would appreciate because I surely know there is a strong sentiment by the public that they do not appreciate the proposed \$3,600,000 tax increase to Real Property taxes. It is not because of the County. It is because they feel overtaxed by the federal government, overtaxed by the State government, and they feel like they have no more change to give to government in all sectors. They are struggling out there. People are working three (3) jobs just to make a living and struggling. I think we have to look at those people, the middle class and the poor. They are having a real tough time right now and though cuts may be tough, we may be cutting things that may hurt and makes us look like the bad guy. I appreciate the cuts that everybody is proposing including Councilmember Yukimura's cut because we are all trying to avoid increasing taxes. We share the same sentiments because I know whoever I listen to also talked to you as well. Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I am trying to support as many cuts as possible as well. On this item, I would like to get clarification on what exactly those projects are for the \$42,500.

Committee Chair Kaneshiro: I will suspend the rules.

There being no objections, the rules were suspended.

GEORGE COSTA, Director of Economic Development: *Aloha* Budget & Finance Committee Chair Kaneshiro and Honorable Councilmembers, for the record, George Costa. For this line item, this is where we put it into a pot. There is \$30,000 for cultural projects that are not specific, but there are two (2) projects that are very important, \$7,000 for the Kua'i Nui Kuapapa to finish up the signage that you see going around the island and then the other one is really important is the start of the...it is \$5,000 for the Ni'ihau language.

\$7,500 for Kaua'i Nui Kuapapa and \$5,000 for the Ni'ihau language commission. The other \$30,000 has not been designated yet, but those two are very important—the \$12,500.

Committee Chair Kaneshiro: Councilmember Chock, do you have more questions?

Councilmember Chock: No more questions, but just the consideration of the two projects that have been looked at to continue to fund and take away the rest.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Ditto. \$30,000...I would like to withdraw my second if Council Chair Rapozo would like to withdraw his motion and we can amend.

Council Chair Rapozo: Can you explain to me the importance and why does it have to be done in this fiscal year?

Mr. Costa: Well Kaua'i Nui Kuapapa...this is the last phase. We did it in three phases and this is the last phase of the Kaua'i Nui Kuapapa project.

Council Chair Rapozo: If you can help me because I am not familiar...

Mr. Costa: That is the project that we are going around the sign and doing the signage with the *moku* and *ahupua'a*. In this last phase...

Council Chair Rapozo: How much have we spent already on that project?

Mr. Costa: I believe we spent about at least \$80,000.

Council Chair Rapozo: What have we got from that besides the signs?

Mr. Costa: The signage.

Council Chair Rapozo: I saw the signs. The tourists are asking me and they do not have no clue what those signs are.

Mr. Costa: Okay.

Council Chair Rapozo: What else have we done?

Mr. Costa: Well there is a Kaua'i Nui Kuapapa website that is the educational piece that is going to be part of all of the schools systems. Like I said this last \$7,500 is to finalize that website piece and the last remaining signs, interpretive signs that are going up around the island.

Council Chair Rapozo: And then the Ni'ihau language.

Mr. Costa: The Ni'ihau language is separate from the Hawaiian Native language that we are familiar with today, and so we want to start this commission working with the Robinson family and the families on Ni'ihau to start this language commission to preserve that language that is very important. I just want to say that going back to the Kaua'i Nui Kuapapa, we are working with the Department of Education (DOE) on that website piece to educate.

Council Chair Rapozo: Who is going to maintain that website?

Mr. Costa:  
Kaua'i Nui Kaupapa. That is part of the organization that spearheads

Council Chair Rapozo: Is that a continual funding? Are we going to continue to fund this every year?

Mr. Costa: No, no. Like I said, this is the last year of the three (3) year project.

Council Chair Rapozo: Okay, thank you.

Committee Chair Kaneshiro: Any further questions? Councilmember Kagawa.

Councilmember Kagawa: I feel like if we spent \$80,000 and we have \$7,500 left to go, it feels like putting up a gym and not putting up the basketball nets and baskets. I feel like we are almost there. It is \$7,500, but we have committed 90% already to it, so let us just finish it and put the nets up.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Can I move to amend the proposal?

Committee Chair Kaneshiro: Do we have any more questions for George on this? Okay. I will bring the meeting back to order.

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

Committee Chair Kaneshiro: We could just vote on it and then we can do a new proposal for \$30,000 without the money in, it might be faster.

Council Chair Rapozo: Just amend it...I mean whatever. You folks are cutting things that are much more serious than this and then this one, but whatever, I am not going to get in the way of that. Let us just finish the signs. I still do not know what that does for Economic Development and I am just being honest. I work with tourists at the hotel and nothing, they do not even know about the website and they do not know about anything. \$80,000...I am just trying to...it is just like what you said about the gym, would we spend \$10,000,000 for a gym, that is just my point. It is frustrating, but if you want to cut \$30,000, let us do the \$30,000. I will take a friendly amendment, that is not a problem.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Like what Councilmember Kagawa said, I think if we were going to stop the signage, we should have stopped it two (2) years ago before we even started it, but for now to stop it when we only have \$7,500 left out of \$80,000, let us just go ahead and finish it. It is almost like the rail, to go that far and not finish it.

Councilmember Yukimura: So that is \$29,500?

Councilmember Brun: No, \$30,000.

Council Chair Rapozo moved to amend the motion to cut funding in the Office of Economic Development in the amount of thirty thousand dollars (\$30,000) in Grant-In-Aid for Tourism – Other Cultural Projects (Holo Holo), seconded by Councilmember Kagawa, and unanimously carried.

Committee Chair Kaneshiro: Further discussion on it? Okay. The proposal is to cut \$30,000 from other cultural projects, Holo Holo. Can we have a roll call vote?

The motion to cut funding in the Office of Economic Development in the amount of forty-two thousand five hundred dollars (\$42,500) in Grant-In-Aid for Tourism – Other Cultural Projects (Holo Holo) as amended to cut funding in the amount of \$30,000 in Grant-In-Aid for Tourism – Other Cultural Projects (Holo Holo) was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Kawakami, Rapozo, Yukimura, Kaneshiro	TOTAL – 7,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: 7:0.

Council Chair Rapozo: The next one is the Visitor Industry Plan Monitoring, again, my argument will be the same for all of these visitor industry projects. They take \$1,400,000 from us and yet they expect us to maintain a system of visitor industry, which I believe is the State's function. It is a small amount of \$12,500.

Council Chair Rapozo moved to cut funding in the amount of twelve thousand five hundred dollars (\$12,500) in Grant-In-Aid for the Tourism-Visitor Industry Plan Monitoring (Match) in the Office of Economic Development, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Any questions or comments? I have a question. If anyone can answer because I vaguely remember if this is part of a three year process and this was the third year. I know there was some Grant-In-Aid in visitor industry that has been on the chopping block the last few years and I cannot remember if this is part of it or not. George, what is this for and how much longer will we need to pay into it?

Mr. Costa: For the record, this is the third year and this is a match with HLTA funds. This is the County match. At the request of the Council, we have gone after other sources of funding, so Hawai'i Lodging and Tourism Association (HLTA) has stepped forward and this is our County match to provide the funding necessary to carry on this monitoring.

Committee Chair Kaneshiro: Is this the final year of this project?

Mr. Costa: Yes, this is the third year.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: So, if we cut the match then we are not going to get their match?

Mr. Costa: Right.

Council Chair Rapozo: What is it for? What is the plan?

Mr. Costa: We put together the strategic plan and we have engaged in the visitor industry to help us with our infrastructure problems, traffic, and things that the visitor industry has an impact on our island. We bring together all the visitor industry stakeholders to help us try and solve some of our problems within the visitor industry and how they can assist us. We have somebody that facilitates these meetings and brings us all together to help find solutions for that.

Council Chair Rapozo: I will take a page out of Councilmember Yukimura's book and ask, aside from paying the facilitator and the breakfasts or lunches, what have we received in return from the County? What benefit, what receivable, what product, or service have we received that is helping us move forward in economic development? Aside from the meetings and the discussions...have we received any kind of tangible report?

Mr. Costa: One of the examples is one of the committees is on agriculture, so we bring the Kaua'i Grown, Kaua'i Made people together, Melissa Sugai who is Kaua'i Made and Amy Chun with the Farm Bureau that spearheads the Kaua'i Grown program. We work with the visitor industry to help promote those projects in their resorts in various areas and that is just one of the examples on helping economic development through the visitor industry to promote our products and help support through either their chef or restaurants.

Committee Chair Kaneshiro: Any further questions from the Members? Comments? No further questions. Okay. So, this is the final year, after this, you folks plan to come back for more money on a new study or are we done with this?

Mr. Costa: No, it is the Tourism Strategic Plan and this is part of the implementation of that plan.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: How long does the strategic plan go? Is it going to be redone or updated or is your monitoring and implementation going to continue?

Mr. Costa: This was part of the update, the Tourism Strategic Plan, which was updated couple of years ago and so this is the third phase of the implementation process of what we have come up with.

Councilmember Yukimura: Will this be the last year? I am not clear what your answer is.

Mr. Costa: With bringing the partners together, but within the industry, they will continue to work on finding solutions on how they can help our island.

Councilmember Yukimura: But you are saying that this will not be in the next year's budget.

Mr. Costa: As far as I know.

Committee Chair Kaneshiro: Any further questions? If not, any discussion on this? Councilmember Chock.

Councilmember Chock: I guess I will not be supporting the cut only because it is in its third year and it is a match and a lot has been invested in at this point and let us see it through. Thank you.

Committee Chair Kaneshiro: Anyone else?

Council Chair Rapozo: Just a comment.

Committee Chair Kaneshiro: That is why the Charter requires the Council to have to approve multi-year funding, so it does not get into this trap where “We are on the last year and we need the last of the funding.” That is why for multi-year projects, they have to come here first, so we do not run into this issue. That is two in a row where we heard, “It is the last year,” so regardless of what our financial situation is, because it is in the last phase...you know HLTA is a rich organization. I appreciate what you said about the Kaua‘i Made products, but I have been involved with so many nonprofit organizations that get together and facilitate their own and work to resolve their issues alone without any funding. Everybody look at this, I know people are thinking, “You damn little nitpicker,” but \$12,500, \$10,000, \$7,500—if you add them all up, we end up with...so anyway, I am going to support the cut. If there is a three (3) year program, a three (3) year project, a five (5) year project, come to us in the beginning and get the commitment from the Council and the commitment to fund, and we move forward. But you cannot keep coming back and say, “This is our last year and we need it.” Mr. Costa, this is not against you personally. I understand you are the placeholder, your department, but I am just saying that right now we are talking about cutting three point something million. People may think this is chump-change, but add them all up, so I will be supporting the cut.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: I agree. I am assuming that since this is a multi-year plan than this item has come up in past budgets and for us to be able to operate more efficiently and knowing that some of these things are multi-year projects that are not being disclosed up, that it is going to be on our duties and list of duties to ask upfront, “How many years is this project and what is the timeline?” Yes, it is disheartening to hear that this is the final year of a project and I just hope that...and I am just assuming since this is the final year, this is where they come up with recommendations, so I just hope that there is anybody listening that the recommendations are not just, “The County needs to fix the bathrooms in the parks,” or “The County needs to hire more police officers,” or “The County has to go in and address homelessness.” This had better be a true experiment in public/private partnerships where the visitor industry is actually going to be saying, “These are where we can assist and making Kaua‘i a better destination for our visitors and our residents. This is how we can hold hands and address some of the traffic issues by supplying the North Shore shuttle and funding it from our hotels.” So, I am just hoping that this is going to be a study telling us how to spend our money with no vested interest also coming in from the visitor industry. I am just hoping this final funding is their recommendation stage and they take it to heart that we are looking for some type of partnership and not just telling us where we need to spend our limited resources. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura and then Councilmember Brun.

Councilmember Yukimura: Actually if I recall correctly at least two (2) years ago it was a \$25,000 line item, which was proposed to be cut and I think you or Nalani went and worked to get a match so that the County would not be carrying the entire burden. I also want to say that one of the County's biggest problems is doing plans that they do not implement, the General Plan is a very good example of that, and so this process is supposed to be a discipline that helps the industry implement the plan. I want to say that for me the most significant part of this plan and I point many people to it who say, "The tourist industry is just wanting to expand exponentially," this plan says, "The tourist industry says, 'in great consideration of the community, we cannot take more than 25,000 tourists a day and when we get to that level things do not work well.'" So the plan says, "We should not expand until we expand our infrastructure" and it is very significant to me that the visitor industry has become so conscious of their impacts on the community and want to address it. To me that is very commendable. The plan has a lot more depth than other plans have and it reflects a real consideration and concern for the community impacts which I think is really good.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Can I ask them a question?

Committee Chair Kaneshiro: Sure, I will suspend the rules.

There being no objections, the rules were suspended.

Councilmember Brun: With this plan they are looking at just how we can better with the visitor industry...are they looking at roads and...

Mr. Costa: It is a multi-phased approach and it is exactly what Councilmember Yukimura just pointed out where there are several committees and I mentioned agriculture, as one, it is looking at infrastructure, it is looking at various components. It is looking at visitor inventory, which you have timeshares, condominiums, you have hotels, and most of them are represented on this committee because obviously you look at the arrival numbers and we are backed up to where we were in 2006 and so the industry is very concerned. It is also looking at the vacation rental side of things and how vacation rentals have an impact and so the industry as a whole is trying to help with that situation. I do want to point out that when we came before this body two (2) years ago, the first phase was funded, last year it was not funded, so we went out and we got funding from HLTA and I believe HTA and so because of the match component, we are back here on the third phase to ask for funding to finish this and that we do have a HLTA match.

Councilmember Brun: I just hope that, like what Councilmember Kawakami said, we are getting good productive information out of this. As far as traffic it is hard to ask them to help us with our traffic problem when all our money go to O'ahu and they get the worst traffic there, so if they cannot fix it here, how are they going to help us here? They should concentrate on things that we can fix with the visitor industry because it is not going to help us with traffic.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I just want to say that actually we have in our Multimodal Land Transportation Plan we have a different approach from O'ahu, but with respect to this strategic tourism plan, one of the disappointments is that the General Plan update...hello, Planners, the General Plan update has not incorporated this strategic tourism plan and some of it is discussion and facts so that is a disappointment.

Committee Chair Kaneshiro: Okay, and with that, I will say my piece. This has been on the chopping block a few years now and again, the final year of it, I know where Council Chair Rapozo is going and you know I commend him for the cuts he is proposing because again, Grant-In-Aid is the free money that we give away and I have the same feelings as Council Chair Rapozo and Councilmembers Kawakami and Brun. What are we getting from these plans and I think the last thing we want to hear is next year, "Oh, we need money to update the plan that we just finished," or something like that. I am willing to support it now and again, I think you have seen it in the last few years that we have been looking at the moneys in the GIA and these types of plans and we have been cutting a lot of them. If we are not getting a desirable outcome from funding these plans, then they have been cut. I am sure we will be going through more of these in this budget. With that, the vote is to cut the \$12,500 matching for the Visitor Industry Plan Monitoring. Can I get a roll call vote, please?

The motion to cut funding in the Office of Economic Development in the amount of twelve thousand five hundred dollars (\$12,500) in Grant-In-Aid for the Tourism-Visitor Industry Plan Monitoring (Match) was then put, and failed by the following vote:

FOR MOTION:	Kagawa, Rapozo	TOTAL – 2,
AGAINST MOTION:	Brun, Chock, Kawakami, Yukimura, Kaneshiro	TOTAL – 5,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion fails.

Committee Chair Kaneshiro: Motion fails. Next one.

Council Chair Rapozo: The next one is...I do not even know if I should introduce the rest...\$30,000 for the Climate Action Plan.

Council Chair Rapozo moved to cut funding in the Office of Economic Development in the amount of thirty thousand dollars (\$30,000) in Grant-In-Aid for the Energy/Sustainability-Climate Action Plan (Match), seconded by Councilmember Kagawa.

Council Chair Rapozo: Very simply, this is one that I do not believe that is necessary for this year.

Committee Chair Kaneshiro: I know we had discussion on it too as far as in our Budget Reviews Meetings. Councilmember Chock.

Councilmember Chock: I hate to say it, but it says, "Match" as well, so I just want to make sure that we get an understanding of where we are on that match and the progress of this in terms of the urgency and need.

Mr. Costa: I am going to call up Ben Sullivan to speak to this.

BEN SULLIVAN, Specialist IV-Energy/Sustainability: Ben Sullivan, Office of Economic Development, for the record. Just speaking specifically to the match, we currently have commitments for 250% match for the \$30,000 if it is passed by the Council, so we would get an additional \$75,000. We also have a grant lined up that we intend to apply for in July

that would actually make it a fivefold match, so we would end up with \$150,000 additional dollars if we were awarded on that grant. We certainly cannot offer any promises on that, but that is our intent. We heard you last year when you said you did not want to pay for this and we saw additional funds and we feel like we are in a good position and it is an important plan. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I voted to cut this line item last year because I did not think we had done enough work to establish partners, get matches, it did not really have a well thought out plan, and I was very pleased this year because they came back with something very substantive. I think climate change is a very significant thing that we need to address and be aware of in terms of County operations and the larger County system. This is a small amount. It is a well-honed amount because they worked hard over this past year to make it better so that it could be a better proposal. I think we need to acknowledge and affirm good work.

Council Chair Rapozo: I have a question.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: Mr. Sullivan, you said we cut the funding and you went out and got funding?

Mr. Sullivan: No, last year you gave us a clear message that you did not want to see the Council fund the entire plan. We had put in for \$90,000, you cut back \$90,000, so when we came in with our proposal this year at \$30,000, we talked to people and we certainly do not have money in hand. We had initial conversations, "Would you be willing to help us if we can pass this amount of money?" We still need to come to you and apply for a grant and we intend to do that, but we have preliminary conversations that have been, "Yes, we can do that."

Council Chair Rapozo: But there is no commitment?

Mr. Sullivan: There is no commitment.

Council Chair Rapozo: Thank you.

Mr. Sullivan: We are not allowed to make the commitment, as you know, until we come to this body and make...

Council Chair Rapozo: No, I mean commitment from the people or the funders that supposedly are going to give 250%.

Mr. Sullivan: We have a relationship with the funder and the funder has given us a very clear indication that if Council passes this then we will get the money, but as a matter of protocol, we have to formally apply and that first requires we come to you and we have not done that yet.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Any further questions? Okay, if not, I will bring the meeting back.

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

Committee Chair Kaneshiro: Any final discussion on this?

Council Chair Rapozo: Again, for me it is just not something I believe is of importance that we need to do it this year as we look towards closing the gap on the loss of revenue.

Committee Chair Kaneshiro: Any further discussion? I voted against it and I will likely vote against it this year just as far as focusing on what is the plan for, what are we getting out of it, and how is it going to improve the County. When we look at climate change action plan, it sounds like a great thing, but again, if everybody named stuff greatly and we give them a lot of money for it, we may still not get results and I think Ben does work good he should probably work with the Planning Department as far as how climate change affects our General Plan. We had a discussion on it on what the funding was for and it was still very unclear to me on how it would affect the County. That is why I am not voting for it. Any further discussion on your vote? If not, we will take a roll call vote. So, a "No" vote...

Council Chair Rapozo: An "Aye" vote supports the cut.

Committee Chair Kaneshiro: Yes, an "Aye" vote supports the cut and a "No" vote is to keep it in.

The motion to cut funding in the Office of Economic Development in the amount of thirty thousand dollars (\$30,000) in Grant-In-Aid for the Energy/Sustainability-Climate Action Plan (Match) was then put, and carried by the following vote:

FOR MOTION:	Brun, Kagawa, Rapozo, Kaneshiro	TOTAL – 4,
AGAINST MOTION:	Chock, Kawakami, Yukimura	TOTAL – 3,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion passes 4:3.

Committee Chair Kaneshiro: Any more items for the Office of Economic Development?

Council Chair Rapozo: \$10,000 for the Green Growth Metrics Project for the same reasons I stated for the last one.

Council Chair Rapozo moved to cut funding in the Office of Economic Development in the amount of ten thousand dollars (\$10,000) in Grant-In-Aid for the Sustainability-Hawai'i Green Growth Metrics Project, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Any questions for the Administration on the Hawai'i Green Growth Metrics Project? I need a refresher. What is the Hawai'i Green Growth Metrics Project?

There being no objections, the rules were suspended.

Mr. Sullivan: Is there a specific question?

Committee Chair Kaneshiro: Yes, what is the Hawai'i Green Growth Metrics Project?

Mr. Sullivan: This is the Aloha Plus Challenge Dashboard, which is a collaboration between the four (4) Mayors and the Governor, as well as all the County and State entities that are affiliated with those leaders around creating standard metrics for sustainability around the State so that we can measure our progress in areas such as local food, green jobs, clean energy, waste, and in other areas. I have been working on this for several years. They have developed metrics for solid waste for energy, several other areas, and they are actually going to be here in a couple weeks to work on what the cost (inaudible) sustainable communities. Again, this is about establishing a green metrics to measure our progress, which we feel is important so we are trying to support that effort.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Because the General Plan update should be having some metrics too, are you working in conjunction with the Planning Department on that?

Mr. Sullivan: Yes, we are. Obviously, we are not intimately involved with the General Plan process in Economic Development, we work with them to whatever extent they need to consult with us on resources, but they are very much aware of the metrics and they are very excited about the potential to use them going forward.

Councilmember Yukimura: Are the metrics going to be included in the General Plan metrics?

Mr. Sullivan: That is not something I can respond to.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Ben, you implemented the motor pool and I do not hear much good stuff about how that is going on. The energy efficient lights, I have difficulty turning on my light a lot of times in my office and sometimes when I come to work late, the light is on, so I do not know how it is energy efficient when you do not know if it is going on or off. Now, like this Green Growth, why can you not as the energy person just support this thing with your own labor? What is the \$10,000 going to? Is it going to a consultant? What is it paying for? Food? Lunch?

Mr. Sullivan: Hawai'i Green Growth is the entity that I described and it is certainly paying for some consulting, but it is also paying for the people that work for the organization. I think they have about a three (3) person staff to work on these projects and they do it Statewide, the other Counties are contributing as well, but certainly it is your purview not to fund it. I am not sure what your other comments were about.

Councilmember Kagawa: I am saying can you just work with Green Growth without us contributing money? If we cut the \$10,000, are you going to stop working with them?

Mr. Sullivan: The funding is...

Councilmember Kagawa: I thought they wanted to help the entire State. I thought their intention is to help the entire State get "Green." If they want to help the entire State, they are going to work with you, right?

Mr. Sullivan: I think certainly that if we are going to work with them, we want to be able to say that we support what they are doing and they need funding to do that so this is an opportunity for us to work with the other Counties and contribute to that process. Again, this is your decision.

Councilmember Kagawa: So, it is going to their salaries, the \$10,000?

Mr. Sullivan: You know, I do not have the data right in front of me. I was not informed that this was going to be a detailed discussion on this item today, so I apologize.

Councilmember Kagawa: Okay, thank you.

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

Committee Chair Kaneshiro: Any further comments or discussion?

Council Chair Rapozo: I guess for the rest of the folks awaiting their time, this is the opportunity for the Council to ask the last final questions, so please come prepared if you want the money because it is going to be difficult. If this money is going to salaries to a nonprofit, then forget it, for sure. If it is for a project...and I keep asking what is the tangible that we get back? Is it a report? I think that is critical for this body to make the determination of whether or not we going to use taxpayer dollars.

Committee Chair Kaneshiro: Any further comments? If not...

Mr. Costa: Can I just make one clarification?

There being no objections, the rules were suspended.

Mr. Costa: I have attended those meetings on O'ahu and as Mr. Sullivan mentioned it is convening all the Counties, State entities to create these metrics, so the funding which Kaua'i's portion is matching the other Counties.

Mr. Sullivan: The other Counties are contributing more in some cases, but (inaudible).

Mr. Costa: Yes, so the Kaua'i County has a reduced amount. I believe the other Counties are double what we contribute, but it all goes to the people that are convening and the expenses that they have to bring everybody together to put all of these metrics together. I do not know if that helps clarify the situation, but like I have said, I have attended those meetings.

Council Chair Rapozo: I think he clarifies what I just...about twenty (20) minutes ago, I leaned across to Councilmember Kawakami and said we are funding to pay facilitators for meetings and that is not what I think taxpayer moneys should go to. If we are working towards a product, a report, that is one thing, but to facilitate, get together for people to share ideas...I am not so sure that that is the best way to spend our money.

Committee Chair Kaneshiro: Councilmember Kawakami and then  
Councilmember Yukimura.

Councilmember Kawakami: I think in this sense too I think we are looking for  
apparent redundancies and services and so we do have State agencies like Department of  
Business, Economic Development & Tourism (DBEDT), State Planning Office that should be  
helping to provide some of these metrics and I think I would rather see money being spent  
on tangible ways that we can increase our sustainability effort rather it is putting more  
charging stations in our parking lots, something tangible versus just plans and then  
providing funding for facilitators. I agree with some of those statements and I think we  
should be looking for redundancies and where other agencies to provide this information.  
Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: In listening to everyone, I think it would be  
helpful if the result of this project would be some very clear metrics that can be incorporated  
into the General Plan because we are going to be monitoring. I mean there is a whole piece  
in the General Plan about sustainability, in fact, that is one of the overarching goals of the  
General Plan. We need to be measuring whether we are making any move toward or away  
from those goals and is there any effort in this line item that is going to result in that, Ben?

Mr. Sullivan: Again, I do not want to speak for the Planning  
Department and how they choose to work with the community and integrate those goals and  
how the community voices their opinion about whether or not those goals should be  
integrated. I think the goals are very valuable, but that is a separate process.

Councilmember Yukimura: But you are talking metrics here.

Mr. Sullivan: So establishing the metrics would certainly be the  
first step, right? The intent of this project is to establish metrics that we can all hold  
ourselves to so that we can measure how we are doing on all these various areas. As an  
example, without a metric in local agriculture production, how do we know what to tell this  
body about our progress? These are certainly valuable metrics, but you folks are in a tough  
spot and everyone respects that, so we understand that you have to make the difficult  
decisions about these resources and that is how this works. I am not sure what else I can  
offer at this moment.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Okay, if there are no further question, any last  
discussion, if not, we will take the roll call vote. Jade, roll call vote.

The motion to cut funding in the Office of Economic Development in the amount of ten  
thousand dollars (\$10,000) in Grant-In-Aid for the Sustainability-Hawai'i Green  
Growth Metrics Project, seconded by Councilmember Kagawa was then put, and  
carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Kawakami, Rapozo, Yukimura, Kaneshiro	TOTAL – 7*
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(\*Pursuant to Rule No. 5(b) of the Rules of the Council of County of Kaua'i, Councilmember Chock was noted as silent (not present) and Councilmember Yukimura was noted as silent, but shall be recorded as an affirmative for the motion.)*

Ms. Fountain-Tanigawa: Motion passes.

Committee Chair Kaneshiro: We are still on Economic Development.

Council Chair Rapozo: The last one is the \$30,000 for Community Support (RFP).

Council Chair Rapozo moved to cut funding in the Office of Economic Development in the amount of thirty thousand dollars (\$30,000) in Grant-In-Aid for Community-Community Support (RFP), seconded by Councilmember Brun.

Council Chair Rapozo: And maybe it is because I forget what it was about.

Councilmember Yukimura: Yes, refresh our memory.

Council Chair Rapozo: I know on the budget sheet I wrote cut. I am sorry, this was a request from the Administration, so this one was easy. I should have let them justify...

Committee Chair Kaneshiro: Justify the cut that you want us to cut.

Council Chair Rapozo: Can I get a head nod? Okay. This one should have no discussion.

Committee Chair Kaneshiro: This one is a good one.

Council Chair Rapozo: I call for the question.

Committee Chair Kaneshiro: Let us take a roll call vote to cut the \$30,000 that the Mayor's Administration has proposed.

The motion to cut funding in the Office of Economic Development in the amount of thirty thousand dollars (\$30,000) in Grant-In-Aid for Community-Community Support (RFP) was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Kawakami, Rapozo, Yukimura, Kaneshiro	TOTAL – 7,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: 7:0.

Committee Chair Kaneshiro: Anything else for Economic Development? If not, we will move on to the Police Department. Any individual cuts to the Police?

Councilmember Kagawa: I have one.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa moved to cut funding in the Kaua'i Police Department, Chief's Office, in the amount of one million four hundred twenty-four thousand three hundred eighty-four dollars (\$1,424,384) from Premium Pay-Standard of Conduct Differential (SOCD), seconded by Councilmember Chock.

Committee Chair Kaneshiro: A reason for that cut is because State of Hawai'i Organization of Police Officer (SHOPO) has not brought forth their arbitrated amounts to the County yet and this is an assumption in this budget that it will be in again. It was in four (4) years ago and we all kind of raised our eyebrows. It is very difficult for a County to oppose what is happening and being approved by the rest of the islands and I just think if there was ever a time that we need to try and control the budgets or Police and Fire, it is here. As you all know the Legislature has not been a great help. Instead of adding what we wanted in TAT, they reduced it by \$1,400,000. It is kind of funny because the State are the ones with most of the votes to give the generous pay increases to SHOPO and Fire and while they give measly pay raises to their own deputies that run the Sherriffs and prisons. It is like because they do not have to pay it, they play Santa Claus and for me it is very ingenuous in that instead of trying to help support the importance of Police and Fire, they instead cut the contribution to the Counties. For all you police and firemen that are supporting your Senators as they run for reelection and representatives, I think you need to think twice because they are supporting you in a vote for your pay raise, but they are not supporting you financially. It is this body that is supporting you financially. If we can look at couple of the slides that I have in my five (5) minutes. I just wanted to show the sheet that Janine had presented to us yesterday and it will show that over the past twenty (20)...let us look at ten (10) year increase for the Police Department, it went from \$18,000,000...oh okay, we are going to the one...which ever one you want...right there. Okay. If you look at the last column, SHOPO went up over the last twenty (20) years almost 70% and I believe that does not include the Standard of Conduct, which is an additional 1% or 2%, depending on what the rank of officers. If you look at HGEA, they are about 40%. I checked with HSTA over the past twenty (20) years, HSTA is roughly 40% over the past twenty (20) years, so they are about 30% more than the teachers over the past twenty (20) years. It is significantly more than any other union. One could say they are significantly more important than any other union that we get highly qualified individuals, but at some point when the piggybank is broke, we have to put on the brakes. I think at least for this year if they had...the assumption is that Police and Fire are going to get 13.5 at least over the next four (4) years, but to include this one, the SOCD and the rank-for-rank, will just continue to let them run away from all the rest of the unions and I find that to be rankly unfair and overly generous. At some point, you have to decide and Council Chair Rapozo said it best, "Nice to have versus need to have." I think there is a higher demand for Police to get the increases because they are having trouble recruiting. They said they only got six out of fifteen and to my dismay only one (1) of that fifteen is from Kaua'i, which is disappointing. They are having trouble, but we still have to put the brakes on at some point and I think Kaua'i County by adopting this cut, we will send the clear message to the rest of the islands that while you may afford to pay it, we certainly are not because our taxpayers have had enough of fee increases and tax increases, at least for this year. My cut does not affect the regular pay increases, the 13.5 that is going in. It is just to cut the premium pay and I believe yesterday Janine did a great job explaining to us what it meant. It is about \$700 per month. If you times that by twelve (12), it is about \$8,400 for a higher officer and then for the lower ranked officers, it is \$650 per month. Council Chair Rapozo and Councilmember Yukimura explained it that police is a little different because when they are off duty, they are subject to discipline even if they get in trouble. I understand that, but on the same token, when we are faced with tax increases for all the

public and this is not only for people who own homes now. People that rent—it is going to get passed on. People who rent houses out, they are not going to rent to break even. They are going to make a profit. The people who are going to pay are the tenants, so this Real Property Tax increases, you can spin it whatever you want, but everybody pays—low income and high income. We have to be cognizant of the fact that what are you folks going to do and this is a big move. I know it is difficult, it is uncomfortable for me, I received many calls and please...but at the end of the day we took the oath to stand up for the people and I believe that this kind of cut here is in the best interest of the public as a whole.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Kagawa: Did I have a second? Thank you.

Councilmember Chock: We talk about the millions and millions of people who are watching and I hope they are now. I appreciate all the cuts that we had up to now and you can tell the difference in a cut such as this as opposed to all the other cuts that we have tried to squeeze out of this budget. While this might be totally a practice in futility, I think it is important for us to actually put on the table the root causes of the financial woes that we are suffering from at this County. This is an example of how it works out for us. We talk about the \$3,000,000 deficit, with one cut in a specific area that is not even focused on the increases that we are talking about for these agencies, you can see that that it does make a difference. If there is a question on legality on whether or not we can actually do this and how, but I appreciate the introduction of it for the sake of the discussion.

Councilmember Kagawa: Chair, do I have minutes left or did I run out? I had just one more slide I wanted to point out and that was a slide showing the budgets and this is so that everyone can see that the budget has grown and we have gone through years...if you look at the budget, it started out in 2008. This is a ten (10) year analysis, it started at \$18,400,000 and today, it is at \$33,950,000, \$16,000,000 more than it was ten (10) years ago. If you look we went through some times when we really budgeted tight in 2010 and 2011, we only went up \$300,000. If you look at 2013, we went down a little bit. In 2016 and 2017, we went up just a little bit of \$900,000 and then if you look at this fiscal year, the proposal is to go up \$2,600,000. Nobody is going to die, nobody is going to get...if this is taken away a bonus, as I would call it, that it would be nice for officers to have, but the public cannot afford it. The taxes that they are already paying all over in federal, state, and county is just overly matched by their finances. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura and then Council Chair Rapozo.

Councilmember Yukimura: I do not know that we can remove the SOCD. I believe it is a collective bargaining item, however, I think your amendment has highlighted the issue that is of concern to a lot of people and it is having huge impact on the budget which is the police compensation in its totality. I think we may need some advice about how to really address effectively this concern, but if you put it in terms of a beginning officer's total yearly compensation, it is about \$80,000 a year. It is like maybe \$67,000 for salaries and then \$8,000 for Standard of Conduct, and then overtime, which is in relationship to all the other County employees a very large sum. If you add to that the benefits and the pension, then it is a huge, huge chunk of our budget leaving very little, I think the Police themselves have said "very little" for materials, training, equipment, supplies, consultants, and just all the other needs that are essential to the proper functioning of both the Police Department and the County as a whole. I think it is an important discussion to have. I am just not sure which is the exact way, if we want to address it...I mean is it at the point of collective

bargaining agreements or is it part of just denying the salary increase. I am not sure and we need some guidance.

Councilmember Kagawa: I have checked with Mauna Kea and he said it is the Council's prerogative to address rank for rank and Standard of Conduct in this budget. By denying it in our budget, we would be sending a message to the unions that Kaua'i is not in agreement with the proposed arbitrated amounts. He is not here. I have a plan "B" that reduces items that are not related to this and so we are not just taking one swing at the fence, we are taking two.

Committee Chair Kaneshiro: We are at 12:30 p.m. lunch. Council Chair, did you want to make a last comment? Mauna Kea will be here, he just had to leave.

Council Chair Rapozo: He had a family matter that he had to attend to, so he had asked me if it was okay to leave and I told him, "Yes." I did not expect this one to come up.

Committee Chair Kaneshiro: He will be back after lunch.

Council Chair Rapozo: My comment was if we could hold off until after lunch because I do want Mauna Kea here, but I do want to address...because I can appreciate what Councilmember Kagawa is saying. Throughout the County, we have to grab a handle on our cost and expenses. I do not know if the Standard of Conduct is the right place. I am dying to hear his plan "B" because I think we have to take a look at it. I also want to address the comment made by Councilmember Yukimura as far as the compensation package because if you compare the compensation package of the police officer entry level versus any other county job, and maybe I have a bias, but I am going to be real. No other job in this County is like a police job. They have a choice. If you want to apply for Parks, Public Works, you have a choice to apply at the Police Department, but the reason they do not apply for the Police Department is because nobody wants to do that job. It bothers me when they say, "Oh, they get paid so much," because they do a lot. Maybe people disagree. Maybe people think that the police just hang out, but you tell that to the cop that had to go and see people killed in an accident or the murders. It just bothers me when we talk about their pay. I will agree with Councilmember Kagawa that it is running away and we have to somehow hang on and slow down the train. I guess it is offensive to me when someone says they get paid too much as a salary because that is a job that not everybody is lining up to take. I just wanted to make that comment.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: It is not about fair pay, fair increases...the last agreement was approximately 17% without the Standard of Conduct. Now, you add that for four (4) years, you are talking about 24%-25% over four (4) years. Other unions are getting 8%-12%, so I mean yes, it was 16% to 17% just like that and it was more than the other unions. So, it is not saying it is valued less, it is already more, so it has to be what...15% more? What is enough? That is what we have to decide because I can tell you, we cannot just keep taxing. I do not know what else to do.

Committee Chair Kaneshiro: With that, we will take an hour lunch and we will be back on this same issue.

There being no objections, the meeting recessed at 12:33 p.m.

The meeting was called back to order at 1:32 p.m., and proceeded as follows:

Committee Chair Kaneshiro: Just to get everybody caught up, we are still on the Police Department, and currently Councilmember Kagawa has provided a cut for Standard of Conduct Differential of \$1,400,000, roughly, and we have some questions for the County Attorney.

There being no objections, the rules were suspended.

Councilmember Chock: It was on the legality of the measure, Mauna Kea, if you could respond to that in terms of our oversight and process for collective bargaining.

MAUNA KEA TRASK, County Attorney: For the record, Mauna Kea Trask, County Attorney. Just for the record, can you state again what that specific measure is?

Committee Chair Kaneshiro: This proposal is to cut the SOCD budget.

Mr. Trask: For the record the question being is that legal? Okay. What I would say is that under the Kaua'i County Charter, this is Section 3.01. "The legislative power of the County shall be vested in and exercised by the County Council except as otherwise provided by this Charter." In every single case and legal treatise I have read on this matter, the legislative power assumes the power to control the budget. It is in fact one of your most fundamental, this body's most fundamental rights—you pass laws and you control the budget. You know where the purse strings, this body controls the purse strings. Under Section 3.10 "the Council shall enact an annual budget ordinance which shall include both the operational and capital expenditures for the fiscal year and the method of financing same. The Council shall provide sufficient revenues to assure a balanced budget." So again, via your power to legislate and control the purse strings, you have the authority to assure a balanced budget. If any cut, regardless of this specific cut or line item, would otherwise lead to an unbalanced budget, it would not be proper and you would have to balance it, and what that means is up to this body via the appropriate vote. Finally, in Section 19.07 "the Council may reduce any item or items in the Mayor's proposed budget by majority vote, and may increase any item or items therein or add new items thereto by an affirmative vote of two-thirds of the entire membership. That is all it says. So, obviously, basically that is pretty easy, it makes sense. You pass the budget, you ensure that it is balanced, and you may cut any item. Now the effect of that, though, can be difficult and there is none in this case I believe it is the SHOPO contract—there is no case in Hawai'i whereby cost items are subject to ratification every time there is a contract and there is no case in Hawai'i where that has happened before, so it is a novel area of the law. Basically, the County Attorney Office's opinion is the Council body has that authority and that is when the municipal body's legislative branch's power comes up against the contract and to analogize it, although it may not be totally similar, all the contracts of this County are subject to appropriation by the Council. It is a legislative duty. Courts generally consider those political questions and will not overturn it. It may lead to arbitration, it may lead to a lot of problems and interest in legal questions, but it remains unanswered—I would say today you have that authority to cut any item. That is not passing the policy call (inaudible) or the wisdom thereof.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: However in the interaction of law, if the union claims or an individual member claims the Standard of Conduct based on the collective bargaining agreement, would the County be obligated to pay it?

Mr. Trask: They may be, but it is (inaudible) subjects to the annual budget and that is what I was talking about, about the novel aspect of it has been unaddressed. Again, I am not touching on the wisdom of the call, but it is the policy thereof.

Councilmember Yukimura: I am not talking about the wisdom either. I am asking about whether the County will be legally obligated to pay and if so, presumably HR Department or whatever can take that from the Police budget and pay it, but to the detriment of other items in the Police budget.

Mr. Trask: I would not know and I do not know if it would be HR or...I think it is in the Police Department.

Councilmember Yukimura: It would be the Police Department probably?

Mr. Trask: Yes, but again, what you are talking about is...this County has the right to structure...under the Constitution Article 8 Section 2, the County of Kaua'i has the right to draft its own Charter. The Charter provisions regarding the organization of government preempts State provisions related thereto and so I am ready to defend this body's decision in court, as appropriate as it may whatever may be in that regard.

Councilmember Yukimura: The question is, how will the Court rule?

Mr. Trask: I have absolutely no idea.

Councilmember Yukimura: Well it is the County Attorney's job to give us an opinion about whether our position would prevail in law or not.

Mr. Trask: Like I said before, as Courts find that to be political questions and I have not seen in my research in the related area regarding this where the Court would overturn a political body's decision. However, you asked me whether or not what the Court will rule and I do not know.

Councilmember Yukimura: Well, but is there not a contract law that says the police officer has a contract with the County and therefore under contract law, the County has to pay?

Mr. Trask: I am not sure that is a similar analysis and I am not able to render something like that at this time, but if you look at how the ratification of cost items of collective bargaining agreements, they are subject to ratification not only by the State, but all Counties in the State of Hawai'i. There are provisions regarding if they are not ratified and so I think this would lead to some type of arbitration and that may be binding.

Councilmember Yukimura: And that may be what?

Mr. Trask: Binding.

Councilmember Yukimura: Can you make that analysis? I think we need to know what the consequences of our decisions are likely to be and if it does go to arbitration, there has to be a law that says it goes to arbitration and that arbitration is the route by which these matters are settled. I think we need to get clarity about the law with respect to that.

Mr. Trask: That choice is this body's to make and/or the body could choose to vote on this item and it may not even be relevant beyond the time it takes to vote thereon. It is subject to your discretion.

Committee Chair Kaneshiro: So what I am hearing is that we have the ability to cut this item. Again, there are consequences to it. If we end up needing to pay for that item, then it is going to have to come in a money bill where we are going to have to decide if we are going to reject it again and possibly go to court, but that is our decision to make. Just knowing that we have the ability to do this cut, there could be consequences and that is the decision we need to make.

Councilmember Yukimura: And I am trying to determine what those consequences would be so that I can make my decision and I am also trying to know what the alternatives are to exerting some control on compensation that might be done in a legal manner. If the overall concern is the total compensation then the other option is to, I presume, and you can confirm or disconfirm, reject the collective bargaining raises that are proposed and what would the consequences of that be, is the question.

Mr. Trask: I can tell you right now the rejection of any cost item, which is anything pertaining to money, in the upcoming collective bargaining process, for any union is if you reject it, you can, and then it goes to arbitration. If you do not reject it, but if another County or the State does, it goes back to arbitration and that has never been done before and so I will not be able to tell you. It is difficult because thereafter I would have to look at other States and some States have union systems that are almost as strong as Hawai'i and other have...

Councilmember Yukimura: Well I am not asking you to predict a political outcome.

Mr. Trask: I am not. I am trying to predict a legal one.

Councilmember Yukimura: But if it goes back to arbitration, then it is subject to the arbitration panel's decision, I would guess, right?

Mr. Trask: Possibly.

Councilmember Yukimura: What other option would there be?

Mr. Trask: Well, they would render your decision, but again, you are coming against fundamental...you have dual constitutional rights here and that is what it comes down to. There is a constitutional right for public officers and employees to collectively bargain, they have a constitutional right to do that and the County of Kaua'i via the constitution, the Kaua'i County Council and the Kaua'i County Charter has an equal constitutional right to control their budget and so when you have dual constitutional rights and that question has never been answered in Hawai'i.

Councilmember Yukimura: But in the collective bargaining law itself it says that the different County legislative bodies have to approve the cost item, right? It actually acknowledges the Charter provision that says that the County Council's has the right to control budget.

Mr. Trask: That is correct and we can talk about 89, 46, and Circuit Court jurisdiction and everything, but fundamentally...

Councilmember Yukimura: I do not know what you are referring to.

Mr. Trask: I understand, but fundamentally what you have is the Hawai'i State Supreme Court interprets the Hawai'i State Constitution and the Hawai'i State Constitution trumps all Hawai'i State statutes. All I am saying is that I understand what you are doing here, but I would advise you...one, the question was may the Council reduce this item? The Council may reduce any item. What that means has potential drastic affect, but if that motion for example is not passed today, then we can move on to the next issue. If this does not, then we are going to have to address it. I think if you are in doubt, I would definitely advise you to vote against it because I would not advise you to vote for something you did not know, necessarily the result of, but again that is your decision.

Committee Chair Kaneshiro: Again, I will come up forward, this is my decision, this is the way I am going to vote, and you can agree or disagree and that is the way we are going to vote. I will not be voting for this cut because again, it is a calculated risk. Is this amount going to come up in the future that we are going to need to pay, how are we going to pay it, are we going to continue to fight it? For me, I would rather take the risk of we fund it as collective bargaining comes up whether we want to reject it or not, that is a future collective bargaining and we move from there. That is simply the decision we make right now whether you want to support or not support it. I do not think we are going to get a legal reading that tells us what we can or cannot do. Mauna Kea said very specifically we can cut it and that is the decision we have to make—do you want to cut it or not.

Councilmember Yukimura: So I just want to play out the final arbitration scenario. It goes to arbitration under the collective bargaining law if a local government legislative body rejects via collective bargaining agreement, correct?

Mr. Trask: Correct.

Councilmember Yukimura: And then it goes to the arbitrator and starts the arbitration process all over again, but we have never done it before, so what happens after that? We do not know, presumably they come back with another arbitrated agreement.

Mr. Trask: Yes, correct.

Councilmember Yukimura: Okay, thank you.

Committee Chair Kaneshiro: Any further questions for Mauna Kea?

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

Committee Chair Kaneshiro: Any discussion on this item? I will just say that I know how hopeless we feel with collective bargaining and salary increases, but for me it is a calculated risk and I would much rather deal with the future collective bargaining coming up rather than under-funding this and having to take a money bill during the year and pay for it during the year. Who knows we may cut it, put that money someplace else, and then still have to pay an amount and then we are adding \$1,400,000 to the budget. For me, I mentioned it upfront. I would rather take the hit now and not have to come with a money bill later and it is a calculated risk on our part on what we want to do and that is the decision at-hand. For me, I am not going to go with the cut. I would rather have it in there and we deal with the future collective bargaining. Councilmember Brun.

Councilmember Brun: This is my first budget, but the thing that I struggle with is all this bargaining agreements where we are basically putting money in, anticipating raises, anticipating this passing in the negotiations, and in listening to a lot of you in prior years, if we had the confidence that...say we had \$1,400,000 and their amount come up to \$1,200,000, that they would do the right thing and not take the \$200,000 and give it back. Apparently, at the end of the year with all the open budget and extra money, they find a way to spend it. That is why I am looking at this one like I would rather get all of these contracts out of the way first before we do our budget so we could know what we are budgeting for. Right now, if this does not even pass in the SHOPO agreement, we just put \$1,400,000 for them to do whatever with, right, if we do not make this cut and it does not even show up on their contract because they are still negotiating their contract if this does not show up. That is what I am struggling with. I am not going to be supporting this cut because I do not think we should come back for it, but that is the part that I struggle with now.

Committee Chair Kaneshiro: Councilmember Chock and then Councilmember Kagawa.

Councilmember Chock: I totally understand the Budget & Finance Committee Chair's decision in terms of not wanting to come back to this. I think what is missing from the conversation though is that if we do not look at some of these specific kinds of cuts than the reality is the alternative is that we need to raise taxes and that is just plain and simple. It is going to be one or the other. The question is when is it going to happen and who is going to do it and it has not been tried, so where do we start?

Committee Chair Kaneshiro: Councilmember Kagawa and then Councilmember Yukimura.

Councilmember Kagawa: I can answer Councilmember Brun's question. It will be in. The Standard of Conduct, rank for rank, because they had it four (4) years ago, got it approved, it is a given that it is going to be in the next contract. There is no reason to take it out. There are reasons why they have it in and legitimate reasons, however, we are at the point where the budgets for Police and Fire are really straining our ability to succeed without raising taxes. Even though we raised, through property tax increases in the market values, we raised \$6,000,000 to \$7,000,000 more a year. We still have to raise \$3,600,000 more again. So is raising taxes by \$9,000,000 and \$10,000,000 necessary every year or are we going to control some of the cost that seemed to be running away from us? One could say that the 14% that they are probably going to get, which is what HSTA got, which is what HGEA got, that is probably going to be in the SHOPO and the Firefighters Agreement. Is it necessary to give them an additional 6% to 8% increase with this Standard of Conduct? Any judge looking at it knowing the Charter, knowing the Council's responsibility on that financial and to approve budgets that are reasonable for each County, I would think that the judge would rule in favor the County, but I am not a judge. It is all about separation of powers and this our power to try and balance our budget without raising taxes. This is a very tough cut and I think Councilmembers all have different points of view and are great, but I think this is a tough one, we are going to struggle with, and it is going to be a close vote. We should just move forward. Take the vote and move on. I have another cut that is not controversial in any manner, it might just reduce some services as far as overtime services. We will have another cut before us that does not test law, does not go through further arbitration, but I struggled with presenting that cut prior to this cut. I thought this cut made a lot more sense. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I believe the raises are already in the budget and the thing about waiting until collective bargaining is we have to raise the taxes now to cover it in collective bargaining. I think the Standard of Conduct is...I do not feel comfortable voting for it, to cut that out. I think the real place we need to consider this issue of overall compensation and what it is doing to our taxes are in the issue of whether the raises should be granted this year, especially because when there was...I mean the other portion to this is when there was furloughs for all the other unions, Police and Fire were getting 6% raises compounded. That is when they grew this huge discrepancy between some County workers and another. I am in favor of acknowledging the extra risk that is taken to be a police officer, but the question is how much differential and what about all the rest of County operations and the taxpayers. We have to find a way that works for everybody. You cannot just keep increasing the differential and percentages are on a base that are already big from the time of the furloughs. Whereas, the HGEA and UPW—their basis did not shrink, but it stayed very status quo while the basis for the Fire and Police salaries were great and that contributed to the huge disparity that now gets exaggerated whenever you have percentage increases. It is about the good of the whole and how we are going to do that. I think there is awareness because beginning officers' total compensation is about \$80,000 a year. I think there are more logical places to address it at the point of the raises, which is within our jurisdiction and the question is how do we do that because we have to decide on the tax rates.

Committee Chair Kaneshiro: During the collective bargaining process, we reject the contract.

Councilmember Yukimura: So we raise the rates then?

Committee Chair Kaneshiro: No, the rates...we are here to do a structured balanced budget. We cannot do a budget and say...

Councilmember Yukimura: So, you leave the pay raises in now and address it at that time.

Committee Chair Kaneshiro: And if collective bargaining is rejected, which would make history then we can take the money back and put it in the Reserve and we can do other things with it.

Councilmember Yukimura: Okay. Thank you.

Committee Chair Kaneshiro: Okay. Any other questions or comments? Council Chair Rapozo.

Council Chair Rapozo: The entry level, again, I wish we would not bring that up because we are not talking about entry level. We are talking about a Standard of Conduct allowance that I am uncomfortable with because of what Mauna Kea said. The problem with this is that it has never been done before and I do not want to be the first one to the go to Court and have to fight with some expensive litigation to figure out who is right. I can see something like this having obviously Statewide, but more so nationwide impact when it comes to collective bargaining. I would guess that if it gets challenged, it would be a long costly legal battle. I understand...we are in a tough predicament right now because we have to chance millions of dollars and I am not sure what Councilmember Kagawa's option "B" is, but I can kind of figure it out that it is possibly or probably related to overtime. I think that would be a safer place to look at and whether you agree or disagree, these cuts are going to have to come from some place and it is tough to be in this position. The 30% Reserve, when

the arbitrators look at the ability to pay, that does not help the County with turning down raises when you have 30% of your Operating Budget in a Reserve account. That is how these arbitrators are and they look at your ability to pay. When you are telling them, "We cannot afford," but you can afford to put that much...now, do not take this in the wrong way, I am not saying I do not support the Reserve. I am just saying that every four (4) years when you go up for negotiations and you are in binding arbitration and the County saying, "We cannot afford," but you can afford to put 30% of your prior year's Operating Budget in a Reserve. That tells the arbitrator that you do in fact have the ability to pay. You have just chosen to move it somewhere else. That is the dilemma we are in here. Do we take money out of the Reserve and fund these things or do we tighten up the ship across the County, which is I think we are trying to do and it is difficult. It is difficult to sit here and look at all of you and say, "We have to cut your budget." Either that or we face that way to the cameras and say, "Public, we are going to raise your taxes. We are going to continue to spend, but we are going to raise your taxes." We are trying to reach this balance and it is hard. What Councilmember Kagawa just did is a very unpopular, difficult thing to do, but the Council's back is against the wall and where are you going to find the money? Because of the delicateness of a contract, I am not comfortable with touching the collective bargaining issues, but I am interested in listening to option "B."

Committee Chair Kaneshiro: Any further comment? If not, we will take a roll call vote on cutting \$1,424,384 to Standard of Conduct pay.

The motion to cut funding in the Kaua'i Police Department, Chief's Office, in the amount of one million four hundred twenty-four thousand three hundred eighty-four dollars (\$1,424,384) from Premium Pay-Standard of Conduct Differential (SOCD) was then put, and failed by the following vote:

FOR MOTION:	Chock, Kagawa	TOTAL – 2,
AGAINST MOTION:	Brun, Kawakami, Rapozo, Yukimura, Kaneshiro	TOTAL – 5,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion fails.

Committee Chair Kaneshiro: Councilmember Kagawa, do you want to do your next proposal?

Councilmember Kagawa: Anybody else, they can go first.

Committee Chair Kaneshiro: Any other Police proposals? No. I think everybody is biting at the bit to hear your next one.

Councilmember Kagawa moved to cut funding in the Kaua'i Police Department, Chief's Office, in the amount of nine hundred thousand dollars (\$900,000) from Regular Overtime and \$200,000 from Regular Overtime Holiday, seconded by Councilmember Yukimura.

Councilmember Kagawa: I have a slide to show that I believe KPD can survive with this cut. Can you put up the fiscal year budget again for KPD, ten-year analysis? That is the ten-year analysis and you will see that we survived in 2012 to 2013. We even dropped the budget by \$1,000,000. 2013 to 2014, we survived by going up \$1,100,000 and this year we go up by \$2,600,000, so if we reduce that number by \$1,100,000, it still goes up

by \$1,500,000. I believe the budgets are still growing. I believe that it is still fatter than it needs to be, but it is doable. This will hold up in Court. It is our prerogative to cut overtime whenever necessary. Can you go to the second slide? We just picked out a couple of positions and I want to thank the staff for all of the work they have done with me. I really appreciate the hard work that the staff has done—Yvette, Scott, Jenelle, thank you very much. This is just a few we picked. Position No. 441, Police Officer I made \$21,000 in 2016 in overtime. Position No. 503, Police Officer I made \$55,000 in overtime in 2016. Position No. 354, Public Safety Worker I made \$30,000 in overtime in 2016 and Position No. 392, Police Officer I made \$40,000 in overtime in 2016 and I just think with a little better management, we can perhaps get more done during the regular working hours. Thank you.

Committee Chair Kaneshiro: Any questions or comments? Councilmember Chock.

Councilmember Chock: I guess the same question applies as to the last cut when it comes to collective bargaining we know that some of these premiums are negotiated and arbitrated so I am not sure if we are coming into the same legality question and decision.

Committee Chair Kaneshiro: This may be a question for Police. I think it is based on discretionary versus non-discretionary.

Council Chair Rapozo: I have a fiscal question and it pertains to both of these items. The holiday pay is a contract item, but for me the question is, was there a lapse? I would like to see what the lapses in these line items were over the last few years like in regular overtime was there a lapse. In other words, at the end of the year, was there any leftover money in overtime or holiday pay? I am not sure if you can even answer that right now, but somebody should be able to get relatively quickly. That is the question. Unlike the Standard of Conduct, this is reducing the holiday pay, obviously, if there was a \$200,000 lapse then I can support this. If there was a \$900,000 lapse in regular overtime at the end of the last fiscal year, then it is a lot easier, but without knowing those numbers, it is hard for me to determine if it is even practical or not.

There being no objections, the rules were suspended.

ROY A. ASHER, Assistant Chief: Roy Asher, for the record, Assistant Chief for the Patrol Services Bureau. The Patrol Services Bureau, we are the bulk of the overtime as far as we are “manning” the streets, if you will. All of our overtime is based on the needs. We do not put people out there just to collect overtime. It is to fill in the gaps of shortages whether it be people on leave, hurt, vacation, and so forth. As far as the holidays, if it is a holiday, it is overtime and that is by the collective bargaining agreement. We do have built into the collective bargaining agreement that we can force holidays off, meaning that they are off, they do not come to work. We man our ten (10) beats with three (3) supervisors, on occasions because of the schedule, we will have an extra man and on a normal day he is working an additional beat, but if it is a holiday that extra man is forced off and he does not get the holiday pay. We do take steps to curtail our overtime.

Committee Chair Kaneshiro: Okay, so what I am hearing is that the holiday overtime is a contracted amount.

Mr. Asher: Correct.

Committee Chair Kaneshiro: But the regular overtime is...

Mr. Asher: Is on a need basis.

Committee Chair Kaneshiro: Okay. Council Chair Rapozo, do you have any more questions?

Council Chair Rapozo: No. Scott just showed me the lapse from the Department last fiscal year was \$463,000, but that is everything. I am assuming the Department had to make transfers throughout the year from unexpended salaries. I am not sure if went to overtime. I know one thing, you folks did not come to the Council for more money for overtime, so I am assuming that money came from somewhere else.

Mr. Asher: I believe a lot of it comes from unexpended salaries because of our staff shortages.

Council Chair Rapozo: Do you know what the actual overtime number was last year?

Mr. Asher: Not off hand.

Council Chair Rapozo: I am not talking about holiday. Holiday, you can kind of figure that one out because we only have so many holidays a year, but on the regular discretionary overtime.

MICHAEL M. CONTRADES, Deputy Chief of Police: For the record, Michael Contrades. Assistant Chief Asher is correct, we have not returned overtime money. The moneys returned is probably a combination of unexpended salaries as well as other areas that were not expended. As an example, autopsies, we return money probably every year for that and that is a good thing. That means we did not have that bad of a year for autopsies, but that is one example of an area that we return money in. As far as I am aware, we have expended all of our overtime moneys and we utilize unexpended salaries to cover whatever needs to be made up.

Council Chair Rapozo: Do you have the number of what the overtime expenditures were fiscal year 2016-2017? Anybody have an idea?

Mr. Contrades: Off hand, I do not want to say, but I believe we presented that in our last presentation of the expenditures of overtime over the past three (3) or four (4) years, I believe.

Council Chair Rapozo: So the overtime line item that you had was not sufficient, you had to transfer?

Mr. Contrades: Right. If we are fully staffed, then perhaps some of that overtime would go down because we would not have to backfill, but one of things to understand is that we cannot control workers' compensation, we cannot control an officer being injured in the line of duty and being out for months, and we cannot control sick leave. We try to with fitness and wellness programs, but people get ill and somebody has to cover especially in patrol and cover their beat, so that is part of the problem. In terms of holidays and I think it was mentioned earlier, we run with minimal staff. We force people off, but by contract, you cannot do that two times in a row. Also, by contract on your first day back, it is considered your holiday and so we have even taken a look at that and making sure that we are running minimum on those days too to try and avoid paying holiday overtime as much as we can. The big chunk of overtime is holiday pay.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: What you just said is the first day back after a holiday or a vacation is considered overtime?

Mr. Asher: Our officers have a rotating day off, they work five (5) days and three (3) days off, nine (9) hour shifts. When the holiday falls on their normal day off, the first day back is a paid overtime because by collective bargaining, they are not penalized because the holiday fell on their day off.

Councilmember Yukimura: I see.

Committee Chair Kaneshiro: Councilmember Kagawa and then Councilmember Brun.

Councilmember Kagawa: I am looking at 2010 and 2011, if you were here during that time, but the budget basically stayed the same in 2010 and 2011. It went up only by \$300,000 and if I look at the pay scale on that year, 2010 and 2011, there were 6% raises by the officers. How was the budget maintained to stay even with the prior years' even though our officers received 6% raises during that year? What was cut that year?

Mr. Contrades: I was not here at that time as far as administrative-level to know the overall budget. I do know that with the raises every year, that is compounding, right, and the raises keep going up. When you have overtime and you have a certain amount, that has to increase as well because you are paying at a higher rate. We have controlled it as best as we can. We have done a lot of innovative things that we have explained previously and we are doing the best to minimize overtime.

Councilmember Kagawa: This year's budget, the current year that we are living in went up \$1,100,000 and this year...well actually it was 5.8% for last year's pay raise and with the Standard of Conduct and everything. I do not know if this year's one is going to be three and a half or whatever, plus the Standard of Conduct, why in last year's one it only went up \$1,100,000 and this year will be \$2,600,000. It is \$1,500,000 more than the prior year.

Mr. Contrades: I could not answer that because that is not what our numbers say. I need to go and see what you are talking about and figure that out. My understanding is that we are on a decline as far as the amount of overtime that we have been expending.

Councilmember Kagawa: The 2017 budget was \$31,300,000, the 2018 proposed budget is \$33,900,000 and that is how I got \$2,600,000. I just subtracted.

Committee Chair Kaneshiro: For the entire budget?

BRYSON M. PONCE, Acting Assistant Chief, Investigative Services Bureau: I can answer that question. If you look at the years that were put on the board about the steadiness of the contract, SHOPO negotiated their first big contract with 4% across the board, which was pretty steady. Then, they had a four (4) year contract with 6% across the board, which was pretty steady as far as that big number ticket item for salaries. In this past contract,

the negotiated a staggered contract for four (4) years, which every six (6) months they got incremental raises with the big end of the tail raises coming in, in the last two (2) years of the contract.

Committee Chair Kaneshiro: As far as looking at the regular overtime, which includes overtime and holiday from last year's budget to this year, has not changed. Any further questions for Police while they are up here on this item? No. Any discussion or comments on this cut. Councilmember Yukimura.

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

Councilmember Yukimura: I think the Police Department has really tried to control their overtime and that is commendable. I think also though that cutting overtime is a good way to be able to drop the tax...to not include the tax rate in this budget and then if we decide not to go for the pay raises, they will have money in their budget to cover overtime. One needs to see that the pay raises affect other items in your budget, in the Police budget, as well as items in the County's overall budget. I think this is a more flexible way to address our concerns about overall compensation and coordinate it with our decision making on the pay increases and make the decision we have to make in this budget session on the tax rate.

Committee Chair Kaneshiro: Anyone else? We can decrease it, but if they come back for a money bill later...

Councilmember Yukimura: They will not have to.

Committee Chair Kaneshiro: Okay, I cannot predict that. It is a risk we take sitting here to know whether or not if we cut their budget by \$1,100,000 that they are not going to come back for more money. It just comes to a comfortable level. I have seen police try to manage their overtime and of course, there are times they just cannot help it—an employee calls in sick, someone needs to fill that position, they cannot short the position, and that is overtime for that police officer. We did ask questions about salaries. They had, I think, twelve (12) to fifteen (15) vacancies and they provided information on how they want to fill it and hopefully that will reduce some of the overtime that we see. Again, my intention again, not to have to take from the Reserve Fund because if we are taking from the Reserve, then we are basically saying we did not cover our expenses in our budget. I just want to nail that point in. Councilmember Yukimura.

Councilmember Yukimura: I think the decision on the pay increases will come in the early part of the fiscal year and the overtime budget will still be...I mean the overall Police budget will have a lot of flexibility in terms of meeting overtime needs. I think this is a more flexible way and you would not have to take from the Reserve if you decide not to give the pay raises. But if you do decide to do the pay raises, then you are going to have to take from the Reserve, which really shows how things are interconnected.

Committee Chair Kaneshiro: Any further comments? Councilmember Kagawa.

Councilmember Kagawa: I would like to amend my motion, actually, to take out the holiday cut of \$200,000.

Councilmember Kagawa moved to amend the preceding motion to cut the Kaua'i Police Department Chief's Office funding in the amount of nine hundred thousand dollars (\$900,000) from Regular Overtime – Overtime only, seconded by Councilmember Yukimura.

Committee Chair Kaneshiro: The total for the cut is \$900,000. Again, I think if you look at the audit, Police lapsed \$400,000 last year, actual to budget. I know we did transfer some money from salaries and we saw the transfers come through on that transfer sheet. Just something to consider. They have some vacant salaries this year, but they are using that to...again, they said they are planning to fill it so they will not have that flexibility this year. Councilmember Brun.

Councilmember Brun: As far as the vacant salaries, how much vacancies do you have?

There being no objections, the rules were suspended.

Mr. Contrades: Total or just police sworn?

Councilmember Brun: Police sworn.

Mr. Contrades: I believe it is fifteen (15), but we are in the process right now we have seven (7) people going through that if they pass everything, they will be hired.

Councilmember Brun: So, we have seven (7) and we are having trouble...basically you folks can play with that eight openings that you folks are going to get later on and move that salary around, right?

Mr. Contrades: We are actually in the process of doing another exam right now and so knock on wood, we are hoping to fill the vacancies. That is what we have been trying to do all this time.

Councilmember Brun: And that is all entry-level?

Mr. Contrades: Yes.

Councilmember Brun: Okay. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Do you have retirements anticipated?

Mr. Contrades: Chief keeps a list of eligible retirements and I could not tell you right now, but we do have a decent size list of people who could go at any time.

Councilmember Yukimura: What is the average retirement number, usually? On the average, how many per year do you have?

Mr. Contrades: How many leave or actually retire?

Councilmember Yukimura: Yes.

Mr. Contrades: A couple. Usually a few a year.

Councilmember Yukimura: About two (2) or three (3).

Mr. Contrades: Yes.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: For retirement purposes, does the overtime add on to the high three (3)?

Mr. Contrades: It depends how many years in the department you have. There are certain...the newer officers being hired, it does not. The law changed for them.

Councilmember Kagawa: Thank you.

Committee Chair Kaneshiro: Any further questions?

Council Chair Rapozo: I think we have to acknowledge that...I know we are talking about the upcoming collective bargaining raises and so forth and I know it is a Statewide issue. I can tell you at Hawai'i State Association of Counties (HSAC), this maybe the year that the Counties reject, and not just SHOPO, but the State has put the Counties in a very tough position, so I do not know if this will be that year. I have to reiterate that when the Counties, if the arbitrator feels that account is having the ability to pay, they are going to rule in favor of the unions. Let us not pretend that these union raises are going to go away – that the seven (7) of us can stop that. We can say, "No," and it goes back to the table. At some point some arbitrator is going to tell us what we have to do and that is what we are going to have to do. I just want to make sure we understand that. The other thing too is knowing that if we cut...based on the budget numbers that we have, the overtime for fiscal year 2017 was \$1,740,000 and if you look at the budget numbers year to date, \$1,840,000, so they are going to go over on the overtime. They are going to go over. Just understand that this cut may prevent us from raising taxes and I think somebody mentioned that earlier, but at the end of the day more than likely, they will be back to seek moneys for overtime. I am not sure and I do not think we have the time today to interrogate the Police Department of how they plan to reduce their overtime expense by \$900,000. I would assume that it is going to come with a reduction in services in some areas, I do not know where that would be but I think that would be...if you have an idea of where it would come from, I think that would be helpful. That is the reality of this thing. If it is going to force the department and I am assuming the same is going to happen with the Fire Department, I would guess, I do not know, Councilmember Kagawa? Is it going to force our departments to take a closer look at the use of overtime, I think that is what the Councilmembers are looking at. Councilmember Yukimura just shook her head "no," so maybe not her, but I would assume that is what...the only reason you would reduce overtime is to force better management of the program. Why else? Is it just because you can? I do not know what Councilmember Yukimura wants, but...that is the way I look at this. If this was to be reduced, where do you folks see the first services that would be cut?

Mr. Ponce: Just to give you an example. Overtime is so big in the Police Department in the Operational side. Last year, we had a murder, and a murder/suicide that happened in a two-week pay period. Just those two (2) cases alone cost \$52,000 for our Investigative Services personnel. The reason it is such a hard thing to grasp and get a number on is because you will never know when bank robberies, when homicides, when these big cases happen. With a smaller amount of overtime in the budget, which is all paid for because of the contract given when we force our employees to work more than  $x$  amount of hours. The operational side and the challenges to solve these cases will really be

affected because a lot of times I will work the guys until they solve it or finish. Homicides on Kaua'i, we solved every one for the past seven (7) years. We solved every single bank robbery we had that happened within the past nine (9) years. Our sex assault case closure has gone up to about 60%, along with the past three (3) years of our narcotics seizures, this is in the investigation side, between \$4,500,000 to \$5,200,000. We just worry about the operational effect. To be able to do all of these things and still keep our island safe with that big of a cut of \$900,000.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: That is a very commendable track record and it is wonderful. In voting to cut overtime, I would not be voting to reduce services because I think if we do not approve the pay raises, you will have money to cover overtime. If we do approve the pay raises, it will increase your overtime budget for homicides, your needs for homicides. Those are the tradeoffs and then if we increased...if we vote to not increase the pay, give the pay raises and to not raise taxes, you will still have that amount for your overtime to conduct services as usual. Thank you.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: How many people will be quitting because that is extra salaries that will already be in the budget—that you know you folks can play with any way. Does anybody in here know how much is quitting, moving, retiring, so that we know and we can vote on this? That is extra money that is in the budget. If it is \$800,000, probably all of them are making \$100,000 and that would justify the \$900,000 cut because you will have it in salaries anyway.

Mr. Contrades: As of right now, we are not aware of anybody that is leaving. You hear things through the grapevine about this person deciding to go here or there, but all those types of resignations or notifications comes through the Chief's Office and at this time, we do not have any and so I am not aware of anybody that is going to be leaving. Nobody has submitted their intent to retire and so right now, we do not have any.

Councilmember Brun: Nothing?

Mr. Contrades: Not right now.

Councilmember Brun: Nothing on the desk right now?

Mr. Contrades: Not to my knowledge, no.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: You never really know until the end of the year how many retirements you have or departures as your PowerPoint shows too. Some people just leave.

Mr. Contrades: We have had people just up and leave and just decided that they are done and so that is not something we can anticipate.

Councilmember Yukimura: No, that is true. I think the best thing you can go on is an average per year and without knowing for sure what will actually happen.

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

Committee Chair Kaneshiro: Any further discussion on this? I just want to bring one more thing up. I know Council Chair Rapozo mentioned about our Reserve and the union seeing that amount, we did pass a resolution and if we did want to solid it up, we could pass an ordinance and not allow the money to be raided by the unions. Again, you look at it, that is our savings. That is the money we had built up for emergencies and for anything else. If we do not pass a budget that covers our expenses, we will continue to raid that until it goes to zero and then when it goes to zero and when that goes to zero, we are absolutely completely broke. We have no backup money, we have no money, and we will have to face the inevitability of increases taxes. When you look at this, we are looking at...what puts us, the County, in the best financial position, the most fiscally responsible position? For me as we are going through the budget is, we have an appropriate fund Reserve Fund, we pass a budget that is balanced, and we continue to move forward and we hold tight on not letting people raid the Reserve budget. It is just like somebody in the public working—they know their expenses; rent, mortgage, and they cannot cover it. Their savings are going to zero (0) and that is what we do if we continue to raid our Reserves. That is all I am going to say about that. Councilmember Yukimura.

Councilmember Yukimura: Thank you. We had extensive sessions on the importance of long-range planning and fiscal integrity. If the arbitrators are going to force the County to violate best budgeting practices, that is something that is going to have to be an issue in arbitration. Look at the State and where it is in, in its budget and it is that bad fiscal position that is affecting all of us in so many different ways. If the unions want us to engage in bad budgeting practices, so be it, but that does make it difficult for us to have our finances in good shape to pay future raises or even to pay for positions.

Committee Chair Kaneshiro: Any further discussion? We will take a roll call vote on the cut of \$900,000 to regular overtime. Council Chair.

Council Chair Rapozo: I would just like to ask Councilmember Kagawa if he would consider lowering that amount. I am just looking at the number from last year and it is \$463,000 and...

Councilmember Kagawa: What number will it take to get your vote, Council Chair?

Councilmember Brun: I was going to introduce something if this one does not pass.

Council Chair Rapozo: Again, I want to be realistic and I want to be able to not be back here in six (6) months or ten (10) months. It is so different. I cannot help but to think about the old days when the overtime ran out, the overtime ran out for the Police Department—it was over. I know Roy, you remember this, and maybe Mike. It was done, you comp time for the rest of your fiscal year, there was no opportunity to come back for extra money. It is just a different time today. Now, today is different. I do not know what that real number is. You just said Bryson and it was very compelling and it made me think about some things.

There being no objections, the rules were suspended.

Mr. Contrades: Chair, as far as forcing comp, we are no longer allowed to do that because of the Fair Labor Standards Act (FLSA) lawsuit that occurred

several years ago. If an employee chooses pay, then we have to pay. As far as the lapse, I was told earlier that KPD lapsed \$1,300 in overtime last year?

Council Chair Rapozo: \$1,300?

Mr. Contrades: \$1,300.

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

Council Chair Rapozo: But you had a lot of transfers though? I guess what I am looking at is the Department lapse was \$463,000 and I know at the end of last year there was a transfer...I think the money for the cars was transferred. There was a lot of late year transfers, I think we see that a lot from the Departments and I am not saying that is not...I mean if you can get something brought this year instead of next year, great. I guess my point is that you have the funds somewhere in the Department that can be transferred over to your overtime account, then I think that is...and of course the option to come back here is always yours.

Councilmember Yukimura: I just want to reiterate that we have options to cover overtime, but we do have tough choices to make.

Council Chair Rapozo: I do not know what other options we have.

Committee Chair Kaneshiro: Are we voting on this and then we can take another proposal right after?

Council Chair Rapozo: We can take the vote and then maybe Councilmember Brun could come up with an amended version, I am not sure.

Committee Chair Kaneshiro: Roll call vote.

The motion to amend the preceding motion to cut funding in the Kaua'i Police Department, Chief's Office, in the amount of nine hundred thousand dollars (\$900,000) from Regular Overtime - Overtime only was then put, and carried unanimously.

The motion to cut funding in the Kaua'i Police Department, Chief's Office, in the amount of nine hundred thousand dollars (\$900,000) from Regular Overtime - Overtime only was then put, and failed by the following vote:

FOR MOTION:	Chock, Kagawa, Yukimura	TOTAL - 3,
AGAINST MOTION:	Brun, Kawakami, Rapozo, Kaneshiro	TOTAL - 4,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Ms. Fountain-Tanigawa: Motion fails, 3:4.

Councilmember Brun: I was going to do it across the board and I had a proposal separate for Police. Hearing the things I am hearing now, it was only for 15%, which was \$115,000. Seeing that we were within the Police Department, they were over by \$460,000, I am going to amend this to show that we reduced it by \$400,000. It is on the regular overtime, which they could always transfer moneys anyway to make up for it, so since we had that much of a lapse last year, I am going to amend to reduce it by \$400,000.

Councilmember Brun moved to cut funding in the Kaua'i Police Department, Chief's Office, in the amount of four hundred thousand dollars (\$400,000) from Regular Overtime – Overtime, seconded by Councilmember Yukimura.

Committee Chair Kaneshiro: Any questions or comments on this \$400,000?  
Councilmember Kawakami.

Councilmember Kawakami: I am just very hesitant to...I commend these decisions, they are very commendable because they are not popular, but I am very hesitant to make these types of cuts to public safety just because of the unknown, unintended consequences that may come. It is not like cutting overtime in Parks & Recreation where we may have a park that the grass grows a little too long. I mean there are some serious unintended consequences that have come to other cities and municipalities that have played around with overtime budgeting. I am just very hesitant to make any of these cuts unless there is some sort of assurances that this is not going to impact the public safety and wellbeing of our community. I commend the actions, but I just like to be forthright and say, "I am not going to be supporting this initiative as well." Thank you.

Committee Chair Kaneshiro: Any further comments? Councilmember Brun.

Councilmember Brun: Taking this \$400,000 out of your budget, will it affect the safety and welfare of the residents of the island of Kaua'i?

There being no objections, the rules were suspended.

Mr. Contrades: We are going to have to take a look to see whether or not services need to be reduced or not. We do not pad our budget, right, what we submit is what we need and my understanding is that overtime was calculated to show what we would need within the coming year, estimated of course. A \$400,000 hit would be difficult. We do not know...like I mentioned earlier, you have line items like...and I will use the same example of autopsy. You do not know how many autopsies you will use throughout the year, so if everything goes well and we have that extra money sitting there and we are allowed to move it from operations to salaries, we would probably be alright, but you just do not know and that is the problem. Again, we tried very hard to control our overtime and to keep it down and we will continue to do that this next coming year, but I would have to go back, sit down, crunch the numbers with our staff and what kind of impact it would have on our operations.

Councilmember Brun: We look at the overtime budget and it is \$2,000,000 by itself, so it is the place to go instead of taking \$10,000 from here, \$15,000 from here, until you get to your number. You folks can always move money; you folks have done it every year. You folks returned \$460,000 last year, so I do not think it is a big hit as it is. Like what was said, you folks can come back if we do need to, but I just think \$400,000 is a reasonable number because that is what we got back last year from our budget and then we added \$2,000,000 more to this budget, which is an extra \$2,500,000. Thank you.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: You just have to look at the numbers and come to a judgement. Every cut up there was not supported by the Administration. This cut is no different. Last year the budget increased by \$1,100,000 over the prior year. This year the proposal is to raise it by \$2,600,000 over the prior year, so you could say that they still...if this cut goes through, it is \$2,200,000 more than last year, that is \$1,100,000 more than last

year. The growth grew by \$1,100,000 even if this cut goes through. What does it take every year to keep the public safe? Is it a growing budget that is not smaller than the prior years and this is a growing budget? We are still growing by \$2,100,000 even if this cut goes through. I think at some point, if you want to reach that point where we do not want to raise taxes, we have to make tough decisions. It was easy for the Mayor to submit a budget that increased property taxes, but the problem is, does the public have the ability to survive these increases? We talk about how our Reserve is great and it is 30% of our budget just in case we have a rainy day. We are talking about taxing people that do not have any in their Reserve, so I think we need to put ourselves in their shoes as we consider whether the Mayor's \$3,600,000 real property taxes is worthy or not.

Committee Chair Kaneshiro: Any further comments? Just let me just put this into perspective. A \$400,000 lapse in the Police budget of \$31,000,000 is like a 1% lapse in their budget, which is not a big amount of lapse money. That is how tight of a budget we are talking about. Is \$400,000 going to make or break, which is pretty close. They are almost budgeting on actual, so for me, I am not going to be supporting the cut. I think it is really close. Of course they are doing everything in their power to try and reduce their cost and when we are talking about a 1% lapse, that is not very much leeway. Councilmember Kawakami.

Councilmember Kawakami: It could just be that I am suffering through post-traumatic stress disorder (PTSD) being at the legislature through the great recession, where we ended up making cuts with the hatchet by the end and we were faced with all these unintended consequences where we cut DLNR so some officers could not get overtime. Venders were not even getting paid for those wildfires in Koke'e, so it could just be a symptom that I am going through. I have witnessed good intentions, but unfortunately unintended consequences. There is no way to forecast if we get hit with a natural disaster. There is no way to forecast and that is why I am hesitant with public safety and I am not saying that just because we are not supporting these cuts, that we are supporting a property tax increase, that could be farther from the truth. I just said that this is an exercise and as we go along, by the time we are at the end of this book with this exercise, then we are going to figure out what we need to do. Before we start jumping to property tax increases, we should just go through the exercise—we are going to have three days and we can stay here until midnight, by the third day if need be, no big deal—we have done it before. I just say that when you take a look at the meat and potatoes of County business, infrastructure, public safety, those are paramount, I am just saying that I am very hesitant to make cuts to any kind of meat and potatoes of County business before we look at the other departments. Maybe in this booklet, we should have put them in the end, but here we are.

Committee Chair Kaneshiro: Again, these are difficult decisions that we have to deal with. To one thing though, I was going to hold it until later, but when we look at cutting \$3,000,000, I do not think we cut \$3,000,000 in the past two (2) years that I have been here. I started looking at what were our options as far as real property tax increases and we do offer a lot of tax breaks to people who cannot afford their real property taxes. We offer low income tax breaks, we offer exemptions, and we offer age exemptions. I am just throwing that out there for later, but again, we can vote it up or down and then we see what our end number is, and we move from there. I hope to not be here for three (3) days straight, but it is our job and this is probably one of the most important things we do all year. The vote on the floor is to reduce regular overtime by \$400,000. Can I get a roll call vote, please?

The motion to cut funding in the Kaua'i Police Department, Chief's Office, in the amount of four hundred thousand dollars (\$400,000) from Regular Overtime – Overtime was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Rapozo, Yukimura	TOTAL – 5,
AGAINST MOTION:	Kawakami, Kaneshiro	TOTAL – 2,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion passes 5:2.

Committee Chair Kaneshiro: Motion passes. Any further cuts to Police? Okay.  
We will move on to the Fire Department. Councilmember Kagawa.

Councilmember Kagawa: My first cut is to cut Position No. 630, Assistant Chief, and related benefits for a total of \$159,734.

Councilmember Kagawa moved to cut Position No. 630, Assistant Chief, and related benefits in the Kaua'i Fire Department – Administration, in the amount of one hundred fifty-nine thousand seven hundred thirty-four dollars (\$159,734), seconded by Councilmember Yukimura.

Committee Chair Kaneshiro: Any questions or comments on this position? I know we had a lot of discussion on it during our budget. It is a new position.

Councilmember Kawakami: It is a vacant new position.

Council Chair Rapozo: Who seconded?

Councilmember Yukimura: I did.

Committee Chair Kaneshiro: Any questions or comments on this cut? Any discussion? If not, we will take a roll call. Council Chair Rapozo.

Council Chair Rapozo: I guess I would ask the Chief to come up.

There being no objections, the rules were suspended.

ROBERT WESTERMAN, Fire Chief: For the record, Robert Westerman, Fire Chief.

Council Chair Rapozo: Just as I had asked the rest of the Department Heads with my position cuts if he had an opportunity to justify the position.

Mr. Westerman: I was not on that original list, so I guess I am a little shocked, but I guess I am not shocked. Did you receive my justification that I had responded across, after the first budget?

Council Chair Rapozo: Yes.

Mr. Westerman: I really do not have much more to add to that. The position as far as I am concerned is very, very important to the Fire Department. We have discussed several times about how to reduce some costs and as if you remember in that report that I sent you, a huge part of the overtime cost for the Administration is because we do not have this position. Those functions still have to happen. If I do not have the Assistant Chief (AC) then the Battalion Chiefs (BCs) and the Deputy, who of course does not get overtime,

and then other Captains doing other work have to pick up the slack. I cannot give you a dollar amount, but it will reduce some of the overtime cost that we currently have for that and hopefully it will help improve the safety of the Firefighters because we have a senior department member in operations that will be monitoring that closely every day because that is not something I can do besides doing my regular job. For the most part, it is to help reduce overtime and get projects done and push through on a daily basis because the AC will not work shifts, the AC will be on a forty (40) hour workweek and it goes to the safety of the department and making sure that one of our most dangerous areas of the department is monitored closely every single day. This is not a new position. This is a reallocation of an existing position. You will be eliminating a position that I already currently have in the department for that.

Council Chair Rapozo: I apologize because I do not remember, but the position that is being reallocated, what is the net increase?

Mr. Westerman: It is about \$54,000 to \$55,000, if I remember, and maybe even as high as \$70,000 with the benefit differences.

Council Chair Rapozo: So that net savings you are saying?

Mr. Westerman: Yes.

Council Chair Rapozo: I better not say net savings because this position is higher.

Mr. Westerman: Yes.

Council Chair Rapozo: I guess the net...

Mr. Westerman: The net increased cost.

Council Chair Rapozo: Would be \$55,000?

Mr. Westerman: \$75,000.

Council Chair Rapozo: Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Chief, I thought you said you could not, but would you be able to give us some cost savings on the overtime that you are talking about?

Mr. Westerman: I thought I had brought it with me. Do you have the answer that came across?

Committee Chair Kaneshiro: We probably have it downstairs. If we kept all the hundred answers we had from everybody, you probably would not be able to see our face. Can someone print that form out, for the Chief too, so that he has it as a reference?

Councilmember Kagawa: I wanted to go over my analysis too.

Committee Chair Kaneshiro: Is it along these same lines, Councilmember Kagawa?

Councilmember Kagawa: No. When I proposed my cut, I just wanted to show that we got some overview as to what the Fire Department budget looks like over the past ten years. Some of the overtime we pulled, since the staff did the research.

Committee Chair Kaneshiro: Okay, and they are printing out the answers that you sent to us.

Councilmember Kagawa: This is a ten-year analysis from 2008 to 2018, I will call it the Carvalho Administration. Budgets went up from \$13,800,000 to this year's budget of \$31,600,000, an increase of about \$18,000,000. The second slide, these are some of the overtime hours that I pulled and you can see that the BC—in addition to the big salary already, almost \$40,000, Position No. 610. Position No. 753, Fire Fighter III at \$21,000. Fire Captain Position No. 722 at \$35,000. Position No. 681, Fire Captain at \$40,000. It is becoming a position for the rich. I think we just have to look at sustainability. That is what I am looking for. Cutting a position that was not there the prior year are reasonable cuts and that is all this is. It is reducing a position. It is a “nice to have” but right now with the budget the way it is, to me, is not a “need to have.” Every cut that we make is going to be disputed and it is understandable. If we were on the other side, we would feel the same way. Are we going to address it and try and control the spending or not and I am willing to try. The 2017-2018 budget is proposed to go up by \$2,000,000. Any cuts that we make, remember that number, that it is still going up over the prior year if you just subtract \$2,000,000 from whatever we cut or do not cut. Thank you.

Committee Chair Kaneshiro: Chief, did you get the form that you submitted?

Mr. Westerman: Yes.

Committee Chair Kaneshiro: We are on the position of the Assistant Fire Chief. Any further questions from the members regarding this position? Councilmember Kawakami.

Councilmember Kawakami: Did I hear correctly that some of the purpose of the AC Fire Chief is to eliminate some of the overtime that was just presented to us?

Mr. Westerman: Yes.

Councilmember Kawakami: Can you give us a tangible number that we can work confidently from is how much that will eliminate from the overtime that was just presented to us?

Mr. Westerman: No. My estimates are around \$10,000 to \$15,000 for each of the top three (3) positions and the reason I say that is if you look at page 5, you will see all the additional duties that the BCs have. Their primary responsibilities respond to fires, emergencies, and support the Firefighters every day. As you can see there is a list of about twenty-eight (28) additional duties that they have that are significant. Besides managing the bureaus, which, okay, that is acceptable to a point because the bureaus can operate on their own and the main bureau themselves, the Operations Bureau than gets shortchanged because he is not out there operating with the Operations Bureau—he is inside doing something else doing other projects. I can only estimate at this time at about what that is and that is only because it really takes away...we talked about overtime. If you look at all the overtime and going back to Councilmember Kagawa's slide, that highest individual, part of that is the equivalent of rank-for-rank and then beyond that probably half of that is

all additional duty work that the individual is doing. His increase in overtime is not that number, but it is a little less. Does that make sense?

Councilmember Kawakami: Yes.

Mr. Westerman: We did an evaluation of all of our positions for overtime. All of our overtime is only about \$205,000 in the department. I know people keep saying it is \$2,000,000 to \$3,000,000, well it is only about \$205,000...we had the discussion about what is or what is not controllable. We cannot control premiums. Holiday overtime is there and they are entitled to the holiday overtime and they are entitled to the rank-for-rank and you take all of those things away and regular overtime for the Firefighters is very minimal. Some Firefighters in some cases are five hours through the entire year they had an overtime where they had to stay over for a day. Some of them might stay longer, again, because of additional duties that Firefighters are assigned, they might have to do an overtime on a day after their shift. Going back to the AC, the AC will help one by taking some of that overtime away from the BCs and then hopefully it probably even could filter in to some of the other positions, an example, our Communications Captain has to travel fairly frequently to go to O'ahu as part of the (inaudible), so if we can turn that over to the AC, one, we are taking that overtime away from that individual. The program is monitored by the AC, giving him the additional duty, the Captain can still function here as the head of our communications committee, but then the AC will take over some of those positions. The same thing for all of their BC positions. That is the reduction of overtime. Do I have a number for that right now? No. Do I have some estimates? Yes, maybe \$40,000 to \$50,000.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just because of what the story you told us to retain this position and look at the reduction of overtime or cut the overtime, and I just wanted to confirm with you if you had a choice what your preference would be?

Mr. Westerman: Reduce the overtime.

Councilmember Chock: Okay.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I was talking to a Councilmember from Maui and he did an inquiry to Personnel in Maui County and they discovered that the highest abusers of sick and vacation were for the Maui Fire Department. Do we have that problem here where they are taking it for advantage of collecting overtime with replacements? Is that happening here and are we addressing it?

Mr. Westerman: I do not see that our sick leave is being abused. They take sick leave or vacation, we replace them with a rank-for-rank person.

Councilmember Kagawa: But when it happens, I guess with Maui what they discovered was that it was happening overly frequently when compared to any other department, including the police, so I was just wondering is that something that we looked at here? When you see sick and replacement and then on the day he is working, he is replacing somebody else who is sick, I think that is what was happening in Maui's discovery. I am just wondering is that same thing happening?

Mr. Westerman: I do not think it is.

Councilmember Kagawa: Okay. That is what I wanted to hear.

Committee Chair Kaneshiro: Any further questions for Fire? Thank you, Fire Chief.

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

Committee Chair Kaneshiro: Any further discussion prior to us taking the vote? If not, roll call vote on...I guess I have one question to the introducer, would we want to adjust the number to account for the difference between the regular position?

Council Chair Rapozo: That cut would be done on a separate sheet, so there would be a difference, but I think it plays out. Now, if the other one is cut...I am not sure which position this one is replacing. This is not the true number. The number would be less. Whatever the difference is...if it is a reallocation. So, we would have to figure that out. The actual add on this one or the cut is now \$118,000.

Committee Chair Kaneshiro: I am sorry, Councilmember Kagawa was the introducer.

Council Chair Rapozo: Yes, you were looking at me. \$118,000 minus of existing position is what the net cut would be.

Committee Chair Kaneshiro: Right.

Council Chair Rapozo: I am not sure what that number would be.

Committee Chair Kaneshiro: Councilmember Kagawa, do you want to continue on with the proposal to just cut the total \$118,000 or did you want to do the difference?

Council Chair Rapozo: It is going to have to be adjusted because that is...

Committee Chair Kaneshiro: Because we cannot cut that position.

Councilmember Kagawa: I mean if it does not have the votes...

Council Chair Rapozo: Basically, what your motion is, is to cut that Position No. 630 and whatever the number comes out to. Position No. 630 is currently in the budget, right? Yes, with a different name. So, you are cutting that entire position? Right. So that Firefighter position disappears.

Committee Chair Kaneshiro: Okay, are we clear on this cut? So, if we vote for this cut, we are getting rid of this entire position, Position No. 630.

Council Chair Rapozo: Which is a Firefighter position right now.

Councilmember Kagawa moved to withdraw the motion to cut Position No. 630, Assistant Chief, and related benefits in the Kaua'i Fire Department – Administration, in the amount of one hundred fifty-nine thousand seven hundred thirty-four dollars (\$159,734) Councilmember Yukimura withdrew the second.

Committee Chair Kaneshiro: We will see what other cuts we have and then we can come back to this one or something similar. Any other cuts for the Fire Department?

Councilmember Kagawa: I am just going to go with the regular overtime cuts that I had made. This comes under the plan "B." I am going to pull it off from the bullets because we want to stay off the ones that are in the contract. I have a \$20,000 cut from regular overtime in Administration. I have a \$30,000 cut from Operations for regular overtime totaling \$50,000 of regular overtime.

Councilmember Kagawa moved to cut funding in the Kaua'i Fire Department in the amount of fifty thousand dollars (\$50,000) from Regular Overtime (multiple divisions line items), seconded by Councilmember Chock.

Committee Chair Kaneshiro: Let us take our ten-minute caption break.

There being no objections, the Committee recessed at 3:01 p.m.

The meeting was called back to order at 3:14 p.m., and proceeded as follows:

Committee Chair Kaneshiro: Welcome back. Councilmember Kagawa.

Councilmember Kagawa: The justification is that we believe by what was said that we could possibly save those amounts in overtime from allowing the AC to move up from the Firefighter position than I am good with that for now.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: The Chief is here, should we ask him?

Committee Chair Kaneshiro: You can ask him questions if you want.

Councilmember Yukimura: How will you be impacted?

There being no objections, the rules were suspended.

Mr. Westerman: As I explained, the position of the AC should be able to take on a lot of the additional duties of the Assistant Chief and the BC and some of the operations, so taking him out of the Administration and Operations, make sense because that is where the AC would have the most impact.

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

Councilmember Yukimura: But we did not vote on the Assistant Chief.

Committee Chair Kaneshiro: It got withdrawn, so we are on this...

Councilmember Yukimura: So we are allowing the position to remain in the budget, instead of removing the overtime?

Committee Chair Kaneshiro: Unless you want to cut the Assistant Chief position at a later time, too, that is up to you. That is what we have on the floor, \$50,000 cut. Any further discussion or questions? We will take a roll call vote.

The motion to cut funding in the Kaua'i Fire Department in the amount of fifty thousand dollars (\$50,000) from Regular Overtime (multiple divisions line items) was then put and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Kawakami, Rapozo, Yukimura, Kaneshiro	TOTAL – 7*
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

*(\*Pursuant to Rule No. 5(b) of the Rules of the Council of County of Kaua'i, Councilmember Yukimura was noted as silent, but shall be recorded as an affirmative for the motion.)*

Committee Chair Kaneshiro: Motion passes. A silent vote is a yes vote for anybody's information. Any further cuts for Fire and we are going with any division within the Fire Department. Councilmember Kagawa.

Councilmember Kagawa: I wanted for the record to note that we had already shown that this Council does not believe in cutting the premium pay item before the contract is ratified before us, so I am not going to be introducing my cut for rank-for-rank, which I wanted to cut for \$1,000,000 and some change. Being that does not have the votes, I will not be proposing any more cuts to Fire. Thank you.

Committee Chair Kaneshiro: Thank you. Anyone else with cuts to Fire? If not, we will move on. Emergency Management, previously called Civil Defense. Any cuts for Emergency Management? If not, we will move on. Public Works. Councilmember Kagawa.

Councilmember Kagawa: I am trying to achieve the amounts needed so that we do not have to raise the property taxes and we will see if this helps to achieve it, but it is only going to be an \$800,000 cut to the General Fund, but it is cutting out \$1,800,000 from Islandwide Road Resurfacing. It will still leave \$3,000,000 in the account. We have not paved the road for two years and I believe that if Public Works Roads Division comes up with a plan for additional funding, we will look at it during the regular year if they have good justification and we can see if we can find the funds at that time. The total cut I have is \$1,800,000 and this is the motion for Islandwide Road Resurfacing, \$800,000 from the General Fund to the Highway Fund and returning \$1,000,000 into the Highway Fund balance.

Councilmember Kagawa moved to cut funding in the Department of Public Works, Roads Administration in the amount of one million eight hundred thousand dollars (\$1,800,000) for Islandwide Resurfacing, contribute \$1,000,000 to Highway Fund Balance, and reduce the Contribution from the General Fund to the Highway Fund by eight hundred thousand dollars (\$800,000), seconded by Councilmember Chock.

Committee Chair Kaneshiro: Any questions? I have a question on the \$1,000,000 for the Fund Balance, we are just moving it from being spent and back into the Fund Balance?

Councilmember Kagawa: Yes, you are correct. I wanted to make sure that going forward that there was communication between Public Works and the Council as far what we are paving, when we are paving, and what kind of job we are doing. I have heard some disturbing testimony during the presentation by Mr. Renaud that we are going to patch potholes and I do not know if that changed, but I do not think we should be spending millions

paving potholes. I think if roads are in terrible conditions, we need to repave it because pothole repairs is exacting as it sounds. It does not last.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I just want to clarify, according to the budget message, we will still have the \$1,000,000 increasing with the match to address the main roads that have been identified such as Olohena, Kōloa Road, and so forth. The \$3,800,000 that was in addition to that for the island resurfacing, this is what this would be affecting.

Councilmember Kagawa: Yes.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: So there is not really a cut in the budget?

Councilmember Kagawa: \$800,000 from the General Fund.

Councilmember Yukimura: Contribution to the General Fund...you are cutting it from the General Fund and putting in the Highway Fund?

Committee Chair Kaneshiro: We had \$800,000 from the General Fund going into the Highway Fund and Councilmember Kagawa is proposing to put that money for roads and then put it back in the General Fund. That is the \$800,000. The \$1,000,000 is coming from the Highway Fund already, so it is money that has lapse in the Highway Fund. It is in the Highway Fund and they decided to spend it this year.

Councilmember Yukimura: And that is not going to be...

Committee Chair Kaneshiro: Instead of being put on a project, it is going to be put back into the Highway Fund and not spent.

Councilmember Yukimura: Okay, so why do we not want our roads to be fixed? I do not get it.

Councilmember Kagawa: Because in the testimony, number one, they were not really prepared and we asked what specific roads. We received a listing though now, but I think going forward it would be better if we had a detailed description of what was going to happen prior and I think that can occur during the regular Council process in the coming year. We have moneys to proceed on the major ones. It is sufficient in there and I am just saying...at one point we had \$2,600,000 sitting in the road resurfacing account and we did not pave anything. We let it build up...\$2,400,000, excuse me. We just let it sit in there and we did not do anything and I think if they come up and they are ready and they present to us what they need, I think, that would be the appropriate time. I just do not want to give them a blank check to go and create more bikeways, walkways, and walking paths, when our roads are in terrible condition. I think we should focus on roads and when and if we do, I would love to see the bike lanes expanded, walkways expanded, et cetera. I think we need to focus on roads. It is when we leave moneys in there is when those unexpected things happen and we find out later that we are getting results that we are not really approving of.

Councilmember Yukimura: But it is earmarked for Islandwide Resurfacing, so you cannot use it on sidewalks or other things like that. It is for fixing roads. We did not want them to do the political thing about "this Councilmember says fix that road and that Councilmember says fix that road," and then the really bad roads where nobody is speaking for them do not get paved. They have gone through a system of prioritizing based on condition of road and if the bad roads do not get paved in the proper order, they are going to get worse and need reconstruction, so we are looking at a bigger bill. It seems to me that this proposal would interrupt that process. I think the \$2,400,000 was agreed upon the accumulation every two (2) years of the highway moneys so that we could optimize the use of it with economies of scale and everything. I am really hesitant with...we need \$10,000,000 a year to actually get to a preventive maintenance level of repaving and the further we delay it, the bigger the cost and the more the complaints. I cannot support this right now.

Councilmember Kagawa: I understand.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: When we talk to our constituents, one of the biggest things is road resurfacing. I know the frustration because even at the State level there was extreme frustration with what we call "the backlog" of highway improvements, but when we did the digging as to what the delays were, a lot of it was a delay of federal matching funds. A lot of the delay was caused to bid protest between contractors. We had procurement issues, so even though we were frustrated with Department of Transportation (DOT) as far as the backlog in highway improvements, a lot of it was just the process and procedure and the parameters that were set up by policymakers. I just want to make sure that...I know we get frustrated and our constituents get frustrated because they see the need to resurface the roads and it does not happen in a timely fashion, but I would like to make sure that it is caused by other unforeseen circumstances like bid protests or procurement issues, or environmental assessments or even running into burials at certain junctures and it is not just what we think is deficiency in the department when it might not be a deficiency in the department. Maybe we can get the Administration to come up to tell us what the cause of this backlog is in the road repair before we make a broad sweeping cut.

There being no objections, the rules were suspended.

LYLE TABATA, Acting County Engineer: Good morning.

Committee Chair Kaneshiro: Good morning, Lyle.

Mr. Tabata: Good afternoon. See what happens when you do not workout. I felt that I would be fresh for you folks, so I did not workout this morning.

Committee Chair Kaneshiro: For the viewers, it is not morning. It is very late in the evening.

Mr. Tabata: I hear Councilmember Kagawa loud and clear. In my effort to try and improve our communication, I have recently been informed that we have taken our present Islandwide Resurfacing to contract, that is planned, and I hope to start in the next month and a half. I apologize, I have so many things going on today. We are planning to resurface and reconstruct a combination of about four point three miles of roadway. To answer Councilmember Kawakami's comment about what is taking us so long, so there is the federal highway projects, which are collector roads and then our local road process. Roads Division takes care of strictly the local road resurfacing and reconditioning.

Engineering runs the collector road process which is our 20% local to 80% federal aid match. With the federal aid process, as Councilmember Kawakami spoke to, it comes with a lot of attachments and requirements and it is a long drawn out process and we hope to take \$1,000,000 of the available funds to then be our 20% match to receive another \$4,000,000 now for a total of \$5,000,000 to address our collector roads. I recently just sent information and updates of our collector roads that we are looking at are Kōloa Road, Maluhia Road, Olohena Road, and Kukui Street. We have estimates there and if you add up the estimates, they are way more than what money we are going to have available, however, in the process...so this is what the Roads Division also does is we select the roads based on a sampling of the amount of money, we start with the money. We have a set amount of money that we get approved and then we change the roads based on the highest priority as Councilmember Yukimura mentioned. We are trying to stay and do a minimal amount of mobilization and demobilization because that is added cost and we feel that if we can move from major sectors of the island and accomplish our needs and have the most efficient use of the money that we have available, then we will move towards recovery of our road resurfacing backlog. Right now, if I can circulate my present list, you will notice that we have parts of central Kaua'i and majority on east Kaua'i. The list that you were shared is mostly on the westside and central Kaua'i. However, the collectors themselves are the roads that have been most problematic and information that have been shared by Council receiving complaints, Mayor's Office, and even directly to Public Works. Those are the ones that we have prioritized and I believe that we all have agreed on these four collector roads that was mentioned. We can still accomplish our goals by going after the roads that we have planned in the Attachment 1, that was recently shared with you, and when I am ready, as Councilmember Kagawa pointed out, we will come to him and ask for the extra money that we need. If available, it is up to your body to supply to us, but in the meantime, we need to build some confidence and I understand that. I am willing to work closely with Councilmember Kagawa in accomplishing the needs for the community in that manner.

Committee Chair Kaneshiro: Councilmember Kawakami and then Councilmember Chock.

Councilmember Kawakami: I have to tell you that I share some of the similar concerns and I have to preface this by saying that I have been a proponent of bike paths, sidewalks, and complete streets, but I want to be assured that this money that is appropriated for Islandwide Resurfacing does not necessarily leave any room for it to be reallocated to some of these other projects?

Mr. Tabata: No, these will be directly to reconstruct or resurface, what we call overlay, of the present road resurfaces. Some instances, we want to install shoulders so that we have a broader surface toward water off because water has been found to be the worst enemy to our roads. We would be doing some shoulder work so that we provide the proper drainage so that we do not have ponding on our road edges and in some cases we want to install some drainage ditches, made out of concrete, to tighten up the roadway surface because some of our collector roads do not even have shoulders. We would like to make some engineering changes and improvements to some of the roadways.

Committee Chair Kaneshiro: Councilmember Chock and then Councilmember Kagawa.

Councilmember Chock: Did I hear correctly that you said that the \$5,000,000, you do not think you can actually accomplish those collector roads and you would have to take some of...

Mr. Tabata: No, we will take \$1,000,000 as a County match to get \$4,000,000 of collector roads. We are in the process right now, we have a consultant procurement out that we need to get to help us develop these roads because these roads are a lot more detailed, as was mentioned by Councilmember Kawakami, as to the process to get the 80% match.

Councilmember Chock: Are we confident that the \$5,000,000 will cover the proposed roads that you have identified?

Mr. Tabata: We will do as much as we can on those roads, yes. I am not going to give a 100% coverage from end to end, but we are selecting the worst sections and we are going to resurface those, and I believe you can call it phase one.

Councilmember Chock: In addition to the cut that is being proposed here, you are in agreement that what would can happen is that you could come back for those funds when you are more ready for the Islandwide Resurfacing?

Mr. Tabata: Right.

Councilmember Chock: Thank you.

Councilmember Kagawa: First I would like to thank Lyle for his response and yes, what we are going to do is if they are ready with a good project, no time would be waste. We will work together and make sure we get whatever plans they have "pronto," but the other thing is I am willing to amend it to just include \$800,000 taking from the General Fund to the Highway Fund and we could leave the other \$1,000,000 in. My main purpose is to try and get the \$800,000 from the Highway Fund so that we can reduce the amount of real property tax increases that will be needed to balance the budget. Thank you.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Then we are coming back with a bill, we are going to need a bill in this fiscal year 2018, so if we do not raise taxes, we will not have that money. You cannot come back to get it.

Mr. Rezentos: If you reduce the revenue to fund the \$1,800,000, if you reduce the revenue source that will fund the \$1,800,000, yes, you are not going to have \$1,800,000 of that.

Councilmember Yukimura: That is what I mean and we are making this list to see if we can get to three point six to lower taxes, but then you cannot count of having the revenue in the fiscal year to go back to and say, "We need it."

Mr. Rezentos: I believe what Councilmember Kagawa mentioned was \$800,000 is the General Fund portion of the \$1,800,000, so the remainder, \$1,000,000, is from the Highway Fund.

Councilmember Yukimura: And that would stay there.

Mr. Rezentos: That will sit there, correct.

Councilmember Yukimura: Right.

Mr. Rezentos: The \$800,000 portion is the one that would relate to whatever income stream you place towards it.

Councilmember Yukimura: Because the real property taxes make up our General Fund, along with TAT.

Committee Chair Kaneshiro: Any further questions for the Administration on the roads? They did give us a list of the roads that they wanted to take care of based on the amount that they have available. Councilmember Kagawa.

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

Councilmember Kagawa: Yes, I want to amend my cut to just cut the \$800,000 from the General Fund.

Councilmember Kagawa moved to amend the preceding motion to instead cut funding by eight hundred thousand dollars (\$800,000) for Islandwide Resurfacing in the Highway Fund and reduce the contribution from the General Fund to the Highway Fund by eight hundred thousand dollars (\$800,000), seconded by Councilmember Chock.

Committee Chair Kaneshiro: So the proposal is to cut the \$800,000 that was going to roads from the General Fund.

Councilmember Kagawa: And they will have a remaining balance of \$4,000,000. \$1,000,000 which is going to the match and \$3,000,000 for the rest, which is a lot....we have not paved \$3,000,000 in roads in a while and that would be nice.

Committee Chair Kaneshiro: Any questions or comments? Councilmember Brun and then Councilmember Yukimura.

Councilmember Brun: I just hope that we have a plan going forward because I sent out a memorandum about a small patch in Waimea, which we could do it because it was a safety issue, which the baseyard could have done it themselves, so I am struggling with this right now. Are we going to wait until that one cost us \$400,000 and then we are going to fix it? I just hope we have a plan and we are going to use this money wisely and get it done.

Councilmember Yukimura: I believe we have a plan that is a ten-year or a fifteen-year plan and that was a requirement, so that we could find out how much we need. I think we need a minimum of \$10,000,000 a year. As you know the Highway Fund is the logical way to fund it, it is a user fund so the more that people use, the more they would pay because they are the ones who damage it the most. I was willing to consider part of the GET to go for roads as well as for the bus and that might come up, but I think ultimately because GET is an excise tax, we need to go back to the users to at least have them to a share of the funding. Those big trucks are commercial trucks that cause the most damage to the road. They get to deduct it as a business expense or pass it on to the people who are needing the roads and so it seems really wrong in the long run to fix the roads with money from a regressive source that really burdens our poor families the most.

Committee Chair Kaneshiro: The proposal has nothing about GET or taxes. It is just \$800,000.

Councilmember Yukimura: But if we use it to not pass Real Property Taxes, if the GET becomes available, then that will become a source of money.

Committee Chair Kaneshiro: Okay. Any further comments? I think as far as I am concerned, I really want to see the money spent. One of the main concerns that we have been getting during our campaigning, and just even when we are in Council is roads. We all know we have a big road problem. Here we are putting some money into it and even the \$800,000 in General Fund, I want to get roads done. I think the community demands it. It is not the amount that we would like to get done. Ideally, we would like to get more roads done, but of course we are hindered by the amount of money we have and for me, I want to see the Administration get all of these roads done, the total \$4,800,000. If we had TAT, I would have loved to see the Administration do the \$6,000,000, but that is not an option right now. For me, I am going to vote no on the cut because I want to see roads get done and I want to see the Administration get it done. This will build into a conversation on GET. If GET ever becomes available again, how well the Administration can get these roads done in a timely manner, will determine whether a GET has any chance or not because I can tell you if this four point eight is passed or not passed, even if it is just \$4,000,000 and those roads do not get done than I cannot see GET getting done at all. I guess putting their feet to the fire on this. I am sure they would want us to cut it, than it is less roads they have to do, but I say I want to see the roads...but again, it is up to the votes.

Councilmember Yukimura: I think the Administration wants to say something.

There being no objections, the rules were suspended.

Mr. Rezentos: Since you folks were discussing GET, relative to our road repaving and maintenance program, I just want to say that if nothing comes about in a special session or whatever...we are talking probably 2020 the closer we get to get at GET. Right now, the way the bills were presented and the way that the Department of Taxation would implement it, if something was passed out of the legislature this cycle and the County approves through legislation or GET, it would not take effect until January 1, 2019. If nothing happens in any special session or whatever and it is revisited next year, we are likely talking January 1, 2020 before we are able to receive any sort of boost in revenue to handle our roads on Kaua'i.

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

Committee Chair Kaneshiro: I just want to add that we do have a list of the roads and the money that is expected to be done so if constituents want to ask, we can tell them these are the roads that are on the list. Any further discussion? Councilmember Yukimura.

Councilmember Yukimura: I was thinking out loud and I appreciate this discussion and Chair, you convinced me, I am going to vote for paving for as much money as we can to repave our roads because the longer we wait, the more expensive it is going to be.

Committee Chair Kaneshiro: Councilmember Kawakami.

Councilmember Kawakami: Even moving forward when we talk about fair share of who is paying for our roads, I mean we cut the fuel tax, but how are we ensuring that the electric vehicles are paying also their fair share the usage of our roads and highways. These are all things that we are contemplating as technology moves us forward. It is almost,

as we move forward and we are using less fuel, how do we make up for that loss of revenue while still moving forward.

Committee Chair Kaneshiro: Council Chair Rapozo.

Council Chair Rapozo: I think Lyle said it best, he is going to use this opportunity less the \$800,000 to build confidence because exactly what you said, GET is a lot of money, but if we cannot manage \$4,000,000 or \$5,000,000, what are we going to do with \$25,000,000? This is a great opportunity and a great test for the Roads Division to show that it can be done. Convince me that I am wrong. I do not think we can spend \$25,000,000 or \$10,000,000 for that matter, so please convince me that I am wrong, use the opportunity, and build that confidence. That is really where we have to hit. I will be supporting the cut.

Committee Chair Kaneshiro: Any further discussion? If not, we will take a roll call vote. Again, for me, the extra \$800,000 from the General Fund...GET is a long way away. It takes a vote to pass and it is a long way away, so we are using a lot of money from our Highway Fund that is left over and we are not going to have this type of money in the future to spend. Probably next year, we will only be able to do a million or two million or whatever we are budgeted for. For me, I just want roads to get done. Roll call vote.

The motion to amend the preceding motion to cut funding by eight hundred thousand dollars (\$800,000) for Islandwide Resurfacing and reduce the contribution from the General Fund to the Highway Fund was then put, and carried unanimously.

The motion to cut funding in the Department of Public Works, Roads Administration in the amount of eight hundred thousand dollars (\$800,000) for Islandwide Resurfacing and reduce the contribution from the General Fund to the Highway Fund by eight hundred thousand dollars (\$800,000) was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Kagawa, Rapozo	TOTAL - 4,
AGAINST MOTION:	Kawakami, Yukimura, Kaneshiro	TOTAL - 3,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Committee Chair Kaneshiro: Motion passes.

Ms. Fountain-Tanigawa: 4:3.

Committee Chair Kaneshiro: Any further cuts for Public Works?

Councilmember Chock: Just for the record, I did have a cut, but I am not going to be introducing it. It was part of the Supplemental Budget. I did get an explanation about the \$100,000 for the striping machine. Apparently, our striping machine is obsolete and broken and unfixable and in order to accomplish any of the roads that we are proposing, my understanding is that we do need this, therefore I will not be introducing it.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: When we do stripe, can we try our best? When the stripes are just all crooked, it is really embarrassing and I think we should take pride in our work. I see some of the State highway and how they do it and you can tell when you do not

take pride. I think for the kids, it is a really bad lesson, so when we stripe, let us try our best and do a good job in trying to make it straight. Thank you.

Committee Chair Kaneshiro: Note taken. I believe we have all seen those stripes before. Any further cuts for the Department of Public Works? If not, we will move on. Parks & Recreation. Any cuts for the Department of Parks & Recreation? Councilmember Chock.

Councilmember Chock: This is a Supplemental Budget item, this is to remove \$30,000 for the Historic County Building. This might have come from us, but I am assuming it is for the lawn outside, but I wanted to get an explanation on this item before voting on it.

Councilmember Kagawa: Is that a motion?

Councilmember Chock moved to cut funding in the Department of Parks & Recreation – Administration, in the amount of thirty thousand dollars (\$30,000) for R&M Building - Historic County Building Irrigation, seconded by Councilmember Kagawa.

Committee Chair Kaneshiro: Any questions on this \$30,000 for Historic County Building Irrigation? Councilmember Chock.

There being no objections, the rules were suspended.

LEONARD A. RAPOZO, Director of Parks & Recreation: For the record, Director for the Department of Parks & Recreation Lenny Rapozo. There is some dialogue and a request came from this body regarding some of the landscaping here on this side of the Historic County Building. Parks has not improved any landscaping. We take our charges to being maintaining whatever is here. In that communication, irrigation was mentioned. In that communication, \$168,000 was listed as irrigation. What I am proposing to do is what we have done in other parts of this island, like Peter Rayno Park and currently we are working with the community at Kekaha Fire Park, where we provide the moneys and insolation and working with the community, the community will be installing the irrigation. I believe the \$30,000 would be more than sufficient to irrigate the lawn of the Historic County Building. I have reached out to an organization to see if we can partnership. When the process of scheduling the meeting, they have their event this weekend here at that lawn and that is the Visitor's Industry Walk. I think the Visitor Industry has a lot of talent and expertise in probably laying and installing the irrigation, so I am reaching out to them to see if we can partner together to do this project, so that the reason for the late add.

Councilmember Chock: Thank you.

Committee Chair Kaneshiro: Any further questions? Councilmember Yukimura.

Councilmember Yukimura: I support irrigation for the surrounding areas of this Historic County Building, but you are saying that it is only going to be an irrigation system for the lawn.

Mr. Rapozo: Yes.

Councilmember Yukimura: The front lawn and not along the sides of the building?

Mr. Rapozo: I put enough money there that if we can irrigate the entire property, that is what we will do, but we will focus on the lawn first because that is where most of the use has been with the different, various community events that we had.

Councilmember Yukimura: Lyle talked about (inaudible)—it seems to me that it might be cheaper to do the entire thing rather than come back and do an increment afterwards.

Mr. Rapozo: Yes, the money that we are requesting is enough to do the entire lawn if the group can, but my priority would be the front lawn.

Councilmember Yukimura: And you are saying that the group actually participating in installing the irrigation?

Mr. Rapozo: I have reached out to the Visitor Charity Walk Committee because that involves a lot of hotels. Year in and year out, the County helps to co-sponsor their event and I thought this would be a good opportunity to see if they would be able to reciprocate with their talent to install the irrigation and we provide the money for the equipment. As we have done at other parks, Peter Rayno, the seniors had done it. They convinced me that they had the talent to do it. We are currently working with the Rough Riders Baseball Team out in Kekaha Fire Park to irrigate that park there. That one there, I believe they have a grant of \$19,000, which will irrigate all of the playing fields of the baseball and football, when we do have it out there for that park. \$30,000 should be more than sufficient for materials for this property.

Councilmember Yukimura: And the design...whether it is pop-up or the long-term maintenance issues and things like that.

Mr. Rapozo: Yes, and normally what the groups would do is they go to Kaua'i Irrigation and Kaua'i Irrigation will come to the facility, they will look at it, and they will do a design for free as long as they buy the supplies from them.

Councilmember Yukimura: I see. After that once it is installed, Parks will take care of it.

Mr. Rapozo: We maintain it, yes, as we have done at Peter Rayno Park and other parks of the island.

Councilmember Yukimura: Thank you.

Committee Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I am a proponent of the beautification, especially when the cost of one-fifth of what we are proposing and I will open it up to Members, but I am open to pull the cut if other Members are in agreement.

Committee Chair Kaneshiro: Any further questions for Lenny? Any discussion from the Members?

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

Councilmember Chock: I will remove the cut.

Committee Chair Kaneshiro: I mean I was willing to vote on it.

Councilmember Chock: That is what I wanted to hear.

Committee Chair Kaneshiro: When I look at needs versus wants, that to me...it would definitely be a nice to have, but I do not think it is something that we need. I would more likely love to have the Reserve Fund funded and if we have extra money then that would be a capital improvement project that we could pull the money out of once we met our Reserve Fund goals. That would just be me, but it is up to the body what we want to do. Council Chair Rapozo.

Council Chair Rapozo: This is another one that I had asked the Administration to consider. Again, this all happened when we thought we were getting a little more TAT. Unfortunately, with the chickens out here, I do not think irrigation alone is going to...I mean it is going to make it green, but the hose is going to stay there. Until we can effectively redo the landscaping and do the ground preparation and plant something that is going to prevent the holes from the chickens, I do not know if irrigating alone is going to solve the problem. Although I appreciate the offer and I would agree...in fact, I am ashamed to even say I have an add in here, which I am going to take out right now because that was to add \$240,000 to do the entire deal, but obviously that is not going to happen today.

Committee Chair Kaneshiro: We have \$2,000,000...

Council Chair Rapozo: No.

Committee Chair Kaneshiro: Just joking.

Council Chair Rapozo: Again, a lot of these things were done when we thought we were going to get \$103,000,000 and that we would have some opportunities, but at this point, I would support the cut.

Committee Chair Kaneshiro: Any further discussion? Councilmember Kawakami.

Councilmember Kawakami: Who knows, they are still speaking about special session and when you see the other Counties and their property tax proposals, I have to assume that there is some glooming pressure for at least some kind of strong lobbying effort to at least return us to the \$103,000,000 instead of the \$93,000,000, which may have just been an unintended consequence that the waiting hours of this past legislation session. We talk about landscaping, we have to take into account that, yes, there is a chicken problem and there is an obvious homelessness problem that we need to address in this area. We do. If we are talking about the beautification efforts, there is a homelessness issue that has...I do not want to say blossomed, but it has bloomed in this vicinity and so we have homeless people feeding chickens that are digging up the landscaping. I think the underlying issue is, how do we address homelessness? I support the cut.

Councilmember Chock: I will keep my motion instead.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: Yes, I am convinced that we should save it for another day when there is more money and we can do it more comprehensively. There is a

safety issues with the digging of the holes with the chickens, but as Councilmember Kawakami has pointed out, it is connected to a lot of other issues including the homeless problem, which we do need to address, which is more of a need than landscaping.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: I heard the scenario, but if we do remove this, we can do a grant later on if we decide to do this project for \$30,000. Is that what I heard?

Committee Chair Kaneshiro: Are there grants available? I was thinking if we have our Reserve number met and we have extra money, this could be a capital expenditure project that we could pull the money out of and use to improve our property. It is a need versus want.

Councilmember Brun: It is just to create an idea, like you talked about Kekaha, the County helped them with that and we just finished the Kekaha Neighborhood Center painting today. That was in a partnership also.

Committee Chair Kaneshiro: We do give out a lot of grants to improve parks, so I do not know if our front yard would be considered a park for a grant. No.

Councilmember Brun: Maybe what can help with the homeless is putting the sprinklers on during the day.

Councilmember Yukimura: Yes, the homeless might help.

Councilmember Brun: Put them to work.

Committee Chair Kaneshiro: Any further discussion on this? This is to cut \$30,000 for the Historic County Building irrigation. Can I get a roll call vote, please?

The motion to cut funding in the Department of Parks & Recreation – Administration, in the amount of thirty thousand dollars (\$30,000) for R&M Building - Historic County Building Irrigation was then put, and carried by the following vote:

FOR MOTION:	Chock, Kagawa, Kawakami, Rapozo, Yukimura, Kaneshiro	TOTAL – 6,
AGAINST MOTION:	Brun	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Committee Chair Kaneshiro: Motion passes.

Ms. Fountain-Tanigawa: 6:1.

Committee Chair Kaneshiro: Any further cuts to Parks & Recreation? If not, we will move on. Elderly Affairs. Any cuts to Elderly Affairs? No. Housing-General Fund. Councilmember Chock.

Councilmember Chock: This is in the Supplemental Budget, this is coming up in R&M building for \$90,000 which was an addition for the air conditioning at the Waimea Theatre. This just showed up this last week.

Councilmember Chock moved to cut funding in the Housing Agency, in the amount of ninety thousand dollars (\$90,000) for R&M Building - Waimea Theatre- Contingency, seconded by Councilmember Yukimura.

Committee Chair Kaneshiro: Do you have a question for the Administration on this?

Councilmember Chock: I think an explanation is warranted and at least people can make a decision on whether they want to act on it now. For me, the question is on the urgency and if we need to move on this right away or not. My understanding is that the air conditioning still works, however, it is an aging air conditioner.

Committee Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: The air conditioner (AC) does not work really that good. For us, on the westside, this is our biggest property we have and it is hot on the westside, let me tell you. I think this is a great idea and I support it.

Committee Chair Kaneshiro: Good afternoon, Kanani.

There being no objections, the rules were suspended.

KANANI FU, Housing Director: Good afternoon, Kanani Fu, Housing Director. The addition in the Supplemental Budget, I do not know if I can say "in a good timing or bad timing," in the sense that the Waimea Theatre is currently used and we have a contract with a nonprofit who operates it. With regards to the air conditioner, there is quarterly maintenance that is done. The contract is for preventative maintenance, so we contract a professional AC company who goes in quarterly to check the AC unit and fix as needed to keep the AC working. It has been recommended by the company that the AC unit should be replaced. It is nearly twenty (20) years old and it is time for us to start planning for the replacement of this asset. If we do not and we had issues where the AC had completely shut down, it can often take two (2) to three (3) days to get the repair crews out there, which just affects the mold environment of the theatre...if there is an event happening. We are trying to prepare for this and again, it came at poor timing with regards to the budget, but better to catch it now than coming back for a money bill later on.

Council Chair Rapozo: This is our building?

Ms. Fu: Yes, it is our building, our responsibility.

Council Chair Rapozo: Who maintains it?

Ms. Fu: We have a contract with the West Kaua'i Business Professional Association.

Council Chair Rapozo: What is that contract?

Ms. Fu: They can utilize the building for events and they control and they do maintenance, but the Housing Agency or the County own and manages it. We sublease or subcontract it for them to use for community events.

Council Chair Rapozo: But we do not take care of the maintenance?

Ms. Fu: We do.

Council Chair Rapozo: It is County workers that go in there and clean it?

Ms. Fu: No, so the Waimea Theatre...

Council Chair Rapozo: I am just trying to figure out what the difference is between this and the Veterans Center.

Ms. Fu: Through the revenue that is made, that is earned, at the theatre, the group, West Kaua'i Business Professional Association, is responsible for the general maintenance as well as setting aside, every year they have to set aside some reserve. Instances where there is large capital improvements and those types of things the County has been the agency or group to facilitate these improvements to facilitate large repairs, large maintenance items. Generally, we plan it out the year before and then we propose it in our budget. The County Housing Agency is the one that is responsible for procuring these services. The ongoing maintenance like the AC and those types of things. It does not go through the West Kaua'i Business Professional Association.

Committee Chair Kaneshiro: Just for clarification again, this is our building, right, the County's building?

Ms. Fu: Yes, it is our building.

Committee Chair Kaneshiro: Compared to the Veterans Center, which is not ours. Any further questions? Okay. Thank you, Kanani. Councilmember Yukimura.

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

Councilmember Yukimura: I appreciate Councilmember Chock bringing it up so that we can learn. As you pointed out, Committee Chair, it is a County property and it is a really important community resource. The equipment is old and so it is not an extraordinary request. It is something that needs to be done, so I am going to be voting against the cut.

Committee Chair Kaneshiro: Any further comments or discussion? If not, we will take a roll call vote on the \$90,000 cut for the Waimea Theatre Contingency.

The motion to cut funding in the Housing Agency, in the amount of ninety thousand dollars (\$90,000) for R&M Building - Waimea Theatre-Contingency was then put, and failed by the following vote:

FOR MOTION:	None	TOTAL - 0,
AGAINST MOTION:	Brun, Chock, Kagawa, Kawakami, Rapozo, Yukimura, Kaneshiro	TOTAL - 7,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Ms. Fountain-Tanigawa: Motion fails.

Committee Chair Kaneshiro: Motion fails. Any other cuts for Housing? Anything else for Housing? No. We will move on. Transportation? My plan, if we can, is we will go to 4:30 p.m., we will try to get through all the individual cuts for departments and

then we will go to CIP, and we will stop there. We will come back tomorrow, I think Council Chair Rapozo has provided a lot of the departments with the cuts that affect multiple divisions and they should be ready to come up and testify on that. The plan is to get to the end of the CIP individual cuts. That is the plan—to 4:30 p.m. Any cuts to Transportation? No. Roads and Highway Fund. Any cuts to Roads and Highway Fund? No. Auto Maintenance? I should have said that earlier then we would not have any cuts. Liquor. Any cuts to Liquor? Solid Waste. Any cuts for Solid Waste? No. Wastewater. Any cuts to Wastewater? Wailua Golf Course, which is our final Operating Budget item. Any cuts to Wailua Golf Course? No.

Councilmember Yukimura: I do, but it is a combination.

Committee Chair Kaneshiro: The combinations will wait until later.

Councilmember Yukimura: Yes.

Committee Chair Kaneshiro: Any individual cuts for Wailua Golf Course?  
No. Okay, now we will go through our CIP.

Councilmember Yukimura: Chair.

Committee Chair Kaneshiro: Councilmember Yukimura.

Councilmember Yukimura: I think I was asleep at the wheel. Oh, it is a combination cut/add, sorry, I can wait.

Committee Chair Kaneshiro: Yes, the combination cut/adds will wait until tomorrow.

Councilmember Yukimura: Yes.

Committee Chair Kaneshiro: Any cuts to the CIP Budget? You folks just want to finish. So that is where I wanted to get to today. I think as far as the proposals affecting all departments, I do not think we have all departments here to answer questions. I know tomorrow morning, we will have them here, so I think it is a good stopping point. I think everybody is probably very tired and we have another long day tomorrow. We will take a recess, tomorrow we will come back and we will do any cuts that affect a variety of departments, we will do any cuts and adds together, and then we will do any adds. Whatever number we are at, we have to make a decision on what we are going to do with that. That is the plan. We will take a recess.

Councilmember Kagawa: Process.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: My process question is if we have a cut back to the expenses, can we go back tomorrow?

Committee Chair Kaneshiro: We were not going to go back.

Councilmember Kagawa: We are not going back.

Councilmember Yukimura: Unless it is part of a combination.

Councilmember Kagawa: I can do a combination of cuts.

Committee Chair Kaneshiro: With that, we will take a recess until tomorrow.

There being no objections, the meeting recessed at 4:08 p.m.