

**COMMITTEE OF THE WHOLE
DELIBERATION AND PRELIMINARY DECISION-MAKING
FISCAL YEAR 2019-2020 ANNUAL BUDGET**

MAY 10, 2019

The Deliberation and Preliminary Decision-Making Meeting on the Fiscal Year 2019-2020 Annual Budget of the County of Kaua'i was called to order by Arryl Kaneshiro, Chair, Committee of the Whole, on Friday, May 10, 2019, at 9:02 a.m. at the Council Chambers, 4396 Rice Street, Room 201 Lihue, Kaua'i, Hawai'i and the presence of the following were noted:

Honorable Arthur Brun (*present at 9:44 a.m.*)
Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Luke A. Evslin
Honorable Ross Kagawa
Honorable KipuKai Kualii
Honorable Arryl Kaneshiro

The meeting proceeded as follows:

Council Chair Kaneshiro: Good morning. I would like to call to order the Committee of the Whole and the Fiscal Year 2019-2020 Budget Decision-Making Session. Let the record reflect that we do have a quorum. Today, we will be addressing decision-making for the FY 2019-2020 Operating and Capital Improvement Projects (CIP) Budgets and Real Property Tax Rates. We have had nearly three (3) weeks of budget reviews and substantial discussion with the Administration on their proposed budget as well as received numerous responses from the Administration to follow-up questions that were transmitted. This year, much fewer questions were sent over, so thank you Councilmembers. Thank you to the Administration for responding to all of the questions that we did send over. I am hopeful that we will not be requesting that the Administration come up too much today to respond to questions that we should have received, as all the preparation and clarification on such proposal should have been done in advance of this session. It is now our opportunity to offer proposals to the budget for the FY 2019-2020. I would like to remind the Committee that any proposals to reduce or remove an item, which would be a cut, requires four (4) votes, and any proposal to increase or add an item requires five (5) votes. Once we vote on an item today, we will not revisit that item unless it is deemed absolutely necessary. I do not think we have ever deemed anything absolutely necessary during the entire four (4) years I have been doing budget. Additionally, once a proposal is introduced, I respectfully ask that the Members be concise and considerate with their time during the discussion period as our time will be limited.

As we heard from the Mayor and his team, as well as through the budget discussion, I wanted to reiterate a few of the fiscal realities that our County is facing. Our roads and bridges continue to deteriorate and it will be a few years until the full impact of the General Excise Tax (GET) surcharge is realized, with this year being the first year we are seeing an infusion of revenue for this purpose and next Fiscal Year being the first full year with GET money. We continue to strive to better our County's core services, including parks, infrastructure, affordable housing, and other services. We have only just begun tackling the initial phase of what may be a multi-phase approach to upgrade our infrastructure on various levels including roads, bridges, information technology (IT), human resources, planning and land information systems. These are big ticket items that if addressed could realize cost-

savings in the long-run, but the upfront costs are significant. Last, but not least, is our County's biggest ticket item of payroll, personnel, and benefit increases. As we have already observed with the recent Unit 11 Collective Bargaining Agreement, it appears that we will continue to see increases in arbitrated or negotiated collective bargaining increases year-after-year. This includes all of our unions. The respective benefits of health, retirement, and Other Post-Employment Benefits (OPEB) are also more than likely to rise with our required contributions now being mandated to increase in the next few years as well. Therefore, our costs are always increasing. It is also important to remember that this is Mayor Kawakami and his team's first budget proposal. I am not saying not to cut anything, but let us also give them the ability to do what they need to do in their first year. If we cut their legs in the first year, then we are pretty much setting them up for failure. We need to provide them the opportunity to get them what they need to get done, and also to prove that they are going to spend the money wisely and that they are going to use the money the way they said they are going to use it.

I am hopeful that the Council will move forward with the Decision-Making Session focusing on the County's core services and basic needs; of course, everyone has their own individual priorities. For me, I think it is important that we continue to keep a balanced budget, we keep in mind that we are not going to tap into our Reserve to balance the budget; that is going to be my main priority, that we do not go to our Reserve, we do not start adding items and saying we are going to pay for it with our Reserve. My total goal now is to keep the budget balanced and not to touch our savings, especially because we have hit our savings target right now. Keep in mind if you are going to add something, hopefully you have a cut to it, if not, the only way you are going to get an add with no cuts is to take from our Unassigned Fund Balance, which I do not think we should be doing. We will have all of our cuts, adds, and whatever modifications we do, will be up here on the screen and it will run a total count. Every year, we talk about having this huge number and it is actually very difficult to get a big number up there. Lastly, I want to remind the Committee that if we do not come to an agreement at the end of the day with an allotted amount of time for Decision-Making, the Mayor's Proposed Operating and CIP Budgets that were transmitted prior, on March 15th, the original budget that we saw, will go into effect. In order for this Supplemental Budget to pass, we need to agree on this. If we cannot get the votes on the Supplemental Budget and all of our adds and cuts, then the original budget that was submitted that we saw is going to be the budget that passes, which for me, I do not think that is the budget we want to see. The Supplemental Budget is a much more updated, realistic version of the budget. There are a few items that were updated between the time it was submitted. I will be opening today's session, as we have done throughout the Budget Session with public testimony. Following public testimony, I will allow for Mayor Kawakami or his team to briefly address the Committee before we get into our session regarding his Supplemental Budget.

For the Members to know, we are going to take public testimony, someone from Mayor Kawakami's team or he may come up and do a presentation—we will ask questions at that time, then as we go through our cuts and adds, we are going to do just individual cuts at first. We will go through each department—we will get through any cuts that we have, then we will do any adds, and then we will do any adds and cuts together. The cuts are going to take four (4) votes. Once we get to the adds, everything will take five (5) votes after that. Therefore, really keep in mind how many votes you are going to need for any of your proposals to pass. With that, I would like to suspend the rules and we will take public testimony.

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

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Chair, the first registered speaker this morning is Mirah Horowitz, followed by Jessica Venneman.

MIRAH HOROWITZ: *Aloha* and good morning. My name is Mirah Horowitz and I am happy to be back here with you. I know we spent a lot of time last month speaking about the budget. I am here to first say thank you to the Mayor and his team for his proposal that they provided. I do want to be very clear that with the funding that is currently in the budget...what the Kaua'i Humane Society (KHS) will be able to provide to the County and the community...is essentially a limited animal care function of picking up stray dogs and picking up injured and sick animals, and then providing the necessary veterinarian care, housing, and other animal care. It is a very scaled-back version of what we currently provide and the reason for that is historically what we have provided to the County has cost the Humane Society far more than what the County has actually paid for in the budget, and due to very severe financial problems, we are not able to continue that model. We have two (2) requests on the table. The first is an additional seventy thousand dollars (\$70,000). This will allow us to continue the very critical role that we currently provide, which is investigating animal cruelty and neglect cases. It is something that is for the highly trained and skilled. The reason why we need this additional funding is that we have not for the past three (3) years had a full complement of animal control officers able to investigate cruelty and neglect. It is because we are not able to be competitive with our salaries. We also have no budget for sending people to training for being able to work in abuse and neglect, both in terms of handling the animals, but also in terms of being able to handle and educate the people. As a result, we are not doing the County and the community the right service. We are protecting the animals, but we are doing so at the cost of the people and we want to be able to do so in a way that helps educate people about proper animal control; we simply cannot do that with the budget that is currently proposed. The second request on the table is for the start of a comprehensive public spay and neuter program; it is one hundred eighty-five thousand dollars (\$185,000). I want to be clear that this does not address feral cats or trap-neuter-return (TNR). This is a program that is only for people who have pets that want to have their animals spayed and neutered, they want to be good pet owners, and they simply do not have the money to do so. That is our second request. I really appreciate all of your hard work and your consideration.

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I have a question.

Ms. Horowitz: Sure.

Councilmember Kagawa: What is the current funding for the Humane Society?

Ms. Horowitz: Nine hundred twenty thousand dollars (\$920,000), I believe.

Councilmember Kagawa: How much was last year's funding?

Ms. Horowitz: Last year's was eight hundred...I cannot remember the number.

Councilmember Kagawa: It has increased a little bit.

Ms. Horowitz: It is an increase, yes, and we are very appreciative for the increase.

Councilmember Kagawa: Are we not going to be helping with cats anymore with the current funding?

Ms. Horowitz: We do not do cats right now. It is not in the contract, no.

Councilmember Kagawa: Someone from the Wailua Golf Course told me that the Humane Society picked up a bunch of cats, neutered them, and brought them back to that area...is that the Humane Society?

Ms. Horowitz: No. That is "Animal Balance."

Councilmember Kagawa: Does Animal Balance bring them to the Humane Society?

Ms. Horowitz: They do not bring them to us. There was a big Mobile Animal Sterilization Hospital (MASH) clinic that was done a year and a half ago that was run by Animal Balance and what they did was pick up the feral cats, spay and neuter them, and returned them to field.

Councilmember Kagawa: Does Animal Balance work with you folks?

Ms. Horowitz: They are a separate nonprofit. When people cannot get in to us for spay and neuter, we send them to Animal Balance, if they have cats they want to see spayed and neutered. We are totally separate entities. We did participate in the MASH clinic back in April of last year, before my time with the Kaua'i Humane Society, but we were just providing spay and neuter surgeries. They organized it, they are coming back in September to do another MASH clinic for feral cats, and KHS is not participating.

Councilmember Kagawa: To clarify for the public that Animal Balance takes care of the cats and you folks...

Ms. Horowitz: Correct. We do not have a return-to-field program at all.

Councilmember Kagawa: Thank you.

Ms. Horowitz: You are welcome.

Committee Chair Kaneshiro: Are there any further questions? If not, thank you.

JESSICA VENNEMAN: Hi, good morning, everybody. My name is Jessica Venneman and I am the Director of Field Services for the Kaua'i Humane Society. Today I primarily want to focus on the deficit that we have regarding funding for the Field Services Department. What Mirah mentioned regarding a trained cruelty investigator—we need those seventy thousand dollars (\$70,000) to be able to hire a trained and qualified individual. I started with KHS in 2008—pretty much, we have been off and on...we have been short people. Over the last three to five years, we have never had a full staff. You are literally looking at the one person that provides all of the animal control services for the island and that does not make any sense and is not a sustainable model. At the current funding, if we do not get the seventy thousand dollars (\$70,000), I cannot pay someone twelve dollars (\$12) to fifteen dollars (\$15) an hour and expect them to go out and be qualified; do these investigations, testify in court, handle the animals, educate the people—it is just not reasonable. I do not know how anyone could think it is. We would like to be able to provide that service to the County. That is my main thing that I would like to say. The one additional thing that we want to mention is that we are the only agency that can provide that service.

It is not something that any other agency on Kaua'i currently provides. We obviously will continue with the animal handling and all of the things that we have already agreed to, but the investigations is something that we are uniquely positioned to be able to provide. If we cannot pay a trained individual, it is not something that we can actually do for the community. The expectation is unrealistic. That would be for that additional seventy thousand dollars (\$70,000), we would be able to hire someone, bring them on, train them, and retain them. We would like to have someone that grows with our community, grows with the animal welfare field here in the islands, rather than this constant turnover of unqualified individuals. That is what we would really like to do. To Mirah's point, regarding the one hundred eighty-five thousand dollars (\$185,000) for spay and neuter, that is something we really want to focus on. That money would go towards pet animals on the island being able to spay and neuter them and return them to their homes is something that we want to be able to provide and is something that is tied in with the welfare of the animals and their quality of life on the island. We do not want people just having litters and litters of puppies and kittens that they are turning in to the Humane Society that we are then looking for homes for. That costs the County money, it costs us money, and it does not give them a good quality of life. My time is up. Does anyone have questions for me?

Committee Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: How much of the total Humane Society budget is the County's share?

Ms. Venneman: It is probably about one-third.

Councilmember Kagawa: We pay about one-third and where does the rest come from?

Ms. Venneman: The rest are from donations, grants, and private funding.

Councilmember Kagawa: It is like a grant from us that...like now we are saying, "Okay, we are going to add seventy thousand dollars (\$70,000) for the..."

Ms. Venneman: Yes.

Councilmember Kagawa: And the other one hundred eighty-five thousand dollars (\$185,000)...

Ms. Venneman: Yes, the one hundred eighty-five thousand dollars (\$185,000) would be for that spay/neuter program.

Councilmember Kagawa: How do we show accountability? If we were to add it, are there ways that this County can see that the seventy thousand dollars (\$70,000) was used to hire a person that investigated twenty (20) cases and prosecuted one or two cases during the Fiscal Year. Is there some way we would be able to see that?

Ms. Venneman: I actually had a question about that the last time we were here when we were doing our initial presentations; do you folks receive our quarterly report? Do you get to view that?

Councilmember Kagawa: Yes, I think we get all of your reports.

Ms. Venneman: Okay. That will list out how many cases we do of which type, but if we were looking at something like this, we could provide details on that, we would be more than happy to do it. That is something we would do to track ourselves.

Councilmember Kagawa: If it passes, those are the types of things I would like to see. From our end, I feel like we are already giving more than last year and when I first started, we were only giving about five hundred fifty thousand dollars (\$550,000) six years ago.

Ms. Venneman: Oh my.

Councilmember Kagawa: It has been going up.

Ms. Venneman: It was more. I do not think it ever dipped below six hundred ninety thousand dollars (\$690,000) because there is no way we would function.

Councilmember Kagawa: Okay, anyway that was six years ago when I first started and it was much less than the million we are at right now.

Ms. Venneman: Yes.

Councilmember Kagawa: My concern is that it is going up and then we keep hearing how KHS is struggling and struggling, but to me...at what point...sometimes you can say that money will fix everything, but that is really not true.

Ms. Venneman: A couple things you are looking at are changing. One, the way that KHS is run is completely different now. We are not euthanizing all of the animals that come in. We are helping ninety something percent of the animals that come in, via adoptions, transfers, and returning them to their homes. That is what the community wants from us. They do not want us going out there and rounding-up animals, euthanizing them. That is not right and that is not what we are here for.

Councilmember Kagawa: If no one wants them then you euthanize them, right?

Ms. Venneman: No, we do not. What we do is we transfer them off—land to partner shelters to help fund those transfers. That is a huge, huge shift.

Councilmember Kagawa: Do they fund the flight ticket?

Ms. Venneman: They oftentimes will give us a small portion of that and we also have donations that go towards that, as well as private funders. The County does not pay for that portion, but it is the right thing to do. It is not the right thing to just euthanize adoptable, friendly animals. It is the animal welfare world's new standard, so to speak. The reason why we are asking for the investigation money and also for the spay and neuter money is over time, if we get all of the pet animals spayed and neutered, we are not seeing such a high number of intakes, so that number is going to go down. Ultimately, what you are going to look at and what we have sort of projected is that it is going to go up over the next couple of years, not significantly, but small amounts, and then you are going to see a dip and it is going to plateau out. We would then be at more of a "holding"...

Councilmember Kagawa: Thank you. I am doing exactly what Councilmember Kaneshiro did not want us to do, so I apologize.

Ms. Venneman: I am sorry.

Councilmember Kagawa: I am good with your response and I will look to see if there is a request to add funding...I will seriously consider it.

Ms. Venneman: Thank you.

Council Chair Kaneshiro: Has anyone else signed up to testify?

Ms. Fountain-Tanigawa: The last registered speaker is Alicia Iverson.

ALICIA IVERSON: Hi, I am Alicia Iverson. I have been on the board of KHS a little over a year and a half and I have served as their treasurer for about one year. The reason why I wanted to be on the board was to help the animals in the community and my purpose for treasurer was to make sure that KHS had a sustainable budget. The work that Mirah and her team have done over this last year is outstanding and I want to give them the support that they need to continue to do the great job that they are doing. The budget that we have now...I know that Jessica mentioned some numbers, but our total budget that applicable to you folks is about forty percent (40%). The current funding that you are giving us is about seventy-four percent (74%) of the budget. In previous years, what they would do is they would just try to make that work and do everything that Council wanted them to do and fall short, which means that other parts of our funding was having to cover that. I know Council Chair Kaneshiro mentioned that he would not tap into the Reserve—well, we did and change that. We want to have a budget that is sustainable and we want to provide the care for the animals that they need. I know that the funding you gave us went up over last year...we had to make some changes and that is why she sent over a revised proposal of what care we could give. In addition to that, she is asking for the seventy thousand dollars (\$70,000) and the one hundred eighty-five thousand dollars (\$185,000). Do you have any questions?

Council Chair Kaneshiro: Thank you.

Ms. Fountain-Tanigawa: Chair, there are no further registered speakers.

Council Chair Kaneshiro: Is there anyone else in the audience wishing to testify on the budget? Seeing none. Mayor Kawakami did you or anyone from your team want to say anything?

DEREK S.K. KAWAKAMI, Mayor: Chair, Vice Chair, and Members of the Council, the hardworking staff at Council Services, thank you so much for this opportunity to present this Supplemental Budget. I have to say that my whole political career has been on that side of the table, so we wanted to present a budget while putting ourselves in your shoes. You have a very tough job—I realize that, we realize that, and we wanted to be mindful of that. That being said, first and foremost, we want to thank you folks. I am pleased to present you this morning the Supplemental Budget for the County of Kaua'i for FY 2020. This proposal includes an Operating Budget of two hundred forty-two million twenty thousand dollars (\$242,020,000), which is virtually flat from the March submittal. We made every effort to limit the amount of adjustments needed between March and now, but there were a few recent developments that occurred that we needed to consider, and as a result, we needed to reprioritize certain funds, as I will highlight for you very briefly.

I want to say that every single department had some cuts made to it in the March submittal. Some of the departments came to us again asking for the same things that we had cut and had to tell them "sorry." I want to make it clear that every single department

did not get everything that they asked for and we had to make some tough decisions. We want to thank the departments for their ability to say, "Okay, we did not get everything we asked for, but we are going to put every effort towards accomplishing the mission that we set forth." With that being said, highlight number 1 is our Parks Special Account. As noted during the Parks Budget Review Session, the text for the Parks Special Projects Account had inadvertently not been updated from the FY 2019 budget. As such, a bulk of these funds were reallocated to help fund the recently finalized Kaua'i Seabird Habitat Conservation Plan (KSHCP) program, additionally a portion of the Special Projects Account was reallocated to help fund the increase in salaries related to the recent Salary Resolution as introduced by the Salary Commission. Point number 2, in regards to the Salary Resolution, in anticipation of the resolution going into effect on July 1, 2019 for department heads and deputies, the Supplemental Budget includes revised salaries for effected positions. As I stated on the record, I will not authorize raises for incumbent appointees under my authority until the executive has completed one year of work and has received favorable evaluation for their performance. As such, we have short-funded those positions to reflect that commitment.

Bullet point number 3, KSHCP program. The proposed budget line item in the amount of three hundred eighty-one thousand dollars (\$381,000) is related the County's application to the KSHCP program for an incidental take permit and an incidental take license under the Federal Endangered Species Act (ESA) and its State counterpart. This plan has been years in the making and the proposed amount is a projected cost to comply with the plan, mainly to allow for the operation and use of external artificial lights during the night that have the potential to take covered species.

Bullet point number 4 is our Waimea land acquisition. Another reprioritization of funds is a result of a potential acquisition of four hundred seventeen (417) acres in West Kaua'i, namely in Waimea, at the offering price of five million three hundred thousand dollars (\$5,300,000). The Administration sees this as a rare opportunity to collaborate with the community to determine how best to utilize this land for our community. By rebalancing the CIP Budget and Housing Development Fund, we have identified the necessary funds to continue acquisition negotiations. We have reallocated the construction costs for two (2) CIP projects: 'Aliomanu Road and the new "K-PAL" building, otherwise known as the "Kaua'i Police Activities League", as these projects will not be ready for construction in eighteen (18) months. Additionally, five hundred thousand dollars (\$500,000) will come from the Bond Fund balance and the remaining one million four hundred fifty thousand dollars (\$1,450,000) is the Housing Development Fund.

Number 5, personnel movements. Lastly, we have moved two (2) Bus Stop Maintenance positions from the Department of Public Works – Roads Division to the Transportation Agency in order to more effectively manage these functions. We are also proposing to move the Americans with Disabilities Act (ADA) Coordinator and Equal Employment Opportunity (EEO) Officer position and budget to the Department of Human Resources (HR). This will improve collaboration between HR and the ADA Coordinator and the EEO officer particularly as it relates to equal employment opportunity investigations. The above-proposed movement simply reflects the shift in positions from one department to another and does not have a monetary effect to the Operating Budget. Once again, as we conclude the FY 20 budget process, we wish to thank the County Council for working collaboratively with us to produce a fiscally responsible budget that seeks to address the needs and desires of our community. Like I said before, we want to really thank this Council. This is the first budget that I am proposing as a mayor, as an administrator, and you folks have been extremely helpful in the process. Thank you to Council Services for being part of our team and for really helping us as we move along this journey. I want to thank our department heads for being responsible in their budget proposals. I know it was not an easy process, I know that every single department across our administration made some sacrifices,

yet they have committed to doing more with what we have cut and what we have actually appropriated for them to accomplish this mission. Thank you Council.

Council Chair Kaneshiro: Thank you, Mayor Kawakami. Are there any questions? Councilmember Kagawa.

Councilmember Kagawa: I had a question on KSHCP. Is this more or less than last year?

Council Chair Kaneshiro: It is brand new.

Councilmember Kagawa: This is brand new?

Mayor Kawakami: This is brand new. This is a culmination of...I do not know how many years; it seems like a lifetime since I have been on the Council, since I was with the Kaua'i Island Utility Cooperative (KIUC). Basically, every single year the federal government requires us to move towards a Habitat Conservation Plan because we have endangered species and because we are a party that has taken some of these birds. We finally came to a point where we feel that we can get this plan finalized and approved, and with that approval, it comes with that three hundred eighty-one thousand dollar (\$381,000) price tag. We are very hopeful that it will open up opportunities, such as activities that have been cut out of our community because of that incidental take process that has been going along. County Attorney, is that okay for me to say?

Council Chair Kaneshiro: Mr. Bracken, I know this item was in Executive Session. Just give us a holler if we need to stop, but I see we are trying to plan for the future if it is money that we are going to need to pay, I know we are being on the more conservative side by putting it in the budget and accounting for it. If the decision is that we do not pay it, then we keep it. If we do have to pay and it is not in the budget, then it is going to come out of our Reserve as a money bill, which...but stop us if we are saying too much or too little.

Mayor Kawakami: Oh, he will.

Council Chair Kaneshiro: Okay.

Mayor Kawakami: This is a tough pill to swallow, but it is required by the federal government, and with that being said, this is the price tag that we are looking at.

Councilmember Kagawa: I feel like I disagree a little bit with the attorneys and their work. I think we are being too easy on the federal government. I asked our Congressional Delegation to get involved in this when I heard that they are going to start charging us more. My main problem is that, cats and rats eat hundreds of thousands of birds, and when one or two die from hitting lights, whether it be at a football game or in a parking lot, and we have to pay this price for one or two? They allow rats and cats to eat hundreds of thousands without...I know folks that work right next to that office in Hanapēpē and they said that those men are always in there—there are a bunch of them that work there, ten (10) to twenty (20) men. If they really want to help the birds, I would think they would be up in the mountains catching rats and cats instead of in that office. I do not get how we allow these folks to bully us for so long. If we were in Honolulu would they shut down the University of Hawai'i at Mānoa football games? Would they shut down high school football games? No. However, because it is on Kaua'i, they can flex their muscle and bribe us. I think we should fight them. I have been asking us to fight them for six (6) years now. You know, Mayor Kawakami, you have seen my things. I am frustrated. Are we going to keep paying and

paying these folks? Will next year's bill be one million three hundred thousand dollars (\$1,300,000)? I actually think KHS is worthy of the money, but the seabird folks, I do not think we should be just paying the money out to them with no accountability. It is frustrating. It is not on you. It was with former Mayor Bernard P. Carvalho, Jr., and back with the other county attorneys, but this time it seems like the price is getting higher now. This is talking about turning on...if we do not comply, you cannot turn on parking lot lights like at the Kaua'i War Memorial Convention Hall. One time, we did turn it off and former Council Chair Mel Rapozo's mom fell down. I am just wondering how far we are going to go with this because I think we are just being bullied over the Newell's Shearwater birds.

Mayor Kawakami: Thank you, Vice Chair. Your points are duly noted. Federal ESA has shut down huge industries. We have had (inaudible). We have had some areas in the Country that have suffered severe economic disasters, but for us...I think the bright side is...and gosh, I need to be careful of what I say, but we are forecasting the cost to perhaps hopefully decrease as we move along. The three hundred eighty-one thousand dollars (\$381,000) reflects a significant investment in mitigation efforts to make sure that we as humans can coexist with these species. We are hoping that initial investment is the lion's share and then we should be seeing some decrease in cost as we move along. Some of the reasons why we are willing to pay is we never thought we would get to a point where they would actually agree to issue any permit. We thought that we were just going to be strung along with a draft KSHCP and so it is a big price tag, it is reflective of the sentiments of the community though. There is a number of nighttime activities that have been put on hold and we have had a lot of people from the community saying that they would like to see us get back to life as normal, so we will see.

Councilmember Kagawa: I have announced football games for twenty-five (25) years, people from all over talk to me about Kaua'i Interscholastic Federation (KIF) football, and not one has ever told me that we are doing the right thing by shutting off night games for the seabirds. Not one. There are thousands and thousands of people that I have talked to over twenty-five (25) years and every one of them complains and they are actually mad at the birds. I mean it is ridiculous. The birds did not do anything, but they can see that this is an unreasonable situation and if it is an unreasonable situation, then why can no one fix it, is the question. It is not the birds' fault. We can coexist, true, but I do not think we should be shutting off night football games if they are not dealing with the rats and cats that are eating ninety-nine percent (99%) of the ones that are dying. It makes no sense.

Mayor Kawakami: I would like to say that there are a number of State functions that are going to benefit from this price tag that we are paying and at this point, we are doing it solely on our own. I would like to remind people that the State is going to be a beneficiary. We will probably reach out to the State for some shared costs moving down the road as we move along, but this popped up and we had to make the decision and I made that decision and stand by it.

Council Chair Kaneshiro:

Councilmember Cowden.

(Councilmember Brun was noted as present.)

Councilmember Cowden: Councilmember Kagawa probably got most of what I was going to ask, but it feels a bit like extortion. I just want to be clear, are we going to get the football games then? This payment is going to allow us to start having the night-lights.

Mayor Kawakami:
in.

I am going to defer to my legal counsel to chime

MATTHEW M. BRACKEN, County Attorney: Matt Bracken, County Attorney. If we obtain the permits...we are going through the permit process currently, so if you approve the funds and the permit is issued, it allows the County to "take" roughly thirteen (13) birds; twelve point seven (12.7) birds, which means that the night football games would be back and night activities would be back, everything would be back. Essentially, we are allowed to kill twelve point seven (12.7) birds per year, so we can conduct night activities up until we take twelve point seven (12.7) birds. Those estimates should allow us...it is based on historical data, but it should allow us to bring back the entire year.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Can you clarify? I think we have done a study and with that study, we have not seen any takes and that is why we think this is a good plan and it will surpass what it is we are asking for in terms of not taking anything. Over time, this will allow the premium to go down for us, is that correct?

Mr. Bracken: That is correct. It is an estimate, so it is based on twelve point seven (12.7) birds. The price will go down each year, so the initial year is the most expensive year and every year after that the price decreases. By the third year it is around roughly over one hundred thousand dollars (\$100,000), but if we are taking less than the twelve point seven (12.7) birds, we can always go back to the table and negotiate for less take.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: What is the old price we paid on each take? Was it ten thousand dollars (\$10,000)?

Mr. Bracken: There was no old price. The County was prosecuted, about ten (10) years ago I would say, and because of that, we had to retrofit all of the lights. Because of the prosecution, the County paid out over one million dollars and then several million dollars for the retrofitting of all the lights. We have not had a permit in the past to take birds, and without a permit, the County is open to potential prosecution from the federal government for the violation of ESA.

Councilmember Kagawa: Is the three hundred eighty-one thousand dollars (\$381,000) like a deposit? Divided by thirteen (13), the total comes out to thirty thousand dollars (\$30,000) per bird, so if we play the entire season and we find no birds, do we get the money back?

Mr. Bracken: No. That money will go towards the creation of a habitat to breed birds up in Kōke'e.

Councilmember Kagawa: Who is going to service that habitat?

Mr. Bracken: The money will go towards building that habitat. It allows us to take birds; we are allowed to kill birds by creating new birds. That money goes toward the habitat.

Councilmember Kagawa: Does the money go towards the men in Hanapēpē?

Mr. Bracken: It goes to the federal government. They are actual partners, so we are not the only one going into this permit. Therefore, everyone that is going

in for the permit will be paying a certain sum, and then it will go towards building this habitat.

Councilmember Kagawa: The folks in Hanapēpē should partner up with KHS, that way they will have money.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Is part of that habitat cat eradication?

Mr. Bracken: That money is not going towards cat eradication. The money is just going towards the habitat itself. As part of the permit, the County...no, it does not go towards cat eradication.

Council Chair Kaneshiro: Again, I think we are going to have more discussion on this as we go along. We had the executive session right before our budget came in and the Mayor's Administration is just trying to account for it and be conservative in a sense that it is a potential big-ticket item that may get spent next fiscal period. I think there is going to end up being a discussion here on the floor on what we want to do with it.

Councilmember Kagawa: I just want to thank Mayor Kawakami and former Mayor Carvalho, because the two (2) of them played football as well...but it is just frustrating. I thank you folks, because I know you feel the same and I guess sometimes you just have to "pay the piper" if you want things to be restored to how it was.

Mayor Kawakami: Councilmembers, we always strive to make sure that everything we do as we move forward takes into account the environment. When we are setting up lights, we want to make sure that these lights do not have an impact on migratory seabirds, so we are not just taking this as a way to payout and move along as business as usual, we are always seeking to improve on our ability to make sure that we coexist peacefully.

Council Chair Kaneshiro: It is no secret, I have said it before and I will say it again, if the endangered species are that special, the federal government should be applauding us and giving us money to take care of it and not smacking our hand for having them here, fining us, and having us create environments for them. They are here because we have been taking care of them, so maybe send the money here to help take care of the birds. A lot of times the public and residents have been punished for having endangered species here; no night games, we get fined, retrofit lights, and still we cannot play at night. It is a little crazy, but hopefully we can get through it somehow. Are there any further questions for the Mayor on any of the changes or anything he had to say today?
Councilmember Cowden.

Councilmember Cowden: Can I just thank him?

Council Chair Kaneshiro: Sure.

Councilmember Cowden: I am really excited about the Waimea element and I just want to thank you for giving us a good budget to begin with. You made an extra point to deal with the different department heads—I can see where everyone put some effort into keeping it lower and it made it a lot easier in looking at it. So I just wanted to say thank you.

Mayor Kawakami: Thank you.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Just in terms of the Waimea land acquisition, so is the price that you outlined here final or are we still in the process?

Mayor Kawakami: I have to be careful...when I see the attorney looking at me, I am like, "Come and help."

Councilmember Chock: And the only reason why I asked is because this was an executive session item, too, but is listed in here with a specific price.

Mr. Bracken: Matt Bracken, County Attorney. That is not the final price, it is still being negotiated, so it is not currently under contract for that price yet.

Councilmember Chock: Okay, thank you.

Council Chair Kaneshiro: If someone wants to find the price, let us let them look through the budget to find it. We know what it is; it was in executive session. Are there any further questions for the Mayor? If not, thank you and your staff for all your hard work on the budget.

Mayor Kawakami: Thank you. We are here to serve you folks, so if there are any questions, we are here for you folks. Thank you.

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

Council Chair Kaneshiro: With that, 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 8, 2019 and to use the Supplemental Budget, which is our white binder, as our starting point for decision-making.

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

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: We are going to go through and do our cuts first and then we are going to do our adds, but what if the cut and the add go right together?

Council Chair Kaneshiro: We will do that after. First, we will do cuts, adds, and then cuts and adds together.

Councilmember Cowden: Okay.

Council Chair Kaneshiro: We do it that way because when we do cuts, it is going to take four (4) votes, once we go to add, everything from then on will take five (5) votes to pass. It is easy for people to think through it.

Councilmember Cowden: I have a cut and add that go right together...

Council Chair Kaneshiro: Yes, that would come after.

Councilmember Cowden: Okay.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Historically, with the "cuts," you have a slight chance. With the "adds," you have no chance, and with the "cuts/adds," you have even less of a chance. Historically, it is hard to get five (5) votes and even getting four (4) votes is hard with "cuts."

Council Chair Kaneshiro: Thank you for that reality, Councilmember Kagawa. With that, I do not know what everyone has, so I will say as far as cuts go, usually cuts are the biggest ones, I will just go through all the different departments and if you have a cut in that departments, tell me stop. You can propose your cut, we will circulate it, we will vote on it, and then we will keep moving on. If there are no cuts in that departments, then I will just keep going through each departments. Are you folks ready to start this process? Okay. We will start with the Operating Budget. Do we have any cuts for the Office of the Mayor? No. And we all have the sheet that shows the order of the departments that we will follow. Any cuts for Council? The Office of the County Attorney? Matt, you are safe. The Office of the Prosecuting Attorney? Finance? HR? Planning? Economic Development? Police? Do you have a cut for the Police Department? Councilmember Kualii.

Councilmember Kualii moved to 3-Month Fund Position Nos. 452, 598, 511, 514, and 366 (all currently 6-Month Funded Police Officer positions) for a cut of (\$80,460) in Regular Salaries, seconded by Kagawa.

Council Chair Kaneshiro: Are there any questions or discussion on this cut?
Councilmember Cowden.

Councilmember Cowden: I am trying to look at what those are and is the reason that you are choosing to cut it is that these have been unable to be hired for a long time?

Councilmember Kualii: That is correct. They are handing out the Vacancies Report that I used to do a pretty thorough analysis as you will see and you heard me ask questions of the different departments. I will say that I really appreciate the departments and their budget people doing some of what...this is a very conservative proposal by the way, because often the surplus in just the salary line items is in the millions of dollars, over one million dollars for sure. If you will look at the actual positions in the budget on page 68, that is where they are listed and then you will see on this Vacancy Report that there are positions that already are 6-month funded and I think there is one that is 3-month funded, and a couple that is dollar-funded as well. I am just adding a little to that because as you will see, the positions that I am recommending are all vacant for a significant amount of time: four hundred thirty-nine (439) days, four hundred twenty-two (422) days, one hundred eighty-one (181) days, five hundred seventeen (517) days, and even seven hundred thirty (730) days. These are positions that were vacant for a very long time. If you look historically, we have had a whole bunch of vacancies year-after-year because they have a lot of positions that they cannot fill.

Councilmember Cowden: Chair, am I able to talk to the Chief of Police?

Council Chair Kaneshiro: Yes, we can ask them questions also. Do you have a question for Police?

Councilmember Cowden: I do.

Council Chair Kaneshiro: I will suspend the rules.

There being no objections, the rules were suspended.

Councilmember Kagawa: Can I give her another history lesson?

Council Chair Kaneshiro: Sure.

Councilmember Kagawa: Historically, every cut you make, they are going to say, "It is a bad cut," and they need it. On decision-making day, to me, it is kind of pointless to ask them, but you can of course ask, but you know the answer already. The answer is it is going to hurt and that they will feel it, but that is just historical. We should not allow questions during the decision-making, actually.

Council Chair Kaneshiro: No, we have to allow questions to make the Councilmembers feel comfortable. It sounds like you been through this process a bunch.

Councilmember Cowden: Thank you for the history lesson. When is your next officer training class?

MICHAEL M. CONTRADES, Deputy Chief of Police: Our next class begins in July. Presently, we are anticipating ten (10) candidates, we have hired three (3), we are in the background process for seven (7), and if all seven (7) make it, then we will fill the class of ten (10) come July.

Councilmember Cowden: Do you have twenty-two (22) openings? Of these ones that we are contemplating to underfund, are any of those directly impacted? If we are bringing in ten (10)...is sounds like we are in a pretty good space. I know we are looking to promote a handful of officer positions, correct?

Mr. Contrades: We are in the promotional process as we speak, yes.

Councilmember Cowden: That promotional process—that is none of these positions that we are looking at.

Mr. Contrades: I did not hear all of the numbers. I do not believe so. I want to say that we have already cut eight hundred ninety-eight thousand dollars (\$898,000) through short funding. We have ten (10) positions that are 6-month funded, one (1) position that is 3-month funded, and five (5) positions that are dollar-funded. I ask the Council to consider that we are also doing 89-day contract hires. We have two (2) former detectives who are working with us on our cold cases. We have to fund those positions and we are in the process of hiring four (4) 89-day contract former police officers to come in and help us work in the cellblock. Whatever funding is left needs to be present to pay for that as well. By putting people into the cellblock, we are able to put more officers out on the street. I ask that those things be considered when you are deciding whether to cut us more than the eight hundred ninety-eight thousand dollars (\$898,000) we have already cut.

Councilmember Cowden: Okay. Did you get a chance to see this?

Mr. Contrades: I do not have that offhand.

Councilmember Cowden: Can I hand him mine? There is one coming to you.

Council Chair Kaneshiro: You might have to make your questions specific because Councilmember Kualii's notes are on it.

Councilmember Kualii: I am not even comfortable with her sharing it; it is like a rough draft.

Councilmember Cowden: Oh, okay.

Councilmember Kualii: There is a clean copy.

Councilmember Cowden: I was just wondering if there was something really critical that you know, "Hey, this position is starting in July," I want to be able to know about it, but you typically have one class per year, is that correct?

Mr. Contrades: We try to have at least two (2). Again, it just depends upon how many we can field throughout the recruitment process. Please keep in mind that we test every single month and every month varies, but if we get a good month and we can hire right away, we will do so. Testing every month yields different results, but recently we have been successful and that is why we are hoping to fill the class of ten (10) come July.

Councilmember Cowden: How many did you train in the last Fiscal Year and effectively hire?

Mr. Contrades: I would have to go and get that number.

Councilmember Cowden: I attended one graduation and I believe there were six (6), is that right?

Mr. Contrades: I do not remember offhand, I am sorry.

Councilmember Cowden: Okay. Thank you.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I just wanted to make sure that...you have the cut in here, you have the position numbers here, if you do not, I can read them to you, but I wanted to make sure we understand which of these are and how that will affect any of the recruitment. It is Position Nos. 452, 598, 511, 514, and 366.

Mr. Contrades: Position Nos. 514 and 366 is...the chart that I have...the initial ones that you read off are all police officers.

Councilmember Chock: Right.

Mr. Contrades: Yes. The issues we will have with that is, again, we have already cut eight hundred ninety-eight thousand dollars (\$898,000) from salaries. We need to make sure we have money to pay for the 89-day contract hires, so that we can continue to service cellblock and put the officers back out on the street. Cutting those positions would hurt us. The other two (2) positions, is that the Information Technology (IT) and...

Council Chair Kaneshiro: They are all police officers.

Mr. Contrades: Those are all police officers, I am sorry.

Councilmember Chock: It looks like it, yes.

Mr. Contrades: Yes, so if it is all police officers, again, we have already cut close to nine hundred thousand dollars (\$900,000) in salaries and fringe benefits. Any more will make it difficult for us to hire the 89-day contract.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Just this last session or the one before, we had enough to buy ten (10) cars and a bunch of new guns as a result of excess from officer positions that were not created. For me, when I see something like that I think about how it is a good way to pad the budget to just allow for some flexibility. I do not mean that in any kind of insulting way, I am just trying to look at how we can be responsible. I appreciate the eight hundred thousand dollars (\$800,000) and I am just thinking the last time I approved that, I was uncomfortable...that is how we used that money so close to a new budget, and I am thinking that should have been in this year's budget. Can you speak to that?

Mr. Contrades: As I mentioned, if we are fortunate to hire, we want to hire. Our goal is to fill all of the vacancies. But when you do not and you have this leftover money and you identify needs throughout the year, it behooves us to try and utilize that money and come to Council for approval, and that is what we have done. Hiring is "hit or miss." Every month we test, every month we try to hire, our goal is to fill all the vacancies. We want our staff to be fully staffed, we want to reduce our overtime expenditures, and we want our staff to have a good family life and not have to be at work all the time. But because of the business we are in, in terms of public safety, we have to make sure that the streets are staffed with police officers 24/7, 365 days per year. If we are able to fill, we will fill. We have been trying very hard for seven (7) years now to try to fill all vacancies. The difficulty is doing that. When we are not successful, when people leave and there is additional funding, we use that opportunity to purchase equipment that we have identified as a need. It is not padded; we do not plan it this way. If we could, we would fill every single vacancy.

TODD G. RAYBUCK, Chief of Police: Good morning. For the record, Todd Raybuck. This is my first time before the Council, so thank you very much for the opportunity to be here today. Early in, three (3) weeks on the job, having the opportunity to go out in the community so far and meet with my officers, one recurring theme continues to come up and that is of the lack of ability for this Police Department to provide the services that this community wants, and for the officers to have the support that they need from their fellow officers. My priority this year, and I recognize that we have been unable to fill past vacancies, but we are committed and focused on filling all of our vacancies. I recognize that you have some very difficult decisions to make. There is only so much money to go around, and all of these are worthy causes that are being presented for you today. But for this next year, we are going to aggressively pursue each and every one of these vacancies so that we do not have to reduce any further services to the community and we can expand on what we wish to do and that is engage the community, expand our efforts to build partnerships in the community, and provide the services that we provide....what the community expects us to provide. I just thank you for the opportunity. I do not want to disappoint the history of this Council session and so I want to ask that you fully fund our budget and thank you for the opportunity to speak.

Council Chair Kaneshiro: Any further questions? Councilmember Kagawa.

Councilmember Kagawa: I want to point out early in the session that historically Councilmember Kualii does this and this is his ammunition. He looks at historical data on hiring and vacancies and comes up with cuts. This cut is a really small cut to your overall budget; eighty thousand dollars (\$80,000). It is a small amount and so it is not that it is against public safety; these cuts will affect all of those that have positions that sit and have full year's funding. I just wanted to put that out there that Councilmember Kualii does a great job in this area, it is a small cut, and I will support it. I will support all of his cuts that are based on the due diligence that he performs with HR on these matters. You have my support, Councilmember Kualii.

Council Chair Kaneshiro: I think if history repeats itself, I almost know what your cuts will be, too. Councilmember Kualii.

(Councilmember Chock was noted as not present.)

Councilmember Kualii: I know you have one newly vacant Police Officer I. In this last fiscal year or maybe adding the fiscal year prior, have you had any vacancies in the police services officer position? Have any police service officers retired or left?

Mr. Contrades: The Police Services Officer position is entry-level.

Councilmember Kualii: Okay. There was talk about promotions. Are any of these Police Services Officer positions being promoted thereby creating vacancies behind them, which will become new vacancies that we do not yet know about that would be full funded that you could use for the new ten (10) recruits, if you are successful in this coming time?

Mr. Contrades: Once the promotional process is completed what we have to do is look at the department and see how we can balance it out. If we promote every single position, then we will be short on the bottom. When the promotions are done, we will take a look at how we will best fill without creating a shortage on the bottom to the point where the officers are having difficulty filling the beats. That is hard to answer in a specific way.

Councilmember Kualii: I know you do not have the numbers in front of you, but I do and I will just put them out there and let you confirm it. In Fiscal Year 2017 and Fiscal Year 2018, you had a surplus in just the salary line item of over one million dollars (\$1,000,000) in both years. In fact, in Fiscal Year 2018, one million one hundred thousand dollars (\$1,100,000) was transferred out for other expenses. In 2017, almost six hundred thousand dollars (\$600,000) was transferred out for other expenses, still leaving a surplus at the end of the year of two hundred twenty-four thousand dollars (\$224,000) for Fiscal Year 2018, and five hundred eighty-three thousand dollars (\$583,000) for Fiscal Year 2017. Knowing that is the reality...and you can go back many years...I know you are changing and you are going to do a better effort with recruiting and all of that, but do you know what your salaries line item is for the year? I think it is probably about sixteen million dollars (\$16,000,000) or seventeen million dollars (\$17,000,000) because in FY 2018, it was fifteen million dollars (\$15,000,000).

Mr. Contrades: You mentioned our returns the past few years.

Councilmember Kualii: Yes.

Mr. Contrades: Looking at that and understanding how the budget went for those years, we short-funded ten (10) positions for six (6) months, one (1) position for three (3) months and...

Councilmember Kualii: You short-funded it for eight hundred thousand dollars (\$800,000)? My proposal is just saying you should short-fund it for eighty thousand dollars (\$80,000) more. That is all I have proposing on these five (5) positions, eighty thousand dollars (\$80,000) more. Some of those six (6) months, I am proposing three (3) months. It is very modest. When we are talking about two hundred thousand dollars (\$200,000) of sixteen million dollars (\$16,000,000) and if for some reason you are miraculously successful to hire every position you need to hire and you are short two hundred thousand dollars (\$200,000) to pay those positions because you cannot find it in the salary line item, do you not think we can find that? Two hundred thousand dollars (\$200,000) out of sixteen million dollars (\$16,000,000)...and I would commit that I would be the person proposing your money bill. This is very modest.

Council Chair Kaneshiro: I do not think they are ever going to agree to a cut. In the end, we are going to have to look at the information—do we think it is reasonable? Do we think they can handle it? If we decide to cut, then they will have to deal with it later; that is just the way it goes.

Councilmember Kualii: One last question. Did you hear the testimony from KHS? To me, it sounded very much like a public safety issue when you are talking about animal control and dangerous dogs, and I know because I had a personal incident myself. To me, that sounds like a critical component and I am not sure how or why that is not already incorporated with the police and that maybe you are not supporting that in some way, maybe you are...but as a Council, if we are not even able to find any modest cuts, we will not be able to fund a modest add like that. Do you see what they presented to us on that control piece as a public safety issue that this Council should be addressing?

Mr. Raybuck: I just met Jessica yesterday for the first time and I am glad to see her here today because I know that she has a heart and a passion for that and it is a need in the community. To your points, Councilmember, I do not think that your cuts are unreasonable. I do not think it is with no merit for the Council to consider. If this body decides that eighty thousand dollars (\$80,000) would be able to benefit another agency and servicing this community, then I would not have any heartburn in accepting that and attempting to find a way to overcome it.

Council Chair Kaneshiro: Right now, it is just a cut. Any further questions from the Members? If not, thank you. Is there any final discussion from the Members before we vote? Councilmember Kagawa.

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

Councilmember Kagawa: I want to thank Chief Raybuck and Deputy Chief Contrades. I would be disappointed if our new Chief did not fight for every penny coming in because he is being asked a lot, he is being asked to help bring a department up, and with the responsibility and wanting to make change, it comes with having flexibility with money, so I would not expect our new Chief to answer any other way. If we were to go through this entire budget process and not propose any cuts, then we should just do away with the process, because it does take up a lot of our staffs' time and it is our duty to be the check. Councilmember Kualii uses actual data, historically, and his cuts, in my estimation, are always reasonable and doable. It is not like there will be some types of transferring necessary on the other end, some job may be hired and we may cut it for three (3) months, but there

will be another position that will not be hired for that same amount—it is just a mirror accounting transaction that is done every day in this County. I think it is doable; however, I will not support any other cuts to the police department because I think this new Chief needs to have the full support of this Council as we ask him to try to make an improvement to our most important part of public safety.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: I want to thank Councilmember Kualii because I do think he does spend a lot of time on the vacancy reports every budget and being able to bring forth something after researching well. I do think it is fairly conservative and I also will say that if what I am hearing is that there is an interest for funding to go in a direction that might support the community the other ways, officially as it relates to the need for enforcement, research, and investigation, then I will be even more supportive of that.

Council Chair Kaneshiro: Councilmember Kualii knows that if he did a cut and an add it would take five (5) votes. Just a cut takes four (4) votes, it will be up there, and then whatever number we end up with up there, we can decide if we want to spend it or if we want to put it in the Reserve about the target goal. Councilmember Evslin.

Councilmember Evslin: I really respect the work that Councilmember Kualii does sitting next to me. We see one page of his notes here, but I get to see them all as he writes them next to me and he has hundreds of these pages, especially going through the vacancy reports—he is incredibly diligent. That said, I am not prepared to do anything that will handicap the police department from potentially reaching toward full staffing levels, especially because we saw that the excess funding that they did have from last year went toward long-term cost-savings, right...the purchase of those lease agreements for the vehicles and the guns—will result in long-term cost-savings to the department, so I think they are being fiscally responsible with that funding. Therefore, I will not be supporting this. I also want to say that if this was a decision between the animal control officer or the Police Department, it would be a much harder decision for me, but I do not think that is the choice that we have to face. Later on, I have a proposal that I hope can get them the money they need without this type of cut. I respect the work you have done, but I will not be supporting it.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I just want to thank the police department for all the work that they do and I really gained a lot of faith in your organization this past few months. I will be supporting this even though I want to see all of those positions filled. When we just bought all these new cars, I am hoping that saves some money out of this budget somewhere else. We just bought some new equipment, so I am hoping that we can find that, so if we are able to get those officers, that we can shift the money around from some of our savings. If we cannot, I will definitely fight hard for a money bill to make sure we fund it. We have ten (10) new officers coming up. We know it will take probably at least six (6) months, before we would be able to have another ten (10); therefore, I am going to support it, but I will back you up if you need it when the time comes.

Council Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Can we just vote?

Council Chair Kaneshiro: We are getting to the vote. Councilmember Kualii.

Councilmember Kualii: I just wanted to say just look at the numbers, this is a very, very modest proposal. In no way have I any intention of even potentially handicapping the hiring of the Police Department. I do appreciate what they have already done. They obviously have a budget person that broke down the positions and did underfund. I would have proposed dollar funding the positions, which is what they also did to a couple of positions, but I kept it very modest with a few of those positions from six (6) months to three (3) months. We are talking about an eighty thousand dollar (\$80,000) cut to basically a seventeen million dollar (\$17,000,000) line item. There is plenty of room if they are completely successful with hiring every position that they desire that they could that exist to still be covered, and should that not be the case, which is like...I do not think that can happen, I will lead the way for the eighty thousand dollar (\$80,000) money bill to fill that gap. My last point is we are doing the cuts upfront, you may have adds you want to do later, if we do not get the cuts done, you do not get to do your adds. I am not supporting any adds for another who does not make cuts. I am proposing more cuts than I am proposing adds, so that leaves money for adds, but you have to do the work too. If you are not doing the proposal, please seriously consider that we need to find money for any potential adds such as the one that we think is worthy and I am sure there are others. Thank you.

Council Chair Kaneshiro: I will be supporting this cut. It is eighty thousand dollars (\$80,000). Historically, I think we have seen lapses in the police budget due to salary vacancies, probably close to half a million dollars. I do not think the eighty thousand dollars (\$80,000) is going to hamper them and that is just my feeling on this. With that, we will take a roll call.

The motion to 3-month fund Position Nos. 452, 598, 511, 514, and 366 (all currently 6-Month funded Police Officer positions) for a cut of (\$80,460) in Regular Salaries was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Cowden, Kagawa, Kualii, Kaneshiro	TOTAL - 6,
AGAINST MOTION:	Evslin	TOTAL - 1,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Council Chair Kaneshiro: Are there any further cut proposals for the Police Department?

Councilmember Kualii moved to 6-month fund Position No. 356, Public Information Officer, for a cut of (\$29,808) in Regular Salaries, seconded by Councilmember Kagawa.

Council Chair Kaneshiro: Are there any questions or discussion?

Councilmember Kagawa: Can Councilmember Kualii explain in a nutshell why he is proposing this cut?

Councilmember Kualii: If you look on my sheet, Position No. 356, near the bottom of the page, the fourth from the bottom, Public Information Officer (PIO). Do you see the salary range and all of that? It is fully funded at one hundred percent (100%) and I am proposing to half fund it, 6-month fund it. It has been vacant for four hundred fifty-four (454) days. When we heard from HR, they said "New Activity," so they are not even currently recruiting this position. There will be some lag, but I do not know what that lag is. I am just proposing a half year reduction, so a total of twenty-nine thousand (\$29,000).

Councilmember Kagawa: And for the same reason that you feel that even if they should hire them right away based on the historical vacancy reports, that they would be able to transfer if necessary.

Councilmember Kualii: Yes, absolutely.

Councilmember Kagawa: And then of course always come to Council if they hire one hundred percent (100%).

Councilmember Kualii: Yes, if they are unable to find the transfer.

Councilmember Kagawa: I will support.

Council Chair Kaneshiro: Are there further questions from the Members on this? If not, is there any final discussion? Councilmember Cowden.

Councilmember Cowden: What influences me is just the experience I have had recently and I know this is a position that they actually really want to work on, but that was something I have been hearing is a part of their recruitment tool. Am I correct on that? That was something that was vigorously talked about and the experience I have had recently and so I will not be supporting this one.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Can we ask a question?

Council Chair Kaneshiro: Yes, I will suspend the rules.

There being no objections, the rules were suspended.

Councilmember Kagawa: I can tell you folks what the answer will be.

Mr. Raybuck: Good morning. Chief of Police Todd Raybuck, for the record. I will not be speaking on behalf of the actual request or proposal, but I will tell an update of where we are with it. As Councilmember Cowden mentioned, the PIO position is very critical for the police department to be able to engage the community, ensure that we are transparent with the community and the media, and to ensure that we fully engage the community in a way that they expect. Being new, I was not aware of how long that vacancy had been open, however we do have it posted right now. We have an interested applicant and it is in the process for us to be hiring. It is our goal, as it was just mentioned, to use that PIO position to be able to assist us in spreading our message to engage the community both here on Kaua'i and on the mainland, to increase our recruiting efforts so that we can fill those vacancies, as well as to engage the community to ensure that we share the efforts that are being done by the men and women of the Police Department. I have no say...I am not going to oppose the measure, I am just going to state that is where our agenda is currently.

Council Chair Kaneshiro: Councilmember Evslin. I actually have a question for HR after.

Councilmember Evslin: If you folks were to hire this potential applicant right now, what is the impact if we did make this a 6-month funded position?

Mr. Contrades: We would just have to use funding from elsewhere in order to pay for that full-time position. From my understanding, the recruitment closes on the 17th and we do have an interested applicant.

Council Chair Kaneshiro: I have a follow-up on that and it is for HR. We are looking at the sheet that was issued on May 1st, has there been an update to this?

JANINE M.Z. RAPOZO, Acting Director of Human Resources: That is correct. I think we submitted that on April 30th and it was prepared on the 29th, submitted on the 30th. Since that time, it has been posted and if it is closing on the 17th, it must have opened on the 7th; for ten (10) days.

Council Chair Kaneshiro: As far as the interviewing and hiring process, how long with that be?

Ms. Rapozo: Once the 17th comes, it will close, and an eligible list will be established and referred to the Police Department; they will take care of the necessary interviews at that point.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Just following up what he was asking, so what all needs to happen...how much time does that take? If it closes on the 17th, you are establishing an eligible list, interviewing, until the person can actually start—you can even say in the best case, what is the fastest that it can happen?

Ms. Rapozo: Depending on the number of applicants, if there is very limited applicants, the interviews can happen in the next week and they can select someone in the next week, so we are talking another two (2) to three (3) weeks from the closing.

Councilmember Kualii: That is if you have a few applicants.

Ms. Rapozo: It all depends how many we have to review first, how quickly the list can get out.

Councilmember Kualii: Thank you.

Council Chair Kaneshiro: Are there any further questions from the Members? If not, thank you. Final discussion from the Members before we vote. I will say my stance on it.

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

Council Chair Kaneshiro: I did approve the last cut, I do not think I am going to be approving this one as there is motion on hiring, and that is where I am going to stand on it. I will not be voting for this cut. Is there any further discussion from the Members? If not, roll call vote.

The motion to 6-month fund Position No. 356, Public Information Officer for a cut of (\$29,808) in Regular Salaries was then put, and failed by the following vote:

FOR MOTION:	Kagawa, Kualii	TOTAL – 2,
AGAINST MOTION:	Brun, Chock, Cowden, Evslin, Kaneshiro	TOTAL – 5,

EXCUSED & NOT VOTING: None
 RECUSED & NOT VOTING: None

TOTAL – 0,
 TOTAL – 0.

Ms. Fountain-Tanigawa: 2:5 motion fails.

Council Chair Kaneshiro: Are there any other cuts for Police? We will move on. Are there any cuts for Fire? Councilmember Kagawa. I think this is the history repeating itself.

Councilmember Kagawa moved to cut (\$1,380,000) from the Fire Department's budget for Regular Overtime, Rank-for-Rank, and Premium Pay, seconded by Councilmember Kualii.

Councilmember Kagawa: The reason for my cut is because of the large transfer that was made due to the spiking that we found last year and they were able to find that in their budget. I believe there is "fat." I have talked to some firemen in recent days and decided not to cut for the full amount...I cut it to about half of the amount I had. I was originally planning to cut two million seven hundred thousand dollars (\$2,700,000). Let me just go over the report real fast. This came from the State of Hawai'i Employees' Retirement System (ERS). Just to justify to members and the public, this is not personal, this is just that they were able to find the amount. If you look at the excess pension costs, those were determined to be a penalty and the Fire Department found the majority of those amounts in their budget through various accounts, so basically I cut one million four hundred thousand dollars (\$1,400,000). My intention was to cut two million five hundred thousand dollars (\$2,500,000). I want to say that I will be the first to support a money bill to put back whatever money is necessary to keep them in doing their jobs as the years go on, but I would want to see, before approving a money bill during the year, to look at the current overtime to just make sure that spiking has been curbed. I cannot see us incurring this type of yearly expense when I believe it is preventable by management. I do not know whether we have four (4) votes on this...what did I say earlier? You have little chance with four (4) votes and with five (5) you have no chance; so we have little chance. I want to thank Police and Fire because they do an outstanding job. There are some areas in management where, yes, we do the work of public safety, but we still have to treat taxpayer money with respect and try not abuse our powers. This is small and a cut that will bring accountability back and at least the Council will actually show that we want to fix the problem or the problem that was in the past. We have a new Chief now and he is owed full respect and honor in trying to allow him to do his job without bringing up the past, so this is just a cut for this year and we will hopefully see these corrections made. I think we can work in harmony on this.

Council Chair Kaneshiro: Councilmember Cowden, do you have a question?

Councilmember Cowden: Yes, I am wondering if I can get HR and IT up here.

Council Chair Kaneshiro: See if HR can answer it first because I do not think we have IT here.

There being no objections, the rules were suspended.

Ms. Rapozo: Good morning, Janine Rapozo, HR Acting Director.

Councilmember Cowden: In the department discussions that we had earlier when we looked at potentially bringing in this new software, I know it will not come in right

away, but part of what I believe I understood is that a value of having a human resources software is that we are going to be able to track our overtime in a way we have not been able to in the past, is that correct? Am I remembering correctly?

Ms. Rapozo: That is the goal.

Councilmember Cowden: That is the goal?

Ms. Rapozo: Yes.

Councilmember Cowden: That was the stated goal and so when I was getting behind making this...and still am behind in making the computer purchase; a big part of it for me is being able to get control of this. How soon are you anticipating, provided the budget is passed, that we are going to be seeing corrections in this direction?

Ms. Rapozo: That would probably be more of an IT question...but it is going to be a while. I am not sure how long. It depends how quickly we can get people to respond to our request for proposal (RFP)—there are a lot of factors for this.

Councilmember Cowden: Okay. To me, the Fire Department looks pretty young. We have a lot of new, young firemen, is that correct?

Ms. Rapozo: I am not sure.

Councilmember Cowden: I know we had twenty-four (24) retire recently, so when we are looking at the alleged pension spiking issue, I am thinking that...maybe this question is more for Kilipaki.

Ms. Rapozo: Those hired after 2012 will not have their overtime counted toward their pension. At some point, this will be ending, but until then, we are still going to be faced with this.

Council Chair Kaneshiro: So that would be by my calculation...2012 plus thirty (30) years, will be 2042—is when there will be no more spiking.

Councilmember Cowden: Can I have the Acting Fire Chief?

Council Chair Kaneshiro: Let Councilmember Chock ask his question of HR first.

Councilmember Chock: When I look at this cut, my immediate concern is on the holiday pay overtime, only because it is part of our collective bargaining. One way or another, we owe this money to them.

Ms. Rapozo: Yes, it is part of the collecting bargaining agreement that holiday pay would be at the overtime rate and so I do not have their budget in front of me, but I thought they had discretionary overtime and then certain overtime that was actually owed to them, similar to holiday pay.

Councilmember Chock: I am just going to go through this and then you can tell me what is and what is not, so that we know what we can actually work with here...well, we can work with everything if we get the votes I guess. Premium Pay, Stand-By Pay, Training Bureau, Regular Overtime, Dollar Fund Training, and Rank-for-Rank are the ones that I highlighted that are questionable for me. Are those also (inaudible)?

Ms. Rapozo: Rank-for-rank is in the contract and I believe we already cut the budget somewhat...we do not have the full funding if every firefighter was entitled to their rank-for-rank time could take it, we already had done some cuts on that.

Councilmember Chock: What about the Premium Pay? It says, "Fire Operations, Premium Pay, Scheduled Overtime two hundred fifty thousand dollars (\$250,000)."

Ms. Rapozo: I believe in the contract "Scheduled Overtime," is that firemen work twenty-four (24) hours and so many days off, but when you look at it in one month, they are actually working a little bit more than what a forty (40) hour employee would work, and so that is overtime that is owed to them. That would not be something that would be discretionary.

Councilmember Chock: "Training Bureau, Regular Overtime, Dollar Fund Training three hundred thousand dollars (\$300,000)."

Ms. Rapozo: That would have to be something that probably Deputy Chief Vaughan should answer.

Councilmember Chock: Okay. Thank you.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: This goes to the same rationale that there is a transfer process that can be done and obviously they proved that the transfer process works because they transferred two point one something million to pay for the spiking bill. You folks know what the answer will be. I should sit there and answer you folks when you are asking the question because I know what the answer is. It comes down to whether you want to support the cut or not and I understand. I am just doing what I think is my duty and based on my history with Fire and their budget.

Council Chair Kaneshiro: Are there any questions? Councilmember Cowden, did you have a question for Fire?

Councilmember Cowden: Deputy Fire Chief Vaughan, when you did some precuts on your budget that you had...like you had shown me where you felt that you have done some budgets, can you review which cuts you have done?

KILIPAKI K. F. VAUGHAN, Acting Fire Chief: Thank you, *Aloha* Friday, good morning. Kilipaki Vaughan, Deputy Fire Chief. For the record, I believe if you refer to our first submission, we put in cuts. There were cuts for five hundred thousand dollars (\$500,000) in rank-for-rank, five hundred thousand dollars (\$500,000) for overtime, and ultimately what it boiled down to is there were two point zero million moved into long-term liabilities. Philosophically, recalibration of the long-term liability is whether it is ERS, whether it is health, which is another long-term liability, Other Post-Employment Benefits is a long-term liability as well. Looking at that, last year, if you can refer to the Comprehensive Annual Financial Report (CAFR), we gave back sixty-one dollars (\$61) to the CAFR. We were really short or thin, also maybe part of that was paid by pension spiking. Couple ways to this particular one million one hundred eighty thousand dollars (\$1,380,000) cut, I would appreciate if you had a chart that could say, "This is where the cuts are coming from." That would be helpful and I think that would be helpful to all of the department heads moving forward. If you folks can be fair and balanced to provide us the cuts before the motions come on the table, I think it is a quid pro quo...

Council Chair Kaneshiro: Unfortunately, we cannot provide it ahead of time because we do not know what other councilmembers are cutting due to the Sunshine Law.

Councilmember Kagawa: May I add something?

Council Chair Kaneshiro: I cannot ask them what their cuts are. That is the first time we are all seeing it too.

Mr. Vaughan: Okay.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I just want to add that it is the same thing that we are saying, "We want to see all of your transfers throughout the year, ahead of time."

Council Chair Kaneshiro: Councilmember Cowden, did you get the answer to your question?

Councilmember Cowden: I am glad that you are looking at this in front of you because I remember that you had taken some out, right?

Mr. Vaughan: Yes.

Councilmember Cowden: But if I heard you, you said you took some out, but then you shifted it into...is that right?

Mr. Vaughan: Sure, that is...

Councilmember Cowden: So you shifted it into other long-term liabilities so it did not really come off the bottom line, is that correct?

Mr. Vaughan: That appears to be correct, yes. Through the five hundred thousand dollar (\$500,000) cut to propose to Rank-for-Rank, it was moved into ERS Contribution. Another five hundred thousand dollars (\$500,000) that was cut from Overtime was moved into ERS Contribution—ultimately, I think there was one million five hundred thousand dollars (\$1,500,000) moved into ERS Contribution. To (inaudible) to the pension spiking that is being alluded to—I think in the bottom line of it all, last week, this Council took out an audit on May 1st. If you make the cut now, you will undermine the intent of the audit if you start really thinking about it, so rather than depowering public safety and the departments that way, maybe keeping it level and letting us make some budget adjustments and let us do what we need to do right now and let the findings come through the audit. That would be more helpful and provide better guidance to this Council. I talked to Mr. Williams personally last week; he gave me a call back regarding ERS pension spiking and the formula. He did not know that portions of that formula could be not attributed to natural disaster type of responses, so that was news to him. I appreciated his phone call back to me because we have been trying to do everything possible when we start thinking about ERS, pension spiking, pension retirement contributions, and again, if you really look at what it boils down to, ERS is just one-third of the cost of long-term liabilities through the entire State. The Hawai'i Employer-Union Health Benefits Trust Fund (EUTF) is basically one-third. In 1999, 2000, and 2001 the State Legislature gave hundreds of millions of dollars against the ERS system and that would...but for that we would probably be about eighty-five percent (85%) funded at this point in time. In 2007, the market took a hit and this is why we are here and it is being targeted. Ultimately, I will be back before you for a money bill if there is a cut and it will probably be bigger than the cut itself.

Councilmember Cowden: Do you have any direct plans of how you can be minimizing this overtime because it seems like it is—last year, we had very big incidents, but what is your strategy? I do support Councilmember Kagawa's concern. It is a powerful concern and I am wondering when you have this younger crowd in your...how many people do you have that are in the senior positions?

Mr. Vaughan: Thank you for the question. In the last eighteen (18) months, we did have twenty-four (24) retirements. A lot of the overtime that was attributed to this was utilized for the training of twenty-three (23) new firefighters. As the Police Chief alluded to, they would love to be fully staffed. We are lucky that we do not have that problem, we are pretty well staffed, we do a lot of work to get there, and we try to budget accordingly for training of new recruit classes. Some of the things that we have already implemented and put in place are...as of May 1st this year, we cut compensation (comp) time into the future. We no longer allow comp time because that creates a long-term liability. We are asking everyone to utilize...if we have mandatory training classes, try to do some on-duty, and if not, we have to pay them through the collective bargaining agreement that is there. We have already implemented that. It is one of the ways to future costs to the County and to the department. We have looked at that and I know other departments including State Annual Report File (ARF) (inaudible) has already implemented that in the past.

Councilmember Cowden: If you are successful at cutting this back and we end up with the surplus, will that just get redirected into an equipment purchase? I am wondering if when we budget out so hard and we do not hit that large of an expense, what happens to that excess?

Mr. Vaughan: I do not think I have ever encountered that opportunity, so I cannot really answer that right now. Taking care of current expenses now is a good idea rather than kicking the can down the road.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: I am going to put this sheet up from ERS and I am going to ask you, because I am hearing that this is possibly an error by ERS in your opinion, but a non-base pay line item. Are we going to try to fix that or is that unfixable?

Mr. Vaughan: Councilmember Kagawa, can you point me directly to which column?

Councilmember Kagawa: Okay. The top three (3) is the reason why—it is the non-base pay column.

Mr. Vaughan: This year...

Councilmember Kagawa: The non-base pay for 2017 for a year was seventy-two thousand eight hundred twenty-four dollars (\$72,824). Are we going to try to reduce those type of numbers because we were penalized by ERS or we cannot do anything about it? These were the numbers prior to the person's "high-three."

Mr. Vaughan: I would be happy to answer the question.

Councilmember Kagawa: Like I said, I have to do my job and I think the Council can help with fixing this type of problem by putting a leash or whatever you want to call it and making sure that it does not happen before we give you folks the full funding. You

are telling me that, “We are going to come up with a bigger money bill”—that means you are not even willing to try to help.

Mr. Vaughan: I believe I am willing to try and help, I am doing the best that I can do.

Councilmember Kagawa: You just said you are going to come up with a bigger money bill than I am cutting.

Mr. Vaughan: Because the collective bargaining agreement will probably...

Councilmember Kagawa: Does the collective bargaining agreement prevents you from fixing this, as the manager of the department?

Mr. Vaughan: Not necessarily. Let me have a chance to explain, I would appreciate that chance. Under Hawai'i Revised Statutes (HRS) Act 153, HRS 88-100, there are basically the two (2) tests of pension spiking. The first test to pension spiking is if the overtime or the non-base pay is greater than ten percent (10%). For the Fire Department, every premium pay will put us over that automatically, so we automatically fail the first test. We will automatically fail the first test all the time, so we are already under the gun when it comes to the second test. The second test of pension spiking in HRS 88-100 talks about the ratios between the top three (3) rows up there, “the spiking years,” if you want to call it, and the comparison to the other seven (7) years. If the top three (3) rows are greater than one hundred twenty percent (120%) than the other ratio of the seven (7), then it becomes a luxury tax type of spike. We are doing our hardest to avoid that and we understand that comp time could be an issue driving into the non-base pay, so we appreciate the opportunity to try to address this. We have a bunch of other management solutions that we have been looking at. I did not mean to insult anyone by saying, “We will be back here for a money bill greater than the cut,” but I believe if the cut goes through, we will be back for that. I have done way too much study and research on Act 153 and Act 152, a non-base pay, if you look at it in Act 152, in HRS 88-21.5 talks about compensation. You folks understand that in 2012 when this act came together, they changed the plan, so that the thirty-year new hires would be pinned down to a base pay calculation. That does not come into fruition until 2042. We are looking at every angle to try to address this pension spiking—even me calling the ERS person directly. I tried to have a conversation with each and every one of you here at Council and I believe I have done the majority of that.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Can I call someone from IT up?

DEL SHERMAN, Information Technology Manager: Good morning. Del Sherman, IT Manager for the County of Kaua'i.

Councilmember Cowden: Thank you for coming in. We are looking at getting a new HR software system. How long do you think it will be before we have chosen one and will begin its implementation if the budget is approved for that?

Mr. Sherman: If the budget is approved, we are prepared to begin that selection process immediately, but that does take some time. We would first have to draft a RFP that has to be posted for a required length of time and then the amount of time to evaluate responses would be significant. You can be looking at anywhere from six (6) months to a year from the time that you start, but you cannot start until you encumber the

funds. Allocating the moneys would be the first step; we can encumber them, release the RFP, and move forward as quickly as possible. The State has done some things similar to this and it has taken them anywhere from three (3) to five (5) years and sometimes longer. I am pretty aggressive with these types of projects, so my timeline would be shorter than that. All I can promise is we would move as quickly as possible and we are prepared to start immediately once we have funding.

Councilmember Cowden: What I am hearing is, it would not be any kind of reasonable expectation for us to see a level of control over the overtime happening through the computer this year, possibly...not next...one to two years at least.

Mr. Sherman: Not with the new system, but we are aware that we need to be able to dive into the information that exists today and be able to analyze that data better than we are able to presently. We are not going to wait to implement a new system before we begin to try to put some things into place to allow us to better visualize where our moneys are going, where any issues might be, so we have already started tackling that problem in our existing system. We are bringing some things online, maybe better using the tools that we have available to us today to try to get a handle of those types of things.

Councilmember Cowden: Thank you.

Council Chair Kaneshiro: Are there any further questions for the Administration? If not, thank you. Is there any final discussion before we take this vote? Councilmember Evslin.

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

Councilmember Evslin: I really appreciate Councilmember Kagawa's focus on this and I understand his frustration. I feel like we have been writing a blank check for spiking and I think it is important to say that it is not okay. On the other hand, I do not think this is the answer. So much of this is mandates from collective bargaining, if we reduce rank-for-rank or even dollar-fund training, this is money that is ultimately going to come out of equipment, training, and cause them evidently to come back here for more money. The result of that is when we are underfunding training, which is putting firefighters' lives on the line and the community's lives on the line. When we are underfunding equipment, if they are taking money from that, last year a member of the Honolulu Fire Department (HFD) died on a jet ski and faulty equipment was the cause, we heard during budgeting that these folks have old jet skis also. I do not think it is safe to go in that direction. With that said, I think spiking does the same thing. When there is spiking, they are taking money out of the budget to cover it, they are also having to take money out of where we should be spending money. Both are problems. I just do not think this is the solution to spiking. Deputy Chief Vaughan has presented a plan to try and address spiking, they are being audited, and I think it is important to sort of let this year play out and see how well they do on that front. I will be voting "no."

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: When I am hearing some of this, it sounds to me like when we have the ten (10) days a month...that is a problem. Maybe we cannot have ten (10) days a month if that tenth day is automatically forcing overtime. It sounds like there are a few ways where it is just inherently built into here that they are getting overtime. It is hard for me to think of when one of the reasons it is such a wanted job is the ten (10) days a month and the twenty (20) off. It is great program. I am identifying with Councilmember Kagawa in why this is really an obligation to the public to not have this

growing over and over, and I have a lot of agreement with Councilmember Evslin that if these things are inherently built-in and we cannot take it out without an adjustment like that, what I am hoping that if we do not curtail this, that there is a very willing and evident way that we can look at a policy changes where we have all the forced overtime. If we have to shift a day to keep that from happening and that half-day is where the training comes in, I would have to look at all those numbers, but we have a problem with this level of overtime for such a highly-desired job. Thank you.

Council Chair Kaneshiro: Any other Members? Councilmember Kualii.

Councilmember Kualii: I will just say that I appreciate Councilmember Kagawa's efforts and I am happy to support this. I think it is kind of over the top to say, "cutting back on overinflated overtime is directly putting lives at danger," so let us be realistic here. The millions and millions of dollars that are in place for salaries, and equipment is there to protect the public safety; the padding that is there is what we are talking about, so let us just be realistic about numbers. Thank you.

Council Chair Kaneshiro: Any other Members? Councilmember Kagawa.

Councilmember Kagawa: I definitely think what Kilipaki brought up about automatically going into pension, if that is the case, I think we hope that our HR Director works with our County Attorney and fights that because they are charging the County taxpayers for it as excess pension costs. The amount that Kilipaki is talking about should come out of that excess pension cost amount and should come out of the penalty. They are calculating it unfairly, but then that surely does not take up all of the hours that they are charging us. One of the other issues that I have, too, and I will be honest, is it seems like if you look at the numbers, it looks like the "haves and the have nots." If you are close, you seem to get more. There are about nine (9) employees that got the bulk and the other four (4) employees got some penalty, but it was not as big. Hopefully, the audit will uncover what had happened back when that bad year occurred, but what I am afraid of when I heard today, is that a lot of it is unpreventable, but I think it is. We have disagreement on both sides of the fence right now. Right now, I agree with ERS in that we can cut excess. I would like to be on the same team as the County, but we have the bill that we have to pay with taxpayer money and I agree with them right now that we can do something about it. It is pretty sad. If we are going to get a bill and all we will have to justify it to our taxpayers is that we have an excuse, because the excuse is not money.

Council Chair Kaneshiro: Anyone else? Councilmember Evslin. It is the same as any discussion; a total of five (5) minutes and two (2) times to talk, so you have a second chance. Councilmember Evslin.

Councilmember Evslin: Just really quickly, as far as being clear on the numbers here, they have already cut rank-for-rank below what they say the rank-for-rank cost will be. Cutting that even lower takes money from somewhere and rank-for-rank and all training are, again, mandated through collective bargaining. When a firefighter is training, most of that is all going to be overtime. They have to come in on their off-days so they are not leaving the station short-staffed. Holiday pay, if you are going to become a firefighter you are working. One-third of your family's Christmas, you are gone. They have to staff those stations 24/7, so all of that is built-in. As he said, if you are ten percent (10%) or so, overtime is part of being a firefighter and is hard to get away from that. The spiking is a different issue. We have to get spiking because that is the people who are doing ten percent (10%) and now, we are doing twenty percent (20%), thirty percent (30%), or forty percent (40%). I just think that they are separate here.

Council Chair Kaneshiro: Is there any other discussion from the Members? I think for me, I appreciate the cut, but it is a little hard for me to swallow. I know when we do talk about that they move money from rank-for-rank and overtime, they really did not cut it. They just moved it to fund excess pension from overtime and rank-for-rank, which was about one million dollars (\$1,000,000). This cut is for one million four hundred thousand dollars (\$1,400,000). I think it is just a little bit too much for me to chew on considering they were able to move money around as far as finding the two million two hundred thousand dollars (\$2,200,000) for the excess spiking costs in the prior budget. I still think this is a hard pill for me to swallow on this one, but I completely understand where Councilmember Kagawa was going on it. Councilmember Kagawa.

Councilmember Kagawa: Let me ask you a question, does the bigger cut have a chance with you, the one I originally had?

Council Chair Kaneshiro: No, I thought this one was a little big.

Councilmember Kagawa: Oh, this one was already a little big?

Council Chair Kaneshiro: Just a little, yes. They moved \$1,000,000. It did not get cut, but they just moved it to try to reduce the amount of rank-for-rank. I think the move was more to show that the reality is that if we get another spiking bill, that is where the money is going to come from it. It did not reduce the budget. It did not do anything. Again, it is a little difficult for me to support. Is there any other discussion from the Members? If not, roll call vote.

The motion to cut (\$1,380,000) from the Fire Department's budget for Regular Overtime, Rank-for-Rank, and Premium Pay was then put, and failed by the following vote:

FOR MOTION:	Kagawa, Kualii	TOTAL – 2,
AGAINST MOTION:	Brun, Chock, Cowden, Evslin, Kaneshiro	TOTAL – 5,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: 2:5, motion fails.

Council Chair Kaneshiro: Are there any other cuts for Fire? I am sorry, but I moved a little fast on Police. I know Councilmember Kualii told me that he had a proposal that he was not going to propose, but I think he had another one after that, which he did not look at. We will actually move back to Police on one of his proposals, which I do not usually like to do, but he did his homework and he is prepared. I think I just moved too fast on it.

Councilmember Kualii: I apologize, Council Chair Kaneshiro. I think in the moment, I made an assumption that I should not have made. Based on the work put in, not only by myself, but especially by staff, I thought I should put this proposal forward because what we hear from HR or Police may be different from the prior motion.

Councilmember Kualii moved to 6-month fund Position No. 309, IT Technician Project Coordinator, for a cut of (\$29,808) in Regular Salaries, seconded by Councilmember Brun.

Council Chair Kaneshiro: Is this a different position from the one proposed earlier?

Councilmember Kualii: Yes, and coincidentally, it is the same amount of money. I can do a quick overview again, but it is Position No. 309 on the bottom of the vacancy spreadsheet. You can see the funding level. Under recruitment status, it says "continuous" and under the total days vacant—this one is quite a long time, about three (3) years, or one thousand one hundred thirty-eight (1,138) days. The proposal is to cut the salary in half, being hopeful that they would fill it within six (6) months of the current fiscal year.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Can we talk to the Chief again?

Council Chair Kaneshiro: Yes, we will suspend the rules. This is for Police.
Is it a Police question or HR question?

Councilmember Cowden: It is a Police question, I think.

Council Chair Kaneshiro: Okay.

Councilmember Cowden: You can tell me if it is not when I ask it. Deputy Chief Contrades, what about this position? Do you have anyone in mind now like you did for the Public Information Officer? What is the status on this particular position and how important is it?

There being no objections, the rules were suspended.

Mr. Contrades: The status is similar, it is out for recruitment and closes on May 17th. It is critical to the department because of our use of technology. Police officers today carry mobile data terminals (MDTs) and someone has to upkeep those. Our efforts to be more efficient with the use of new software systems, body cameras, and things like that require someone with that level of expertise, and so we are hopeful that we will be able to fill that position.

Councilmember Cowden: Do you have applicants that you are considering like the last one with the Public Information Officer where you had some activity?

Mr. Contrades: At this point, I would not know that because it is out for recruitment. It will close on the 17th and at that point, we will see how many people have applied.

Councilmember Cowden: So you do not know?

Mr. Contrades: No.

Councilmember Cowden: Is there anything different now than what was in the last few years? Do you have any reason to think it is more likely that you are going to have someone?

Mr. Contrades: If I am not mistaken, the position was redescribed. Although it says that position was opened for that many days, it was not particularly specific to this IT position that we created.

Councilmember Cowden: Are there specialized people involved in this, or are you looking for a generic skillset and then training beyond that on your specialized equipment?

Mr. Contrades: If we have someone that meets the qualifications that requires training, then of course, we would put them through the training necessary in order to do what we need done with our software systems, MDTs, body cameras, and whatnot.

Council Chair Kaneshiro: I apologize. We actually have to take a break. We went five (5) minutes over. I should have taken a break before this proposal, but we need to take a ten-minute caption break and then we will be back. We will take any further questions on this item and vote on it after the break.

There being no objections, the meeting recessed at 11:05 a.m.

The meeting reconvened at 11:22 a.m., and proceeded as follows:

Council Chair Kaneshiro: Welcome back. On the floor, we currently have Councilmember Kualii's cut for the Information Technology Project Coordinator. Do we have any further questions on it? I have a question for HR. What is the current status on this position? I know it says, "Recruitment status: continuous."

There being no objections, the rules were suspended.

Ms. Rapozo: That was changed to end date of May 17th, similar to the last position that you were discussing.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Do you have any applicants so far?

Ms. Rapozo: I would not know that off-hand.

Councilmember Cowden: Okay.

Council Chair Kaneshiro: Are there any further questions? If not, thank you.

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

Council Chair Kaneshiro: Is there any discussion from the Members? Roll call vote.

The motion to 6-month fund Position No. 309, IT Technician Project Coordinator, for a cut of (\$29,808) in Regular Salaries was then put, and failed by the following vote:

FOR MOTION:	Kagawa, Kualii	TOTAL – 2,
AGAINST MOTION:	Brun, Chock, Cowden, Evslin, Kaneshiro	TOTAL – 5,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: 2:5.

Council Chair Kaneshiro: It did not pass. Councilmember Kualii, do you have any more for Police?

Councilmember Kualii: No.

Council Chair Kaneshiro: Going through the list, are there any further cuts for Fire, Emergency Management, Department of Public Works, or Parks & Recreation?

Councilmember Kualii moved to 6-month fund Position No. 1541, Electrician-Electrical Equipment Repairer for a cut of (\$30,576) in Regular Salaries, seconded by Councilmember Kagawa.

Council Chair Kaneshiro: Councilmember Kualii, you have the floor if you want to explain the cut.

Councilmember Kualii: On the Vacancy Report, near the top, it is actually three (3) positions, but below Position No. 1540, there is Position No. 1541, which is what is being proposed. There is a full salary, one hundred percent (100%) for twelve (12) months, and my proposal is six (6) months. You will see that it has recruitment continuous and total days vacant one thousand two hundred seventy-six (1,276), several years.

Council Chair Kaneshiro: Are there any questions from the Members?
Councilmember Kagawa.

Councilmember Kagawa: I think as prior Public Works/Parks & Recreation Committee Chair, these positions are historically difficult to fill, electrician, plumber, even carpentry. If you look at UPW's pay scale for those, especially electrician/plumber, it is probably at a third or so of the union's salary in the private sector. Anyway, we talked about trying to bump up the pay to at least be able to attract, so that we can fill and we do not fall behind on our electrical and plumbing, et cetera. I think what Councilmember Kualii is looking at is something that has been a long-term problem in filling. Again, the same intention that we want to hire, but it is highly unlikely. Highly unlikely we will get it for the full twelve (12) months at this point. Again, the transfer process is there. The money bill process is there. Does this cut signify that we do not want them to fill it for six months? No. If they do fill it and run out of money, there is a process to come back and get those funds. It is not that kind of cut where we are saying we do not want the electrician. We have been trying to fill it for years. I will support the cut.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I pointed you to the Vacancy Report, but I want to also point you to the actual budget and that is in the Parks & Recreation budget on page 174. It just shows that there are actually three (3) same positions: Position No. 1541, Position No. 1017, and Position No. 1856 and they are all called Electrician Electrical Equipment repairer. The other two (2) positions are fully funded and filled. My proposal is to one of the three positions. Above that, you have Position No. 1540, which is the lead Electrician Electrical Equipment Repairer that is also vacant, but only for one hundred fifty-one (151) days, and I am leaving that position.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I have a question for Pat Porter.

Council Chair Kaneshiro: Pat, just state your name for the record.

PATRICK T. PORTER, Director of Parks & Recreation: Pat Porter, Director.

Councilmember Cowden: Are the two people and the supervisor able to pretty much do the jobs or do a contract hire for electrical needs?

Mr. Porter: As far as the workload that we have right now.

Councilmember Cowden: Yes.

Mr. Porter: We are always behind.

Councilmember Cowden: Do we do 89-day hires when we are behind?

Mr. Porter: Exactly, yes.

Councilmember Cowden: Do we have a budget item in here that is for those contracted 89-day hires or do you pull it out of this particular...

Mr. Porter: It is one of the existing vacant positions that we 89-day hire into.

Councilmember Cowden: Therefore, some of this money here would pay for that?

Mr. Porter: Yes.

Councilmember Cowden: Okay, thank you.

Council Chair Kaneshiro: Are there any further questions?

Councilmember Cowden: I have one. Forgive me, but I would assume that a contract hire is more expensive than a position hire.

Mr. Porter: Generally, yes. Any time you contract work out, it is more expensive than in-house.

Councilmember Cowden: Okay, thank you.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I am sorry I do not have the figure in front of me, but do you have any idea what your salaries' surplus was for the last fiscal year and what it is for this fiscal year?

Mr. Porter: I do not have it on me.

Councilmember Kualii: I am guessing it is pretty significant. It is probably a lot more than thirty thousand dollars (\$30,000).

Council Chair Kaneshiro: I have a question for HR. We have the sheet, but I just want to make sure everything is up-to-date. What is the current status on this position?

Ms. Rapozo: Are you asking about Position No. 1541?

Council Chair Kaneshiro: Correct.

Ms. Rapozo: Position No. 1541 has been on continuous recruitment. The department does have an 89-day hire currently in that position, a retired electrician that is helping them out right now with their jobs. As Mr. Porter indicated, some of that funding that is in that position needs to help pay for that particular employee.

Council Chair Kaneshiro: Historically with the 89-day hire, do they stay on for the entire year?

Ms. Rapozo: It depends if we cannot find anyone. This one has been ongoing for a while where we could not find anyone. I think we had two (2) vacancies, but we did fill one last year and so we still have one more, and then the supervisor left, so we still have two (2) openings. This 89-day hire has been with us for a while, which is great, because we do actually have some savings on the benefits; therefore, we are able to get our work done still and give this former employee some work to do to help us out.

Council Chair Kaneshiro: Do we have an 89-hire and the lead supervisor also or is that position just completely vacant right now?

Ms. Rapozo: That one is completely vacant right now, but they are probably temporarily assigning one of these particular electricians to that position to be the lead.

Council Chair Kaneshiro: Okay. Councilmember Kualii.

Councilmember Kualii: Your statement that the funds from the salary line item from the salary savings are used for the 89-day hire...in this specific example for Position No. 1541, the second to the last column, of the estimated salary savings for Fiscal Year 2018-2019. It is forty-nine thousand three hundred twenty-five dollars (\$49,325) or forty-nine thousand three hundred seventy-five dollars (\$49,375); does this figure represent the entire savings from that salary position or has it already subtracted out some transfer for 89-day hires? When do you utilize the funds for the 89-day hire? Do you use it as you go or...

Ms. Rapozo: It is used as you go. The savings is actually if it would be fully vacant. There is a footnote at the end of the report that basically says that...my eyes are getting really bad, can you read this Mr. Porter?

Councilmember Kualii: "Savings as shown may not be fully realized due to funding of short-term and other positions to meet operational requirements."

Ms. Rapozo: Yes, so basically it is the total savings if you did not use it for anything else.

Councilmember Kualii: Okay, so that is the amount of savings for that position, but that does not mean that a portion of that has not already been spent on something else.

Ms. Rapozo: That is correct.

Councilmember Kualii: That information would be good to have, because then this is false information in a way as far as savings spent elsewhere. What I am going to ask for, and I will send it later in writing, is another column of actual savings.

Ms. Rapozo: That is not something that HR would be able to produce because it would be up to the department how they are using that savings, so we would then have to go back to every department to see...

Councilmember Kualii: Not the "how you are using," but just the fact that it was used. If throughout the course of the year, you are filling the void of getting the job done by hiring an 89-day hire and then you are having to pay for that 89-day hire with this salary savings on the exact position that lines up for that purpose, then probably throughout the course of the year, budget transfers is happening...it might just be small amounts, but they are dedicated to that purpose and the position, right? The 89-day hire?

Ms. Rapozo: I do not know if you would see a budget transfer because it would still be under salaries and I am not sure if they will necessarily be paying the person at the same amount. They can also use benefit amounts there too, so there is a lot of different...

Councilmember Kualii: But in many ways, it is saying that the salary savings is enough to cover the 89-day hire because the 89-day hire is not like a full-time position where you are paying them every day throughout the course of the year with benefits and all of that.

Ms. Rapozo: Correct.

Councilmember Kualii: Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: It is important to me that I understand what I am learning. You said you are "temporarily assigning" that position; does "temporarily assigning" mean training? What does temporarily assigning mean?

Ms. Rapozo: Temporarily assigning someone to the higher-level position.

Councilmember Cowden: Okay, so you are temporarily assigning someone to the higher-level position from within the organization, so it is like being an acting lead electrician?

Ms. Rapozo: Correct.

Councilmember Cowden: Does it mean that maybe that person might move up, but when we basically had four (4) positions, a boss and three (3) support team members, we really are operating on two (2) team members and then receiving help from a retired person on contract work?

Ms. Rapozo: You said there are three (3) team members and the boss.

Councilmember Cowden: Yes, there are three (3) electricians and then the lead person.

Ms. Rapozo: Two (2) electricians are filled right now, one is vacant and the boss is vacant.

Councilmember Cowden: Okay. I just wanted to make sure.

Councilmember Kualii: I have a clarifying question. Which position can be temporarily assigned to an Electrician Electrical Equipment Repairer? Is that a specific skillset?

Ms. Rapozo: It is a working supervisor, so they would still be doing the work, but they would be basically making the assignments for the day. Therefore, electrician, I believe, could be temporarily assigned up into that.

Councilmember Kualii: Oh, into the lead?

Ms. Rapozo: The lead.

Councilmember Kualii: But there is no position below the position we are talking about. The vacant position that we are talking about is Position No. 1541.

Ms. Rapozo: Correct.

Councilmember Kualii: So, there is no one temporarily assigned for that.

Ms. Rapozo: Right.

Councilmember Kualii: Therefore, the salaries are actual savings. They are not being spent on temporarily assignment.

Ms. Rapozo: There may be the 89-day...

Councilmember Kualii: Yes, except for the 89-day hire. Okay.

Council Chair Kaneshiro: Are there any further questions? Councilmember Kagawa.

Councilmember Kagawa: I just want to state that this is a thirty thousand dollar (\$30,000) cut. If you look at the monthly transfers that go on, you will see that this is pretty small. Philosophically, if you believe that...Mr. Porter is the new boss and you want to keep him with his entire budget at a position that we want to fill, but Councilmember Kualii's cut is saying, "We cannot even hire two (2), so can I take half of that one salary? Is that a reasonable cut, for you Council?" I will support that at this time...just based on the history and not based on what I know their needs are out there. These cuts are not personal. Councilmember Kualii is just trying to round up some, so maybe we can have some to fill in the KHS gap or something. But if we do not have the cuts, we will have no adds, and mine was going to allow a lot of things, but I cannot talk about my proposal anymore because it is dead.

Council Chair Kaneshiro: Is there any further discussion from the Members? I am inclined to supporting this cut because I think there is enough flexibility for them to be able to incur this cut and still have what they need. Roll call vote.

The motion to 6-month fund Position No. 1541, Electrician-Electrical Equipment Repairer for a cut of (\$30,576) in Regular Salaries was then put, and carried by the following vote:

FOR MOTION: Chock, Cowden, Kagawa, Kualii, Kaneshiro TOTAL – 5,

AGAINST MOTION:	Brun, Evslin	TOTAL – 2,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: 5:2, motion passes.

Council Chair Kaneshiro: Are there any further cuts for the Department of Parks & Recreation? Councilmember Kualii.

Councilmember Kualii moved to 6-month fund Position No. 1868, Plumber I for a cut of (\$29,496) in Regular Salaries, seconded by Councilmember Kagawa.

Council Chair Kaneshiro: Councilmember Kualii, can you explain your proposal?

Councilmember Kualii: On the Vacancy Report that I shared with you, near the top of the page and just below Position No. 1541, Plumber I, vacant for eight hundred eighty-one (881) days. Also, on continuous recruitment. Just on the same arguments, I am not going to make them again. On page 174, those positions are listed just below the electrician positions that we were just talking about...there are four (4) Plumber I positions, Position No. 1016, Position No. 142, Position No. 1532, and addition to the position I am talking about, Position No. 1868. They are all fully funded at fifty-eight thousand nine hundred ninety-two dollars (\$58,992) and then the proposal here is to half-fund for six months, Position No. 1868, which has been vacant for eight hundred eighty-one (881) days, nearly three (3) years. Thank you.

Council Chair Kaneshiro: Are there any questions from the members?
Councilmember Evslin.

Councilmember Evslin: Can we have Mr. Porter up? Have you folks been doing an 89-day hire with that excess money also?

Mr. Porter: We have not on that one. 89-day hires are hard to find, too, on this one because of the construction boom right now for the private sector. Getting the 89-day hire, which does not offer benefits, is pretty hard to find right now.

Councilmember Kagawa: There are a lot of people that are multi-talented and they can do the plumbing work, but they do not actually have the plumber's license. If we cannot compete with the private sector, is there any way we can look to HR in trying to be creative and giving them a plumber's type of job, where they can look to the licensed plumber for guidance, but they can basically fulfill that plumber's role and then the pay will be something that is attractive enough for them to take, with the County's benefits that we have...have we looked into that idea? Every time we get a good plumber, we lose them to the private sector or we lose them to inspector positions within the County or another job where they do not have to get dirty. As a County plumber, it must be a pretty dirty job because we have open County facilities like no other place in Hawai'i. It does take a beating.

Ms. Rapozo: The trade positions have been difficult for us for several years now. We have looked at downgrading some of the positions to a helper, like an electrician helper or a plumber helper, and they can work side by side with the plumber or with an electrician. That is something that we have discussed with the department in the past and now. The other thing we are also looking at is doing a shortage differential, which would add to their base salary, a differential, just to make it a competitive salary so we can get people in. That is in the works right now. We are going to start with the trade classes to

see if we can get that shortage differential in there, which will mean the department will have to come up with the money and so sometimes these savings will probably be what we would be using it for or they will have to come back for a money bill. Those are just some of the things that we are looking at in order to help them get their positions filled.

Councilmember Kagawa: Especially for plumbers...when we have plumbing issues out there and if we are behind and two (2) behind in staff...plumbing type of things have to be fixed. If you have plumbing issues, that is major.

Mr. Porter: Yes.

Councilmember Kagawa: Compared to a repainting. If you have a plumbing issue, the site shuts down...we have seen that at Salt Pond Beach Park when that facility was shut down for a long time. Thank you.

Council Chair Kaneshiro: Are there any further questions? Councilmember Kualii'i.

Councilmember Kualii'i: I am just curious because we actually have four (4) identical positions here, right? They are all called Plumber I, they are all BC-10, and they are all at a salary level of fifty-eight thousand nine hundred ninety-two dollars (\$58,992). Three (3) of the four (4) positions are filled.

Ms. Rapozo: Correct.

Councilmember Kualii'i: So the fact that one is hard to fill does not mean that position particular is hard to fill, because we have three (3). Have all three (3) employees been there for twenty (20) years and it is just the change in times and it is now hard to find the plumber when at twenty (20) years ago, it was easy?

Ms. Rapozo: It all depends on the market and right now construction is good and there are private jobs out there. Right now, it is hard to find applicants for those trade positions.

Councilmember Kualii'i: The measures that you are taking to make it easier to fill that one position, such as I think you called it a "shortage differential"...

Ms. Rapozo: Yes.

Councilmember Kualii'i: Does that then go to the three (3) existing positions as well?

Ms. Rapozo: Yes.

Councilmember Kualii'i: It would have to, right?

Ms. Rapozo: Yes.

Councilmember Kualii'i: Okay. Thank you.

Council Chair Kaneshiro: I have a quick question. As far as this vacant position, do we have an 89-day hire in this one also, like in electrical, or is it just vacant?

Ms. Rapozo: No, it is just vacant.

Council Chair Kaneshiro: Okay. Are there any further questions from the members? Councilmember Kagawa.

Councilmember Kagawa: That means we fell behind, too, because we have three (3) people, but we want four (4), right?

Mr. Porter: Yes.

Councilmember Kagawa: So, you are one man short.

Mr. Porter: Yes.

Ms. Rapozo: It has been one man short for quite a while.

Councilmember Kagawa: Okay.

Councilmember Kualii: I just have one last question. Why did you not take the proactive stance from a budgetary side in your department and lower the funding to other than one hundred percent (100%). Knowing that you are not using the money for an 89-day hire, you are not likely to fill it...what I am trying to do here...if you noticed like in police and probably in other departments, they have been proactive in either dollar-funding or 3-month funding, or 6-month funding, but you have not done that with any positions. If you did it with any, this is probably the most likely candidate that you could have done it for, correct?

Mr. Porter: Yes. We are still on continuous recruitment, too, so hopefully.

WALLACE G. REZENTES, JR., Deputy Director of Parks & Recreation: Wally Rezentes, Deputy Director. In this FY, we are still actively recruiting, so we would not want to "shoot ourselves in the foot," too, if we are successful. I know we have not been successful, in recruiting in the past year or months, but if we are successful by short funding it, we are shooting ourselves in the foot. If the Council elects to go down this path, one option for us that we can maybe not lose any momentum is placing some of that money into consulting services so we can get the needed help, if we are not successful at recruiting and hiring out and having that pot available to hire out, rather than just cutting it wholesale.

Councilmember Kualii: I do not have the numbers in front of me, but do you by chance know what the total salaries line item is for the Department of Parks & Recreation? We are talking about a twenty-nine thousand four hundred ninety-six dollar (\$29,496) proposal here.

Mr. Rezentes: Facilities maintenance includes janitors, park maintenance workers, plumbers, electricians, carpenters...

Councilmember Kualii: What about transferring from the entire department?

Mr. Rezentes: From divisions, right. We could.

Councilmember Kualii: What is the total salaries' line item for the Department of Parks & Recreation?

Mr. Rezentes: I could calculate, but it is all in different sections.

Councilmember Kualii: Twenty million dollars (\$20,000,000)?

Mr. Rezentes: No.

Councilmember Kualii: Ten million dollars (\$10,000,000)?

Councilmember Brun: Nineteen million nine hundred thousand dollars (\$19,900,000).

Councilmember Kualii: Sorry, I do not have the information in front of me. Is it really "shooting ourselves in the foot," that is the phrase you used, to do a 6-month reduction worth twenty-nine thousand four hundred ninety-six dollars (\$29,496) on a nineteen million nine hundred thousand dollar (\$19,900,000) budget, where you surely will have at least that amount of savings to transfer should we be successful in filling this position? No, right? This is really small and conservative. If for some reason you could not find thirty thousand dollars (\$30,000) worth of salary savings in nineteen million nine hundred thousand dollars (\$19,900,000), I commit to you that I will propose the money bill to find you the thirty thousand dollars (\$30,000).

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: When you mentioned the consultant using that money to hire a consultant, can you just explain what that meant?

Mr. Rezentes: I just meant that if we are not successful in hiring electricians, plumbers, and people in those trades. People that we have been having problems hiring because of the market, if we have a pot of funds that we can use to contract out those services versus...hopefully, we will not lose that much momentum in getting services done.

Councilmember Evslin: Thank you.

Council Chair Kaneshiro: Okay. Thank you. Are there further questions from the Members? If not, is there any final discussion from the Members?

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

Council Chair Kaneshiro: I will state where I am at. This one is a little different than the electrical position. With electrical, they had two (2) vacant positions, people were being temporarily assigned, there was always one vacant position that was not going to get paid for, but in this one, it is just a vacant position. If they 89-day hire or they hire someone, the money would be coming from this line item. I appreciate what Councilmember Kualii is proposing, but I will not be supporting this proposal. Is there any further discussion? Councilmember Kualii.

Councilmember Kualii: I just want to make a final plea for your support. This is my last cut, so think about what adds you might have and if you have enough cuts to make those adds. Thank you.

Council Chair Kaneshiro: That is a good plea. Roll call vote.

The motion to 6-month fund Position No. 1868, Plumber I for a cut of (\$29,496) in Regular Salaries, seconded by Councilmember Kagawa was then put, and failed by the following vote:

FOR MOTION:	Cowden, Kagawa, Kualii	TOTAL – 3,
AGAINST MOTION:	Brun, Chock, Evslin, Kaneshiro	TOTAL – 4,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Councilmember Kagawa: Okay, you folks can all have one hundred eleven thousand dollars (\$111,000).

Councilmember Kualii: "I" can have it.

Councilmember Kagawa: Yes, "you" can have it. When I said, "You folks," I meant "you."

Council Chair Kaneshiro: Are there any further cuts for the Department of Parks & Recreation? Any cuts for the on Elderly Affairs Agency? Housing? Transportation?

Councilmember Cowden: I have a cut and add.

Council Chair Kaneshiro: That is going to be coming up after. Transportation? Any General Excise Tax, Transportation cut? It will not go back to the General Fund, it will stay in the Highway Fund. Roads, Highway Fund? GET Fund for Roads? Auto Maintenance? Liquor? Solid Waste? Wastewater? Wailua Golf Course? That is it for the Operating Budget. Any cuts for Operating? No cuts. Any cuts for CIP? Councilmember Brun. Is this a cut and add or just a cut?

Councilmember Brun: It is a cut.

Councilmember Brun moved to remove funding in the amount of (\$1,000,000) from the *NEW* General Fund-CIP Project titled IT Systems Countywide Evaluation, Design & Implementation and reduce use of Fund Balance from Previous Year by (\$1,000,000), seconded by Councilmember Kagawa.

Councilmember Brun: I said before that when they came up with ideas, I was going to cut the one million dollars (\$1,000,000), and here it is. I do not think you folks can do two (2) programs in one year. That is three million dollars (\$3,000,000), one for HR, which I support, but this one here that you tried to put in the Planning budget, I do not think we can do both of them in one year.

Council Chair Kaneshiro: Are there any questions?

Councilmember Kagawa: Are we saying that we want them to focus on one major item that we are adding and perhaps next year we can focus on the next section?

Councilmember Brun: Yes.

Councilmember Kagawa: Rather than putting too much improvements in one year...

Councilmember Brun: I told them when they were up here that I would support this next year, but not this year. Three million dollars (\$3,000,000) in the first year was just too much for me, which is the reason I am taking out one million dollars (\$1,000,000).

Councilmember Kagawa: Wait, did you support my cut?

Councilmember Brun: Yes.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Can I have IT up, please? My question would be about integrated systems. I am wondering how the implementation would go if we can do one at a time or if it is essential to be able to look more comprehensively. What is your position?

There being no objections, the rules were suspended.

MICHAEL A. DAHILIG, Managing Director: Councilmember Cowden, Mike Dahilig, for the record. As stated previously during the CIP Budget hearing, one of the dilemmas that we have, as you are describing, is we do not have a handle on all the business processes that we currently have and in our IT structure. What this was meant to do was take an inventory of those structures and see where these things can be, consolidate, and then look at down the line in terms of where we make investments. It is a process that similarly the State has used in its IT plan where they went through a comprehensive process of actually going through all of their business process systems and saying, "Where can we go down from two hundred eighty (280) something systems down to less?" That is all it is meant to do at this point. It is to actually get the inventory, come up with a plan, and then make recommendations on how we make investments. It differs from the other two (2) projects that IT has been earmarked in the Mayor's Budget to fund, in that this is meant not as an implementation program like buying software, those types of things, but were to handle and have it worked by a consultant to actually do that process that the State similarly did. In terms of the Administration's ability to actually handle the workload, these are two (2) very different types of initiatives where the funding for some of it is for software and those types of things. This particular program is meant to actually have someone's eyes open, third-party-wise come in and take a look what is going on and report back to us.

Councilmember Cowden: I had a question probably directed at the Mayor. How does this process feed into your full vision for running your Administration?

Mayor Kawakami: Thank you for the question. One of our top priorities was to help modernize our processes and so it is a top priority. You are probably wondering what I am doing up here. I just want to overall for the entire process that we are going through that I was a part of to say that we are trying to do things differently from the very beginning. Understanding that at one time, I sat on that table and it could get frustrating, so from the very beginning we reached out to every single Councilmember to tell them that we want you folks to be a part of this budget. If there were things that you do not see in this budget, we want to be able to include them before we submit it over to you to avoid what we are going through right now. I am speaking from experience because now I am sitting on the other end of the table and I am seeing all these cuts, and we are watching the potential unintended consequences that we, as a new administration, are going to be dealt at the end of this process. That is why at the very beginning, we reached out to say, "If there are things that you folks want, let us find where we can put it in," but now we are faced with wondering where the cuts are going to do, because obviously if you are cutting, that is something that you want to add in. We felt that it would have been easier if upfront, we could

have been collaborative in spirit, you folks tell us exactly what your top priorities are, and then we can go internally and find those cuts. For this one, if you are going to cut one million dollars (\$1,000,000) from our IT budget, does it put a hindrance on our ability to accomplish what we set out to, which is modernize our process; we have an archaic system, yes, it is going to impact us directly.

Councilmember Cowden: This question is for Mr. Sherman. When you are looking at your planning, when you are looking at how you are going to be integrating these systems...would that be your process or would that be someone else's?

Mr. Sherman: Del Sherman, IT Manager for the County. As far as what these funds would be used for, it is not just an "IT-centric" thing, we are looking at something that has impacts to every corner of the County, every function that the County supports. The workload, really, would not be on IT to accomplish these things. We would be working with third-parties to identify all of these workflows, business practices, and making sure that we are integrated at the highest possible level. If we are concerned about putting more work on IT, that is not what this would do, but it is a critical part of the very picture.

Councilmember Cowden: What my concern is, just from my own experience, if we go piece-by-piece, but we do not have a comprehensive vision; you do one piece and then when you get ready to be doing another element...especially by the time you get to the third one, maybe it does not handshake right back to the first one. I want to make sure that if we do it, we are designing everything to work together so each department is basically able to communicate with one another and it works comprehensively. That is really where my questioning goes.

Mr. Dahilig: I believe we have the same goal in that we need to make sure that...none of this is linear, right? It is very organic in nature given where you are at in any given point in time. Looking at where we are, given our critical IT needs as compared to the Mayor's vision, which is made out to modernize, we have to look the near-term and the long-term in both context.

Council Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: From the meeting here, I said that this is just going back to the General Fund and that I was not adding nothing, this is the only cut I was making, no adds, nothing; I am just taking out the money and not putting it someplace else. I think I made that clear from the first time you folks came up here.

Mayor Kawakami: Thank you for your clarification.

Council Chair Kaneshiro: Councilmember Kagawa.

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

Councilmember Kagawa: I have an add, if I can use your million dollars (\$1,000,000).

Councilmember Brun: You can do whatever you want with it.

Councilmember Kagawa: I just wanted to state for the record that as a Member of the former Council, as with Mayor Kawakami, I think we did put this Mayor in a better position to succeed, no matter who won the race for mayor. That is the talk we had. The half percent (0.5%) GET was a very hard tax to approve, but we wanted the new mayor

to have a fresh start and I think this new Mayor does have one. He has a budget that reflects approximately twenty-five million dollars (\$25,000,000) more than it had previously. Cuts that we made have been really minute, except for mine, which failed anyway. I believe we are on the same page. As far as the IT cut, that one will be a tough to pass as well as mine did, but we just have to go through the process no matter how uncomfortable it is.

Council Chair Kaneshiro: Are there any further questions? If not, thank you. Is there any discussion from the Members? Roll call vote.

The motion to remove funding in the amount of (\$1,000,000) from the *NEW* General Fund-CIP Project titled IT Systems Countywide Evaluation, Design & Implementation and reduce use of Fund Balance from Previous Year by (\$1,000,000) was then put, and failed by the following vote:

FOR MOTION:	Brun, Kagawa, Kualii	TOTAL – 3,
AGAINST MOTION:	Chock, Cowden, Evslin, Kaneshiro	TOTAL – 4,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Council Chair Kaneshiro: Are there further cuts for CIP? We have finished all of our straight cuts. I forgot to mention that sometimes people want to cut from four (4) different departments...we have done that in the past, too. It would be like overtime in multiple departments. If there are no other proposals, we are going to move onto adds. Everything from now on is going to be, like what Councilmember Kagawa said, even harder to do because it will take five (5) votes. We are not going to go through the entire budget. I am just going to ask, "Does anyone have adds," give me an indication, and we will go from there. Do we have any adds? Councilmember Kagawa.

Councilmember Kagawa: I just wanted to note my reason for voting for Councilmember Brun's proposal, which was to have this add. I discussed this add with the Mayor regarding the Lihu'e Civic Center. We need mold remediation, repainting, and repair on that building. It is a really beautiful building, the round building where we service our customers for drivers licensing, and we know that we had a couple of employees whose health been impacted. That is why I am not against modernization, but I am for our employees' health and safety as well. I do not have the money to add for that. I was going to add at least one million dollars (\$1,000,000), it would be much more, but I figured that would have been a start because you have to treat the walls and the carpet needs to be removed to treat the mold properly. That can come in a form of another money bill and I will still work with our Mayor and the Parks Director, and we will figure it out once we get the totals. That is a big one that we will need to address soon. We have seen when we do not treat these things, it comes back in the end in the form of workers' compensation or lawsuits, but we do not have the ability at this point. I will pass on that add.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: In being respectful to the one hundred eleven thousand dollars (\$111,000) that we have to utilize on the adds, can we have a sense of what all the adds and amounts are? I may not want to spend my money or vote on one add, if another one is coming later that I prefer to spend it on. There are probably not a lot of adds, right? I do not have any adds. I may have one, but I want to see what else there is.

Council Chair Kaneshiro: I do not know if we can have everyone say all the adds at once. We have to go through them one by one, take a vote, if someone has something that is particular to them that they want to put it to, then when they vote on the item, they can say, "I am not going to vote on this because I plan to propose adding it to somewhere else." Councilmember Kagawa.

Councilmember Kagawa: I have a solution. I want to help the Humane Society and I see that amount; I think that can help them out a lot. Right now with the problems that we are having with animals and safety...the other day I saw a dog unleashed at Wailua Beach. I called Wally Jr. and he sent his rangers, because the dogs were picked up. It was a loose dog, not on a leash that could have bit a pedestrian or bicyclist and he took care of it right away. Thank you, Wally. The Humane Society came up, they asked for a little bit more, and I know I am not able to be Santa Claus too often, but in this case, I want to help their new director. We keep having new directors stay for a little while and they leave. Maybe we need to reciprocate and maybe we can have one stay and be successful. If I can move to add that amount right there, get a second, I would be happy to do it, but is that going against our process, Mr. Sato? I do not have it prepared.

Council Chair Kaneshiro: It is an add.

Councilmember Kagawa moved to add \$111,036 for the Humane Society for Animal Cruelty Control Services, seconded by Councilmember Chock.

Council Chair Kaneshiro: You took all of...I am kidding.

Councilmember Kagawa: You folks were saying...

Council Chair Kaneshiro: You took all of Councilmember Kualii's...

Councilmember Kagawa: If Councilmember Kualii does not support it, then I will not support it.

Council Chair Kaneshiro: We have a motion on the floor. This proposal is to add this balance to the Kaua'i Humane Society budget. Councilmember Kualii.

Councilmember Kualii: I will say that I asked staff to prepare a proposal, but it is hard to work with that little amount of money knowing that there could be other important adds. I will happily support your proposal.

Council Chair Kaneshiro: Councilmember Kualii, you have most of the power because you are the only one that cut that amount.

Councilmember Kualii: Honestly, I want to see what other proposals there are.

Councilmember Kagawa: Can we talk about it? Is that a process we can do informally talking about the proposals and what is the adds each person has?

Council Chair Kaneshiro: We can say it in discussion, yes. Councilmembers can share what they have in discussion.

Councilmember Kualii: The only thing I had was this, honestly.

Council Chair Kaneshiro: Was this your add? To give the rest to the Humane Society or did you have...

Councilmember Kualii: Just the seventy thousand dollars (\$70,000).
What is this proposal's amount?

Council Chair Kaneshiro: The entire amount.

Councilmember Kualii: I had the seventy thousand dollars (\$70,000) for the public safety piece. They asked for two (2) amounts. Does anyone else have adds?

Councilmember Kagawa: They asked for one hundred eighty-five thousand dollars (\$185,000).

Councilmember Kualii: There were two (2) pieces: seventy thousand dollars (\$70,000) and one hundred eighty-five thousand dollars (\$185,000).

Council Chair Kaneshiro: Let me clarify, the seventy thousand dollars (\$70,000) was to cover their current operations and the one hundred eighty-five thousand dollars (\$185,000) was for the additional spay and neuter program.

Councilmember Kualii: I did not look at this.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Kualii: I have a proposal.

Councilmember Cowden: I supported the seventy thousand dollars (\$70,000) for the animal shelter, but I also wanted to give forty thousand dollars (\$40,000) to the Young Women's Christian Association (YWCA), which is less than half of what they were asking for. I realize that is because the State dropped some of their central support. Both are really important issues...

Councilmember Kagawa withdrew the motion to add \$111,036 for the Humane Society for Animal Cruelty Control Services. Councilmember Chock withdrew the second.

Council Chair Kaneshiro: Councilmember Kualii, let me hear what you want first.

Councilmember Kualii: Is this the only add, then?

Council Chair Kaneshiro: We can split it up any way we want, but that is all the money we have.

Councilmember Kualii: But nobody else has an add proposal?

Councilmember Cowden: I do.

Councilmember Kualii: Is it a cut/add?

Councilmember Cowden: I had an add for the YWCA.

Councilmember Kualii: I have to recuse myself on that.

Council Chair Kaneshiro: Let us hear what you wanted first.

Councilmember Kualii: My proposal, what they have, I guess...

Council Chair Kaneshiro: I would say, Councilmember Kualii, if you have a proposal to put seventy thousand dollars (\$70,000) to the Kaua'i Humane Society, we should do that one first, and then if there is a proposal on the YWCA, I know you have to recuse yourself, but at least we can make that decision at that time.

Councilmember Kualii: I do not know the account name or number...

Council Chair Kaneshiro: I hear the add. The add is to add seventy thousand dollars (\$70,000) to the Kaua'i Humane Society.

Councilmember Kagawa: May I help with this?

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: If we subtract seventy thousand dollars (\$70,000), we will have forty-one thousand thirty-six dollars (\$41,036) remaining. We said forty thousand dollars (\$40,000) to the YWCA, which I will support. What are we going to add for one thousand thirty-six dollars (\$1,036)?

Council Chair Kaneshiro: Right now, the motion on the floor is seventy thousand dollars (\$70,000) to the Kaua'i Humane Society.

Councilmember Kagawa: Okay. But one of the proposals, we are going to have to add that remaining amount.

Council Chair Kaneshiro: We are going to have forty-one thousand thirty-six dollars (\$41,036) left over and we will see what we do with that after.

Councilmember Kualii moved to add \$70,000 for the Kaua'i Humane Society for Animal Control Services, seconded by Councilmember Chock.

Council Chair Kaneshiro: Are there any questions on this add? Is there any discussion on this add? I am fine with the seventy thousand dollars (\$70,000). I would not have been fine if we added for the spay and neuter because if we are going to go down that road then we probably will have to renegotiate our contract. A lot of times, those types of things take procurement on our end, too, if we are going to add the services, but I am definitely in favor of adding the seventy thousand dollars (\$70,000). Kaua'i Humane Society has taken steps forward. In the past, the other budgets were easy because we just used to say, "They may not be recording their expenses correctly; the allocations are changing every year," and so it was real easy to say if that was the correct number or not. Since then, they did go through an audit, numbers were established, percentages of cost-sharing between the County, Kaua'i Humane Society, and their other funds were established and I think we have a better foot to stand on. Unfortunately, it means we have to put more money in, but it is what it is. I will be voting for this. Councilmember Kagawa.

Councilmember Kagawa: It is a matter of them taking care of problems when we have problems with animals. If someone asked me, "What do I do with the dog barking next to me," I say to call the Humane Society. Even though they may not be the ones that even addresses it...they have a lot of problems to deal with when we have animal

concerns, they are here asking for help, they have a new director, and I just wanted to show that this Council recognizes their importance. It gives the director this support; of course next year will always be a different year and we will see where we stand and we will see her track-record. I wanted to show on the Council end that we want to help her do her job and do her job better for the betterment of Kaua'i. That is why I am in support and was willing to support a little more, but it is what it is. We have to consider the YWCA as well. Thank you.

Council Chair Kaneshiro: Is there any further discussion? If not, roll call vote. Again, this take five (5) ayes.

The motion to add \$70,000 for the Kaua'i Humane Society for Animal Control Services was then put, and carried by the following vote:

FOR MOTION:	Chock, Cowden, Evslin, Kagawa, Kualii Kaneshiro	TOTAL – 6,
AGAINST MOTION:	Brun	TOTAL – 1,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Six (6) ayes and one (1) no.

Council Chair Kaneshiro: Thank you for your cuts, Councilmember Kualii.
Do we have further adds? Councilmember Cowden.

Councilmember Cowden moved to add \$41,036 to the Office of Economic Development, Grant In Aid, Sexual Assault / Domestic Violence Community Program, seconded by Councilmember Chock.

Council Chair Kaneshiro: I believe Councilmember Kualii will be recusing himself from this proposal.

(Councilmember Kualii was noted as recused.)

Councilmember Cowden: They are typically the vendor for that and I think that our increase of assistance regarding violence to women and sexual assault has not tapered off as well and they are doing a really effective job. They are working well with the Police Department. I am really sorry to see that the State has dropped some of their funding. I realize it is more of a State function, but they partner well with the Police Department, which is a County function. It is a really important segment of our population that are vulnerable, so I feel strongly about giving them support. It is less than they need, but better than none. They lost ninety thousand dollars (\$90,000) from the State.

Council Chair Kaneshiro: I will suspend the rules for a question from Councilmember Chock.

Councilmember Chock: This question is for the Office of Economic Development. I am inclined to support this, but I know that the amount that was requested in order to continue the program was upwards of ninety thousand dollars (\$90,000) that was cut from the State. My question is really about feasibility with the amount that we are actually being able to give at this moment. You may not have an answer. I wish there was a representative from the YWCA, because that would have been good, but what can they do with the funds? Can they do a portion of the program with the amount that we are funding? Do you know?

There being no objections, the rules were suspended.

ROBBIE MELTON, Director of Economic Development: I am assuming they can definitely use the money, but we have not been actively involved in the program at all.

Councilmember Chock: Okay. We need to know that we are accountable to the money we spend, so if we pass this, can you get an answer back to the Council on how this would be played out with the YWCA?

Ms. Metlon: Yes.

Councilmember Cowden: I wonder if Deputy Chief Contrades and Chief Raybuck can help to answer this question because this is tethered in with what they do. They might have the answers to the questions.

Councilmember Kagawa: They are shaking their heads.

Councilmember Cowden: No, they do not? Okay.

Councilmember Kagawa: They are a separate agency.

Council Chair Kaneshiro: Yes. Councilmember Kagawa, do you have a question?

Councilmember Kagawa: I echo what Councilmember Chock had asked for; just making sure that the description is here and as long as they are not getting the entire funds they asked for, he hit it on the head; does this portion still not meet the amount they need to function and if it does not, then we should not administer it to them if they say it cannot. We do not want to give them money just because they are way short. If they cannot do what the budget is telling them to do with it, then make sure it does not go out, I guess.

Ms. Melton: Yes, we would be happy to do the due diligence.

Councilmember Kagawa: Thank you so much.

Council Chair Kaneshiro: Are there any further questions? If not, thank you.

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

Council Chair Kaneshiro: Is there any discussion from the Members?
Councilmember Cowden.

Councilmember Cowden: I am an active part of the Domestic Violence Task Force, so I know that this money goes towards staffing. Therefore, if they need some, it is just a little bit less than they can have. They have more than one position, so it helps. I mean it can get applied, I do know that.

Council Chair Kaneshiro: Anyone else? I will be supporting this proposal. I think we need to be aware that if the State continues to cut money, we cannot be the ones that continues to supplant it because it is a never-ending pot for us. The State will start to think, "That is awesome; we will just cut all the other programs, because the County will just pay for it." We have to be very careful. When we do put money like this in our Grant In Aid, that it needs to be spent wisely because it is no guarantee that the money is going to be there in a future budget. That is my only comment. Further comments? Roll call vote.

The motion to add \$41,036 to the Office of Economic Development, Grant-In-Aid, Sexual Assault / Domestic Violence Community Program was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Cowden, Evslin, Kagawa, Kaneshiro	TOTAL – 6,
AGAINST MOTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	Kuali'i	TOTAL – 1.

Ms. Fountain-Tanigawa: Six (6) ayes and one (1) recused.

Council Chair Kaneshiro: Okay. Now we have zero dollars to spend. Are there any adds? Councilmember Cowden.

Councilmember Cowden: I have a cut and an add together.

Council Chair Kaneshiro: Okay. Any adds that you want to test your luck and see if we are willing to vote to take it out of the Reserve, which I do not think we would. Councilmember Chock.

Councilmember Chock: I did have an add and Council Vice Chair Kagawa has an add as well that he did not introduce. I am not introducing this one, but would like to, at least for the sake of informing the Council, I have been working along with IT on improvements for our own Council Services webpage and so forth as it relates to community engagement. Initially, the project was much less than I think it is. It is more of a system change. I do not believe we are ready for it, but I wanted to put it on the table that it may be forthcoming, not as it relates to this budget right now. Thank you.

Councilmember Kagawa: Would it help me because I do not have E-mail. That person messed me up.

Councilmember Chock: Of course it would.

Council Chair Kaneshiro: If there are no other adds, we will go into adds and cuts.

Councilmember Kagawa: Can we go to lunch?

Council Chair Kaneshiro: We have about eight minutes left until lunch. Do you folks want to take a lunch before we start adds and cuts?

Councilmember Cowden: I have a fast one, if you want.

Councilmember Kagawa: Mine is going to take a little while.

Council Chair Kaneshiro: Are there any additions to tax rates? Scott (Scott K. Sato, Deputy County Clerk), are we going to have to wait until we get to the actual tax rates? Okay, this will only be adds and cuts to the Operating Budget or CIP Budget. Councilmember Cowden, do you want to do your proposal. It will be the last one before we go to lunch.

Councilmember Cowden moved to reduce the line item Special Projects by (\$300,000) and add a new project under Special Projects titled Additional Homeless Shelter Funding in the amount of \$300,000, seconded by Councilmember Kagawa.

Councilmember Cowden: We have been having more sweeps, there is increased activity, we have more houseless, and when I go and try to work with these people, if they are just told to go to Kaua'i Economic Opportunity (KEO), there are eighteen (18) beds there. It happens that there is another building with another eighteen (18) beds and I did go and talk with them. They estimate that is about three hundred thousand dollars (\$300,000) annually, all costs included to run, but I framed this such that it goes at a bidding job. For instance, if there was someone else who was able to do it particularly in other areas, it is open and not direct funding. It seems like we have a crisis and when we are just sending them to a place with eighteen (18) beds, that is not enough.

Council Chair Kaneshiro: Okay, this is a 512 Fund and not the Operating Fund. I will suspend the rules. I have a question for the Housing Agency.

There being no objections, the rules were suspended.

STEVE FRANCO, Acting Housing Director: Steve Franco, Acting Housing Director, for the record.

Councilmember Chock: What are we committed to for the Housing Fund and how would this impact Housing?

Mr. Franco: I talked to Councilmember Cowden about the services that are going on at KEO right now for the homeless shelter. Our concerns at the Housing Agency is the performance of KEO and giving them any more additional moneys from this fund. Based on their past performance, we have some concerns with KEO being able to deliver on using these types of funds to provide the services. That is the only concern that we would have on the Housing Agency side.

Council Chair Kaneshiro: I have a follow-up question. If KEO was providing proper service, good service, would the money come out of here?

Mr. Franco: I believe so, yes.

Council Chair Kaneshiro: Would you need a line item for it?

Mr. Franco: No.

Council Chair Kaneshiro: Okay. Are there any further questions from the Members?

Councilmember Kagawa: I appreciate the amendment, but I cannot support it at this time. Hopefully, the Mayor and the State will have a holistic approach. I never believed in putting money in to fix things, because sometimes it can lead to...I think (inaudible) had that discussion about Hawai'i Island. If you make these facilities for homeless people, you are going to have more coming in from the mainland, so you have to be careful in those steps that we take. We certainly do not want to be a magnet for homeless transplants.

Council Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Mr. Franco, you said you have issues with KEO right now? Are we taking steps to take care of those issues?

Mr. Franco: They have come to us with whatever issues that they do have, we have been trying to work with them closely to resolve them. For them, it has been issues with staff turnover and so once we start working with someone, then someone else comes in. As I told Councilmember Cowden, it has just been challenging in the past.

Councilmember Brun: Being that they have issues, is it not premature to put the three hundred thousand dollars (\$300,000) there?

Mr. Franco: No. Those are the only concerns that the Housing Agency has, which is to make sure that they are able to deliver the services and ensuring that they understand what they are required to deliver with the funds.

Councilmember Brun: Okay. Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Thank you for your frankness regarding the challenge that you have with that organization. One of the reasons why we looked at that cost directly is that shelter could open tomorrow with the cleaning, if we needed it. But as we talked about not assigning it to a particular vendor and just made that money out there in case there were other vendors that could apply for it, I do not think anyone is ready to open their doors tomorrow. Are you saying that if there was another organization, I am just going to say for example in Kekaha or Kilauea or wherever, if we had regional ones, could they get housing funds for homeless sheltering? Does that money have the flexibility the way it is defined in the budget?

Mr. Franco: Yes, it could, if they showed the ability to provide the services that are needed.

Councilmember Cowden: They could do it?

Mr. Franco: Yes.

Councilmember Cowden: They could apply and they could find the funding?

Mr. Franco: Correct. Just keep in mind though that KEO is the only licensed shelter recognized by the State of Hawai'i right now, so that is the reason why we have the funds going in that direction.

Council Chair Kaneshiro: Are there any further questions from the Members? If not, is there any discussion? Councilmember Evslin.

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

Councilmember Evslin: I support Councilmember Cowden's intent of it, but I think as described, giving you folks the flexibility to determine the best use of that, given that it can currently go to homeless programs, I am not going to support the proposal.

Council Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: Same. I am not supporting the proposal because I do not think KEO is ready for the money right now. That is the only reason. I support doing things for the homeless, but I do not think KEO is in a good place right now.

Council Chair Kaneshiro: Anyone else? Yes, I see the intent Councilmember Cowden has. She sees a need in the community and is trying to earmark the money there. The fact of the matter is the money is there in this bucket and it can be spent if we feel like that is an area it needs to be spent on. I will not be supporting this proposal. Roll call vote.

The motion to reduce the line item Special Projects by (\$300,000) and add a new project under Special Projects titled Additional Homeless Shelter Funding in the amount of \$300,000 was then put, and failed by the following vote:

FOR MOTION:	Cowden	TOTAL – 1,
AGAINST MOTION:	Brun, Chock, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL – 6,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Motion fails.

Council Chair Kaneshiro: With that, we will take an hour lunch. We will be back at 1:30 p.m.

There being no objections, the meeting recessed at 12:31 p.m.

The meeting reconvened at 1:40 p.m., and proceeded as follows:

Council Chair Kaneshiro: Welcome back from lunch. We are on adds and cuts. Does anyone have a proposal for an add and a cut? Councilmember Kagawa.

Councilmember Kagawa: I want to thank the budget staff and the leadership because I will be first to admit...and I want to thank my colleagues. You all have attended all of the meetings, and I know I missed some and I will admit, I would like to attend every single one, but I just appreciate you all showing up so we had the quorum, which allowed the Administration to present all of this. Thank you all for showing up to all of the meetings. We are a team, actually, because we need the team to be in quorum.

Councilmember Kagawa moved to cut (\$1,537,118) from the Transportation Agency in the G.E. Tax Fund and add \$1,537,118 to the Department of Public Works for Islandwide Resurfacing / Road & Bridge Repair. This amount is the increase in the overall Transportation Agency’s budget from current fiscal year, seconded by Councilmember Kualii.

Councilmember Kagawa: What I am doing is basically restoring their budgeted amount to last year’s total. I know the proposal has been to increase the bus a little bit, since we have the one-half percent (0.5%) increase; however, the reason why I proposed this cut is because we are still waiting for the final report on the efficiency study, which we asked for many years and it is forthcoming. That study was to determine which sections of our routes were not efficient and my hope was that we could move some of those routes to meet the areas where we want to expand. In a true business model, that is the best way to be efficient; if you eliminate those areas that are not providing useful service and relocate them into areas without increasing costs to make your whole operations more efficient. Until we get the study, I think it would be premature to be adding one million five hundred

thousand dollars (\$1,500,000) to the department without even having the final report yet. That is my reason for the cut. Should the efficiency study show that we need to increase, I will be full open to increase the Transportation Agency's budget at any time, but at this point, I would rather see it go to an area that is in obvious need. What do people tell you every day; "We need our roads fixed; fix Olohena Road, Hanapēpē Road, fix whatever roads." We hear it everywhere we go that they are worried that they see the road getting worse and worse. There are a lot of speedbumps, not manmade created, but created by not repaving in time, so there is a lot of concern out there about our infrastructure. We know that is an area that can use the money. I have asked Mr. Tabata on the floor and he said that, "If we had more money, they can do more," so it is not like it will just sit. I think in the Administration's plan is that they wanted to increase transportation, but maybe we can increase transportation without even adding funding if the efficiency study tells us which ways we should change. Therefore, that is why I have the cut and it is not in any way to put down the Transportation Agency. We built our relationship into a very strong one over the years, I appreciate Celia and Jeremy's work and we have come a long way. It is not about that, it is just to wait until the efficiency study comes out. I am open to support something that will service the public, but I would want us to cut the inefficiencies first prior to adding. That has always been my rationale regarding the Transportation Agency. Are there any questions?

Council Chair Kaneshiro: Councilmember Brun.

Councilmember Brun: What are we giving road resurfacing now without this?

Councilmember Kagawa: Probably sixteen million dollars (\$16,000,000).

Councilmember Brun: Can they fully make use of the sixteen million dollars (\$16,000,000) without getting this additional one million five hundred thousand dollars (\$1,500,000)?

Councilmember Kagawa: I believe...

Councilmember Brun: In one year?

Councilmember Kagawa: I believe they will attempt to. We never had that type of bulk amount to go for, so I do not want to put them under the gun and say they would, but they are shooting to get all the roads repaved on the list that they have and he said on the floor that...and it did not, it is not like we are throwing away money. It would sit in that account and we would be able to use it the following year. I am just saying that this is an accounting measure that I believe until we get the efficiency study, it would be better served putting it someplace where we know there is an actual need to increase at this time. When that efficient study comes back, I would be open to putting it back if it tells us that we need to increase funds.

Councilmember Brun: Can I ask a question to Mr. Tabata?

Council Chair Kaneshiro: Yes. I will suspend the rules. Question from Councilmember Brun.

Councilmember Brun: Public Works or someone. The Mayor...someone...

Council Chair Kaneshiro: Maybe ask your question.

Councilmember Kagawa: Just remember this cut cannot...this is a GET cut, so it is not like "I would like to add more to possibly YWCA or Kaua'i Humane Society," I am prevented because this is a GET cut that can only move from roads to transportation. Just remember that.

There being no objections, the rules were suspended.

LYLE TABATA, Deputy County Engineer: Chair, Vice Chair, and Members of the Council, Lyle Tabata, Deputy County Engineer.

Councilmember Brun: Mr. Tabata, for resurfacing roads, I think you received sixteen million dollars (\$16,000,000) for this year?

Mr. Tabata: Yes. Do you want the exact amount?

Councilmember Brun: Are you confident that you can spend the entire amount without the additional money?

Mr. Tabata: The additional funds will definitely add to the amount that we can encumber and accomplish in the next fiscal year.

Councilmember Brun: Are you sure these companies can do this much work in one year?

Mr. Tabata: Like Councilmember Kagawa just mentioned, it is the first time we ever had this amount of money before and they bid on it, they will perform, and that is our...

Councilmember Brun: You have this much money that you do not know what to do with it now?

Mr. Tabata: It is Christmas. I promise you that we are doing everything in our power to spend this money as wisely as possible. Right now, we are looking at options to do an addendum to the present contract because prices came under. Between the Engineering Division and the Roads Division, they got out there this whole last two weeks looking at other areas that are just filling as we speak to try and do more work out there. If I had the 2020 money, right now, it would be very easy, but I have to wait until July 1st. We are trying to spend everything that is from the FY 2019 budget and more. It is good problem to have and we are doing everything in our power to get it all spent and a spread around the entire island; that is our charge.

Councilmember Brun: Thank you.

Council Chair Kaneshiro: Are there any further questions from the Members? Councilmember Cowden, did you have a question?

Councilmember Cowden: I have a question for the Transportation Agency.

Council Chair Kaneshiro: Celia.

Councilmember Cowden: Can the Transportation Agency use the proposed amount of one million five hundred thirty-eight thousand one hundred eighteen dollars (\$1,538,118) this year? It is a value for the Transportation Agency and if so, how will you be using it?

CELIA M. MAHIKOA, Executive on Transportation: Celia Mahikoa, Executive with the Transportation Agency. Yes, we certainly could put it to very good use. We have requested it and it is primarily for laying the groundwork for being able to implement the actions recommended by our consultants as we come through the end of our run cutting exercise in the next few months. That is the second layer of identifying efficiencies. Our internal team was able to identify quite a few efficiencies already in our operation and streamlining some of what we do and was able to add service to the heavy demand times during the weekends, as well as additional runs during the weekdays. As far as these funds that come in, we were hoping to be able to provide two (2) shifts of coverage for our repair shop, whereas right now by 3:30 p.m., our shop is shut down versus our system going until midnight on weeknights. We would clearly be able to utilize having coverage for our repair shop in the late afternoon/evening hours in order to better maintain our fleet to keep a sufficient number of vehicles on the road. Additionally, we are also asking for one hundred thousand dollars (\$100,000) in additional funds for the repair and maintenance (R&M) of vehicles that we have, because we have been encountering challenges in keeping up with the amounts that we are being provided because of the age of the fleet in which we have. We have not been provided sufficient quantity of funds each year to replace the numbers of vehicles that we should be ideally. Again, we can certainly make good use of those funds provided to us this year.

Councilmember Cowden: This area right outside the building here where we are seeing all the concrete work being done—that is for the Transportation Agency, correct?

Ms. Mahikoa: My understanding is what is applicable to our operation will be the bus stop, which I believe is what you see actively going on this week. It will be an extension of the small bus stop at the beginning of 'Eiwa Street. There will also be a larger section just beyond the current operating stop.

Councilmember Cowden: So it is not changing the operation in any way, it is just where you pull up?

Ms. Mahikoa: Yes, there will be shelters there, is my understanding.

Councilmember Cowden: Okay.

Council Chair Kaneshiro: Are there any further questions from the Members? Councilmember Kagawa.

Councilmember Kagawa: I think you folks are doing a great job and this cut was just to restore until we see the efficiency study. I thought we were supposed to have received it the last time I talked to the consultants, but I know things drag out and take time, because this is a huge project that they are looking at with many changes. When do we expect the final report?

Ms. Mahikoa: If you do not mind, I will ask Kalawai'a to address your questions.

Councilmember Kagawa: I will not hold you to that date, but when do we expect to get a completed report on their findings?

JEREMY LEE, Assistant Executive on Transportation: Kalawai'a Lee, for the record. Thank you, Council Vice Chair. The consultants are back at work. We are going through the final rounds of review of their products to us, so if we keep to the timeline, we expect to be finished near the end of this month with all of the review of the current efficiency studies that we have been doing. Putting that into effect is going to be in combination with our driver schedule signup periods that are in accordance with the bargaining units. So when we see those low logistical background products coming into effect, it will be when we are going to (inaudible) signup. Therefore, we are going to align that with that signup period, which might mean that we might miss one of our near cycles.

Councilmember Kagawa: Ms. Mahikoa, how much money was going to...so we can extend the hours for R&M so that they can perhaps take care of the buses that go beyond the normal work hours? How much of that money that I am proposing to cut will it affect?

Ms. Mahikoa: I can get you the exact total.

Councilmember Kagawa: Ballpark.

Ms. Mahikoa: Ballpark, looking at it right now, we are probably...

Councilmember Kagawa: How much would it be to expand the hours?

Ms. Mahikoa: Pay, fringe, and everything else...you are probably looking at about three hundred thousand dollars (\$300,000).

Councilmember Kagawa: How many employees is that?

Ms. Mahikoa: Three (3).

Councilmember Kagawa: That would help us to extend. I guess what is happening now is sometimes you have buses that you expect to be working that are not working the next morning, is that part of the consequence?

Ms. Mahikoa: Yes, ones that cannot get completed the prior day.

Councilmember Kagawa: (Inaudible) to not have that extended R&M or even minor repairs, right?

Ms. Mahikoa: Right.

Councilmember Kagawa: Thank you.

Council Chair Kaneshiro: Are there any further questions? If not, thank you. Is there final discussion from the Members? Councilmember Kagawa.

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

Councilmember Kagawa: I am open to the bus going ahead with the extended R&M and I would be happy to support a money bill at a later date—to show that is the reason why they need additional moneys, that we have successfully implemented that portion. I keep saying “support a money bill,” and I know Finance used to frown upon me saying that because seems like a tedious step that can be eliminated if we make better

decisions here. For me, I am hesitant to add more to the prior year's budget when we have not received the completed study that we have been waiting for, for a couple years now. I am not blaming anyone, it is just an extensive study because they even looked at fixing simple things that we identified, such as, no longer providing the 30-passenger bus to an able person because he made the age limit of fifty-five. A person who is fifty-five and healthy should not be getting a paratransit bus picking him up. Those are some of the corrections we proposed and I think it is great, but to know how much people were serviced by that, the study needs to show all of those numbers. Certainly, like I said, we can expand with the current plan if it gives us some good solutions. But at this point, I know we are far behind in the infrastructure and that is why I was thinking this would be something that I could get five (5) votes, which I said normally is...did I say it is dead? It is not really dead; the fish is out of water, but it is still flapping.

Council Chair Kaneshiro: Is there any further discussion from the members? Councilmember Cowden.

Councilmember Cowden: I tend to be very supportive of the bus because I know so many people who ride the bus, who need the bus, and again, as someone who regularly picks up people alongside the road, it helps me to understand which routes are not there and which places need to be there. I see it and when we received this GET increase, the vast lion's share is going to the roads. I agree that the roads are a critical issue, but I am not willing to starve the bus. We can do all that you are saying with paratransit and then being able to be add more lines. Especially on the sides of the island where we are having just overwhelming amounts of visitors, we have to get creative and start working in a creative way to encourage visitors to be using the bus. When we are hoping to have shuttles, in doing so, we want to discourage as much car rental, so I feel like the bus is very important.

Council Chair Kaneshiro: Are there any further comments from the Members? Councilmember Evslin.

Councilmember Evslin: I understand where Councilmember Kagawa is coming from. I do not think I was prepared coming into office at how steady the streams of complaints would be about our roads on Kaua'i; I think it is part of the job description and wherever we go, people are talking about the roads. It is definitely a dire need. That said, I do not think we should be taking the money from the Transportation Agency for three (3) reasons. One is that the GET is a regressive tax and we need to do everything we can to provide access to transportation for low-income families with it and that is what the bus does. It is a way to work for people who do not have a car. Two, is that these folks are ironically underfunded and work out of a shoebox. Their administrative support is underfunded, their repair shop is not funded out of (inaudible), I think they have many clear needs for that money, and based on my understanding, they are the only department that we have asked for them to do an efficiency study before giving them more funding. I think the result of that efficiency study is coming to fruition and sounds like they are going to do a lot of good things with it, but I do not think we should hold up any more funding for the one-month period it takes for them to get that report out. I respect it, but I will be voting against it.

Council Chair Kaneshiro: Is there any further discussion from the members? If not, roll call vote.

The motion to cut (\$1,537,118) from the Transportation Agency in the G.E. Tax Fund and add \$1,537,118 to the Department of Public Works for Islandwide Resurfacing / Road & Bridge Repairs (This amount is the increase in the overall Transportation Agency's budget from current fiscal year) was then put, and failed by the following vote:

FOR MOTION:	Kagawa, Kualii	TOTAL - 2,
AGAINST MOTION:	Brun, Chock, Cowden, Evslin, Kaneshiro	TOTAL - 5,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Ms. Fountain-Tanigawa: 2:5, motion fails.

Council Chair Kaneshiro: Can I change seats?

Councilmember Brun: This has to be the first time that I am supporting the bus.

Council Chair Kaneshiro: Any other proposals to add or cut from the members? Councilmember Kualii.

Councilmember Kualii: This is a proposal I am making on behalf of the Housing Agency.

Councilmember Kualii moved to effectuate housekeeping amendments to dollar-fund various accounts (to establish new accounts within the fund) in the Housing Agency, seconded by Councilmember Kagawa.

Councilmember Kualii: Basically, there are a few accounts and they are wanting to add three (3) new accounts for Housing Rental Payments, one is general and one is for HOME Investment Partnerships Program (HOME), Section 8 (United States Department of Housing and Urban Development (HUD) Housing Choice Voucher Program); the two (2) federal funding sources. Those accounts would only be used for housing payments to pay to landlords and has to do with the 1099 reporting of landlord income, being able to isolate it by that account. I am noticing that one account might be missing on the proposal and I am wondering if we should take a quick recess to check with the Housing Agency and staff.

Council Chair Kaneshiro: We can do that or maybe you can withdraw it and maybe someone else wants to introduce their add or cut proposal in the meantime? If not, we will take a quick recess.

There being no objections, the Committee recessed at 2:02 p.m.

The meeting reconvened at 2:05 p.m., and proceeded as follows:

Council Chair Kaneshiro: Welcome back. Councilmember Kualii, you have the floor.

Councilmember Kualii: Yes, there is a little typographical error in the account number, but it is not on the proposal, it is in the E-mail that was explaining the proposal, so the proposal as written is fine.

Council Chair Kaneshiro: Again, this is a housekeeping proposal from the Housing Agency. Are there any questions? Is there any discussion? Can I get a roll call vote?

The motion to effectuate housekeeping amendments to dollar-fund various accounts (to establish new accounts within the fund) in the Housing Agency was then put, and carried by the following vote:

FOR MOTION:	Brun, Chock, Cowden, Evslin, Kagawa, Kuali'i, 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.

Council Chair Kaneshiro: It passed with a zero (\$0) change. Do we have any more adds or cuts from the Members? These are our final adds and cuts for the Operating Budget and the CIP Budget. We are going to move on to the Real Property Taxes, if not. Going once, going twice...Councilmember Evslin.

Councilmember Evslin: Just to clarify that changes in Real Property Tax that comes with adds will still be up later?

Council Chair Kaneshiro: Yes, any changes to real property taxes will be right now. So, any changes to the Real Property Tax Rates? Councilmember Evslin.

Councilmember Evslin moved to reduce the Homestead Tax Rate by (\$0.15) to \$2.90; reduce the Residential Tax Rate by (\$0.15) to \$5.90; Increase the Vacation Rental Tax Rate by \$1.15 to \$11.00; Increase the Residential Investor Tax Rate by \$1.00 to \$9.05; Increase the Hotel & Resort Tax Rate by \$0.15 to \$11.00; and Decrease the Commercialized Home Use Tax Rate by (\$0.15) to \$5.05, providing a real property tax revenue increase of \$4,318,948 with \$21,595 automatically contributed to the Public Access, Open Space, Natural Resources Preservation Fund, \$185,000 to the Kaua'i Humane Society, \$43,964 to the Sexual Assault/Domestic Violence Community Program, \$100,000 to a Climate Action Plan, \$50,000 to the Business Innovation Grant-in-Aid in OED, an additional \$500,000 to the Public Access, Open Space, Natural Resources Preservation Fund, and the remaining \$3,418,389 to the Housing Development Fund, seconded by Councilmember Kuali'i (subsequently seconded by Councilmember Kagawa).

Council Chair Kaneshiro: Would you like to explain?

Councilmember Evslin: I think it is self-explanatory. I can talk through it real quick. To run through this real quick...

(Councilmember Kuali'i withdrew the second.)

Council Chair Kaneshiro: Can another Councilmember second the motion?

Councilmember Kagawa seconded the above motion.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: If Councilmember Kuali'i cannot vote on it, I can separate that item out...

Councilmember Kuali'i: Yes.

Councilmember Kagawa:

Let us try it out first.

Councilmember Evslin: I will talk it through and then maybe we will figure it out procedurally. I think the rationale to reduce Homestead, Residential, and Commercial use should be pretty clear, right, people are being taxed out of their homes. These rates at \$2.90 puts us in line with Maui County, which I think is in a similar housing situation as us with rapidly appreciating housing values. The rationale to increase TVR (transient vacation rental) by one dollar and fifteen cents (\$1.15) is to get it in line with Hotel & Resort, which also is what Maui County is doing. There is no logical reason why TVRs should be different than Hotel & Resort. If anything, TVRs have an undue impact in residential areas where they are at. The rationale to the small increase to Hotel & Resort is that our Tourism Strategic Plan says we are over capacity for tourists and we need to do everything possible to get within balance and one way to do that is start charging tourists more. For the most part these are pass-through taxes. In theory, TVRs and hotels will pass these on to the guests staying there. The rationale for the slight increase to Residential Investor—that is only on homes valued at over two million dollars (\$2,000,000) that are vacant. One, we have a large number of vacant high-valued homes that are owned by overseas people. Number two is that those homes, in general—we have low excise and low-income taxes in Hawai'i because we make up for it with property taxes in an opposite way...low property taxes, because we make it up with income and excise. Vacant homeowners are not contributing income or excise, yet the State and County still has to provide the same level of service to those homes. This is just trying to increase that and it is only fifteen cents (\$0.15)—just a hair. It still puts it way less than any mainland rate would be for these homes. Just to run through where the money is going. One hundred eighty-five thousand dollars (\$185,000) would go to the Kaua'i Humane Society for a spay and neuter program for dogs only. Maybe they can speak on it, if needed. The forty-three thousand nine hundred sixty-four dollars (\$43,964) would go to complete fund the Sexual Assault Program. Fifty thousand dollars (\$50,000) for the Business Innovation, OED sounds like has a really good plan to help support small businesses. As a small business owner, it is almost impossible to get by and we need all the help that we can get. I support that program. Lastly, one hundred thousand dollars (\$100,000) to the Climate Action Plan, which I think is important for a few reasons. Number one is in order to give us a pathway to achieve the goals in our General Plan, which is eighty percent (80%) emissions reduction by 2050, and to do that while reducing inequality or to ensure that we are not putting the burden on low-income people. In so many ways, climate change and the effects of it are our costs to low-income families. Last week, we talked about the Waimea and Hanapēpē River levees. Those with a mortgage have to purchase flood insurance, those without a mortgage do not, and these are in all coastal areas, all places with flood maps that are getting worse and worse. The people who have the money who do not have a mortgage, do not bear those costs, it is the lower income families. If we look at the cost of the flooding event in the North Shore, the people who are most impacted by the road closure are those who have to drive out of Hā'ena every day to work, and the people with independent incomes are not. It is super important that we create a path to zero and to ensure that we are doing it in an equitable fashion. There are so many policies around climate change are the opposite—if you look at California, they have a mandate to put solar panels on every house. Sure, that reduces emissions, but it increase costs for everyone else. That is a burden on people who cannot afford the cost of their home. If we had a climate action plan focused on equity, we can avoid those types of pitfalls. Lastly, just transportation costs, our average citizen on Kaua'i pays ten thousand dollars (\$10,000) a year for transportation. A large part of their housing expense is on energy-related cost to electricity; anything that we can do to improve efficiency is a cost savings for those families, anything we can do to improve transportation whether it be public transportation, whether it is more housing in our town cores, whether it is electric vehicle infrastructure for the day that electrical vehicles are cheaper than gas cars helps those families reduce their financial burden. I feel that the

Climate Action Plan is necessary to get us to lower emissions and do it in an equitable fashion. There is my pitch. Councilmember Kagawa, if you want, we can add your mold remediation project into there. Lastly, three million four hundred thousand dollars (\$3,400,000) to the Housing Development Fund. That fund is getting raided potentially for the west side land acquisition and also in the middle of an affordable crisis, we need to do everything possible to support housing. Part of that is more housing and part of that is public funding for housing. Five hundred thousand dollars (\$500,000) to the Public Access, Open Space, Natural Resources Preservation Fund. Again, we have raided that fund repeatedly without even consent of the Open Space Commission. It is pretty low right now and we need to be able to have the money in there so we can act quickly on open space and public access acquisitions when needed. I hope I have all of your support.

Council Chair Kaneshiro: Can you repeat that? I am kidding. Do we have any questions from the Members?

Councilmember Kualii: If there is a motion and a second and that piece remains, do I have to recuse and step out?

Councilmember Cowden: For YWCA.

Council Chair Kaneshiro: It says "Sexual Assault Domestic Violence Community Program."

Councilmember Kagawa: Can I make a suggestion? Let us see how the votes come out on this as a whole, with you out, and then see if you folks can change strategy if you need Councilmember Kualii's vote. But if you are far short of the five (5), then the fish is actually not moving already. It is out of the water and stiff.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I would actually like to call the Mayor up. Is Brad Cone around?

Council Chair Kaneshiro: No, but the Finance Director is here.

Councilmember Cowden: There are always unintended consequences and this...what does Councilmember Kagawa say..."Santa Claus," and there are things that sound good in here, but I want to talk about what could be a consequence. I have some thoughts of my own, but Mayor, you first. What is your reaction to this? Were you aware of this?

There being no objections, the rules were suspended.

Mayor Kawakami: Our Finance Director was aware of this; we caught some wind of this. My first reaction was congratulations for taking a page out of my playbook. I did the same exact thing last budget when I had my own priority issues. We raised the tax rate on Residential Investment class, we also raised it on TVRs—that was to help prioritize what the Council felt was a necessity to support affordable housing and other initiatives. This is certainly under the purview of the Council. These are all things that you folks talked about adding. I do not know how much relief the fifteen cent (\$0.15) decrease is going to provide to Residential and Homestead, but if you want to provide some relief, you certainly made it up in other areas. As far as Hotel & Resort, having another fifteen cents (\$0.15)—I am just assuming that you did the legwork prior. When I did the bump in revenue enhancement for the TVRs, I reached out to Lucy (Inaudible) to give her the heads-up that

this was coming down the pipeline, but other than that if you send it to us, we will make it work.

Councilmember Cowden: It looks good, but there are always unintended consequences, so there is a lot that is in here. An issue of what I would like to see is real property tax increases for empty houses that have no family in them for whatever reason, so the Residential Investor, that is a stab with that, because those are empty houses. I think that those probably have at least as much impact on our housing as vacation rentals.

Mayor Kawakami: That is a good point, but these are houses valued at one million dollars (\$1,000,000) to two million dollars (\$2,000,000) or more, so I highly doubt you are going to get too much affordable housing. If you really want to disincentivize these vacant properties, then you would actually want to increase the Residential Home class. Those are the houses that are sitting vacant for whatever rich reason, maybe a parent has passed away and the family cannot decide what to do with it, you may have out-of-state owners that forgot that they have this house on their inventory, which happens. If you really want to increase the inventory of affordable houses then I would think that you would disincentivize that vacant second home that is valued under two million dollars (\$2,000,000) and that would be within that Residential tax class.

Councilmember Cowden: I am in agreement with you that there are a lot of houses that are in that lower price, though it is challenging for me to understand how we can identify which ones are vacant, because we do not want to raise everyone, but just the vacant ones. I do not quite know how to find the vacant ones. Let me frame a concern to you and then see what you think back. Sometimes when I look that we have our taxes are really light, thank you very much, my taxes are really light on Homestead. I like that. But we become so highly dependent on the types of housing uses that we do not want, that is another part of that consequence. Therefore, for me to just go, "Yes," in a heartbeat, I am leaning on you right now to help parse this out. This is a big deal to make this change.

Mayor Kawakami: Do not lean on us too much; we have a lot of people leaning on us. I am just kidding. We submitted a budget without an increase in the tax rate and we made a promise to the people in our State of the County and in our Inaugural Address that we are going to be submitting a budget without increasing the tax rate. That is why we tried to do more with less and we tried to ask the departments to make those sacrifices upfront, because we held committed to that. With that being said, this is under the Council's purview, like everything else. I would be a hypocrite if I said this is totally wrong, because I did the same thing on the last budget go-around to make sure that we could make ends meet. I actually have had my feet in your shoes, I know it is a difficult decision, but with that being said, like I said, I would not know how to fund all of these Council priorities that are laid out here. Sometimes when working together, you folks have come up with a potential solution, and I cannot, because I would not know how to solve this problem. It is what it is.

Councilmember Cowden: The piece that is important to me...I do not know if we can find those empty houses—like when we have those empty houses that are in Residential. I think that is a really big problem. We have a lot of empty houses that do not hit that two million dollar (\$2,000,000) amount, but maybe we can look at that for next year. I actually tried to think about how we can do that for now.

Mayor Kawakami: I think we have all of the information as we speak, because if we are taxing you at the Residential tax rate, then we have tangible data as to how many units are out there.

Councilmember Cowden: Do you know how many are empty? For example, some people are Residential and they rent it out. How do we know if they are really just sitting there?

REIKO MATSUYAMA, Director of Finance: Reiko Matsuyama, Director of Finance. Just increasing the disparity of the rates between Homestead and Residential will incentivize people to fill it and hopefully they fill it at the affordable rate.

Councilmember Cowden: We are dropping the price for the Residential.

Ms. Matsuyama: Yes, I understand.

Councilmember Cowden: So, this is not increasing the disparity.

Ms. Matsuyama: Yes, I am talking about for next time.

Councilmember Cowden: Okay.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Do you think it is fair to say though that the majority of homes taxed at the Residential rate are long-term rental properties?

Ms. Matsuyama: I do not know about long-term, but I would think majority as opposed to vacant.

Councilmember Evslin: Just to clarify my own rationale for lowering that is that lots of families are renting properties, anyone renting a home would be at Residential.

Mayor Kawakami: We would have to revisit. One of the things we thought about was creating another property tax rate for those residential vacant units that are sitting out there. I am sorry, I got misinformation out to you, you are absolutely correct, the ones that you are apparently giving some property tax relief to, a majority of them, yes, they are being rented out. The ones that I had my mind stuck on was those residential units that are vacant and that would be something that we would have to challenge ourselves to find a way to differentiate between the two.

Councilmember Evslin: I agree entirely. I think it is so vitally important for us to figure that out and lots of other places have mechanisms to do that. We have been talking to Reiko and Real Property a fair amount about it and it is challenging without requiring everyone to come into a lease agreement every year, but hopefully we can find some path for that, which would go into effect in theory next budget, if it is passed.

Council Chair Kaneshiro: Are there any other questions for the Administration? If not, thank you.

Mayor Kawakami: Thank you.

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

Council Chair Kaneshiro: Is there any final discussion from the Members?
Councilmember Kagawa.

Councilmember Kagawa: A lot of difficulty in, like what Councilmember Cowden said, the disparity, because we want to do the right thing and reduce the Homestead rate for the ones that we are thinking about, but there is also some that are in the Homestead rate that are very rich. Is that going to be a good cut for all? I would say probably not. It is like when you talk about our welfare system with free medical and dental and what they look at is only income. You have a lot of rich people here with beautiful cars that are taking advantage of the free medical and dental and they have a lot of assets. It should be based on income and assets, but I guess our welfare department is only a one-track mind and only looks at income. You do not even need to have a job and have millions of dollars from your rich parents, and you get free medical and dental for yourself and your family. I am just relating that to how this is. We have people in the Homestead Class, who can more than afford it, and then to lower the tax rate, it is going to be continuous forever. We are going to be losing that revenue when we have so much of our infrastructure needs and then we have new contracts coming up for all of our employees, so I do not want to hamper ourselves with this cut. We may say this year, "We have a fifteen cent (\$0.15) cut," and then the mayor comes back and asks it to go up to three dollars twenty-five cents (\$3.25), which will have a twenty cent (\$0.20) increase. I rather keep it at the rate for now because there is so much uncertainty. He promised the supporters that he would do his due diligence, as he came in, without increasing taxes and try to be more efficient and I think he stuck to that word. We need to just follow his plan and perhaps maybe next year this might be the plan working with Councilmember Evslin and come up with something that was studied and detailed so that we hit those who need that help, while still collecting those who can more than afford it. I do not know if there is a way to differentiate Homestead class, but we certainly already nailed the TVR folks last year and we should give them a break this year because you cannot keep hitting them. If you keep hitting them and then when you are going to need the money, you are going to have to just hit everyone with the tax increase. It is "catch-22" for all. What the economy says is the worst thing we can do is increase taxes because we contribute to inflation and more people struggling. Taxes have to be the last resort and GET was the last resort. We knew we were not getting our share of the TAT back and that is the only reason why that thing had a chance to pass. But in this case, I think we can wait a year, although I want to do all these good things. I want to give the KHS more money, but maybe we can do something with a money bill later or something. I do not know what the direction is, but again, without cuts, you cannot add and that is why we have an amendment process or the money bill process throughout the year and maybe that will be the better way. I cannot support this proposal at this point.

Council Chair Kaneshiro:

Anyone else? Councilmember Cowden.

Councilmember Cowden: The nuance that I was looking at is that we become very reliant on the visitors and the wealthy. For instance, I will say the North Shore and the Po'ipū areas become the collateral damage of our taxation system. As we put in all these high-end houses, look at where so much of the chunk of our income comes from is these people who do not live here, but the more we get reliant on them, the more we have to have them. I like not having to pay a huge amount of taxes. I am still listening to everyone's opinions. I appreciate some of what Councilmember Kagawa is saying. I know that a lot of the vacations rentals—they are at their absolute limit, between the flood insurance and then the tax rate, they just cannot even hold on to their houses anymore. People are getting one hundred thousand dollars (\$100,000), eighty-five thousand dollars (\$85,000) tax rates. They have to sell that house. It is not like that house becomes a long-term rental, it becomes an empty house without anyone providing jobs and creating business. It is a really short window for me—five (5) to ten (10) minutes to think about such a profound change, so I am still listening to the others.

Council Chair Kaneshiro:

Councilmember Evslin.

Councilmember Evslin: As far of the fear of a high TVR rate creating empty houses, I do not think that would occur. One is because if the house did sit empty, it would be taxed at a Residential Investor tax rate, which is also high. Two, if they term it into a rental unit at the long-term affordable rental rates, their property taxes would go down twenty-five percent (25%) of what they are at the TVR rate. Therefore, if your property tax is twelve thousand dollars (\$12,000), they would be at three thousand dollars (\$3,000). That is three thousand dollars (\$3,000) per year, which is doable. That is part of the rationale to reducing Homestead.

Councilmember Cowden: These houses are not three thousand dollars (\$3,000) difference. These taxes are between sixty thousand dollars (\$60,000), forty thousand dollars (\$40,000), eighty thousand dollars (\$80,000)—they are really very high. Even if the house is very simple and small, it might be estimated at eight million dollars (\$8,000,000), ten million dollars (\$10,000,000), so you are never going to sell a ten million dollar (\$10,000,000) house. Even if you sold it for two hundred thousand dollars (\$200,000), the person would still have to go against the assessed value and it is not realistic to think that these houses will return...at least not down in the low-lying areas. That tax rate does make a very big difference. The sales tax that goes on top of it, it is the property tax that the owner has to pay and a lot of these people, even without a mortgage are on the edge of having to sell their houses.

Council Chair Kaneshiro: Any further discussion? I will not be supporting this proposal. Last year, we had very pressing needs; housing and roads were issues. We did not have any GET money coming in yet. I do not know if we even received a check for GET money from the State. We did. Probably our first payment. Last year, we increased Residential Investor and Vacation Rental. I was not that comfortable doing it because I always like to hold those in our back pocket for when our economy tanks, those are ones that we can rationally increase and justify. We increased it last year, but the money would equal to almost four million dollars (\$4,000,000). Two million dollars (\$2,000,000) to housing, one million dollars (\$1,000,000) to roads, and another one million dollars (\$1,000,000) went towards bathrooms at parks, which were huge issues at the time. If you look at it and we continue doing this year after year and trying to put money to projects, we are going to continue increasing our taxes every single year and then when we actually need to increase taxes to balance our budget, we are not going to have a means to do it or it will be very difficult. If we start lowering the Homestead rate, I can almost guarantee you if we try and raise it, we are going to get nailed. That is why we do things with the Homestead rate. We put a three percent (3%) cap on the Homestead rate and we have all different programs for the Homestead Rate to try to help the residents. But I am telling you that when we need the money, it is going to be very difficult if we start doing proposals like this where we are reducing tax rates and increasing on the ones we know we can increase, and then when the economy tanks, then we are going to have to increase the ones we decreased and increase the ones we increased even more. I will not be voting for this proposal. I would rather hold our Vacation Rental tax rate and Residential Investor tax rate for our pocket for the day that our economy does start to shrink. If you look at our analysis on our taxes, those are the industries that are already paying the high proportion of taxes into the County. We really have been able to protect the Homestead tax rate. They have high value compared to everything else, yet their taxable base is very low and that is because we want to protect people who are actually living in their homes, but we cannot keep going down the road of "this unfairness," and keep increasing taxes. Actually, the day that we are going to need it, it is going to be a very difficult decision on the Councilmembers to increase taxes at that time. That is my spiel. Councilmember Chock.

Councilmember Chock: I appreciate Councilmember Evslin's attempt. The tax system is pretty complex as it is so it is very difficult when we see a complex amendment that takes into consideration multiple classes at one time. For me, that is the biggest challenge that I have with this proposal. I cannot vote for this as it is being presented. I do not have anything against your adds. The closest thing that I could support is probably an increase in Vacation Rental, like what Mayor Kawakami did at the last budget, to focus on that. I think the Mayor is comfortable with moving up to the Hotel & Resort because that is what his proposal was, but here you increased the Hotel & Resort as well. Therefore, that is something that I would probably be able to work with as it relates to what your interest is here, but there has been a lot of discussion, and of course you know, you and I have been working on these subclasses. As we look at the complexity of each one of these classes they land on certain people unintendedly, as Councilmember Cowden has said. I feel much more comfortable as we have talked about instituting some of these sub classes as it relates to Residential Investor, as it relates even to TVRs in order to flesh out where people are and who we are truly affected. Whether that is a direction of a percent of what the value of the house is or even the rate that we currently use, I think it will give us a little bit more leverage in trying to figure out what the right amount is that we should be taxing people at the value of their homes. Therefore, in that sense, I feel like it is a little bit premature to take this on. Of course, if you had another amendment just for TVRs, I would consider it. I do think we need some of the adds you are talking about as it relates to housing and I could certainly support that. As it is now, my answer is no.

Councilmember Cowden: I have a procedural question. This is my first year. Is the budget the only time that we can review the property taxes? This is the time to do it, right?

Council Chair Kaneshiro: It is when we can do the rates. But we can have meetings discussing options on what happens if we adjust the rates, but the budget is the time we can actually adjust rates.

Councilmember Cowden: Because I applaud all the work and thought that has gone into this and certainly this page of what we can spend it on is a nice "wish list" and it feels really good. This would be something that I would have liked to have been able to have spoken about for a while to be able to work on it. I do not know if you heard what I said, but it is okay. I do not think you did.

Council Chair Kaneshiro: I was asking Mr. Sato—throughout the year, there are things that you can adjust. I believe we have adjusted exemption amounts, age exemption amounts, and those types of things. You can do it throughout the year. With that, you would probably put it in a future period, so you do not affect the budget at that time, but as far as adjusting tax rates, which is what I was asking him about while you were speaking, the time to adjust tax rates is in the budget now.

Councilmember Cowden: Could we have worked on this a little bit earlier or no?

Council Chair Kaneshiro: You can work on it anytime throughout the year.
Councilmember Kagawa.

Councilmember Kagawa: I am ready to vote and let us see where we go from there.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Thank you for the discussion. I appreciate all the support for this. I am just kidding.

Councilmember Kagawa: You sound like me now.

Councilmember Evslin: I am just trying to revive a dead fish. Just for perspective, increasing one dollar (\$1) to the Vacation Rental Tax Rate, which sounds big—that is an increase of point one percent (0.1%), right? An increase of fifteen cents (\$0.15) to Hotel & Resort is point zero one five percent (0.015%)...they are not that big of increases. Number two, as far as locking us in to this for the future and when there is recession, not having the ability to move money around, we have three million eight hundred thousand dollars (\$3,800,000) going to housing, which is sort of a discretionary line item that we are doing. We could easily move that in times of need on a year-to-year basis, if these were to be enacted. Lastly, I would be totally open to...granted that I have one vote right here, so I do not know if anything would happen anyway, but if there were other things that people wanted to take or add, I would be open to anything along those lines. Thank you.

Council Chair Kaneshiro: Councilmember Kagawa.

Councilmember Kagawa: Let us take this vote and then you folks might need some time to regroup and see whether we are going to end this meeting or we are going to try one more swing. Certainly, the votes here are not going to meet the five (5).

Council Chair Kaneshiro: Can I get a roll call vote?

The motion to reduce the Homestead Tax Rate by (\$0.15) to \$2.90; reduce the Residential Tax Rate by (\$0.15) to \$5.90; Increase the Vacation Rental Tax Rate by \$1.15 to \$11.00; Increase the Residential Investor Tax Rate by \$1.00 to \$9.05; Increase the Hotel & Resort Tax Rate by \$0.15 to \$11.00; and Decrease the Commercialized Home Use Tax Rate by (\$0.15) to \$5.05, providing a real property tax revenue increase of \$4,318,948 with \$21,595 automatically contributed to the Public Access, Open Space, Natural Resources Preservation Fund, \$185,000 to the Kaua'i Humane Society, \$43,964 to the Sexual Assault/Domestic Violence Community Program, \$100,000 to a Climate Action Plan, \$50,000 to the Business Innovation Grant in Aid in OED, an additional \$500,000 to the Public Access, Open Space, Natural Resources Preservation Fund, and the remaining \$3,418,389 to the Housing Development Fund was then put, and failed by the following vote:

FOR MOTION:	Evslin	TOTAL – 1,
AGAINST MOTION:	Brun, Chock, Cowden, Kagawa, Kaneshiro	TOTAL – 5,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	Kuali'i	TOTAL – 1.

Council Chair Kaneshiro: Motion fails. Do we have any other proposals for Real Property Tax Rates?

Councilmember Evslin: I have three (3) more, but I will shovel them.

Councilmember Cowden: I like the way you are thinking, go ahead and make more. I like the thought.

Council Chair Kaneshiro: We will wait for Councilmember Kuali'i to arrive, I am not sure if he had any proposals.

Councilmember Kagawa: If we need some time, let us take a recess and try and see if you can try and garner something that you are going to have to swing...

Council Chair Kaneshiro: From one (1) to five (5).

Councilmember Kagawa: Yes, you are going to have to swing four (4) people. If you do not see it happening, then I would say that we have the entire year to do things as we see. That is called the amendment process. We can do money bills whenever. It is nice when you can do it now, but like I said earlier, historically, five (5) is dead.

Councilmember Evslin: One (1) is even more dead.

(Councilmember Kualii was noted as present.)

Council Chair Kaneshiro: Do we have any other changes to Real Property Tax Rates? Again, throughout the year, we can have meetings, we can have scenarios on which changes we could possibly make and how it affects everything. It is very difficult. Touching tax rates is like...it has to be like surgery. It cannot be like an atomic bomb. One small change affects a lot of things and we can say, "If we increase it now, the money will be available for things later," but we increased four million dollars (\$4,000,000) last year, where is that money now? That is what is going to happen and that is the reality of it. That is why the fear of continually increasing it and thinking that the money is going to be very liquid to spend is not going to happen. If we do not have any more proposals, that is okay. Next, we will move on to provisos. Do we have any changes to the provisos of the budget? It is at the very end of our budget. Okay. So, we are going to be done. Thank you everyone for not lasting three (3) days. Last year, we lasted two (2) days. I would like to ask if I could get a motion and a second to provide the Council Services Staff with the ability to make adjustments after entering the various proposals if necessary to balance the budget. As they do the changes, there may be pennies off, so we want to give them the ability to balance the pennies so that we do not have to come back here.

Councilmember Brun moved to allow Council Services to balance the budget, seconded by Councilmember Chock, and carried by the following vote:

FOR MOTION:	Brun, Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL - 7,
AGAINST MOTION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Council Chair Kaneshiro: The Committee of the Whole Decision-Making session is completed. I think we all realized how difficult it is to cut, add, and adjust; it is like that every year. Before we adjourn, I would like to go over a few more housekeeping items. On Tuesday, May 14, 2019, we have a Special Council Meeting in the morning to procedurally send the Mayor's Supplemental Communication through the public hearing process. Just due to timing, that is when we have to do it, but we have to get it there. It should be a fairly quick meeting. I thank all of those that made their Western Interstate Region (WIR) Conference arrangements to accommodate that quick meeting. We will not have another regular Committee or Council Meeting next week. Staff will be preparing our amendments made today and incorporating them into the budget. On May 22, 2019, the Committee of the Whole will be formally approving all Decision-Making items by procedurally amending and approving the budget bills and Real Property Tax Resolution, along with receiving the Committee Report detailing the various pluses and minuses. I would respectfully like to ask Councilmembers to refrain from making their final commentary that

week, also today, regarding the budget. We do all of our comments on second and final reading of the budget, which will take place on May 29, 2019. The reason being we make a comment today, we make a comment on the Committee Meeting, we make a comment on final reading, staff will be taking notes on the same exact comments we are making on the same exact proposal. Therefore, prepare your statements for the final day of the budget reading if you want to say anything on the budget. As I mentioned, Council will be approving the FY 2019-2020 Budgets on second and final reading, which will be accompanied by the Council's Budget Message on May 29, 2019. On May 29, 2019, Councilmembers will be able to make their final remarks on the budget in accordance with our Council Rules. Again, I just want to thank the Administration, the Mayor, and thank you everyone for being here to answer questions. I also want to thank our colleagues, our staff, and Councilmembers for sitting through this long process. It is one of the most important things we do; scrutinize the budget, do our adds and cuts, be here to represent the legislative side. It is a long process, but it is one of the most important things that we do. With that, that has been a very efficient journey. I am thankful that we are one step closer to passing these FY 2019-2020 Operating and CIP Budgets and approving Real Property Tax Rates. I believe we are giving the Mayor the ability in his first year to do what he needs to do. I do not think we have hindered their budget, I think it is time for everyone to prove themselves, and I have all the faith that the Administration is going to do a lot of good things for the County. With that, the Committee of the Whole Decision-Making session is now adjourned.

There being no objections, the meeting was adjourned at 2:45 p.m.

Respectfully submitted,



Darrellyne M. Caldeira
Council Services Assistant II

APPROVED at the Committee Meeting held on June 19, 2019:



ARRYL KANESHIRO
Chair, Committee of the Whole