

## COUNCIL MEETING

OCTOBER 4, 2017

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Vice Chair Ross Kagawa at the Kaua'i War Memorial Convention Hall, 4191 Hardy Rice, Līhu'e, Kaua'i, on Wednesday, October 4, 2017 at 1:21 p.m., after which the following Members answered the call of the roll:

Honorable Arthur Brun  
Honorable Mason K. Chock  
Honorable Arryl Kaneshiro  
Honorable Derek S.K. Kawakami  
Honorable JoAnn A. Yukimura (*present at 1:28 p.m.*)  
Honorable Ross Kagawa

Excused:     Honorable Mel Rapozo

Council Vice Chair Kagawa:     Council Chair Rapozo is excused as he is working for the County on the bond issuance. Also, Councilmember Yukimura is present and will be here shortly. Can we have an approval of the agenda?

### APPROVAL OF AGENDA.

Councilmember Chock moved for approval of the agenda as circulated, seconded by Councilmember Brun, and carried by a vote of 6\*:0:1 (*\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent (not present), but shall be recorded as an affirmative for the motion; Council Chair Rapozo were excused*).

Council Vice Chair Kagawa:     Next item, please.

### COMMUNICATIONS:

C 2017-224 Communication (09/13/2017) from the Chief of Police, requesting Council approval to accept a donation valued at \$8,700.00 from the Friends of the Missing Child Center-Hawai'i, a nonprofit organization based in Honolulu, of a scent tracking canine (inclusive of transportation and training), to assist Kaua'i Police Department (KPD) Investigators with missing persons cases, child abduction cases, wanted fugitive apprehension, and missing suicidal persons or missing Alzheimer's persons cases: Councilmember Brun moved to approve C 2017-224 with thank-you letter to follow, seconded by Councilmember Kaneshiro.

Council Vice Chair Kagawa:     Is there any discussion? Are there any questions of the Kaua'i Police Department (KPD)?

The motion to approve C 2017-224 with thank-you letter to follow was then put, and carried by a vote of 6\*:0:1 (*\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent (not present), but shall be recorded as an affirmative for the motion; Council Chair Rapozo were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

C 2017-225 Communication (09/15/2017) from the Director of Parks & Recreation, requesting Council approval to accept a donation of five (5) sets of soccer goals valued at \$11,851.00 from the Hawai'i Youth Soccer Association, Hawai'i Soccer Federation, Hawai'i Rush Soccer Association, and Kaua'i Soccer Association, to be used at County park facilities for the soccer community: Councilmember Brun moved to approve C 2017-225 with thank-you letter to follow, seconded by Councilmember Kaneshiro.

Council Vice Chair Kagawa: Does any Councilmember have questions for the Department of Parks and Recreation? Seeing none, are there any discussion? I would just like to state that being a former Hawai'i Youth Soccer Association (HYSA) soccer coach, referee, and business manager, I recall HYSA struggling financially, so I am very surprised and very elated that HYSA has the funds to donate these goals. After all, they use it, but it is very nice when they are able to contribute to the County. I just want to thank HYSA for the donation. Further discussion? Seeing none.

The motion to approve C 2017-225 with thank-you letter to follow was then put, and carried by a vote of 6\*:0:1 (*\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent (not present), but shall be recorded as an affirmative for the motion; Council Chair Rapozo were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

C 2017-226 Communication (09/15/2017) from the Fire Chief, requesting Council approval to dispose of the following government records, pursuant to Hawai'i Revised Statutes (HRS) Section 46-43 and Resolution No. 2008-39 (2008) as amended, which have been kept for over seven (7) years and are no longer of use or value:

- General Correspondence (General letters and memoranda received from internal and external agencies, and departments, and Travel Vouchers) (Prior to 2009)
- Payroll Records (Timesheets, Payroll Registers, Payroll Accruals, Payroll Hours Proof Listing, Payroll Transmittals, and Leave Documents) (Prior to 2009)
- Workers' Compensation (WC) Records (WC claims) (Prior to 2009)

Councilmember Brun moved to approve C 2017-226, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Is there any discussion? Are there any questions of Kaua'i Fire Department? None.

The motion to approve C 2017-226 was then put, and carried by a vote of 6\*:0:1 (*\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent (not present), but shall be recorded as an affirmative for the motion; Council Chair Rapozo were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

C 2017-227 Communication (09/19/2017) from the Director of Finance, transmitting for Council consideration, A Bill For An Ordinance To Amend Ordinance No. B-2017-821, As Amended, Relating To The Operating Budget Of The County Of Kaua'i, State Of Hawai'i, For The Fiscal Year July 1, 2017 Through June 30, 2018, By Revising The Amounts Estimated In The General Fund And Highway Fund, for the purpose of increasing the Transient Accommodations Tax (TAT) revenue by \$1,450,000.00 in the General Fund, and restore funding to the Island Wide Resurfacing appropriation in the Highway Fund by the same amount: Councilmember Kaneshiro moved to receive C 2017-227 for the record, seconded by Councilmember Brun.

Council Vice Chair Kagawa: Is there any discussion? Anyone from the public wishing to speak on this?

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

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

The motion to receive C 2017-227 for the record was then put, and carried by a vote of 6\*:0:1 (*\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent (not present), but shall be recorded as an affirmative for the motion; Council Chair Rapozo were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

C 2017-228 Communication (09/20/2017) from the Executive on Aging, requesting Council approval to receive and expend \$227,447.00 in State General Funds for Fiscal Year 2018, and to indemnify the State Executive Office on Aging, to be used by the County of Kaua'i, Agency on Elderly Affairs for the provision of Kupuna Care, which includes adult day care, case management, home delivered meals, transportation, homemaker, and personal care: Councilmember Kaneshiro moved to approve C 2017-228, seconded by Councilmember Brun.

Council Vice Chair Kagawa: Are there any questions for the Agency on Elderly Affairs? I just have a short question. My question is simple, is this an increase, a decrease, or same amount as prior years?

There being no objections, the rules were suspended.

LUDVINA K. TAKAHASHI, Executive on Aging: This is additional funding and it varies year to year, so this is additional to what we already received.

Council Vice Chair Kagawa: Excellent. Thank you.

Ms. Takahashi: Thank you.

Council Vice Chair Kagawa: Are there any further questions for Kealoha? Seeing none, is there any discussion?

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

The motion to approve C 2017-228 was then put, and carried by a vote of 6\*:0:1 (*\*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Yukimura was noted as silent (not present), but shall be recorded as an affirmative for the motion; Council Chair Rapozo were excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

*(Councilmember Yukimura was noted as present.)*

C 2017-229 Communication (09/20/2017) from the Prosecuting Attorney, requesting Council approval to receive and expend State funds, in the amount of \$24,460.00, to be used towards salaries/wages for the Domestic Violence Prosecution Unit, and to indemnify the State of Hawai'i Department of the Attorney General. This is a re-occurring grant and funds will be utilized to continue the program for the term commencing November 1, 2017 to March 31, 2018: Councilmember Chock moved to approve C 2017-229, seconded by Councilmember Brun.

Council Vice Chair Kagawa: Are there any questions for the Prosecuting Attorney? Seeing none, is there any discussion? I just want to say since he is here, thank you Justin for doing a great job. Keep it up. We saw a news report that Hawai'i is the safest State in the Country or whatever, so whatever you and KPD are doing to help those numbers, keep it up. Thank you.

The motion to approve C 2017-229 was then put, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

#### LEGAL DOCUMENT:

C 2017-230 Communication (09/15/2017) from the Housing Director, recommending Council approval of a Declaration of Covenants and Restrictions between the County of Kaua'i and Rice Hoala Partners, L.P., a Hawai'i Limited Partnership, for Rice Camp Senior Housing Phase II, Tax Map Key (TMK) No. (4) 3-6-004:020, Līhu'e, Kaua'i, Hawai'i.

- Declaration of Covenants and Restrictions

Councilmember Brun moved to approve C 2017-230, seconded by Councilmember Kaneshiro.

Council Vice Chair Kagawa: Is there any discussion? Are there questions?

Councilmember Yukimura: Is the Housing Agency here?

Council Vice Chair Kagawa: She is on her way. Can we move this item to the end of the agenda? Next item, please.

#### COMMITTEE REPORTS:

#### BUDGET & FINANCE COMMITTEE:

A report (No. CR-BF 2017-19) submitted by the Budget & Finance Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2662 – A BILL FOR AN ORDINANCE TO AMEND SECTION 2, ORDINANCE NO. 891 AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUA'I FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS AND REFUNDING CERTAIN BONDS OF THE COUNTY; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC,”

A report (No. CR-BF 2017-20) submitted by the Budget & Finance Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2663 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2017-821, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2017 THROUGH JUNE 30, 2018, BY REVISING THE AMOUNTS ESTIMATED IN THE SEWER FUND (*Wailua Waste Water Treatment Plant (Operating Budget) - \$500,000.00*),”

A report (No. CR-BF 2017-21) submitted by the Budget & Finance Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2664 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2017-822, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2017 THROUGH JUNE 30, 2018, BY REVISING THE AMOUNTS ESTIMATED IN THE SEWER TRUST FUND-CIP (*Wailua Waste Water Treatment Plant (CIP Budget) - \$500,000.00*),”

A report (No. CR-BF 2017-22) submitted by the Budget & Finance Committee, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2665 – A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES; AND PROVIDING FOR OTHER MATTERS AND ACTIONS PERTAINING TO THE ISSUANCE AND SALE OF THE BONDS,”

Councilmember Kaneshiro moved for approval of the reports, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Is there any discussion? Is there any public testimony?

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

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

The motion for approval of the reports was then put, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

COMMITTEE OF THE WHOLE:

A report (No. CR-COW 2017-09) submitted by the Budget & Finance Committee, recommending that the following be Received for the Record:

“COW 2017-04 Communication (09/20/2017) from Council Vice Chair Kagawa, requesting the presence of the Managing Director, the Director of Finance, the Director of Human Resources, the Chief of Police, and the Fire Chief, to provide a briefing on retirement pension ‘spiking’,”

Councilmember Chock moved for approval of the report, seconded by Councilmember Kaneshiro.

Council Vice Chair Kagawa: Is there any discussion? Is there any public testimony?

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

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

The motion for approval of the report was then put, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

Council Vice Chair Kagawa: Motion carried. Next item, please.

BILL FOR FIRST READING:

Proposed Draft Bill (No. 2669) – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2017-821, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2017 THROUGH JUNE 30, 2018, BY REVISING THE AMOUNTS ESTIMATED IN THE GENERAL FUND AND HIGHWAY FUND (*TAT Revenue and Island Wide Resurfacing - \$1,450,000.00*): Councilmember Kaneshiro moved for passage of Proposed Draft Bill (No. 2669) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for November 1, 2017, and referred to the Budget & Finance Committee, seconded by Councilmember Brun.

Council Vice Chair Kagawa: Is there any discussion? Are there any questions of the Department of Public Works? Seeing none, this is only first reading. Roll call.

The motion for passage of Proposed Draft Bill (No. 2669) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for November 1, 2017, and referred to the Budget & Finance Committee was then put, and carried by the following vote:

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

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Six (6) ayes and one (1) excused. Next items are Bills for Second Reading.

BILLS FOR SECOND READING:

Bill No. 2662 – A BILL FOR AN ORDINANCE TO AMEND SECTION 2, ORDINANCE NO. 891 AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS AND REFUNDING CERTAIN BONDS OF THE COUNTY; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC: Councilmember Brun moved to approve Bill No. 2662, on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Kaneshiro.

Council Vice Chair Kagawa: Is there any discussion? Councilmember Yukimura.

Councilmember Yukimura: No, I do not have discussion for this item. Sorry, no discussion.

Council Vice Chair Kagawa: Thank you. Anybody from the public wishing to testify on this?

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

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

The motion to approve Bill No. 2662 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

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

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



Bill No. 2663 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2017-821, AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2017 THROUGH JUNE 30, 2018, BY REVISING THE AMOUNTS ESTIMATED IN THE SEWER FUND (*Wailua Waste Water Treatment Plant (Operating Budget) - \$500,000.00*): Councilmember Brun moved to approve Bill No. 2663, on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Are there any questions of the Department of Public Works or the Division of Wastewater Management? Seeing none, is there any discussion? Seeing none, roll call.

The motion to approve Bill No. 2663 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

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

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

Bill No. 2664 – A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. B-2017-822, AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2017 THROUGH JUNE 30, 2018, BY REVISING THE AMOUNTS ESTIMATED IN THE SEWER TRUST FUND-CIP (*Wailua Waste Water Treatment Plant (CIP Budget) - \$500,000.00*): Councilmember Brun moved to approve Bill No. 2664, on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Are there any questions of the Department of Public Works or the Division of Wastewater Management? Seeing none, anybody from the public wishing to speak on this?

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

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

The motion to approve Bill No. 2664 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

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

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

Bill No. 2665, Draft 1 – A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF FINANCING CERTAIN PUBLIC IMPROVEMENTS; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC; AUTHORIZING THE ISSUANCE AND SALE OF BOND ANTICIPATION NOTES; AND PROVIDING FOR OTHER MATTERS AND ACTIONS PERTAINING TO THE ISSUANCE AND SALE OF THE BONDS: Councilmember Brun moved to approve Bill No. 2665, Draft 1, on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Chock.

Council Vice Chair Kagawa: Are there any questions of the Administration? Seeing none, is there any discussion? Councilmember Yukimura.

Councilmember Yukimura: I am going to be voting for this Bill because it contains some very necessary public works and projects, but I want to express my regret that this Council did not see fit to add the Materials Recovery Facility (MRF), which is a small four hundred thousand dollars (\$400,000) of design, compared to the other projects. We are looking at a General Plan update which has as one of its main four (4) goals, a sustainable society and a reduce, reuse, and recycle society is a sustainable society, but for the last ten (10) years almost now, we have done nothing to really move ourselves toward that type of society. Mainly spending a lot of money and time working on landfill expansion and the new landfill. While I have voted for these projects, I also think we have to look to the future and we have to do much, much more to move into a sustainable context and that is what is needed. There is no way we can have widespread recycling without a MRF, which is where trash turns into commodity. It will help us cut our costs and it will move us toward a more sustainable society. We are going to be spending another one million dollars (\$1,000,000), but a total of six million dollars (\$6,000,000) for the Adolescent Treatment Center. I am not trying to take that out of the budget, but that is going to serve eight (8) to ten (10) kids a year whereas a MRF will be serving a population of close to eighty thousand (80,000) and will be benefiting everyone on this island. I am very, very sorry that we cannot include it and I hope in the near future, we will change our policy and will move with that because it is an essential part of a sustainable society. If you look at our General Plan update where it talks about sustainability, greenhouse gas production for new materials in a manufacture-used/throwaway mode is one of the greatest generators of greenhouse gases. In so many ways, a MRF will benefit our island and the world. I am hoping that at some point soon, we will find it fit to fund that.

Council Vice Chair Kagawa: Thank you. Councilmember Kaneshiro.

Councilmember Kaneshiro: I just wanted to reiterate from last week that I did put up an amendment that was uncomfortable for everybody. It was an amendment to take out the police substation and include roadwork. I just want to say that it is uncomfortable because we are in a situation where we have limited resources and if we are going to do something, we need to make difficult decisions. We cannot fund everything that we want to fund. My decision last week was based on three (3) things. It was based on our priorities, it was based on being able to leverage funds, and it was based on being cautious of a growing budget. As far as priorities go, I looked through the list of bond items and we always hear roads, roads, roads...roads need work – roads need work.” Keeping that in mind, the project that I put on would have been a reconstruction of Kōloa Road, Maluhia Road, and Olohena Road. Keeping in mind the debt service, I did not want to just add debt service to our bond float, so I had to pull a project out and unfortunately, the project was the KPD substation. It had nothing to do or against the police or anything. It is just looking at our bond list and deciding what the priorities are. As far as my priorities went, I thought roads was more important than a new KPD substation. Also, you look at the benefit of being able to leverage funds. In this situation, we would have been able to use six million dollars (\$6,000,000) worth of bond money and we would have generated over twenty million dollars (\$20,000,000) worth of infrastructure on these roads, a match that we would have received from the State. You talk about the impact of the money, it is pretty big. If I had a crystal ball like Council Vice Chair Kagawa has, I would say that my one big fear about having the police substation in the bond is that we always talk about growing the County budget, growing our expenses, and this one I feel will eventually snowball. We have six million dollars (\$6,000,000) in the bond list now, but the cheapest building that came through, based on the assessments, was nine million five hundred thousand dollars (\$9,500,000) and that is just for a substation. If we wanted minimal holding, it would have been eleven million seven hundred thousand dollars (\$11,700,000), and if we wanted a decentralized district command, it would have been thirteen million dollars (\$13,000,000). I am sure over time, we will get to that thirteen million dollar (\$13,000,000) cost and with that comes office furniture, equipment, additional bodies, maybe an additional beat, and I just want to be sure that down the road we do not say, “Why are we growing so much,” and it is because we started it here. We put in money for a new KPD substation, we funded it, it grew, and the cost grew with it. My entire point was for us to take care of what we have now. Take care of our current infrastructure, which is roads. The only other option for roads is we are going to be using General Fund money or Highway Fund money, which should be used for resurfacing because we cannot bond resurfacing projects. I just wanted to make it clear on the way my thought process was on that. We took the vote, I will not be bringing the issue up anymore, I saw where the votes fell, I know we are going to have the appropriation list come through again, and I am not going to do another amendment on it or anything on it. The votes fell where it fell and that is fair enough. Thank you.

Council Vice Chair Kagawa: Thank you. Is there any further discussion on this?

Councilmember Yukimura: Yes, Mr. Chair.

Council Vice Chair Kagawa: Councilmember Yukimura.

Councilmember Yukimura: I want to thank our Budget & Finance Committee Chair for his very insightful analysis of the situation and I, too, when we come to the final appropriation bill will be looking at all of those issues. As I mentioned in Committee, I am aware that the Mayor has proposed and it will soon be on the agenda the half percent (.50%) excise tax option, which can be used for land transportation improvements and operations. If we do not take that opportunity, I will be forced to make the same type of prioritization that the Budget & Finance Committee Chair is proposing because I do not feel it is right to not use this very important option that we have been given and instead penalize other projects and priorities. I also feel that we should be looking at a vehicle weight tax for heavy trucks because they cause the most damage to our roads and would be subsidizing corporations that can pass the cost on and deduct it as a business expense. We have to have a principle of fair share. We all have to be willing to do our fair share in taking care of the costs we caused.

Council Vice Chair Kagawa: Thank you. Is there any further discussion? I have some. I just want to close too that I agree with Councilmember Kaneshiro in that we looked at the police substation in Kapa'a. Four (4) years ago, we had that little shack adjacent to the Kapa'a Beach Park. Today, we have a huge facility, thanks to the Emergency Management Agency that is allowing us to use it, but we have a much larger facility that we are using, so there was significant improvement in the police substation for Kapa'a. Is it perfect? No. Would a brand spanking new facility with all the bells and whistles be much better? Of course, but when you are on this Council and working with limited funds...at times you have to make a tough decision. Can we push off the police substation for now? We already had a significant improvement four (4) years ago and can we take care of some of these roads that are really bad, like Olohena or Kōloa Roads? I think that is what the amendment that Councilmember Kaneshiro was looking at and I applaud that effort. I, too, am concerned about when are we going to keep up with our infrastructure. It is not only those costs that we have to look at, there are Albizia trees. We did a nice job on Olohena. We cut the huge Albizia trees that we saw as dangerous for potential high wind and what have you to the infrastructure we had there. We cut them down. Yes, we damaged some guardrails, but do you know what? We fixed those guardrails, but there is a lot more work out there to do. Lyle and Mike, you folks know firsthand. There is a lot of work to do regarding our infrastructure, regarding the surroundings of the infrastructure, and the Albizia problem. At some point, we have to decide what is the priority with the limited funds we have and I think Councilmember Kaneshiro in his amendment reflected some of my thoughts in that we cannot do it all. It would be nice, but taxing our people more when we are already the second highest in the Nation for taxes, you have to be very hesitant to want to try and be number one in that category because that is the worst category to lead a Country in. We will see the General Excise (GE) tax...it is going to be a very interesting vote for us. It is a very important vote. That is a significant way of tackling our long-term needs, of tackling the Albizia, of tackling the infrastructure, roads, and bridges. It will be interesting because we will have an opportunity to not only garner GE tax from residents, but a lot of tourists and that is a one-time only opportunity that will not come back again. It is only going to be offered because of the rail project. It is definitely a solution, however again, it is very difficult to want to lead the Nation in taxes to our residents. So it is going to be a very interesting vote, a very tough vote, and I am still undecided as to how

I will vote on that measure. Is there any other discussion, Members? Seeing none, roll call.

The motion to approve Bill No. 2665, Draft 1, on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

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

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

Council Vice Chair Kagawa: Back to the Housing item.

Ms. Fountain-Tanigawa: Yes, on page 3, back to the Legal Document, C 2017-230.

Council Vice Chair Kagawa: We ready read the item into the record. Steve, introduce yourself and we have some questions by Councilmember Yukimura.

There being no objections, the rules were suspended.

STEVEN FRANCO, JR., Homebuyer Specialist: Steve Franco,  
Development Coordinator for the Housing Agency.

Councilmember Yukimura: Hi, Steve.

Mr. Franco: Hi.

Councilmember Yukimura: Thank you for being here. My question is about Covenant 1(e) on page 4. It says that the minimum period of affordability is twenty (20) years and my understanding is it would be affordable for the life of the project.

Mr. Franco: Right.

Councilmember Yukimura: There are people with low incomes there and in twenty (20) years it moves out of affordability, where are those people going to live?

Mr. Franco: For this particular covenant, the HOME Investment Partnerships Program (HOME) funds that were used, their period of affordability for the amount that was granted to the project is for twenty (20) years. That is just a HOME, United States Department of Housing and Urban Development (HUD) requirement, but we currently have a ground lease with the developer that is different than this particular declaration that HUD or HOME funds require. It is going to be longer. The affordability period for the project, as a whole, will be longer

than the twenty (20) years, but for HOME or HUD requirements, their period of affordability is twenty (20) years required.

Councilmember Yukimura: And we are not able to say it would be longer because it is in fact longer by our ground lease?

Mr. Franco: As it pertains to HOME, their definition or a requirement for a period of affordability is twenty (20) years, so that is why the HOME requirements are outlined in this declaration.

Councilmember Yukimura: Okay, so what is the long-term affordability under the ground lease?

Mr. Franco: I believe it is sixty-five (65) years.

Councilmember Yukimura: That is the term of the agreement we have with the developer, so there is no way that they would be able to sell it into the market or make it into market rents?

Mr. Franco: No. Right, that is correct.

Councilmember Yukimura: Okay, I just wanted to be sure.

Mr. Franco: Yes, it is a little bit confusing because HUD and HOME funds require that we put the terms of their funding agreement in these declaration, so we are following what their guidance is telling us to put in these types of declarations.

Councilmember Yukimura: And with HOME money, there is no residual requirements, I mean, they give us the money, we use it, we do this agreement, but it is not like they can come in and ask for the land or money back.

Mr. Franco: Right. I guess HUD's main concern is that we have a declaration in place to ensure that the developer that we granted or give the funds to follows all of the regulations that go along with it.

Councilmember Yukimura: Right.

Mr. Franco: By doing the declaration, recording it, and attaching it to the property, it ensures that the developer has to meet any of these requirements should they try to sell or do anything down the line.

Councilmember Yukimura: So it basically shows that we are meeting the minimum requirements of the HOME money?

Mr. Franco: Correct.

Councilmember Yukimura: But there will not be any argument that there is an inconsistency and therefore, the twenty (20) year should supersede the sixty-five (65) years...that is not going to be an issue?

Mr. Franco: No, that is not going to be an issue.

Councilmember Yukimura: Thank you very much.

Council Vice Chair Kagawa: Are there any further questions for the Housing Agency? Seeing none, thank you for coming, Steve. Anyone from the public wishing to speak on this?

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

Councilmember Yukimura: Yes.

Council Vice Chair Kagawa: Do you have another question?

Councilmember Yukimura: I just wanted to make sure that our Attorneys did sign off on it and I see that they did. Thank you.

Council Vice Chair Kagawa: Is there any further discussion, Members?

The motion to approve C 2017-230 was then put, and carried by a vote of 6:0:1 (*Council Chair Rapozo was excused*).

#### ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 1:52 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA  
County Clerk

:dmc