

PUBLIC HEARING

JANUARY 27, 2016

A public hearing of the Council of the County of Kaua'i was called to order by Arryl Kaneshiro, Chair, Budget & Finance Committee, on Wednesday, January 27, 2016, at 5:00 p.m., at the Council Chambers, 4396 Rice Street, Suite 201, Historic County Building, Līhu'e, and the presence of the following was noted:

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

Excused: Honorable KipuKai Kualii

The Clerk read the notice of the public hearing on the following:

“Bill No. 2610 – A BILL FOR AN ORDINANCE TO ESTABLISH A GENERAL EXCISE AND USE TAX SURCHARGE FOR THE COUNTY OF KAUAI,”

which was passed on first reading and ordered to print by the Council of the County of Kaua'i on December 16, 2015, and published in The Garden Island newspaper on December 21, 2015.

The following communications were received for the record:

1. Apao, Dirk, dated January 25, 2016
2. Brody, Bev, dated January 27, 2016
3. Gampon, Chris, and Perriello, Mark, dated January 27, 2016
4. Hayashi, Clyde, dated January 26, 2016
5. Kaululaa, Wayne, K.S., dated January 27, 2016
6. Labanon, Willys Z., dated January 27, 2016
7. Noyes, Tommy A., dated January 27, 2016
8. O'Donnell, Joseph V., dated January 20, 2016
9. Paris, George T., dated January 19, 2016
10. Pigao, Dean A., dated January 27, 2016
11. Quinn, Gigi, dated January 27, 2016
12. Richards, Laura, dated January 27, 2016
13. Saito, Todd T., dated January 20, 2016
14. Santos-Tam, Tyler Dos, dated January 25, 2016
15. Sit, Peter C., dated January 27, 2016
16. Soquena, Eugene “Gino,” dated January 26, 2016
17. Spencer, Ablert, (undated)
18. Thronas, George, Jr., dated January 27, 2016
19. Wardlow, Denise, dated January 27, 2016
20. Wilson, Brooke, dated January 27, 2016
21. Young, Christopher, dated January 7, 2016

The hearing proceeded as follows:

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Our first registered speaker is Ken Taylor, followed by Rob Abrew.

KEN TAYLOR: I am opposed to this for many reasons, but I want to speak mostly about public transportation. Normally, to make public transportation reasonable you have to have a minimum of four thousand two hundred (4,200) people per square mile in an area. On the other end, you have to have a large contingency of jobs collectively together so that you have people moving from home to work in an economic fashion. Most of the areas on the island do not meet that criteria and that is one of the problems. The other situation is that if you look at any of the major metropolitan areas and you can look at the west coast; Seattle, Portland, San Francisco and Los Angeles, they have pretty extensive public transportation and they still have a horrendous traffic problem. It is just ingenious to tell people that this is going to relieve traffic congestion because it is not. It is absolutely not. Even if we could get five (5) or ten percent (10%) of the existing traffic off the road, the three (3) major projects in Kapa'a alone that have already been approved, will more than eat up that ten percent (10%) and so you are spending a lot of money and a lot of activity and you are gaining nothing. I think it is wrong to tell people that anything like this is going to relieve the traffic problems that exists. One of the things not mentioned in here is, "How many employees would be required to make this all happen," and "How much of this money that would be raised would be eaten up by possibly thirty (30) to forty (40) new employees?" I think there are a lot of reasons to say no to this at this point in time. We have wasted a lot of money – four million dollars (\$4,000,000) to move forward with Rice Street, that is absolutely absurd. We should say, "No to Rice Street," and put that four million dollars (\$4,000,000) into this process. Thank you and I will be back.

Committee Chair Kaneshiro: Ken there is a clarifying question for you.

Councilmember Yukimura: Did I hear you say that you are opposed to the expansion of public transportation in the form of the bus?

Mr. Taylor: Under this circumstance, yes. I mean we spent how many thousands of dollars to bring four (4) buses that were given to us from Honolulu that had been sitting down there three (3) or four (4) years and deteriorating. They were brought over to use as an experiment and they are not being used and they are just sitting there. There are so many reasons and then when I talked to the bus people about extending the service further out so that I would not have to walk a mile to catch the bus, they told me, "Well, we cannot do that because it will screw up the schedule." I am saying that it is ridiculous.

Committee Chair Kaneshiro: Thank you. Next speaker.

Councilmember Yukimura: Not clear.

Ms. Fountain-Tanigawa: The next speaker is Rob Abrew, followed by Howard Johnson.

ROB ABREW: Twenty percent (20%) on everything you buy – everything you buy on this island is twenty percent (20%) more. Yes, it is not a big thing, but it is twenty percent (20%), twenty percent (20%), twenty percent (20%) – is what this would do to your budget. Yes, it is only pennies, but it is still a twenty percent (20%) rise. I oppose this because the people that are going to administer

this have shown failure, after failure, after failure on this island on how to manage money. We have a Transportation Agency, admittedly, in Council say that they do not understand how to run a transportation system. We have Kaua'i Buses sitting at schools when school gets out to take kids home. Look at Kapa'a Middle School, there are two (2) or three (3) Kaua'i Buses sitting there. Are we providing children transportation now from school? We have roads that have been budgeted to be fixed for years and years. Where is that money now? It has not been administered correctly if we have roads the way they are now. Until this Administration can prove to the citizens that they know how to manage the money, how to properly fund, move money, and build things correctly without having to do it over and over on budget and on time...why are we going to give them more money so they can hire more employees to do the same thing. There is no proven track record that this Administration can correctly fix this and until they start to show this body and the citizens that they know how to properly manage this money; how can we just give them more? Show accountability and then maybe we can look deeply to see where the money needs to be spent correctly and properly. Until then, I do not think this should pass. It is just my opinion. More employees, more costs, without any accountability to the citizens, to me, is the wrong step. Once again, we are going to shoot and then aim, and then maybe fire. Right now, twenty percent (20%), twenty percent (20%), twenty percent (20%) every time you spend.

Committee Chair Kaneshiro: Next speaker. I just wanted to clarify the General Excise Tax (GET) is point five percent (.5%).

HOWARD JOHNSON: *Aloha*, this is the first time I will speak here. I have the greatest respect for you, Council, and frankly everybody in this room. I think we are looking at probably similar problems in our underlying values are probably the same – we care about people and the environment.

Council Chair Rapozo: Committee Chair. Is the caption working, BC?

BC: Yes.

Committee Chair Kaneshiro: Sorry for interrupting you.

Mr. Johnson: I do not think humans are going to make it. That has been my passion to study this issue for many years. I got a leg up on it when I was a kid, I won a high-level science fair, got me a job working for a climate scientist when I was in college. I first took carbon dioxide (CO²) data in Tucson over thirty (30) years ago. I have been looking at this issue and figuring out if we do things different with transportation, is that going to fix the problem? I have three (3) specific ideas for you tonight and I will have to use my additional three (3) minutes at the end. It is very clear to me from what happened at the 2015 United Nations Climate Change Conference (COP 21) that we have a much bigger problem right now. I admire the solution you put together. I think this will probably pass. I do not think it matters one way or another because I think we have a much bigger problem coming at us and we do not have solutions in place for that yet. I think there are solutions for it and there are ways to work at it. We are going to need all hands onboard and we are going to need to all work together because we have an absolutely terrible problem at us in the form of climate change. I will come back with the three (3) specific solutions that we can definitely do. Thank you.

MARK PERRIELLO: Hello. I am the President and Chief Executive Officer (CEO) at the Kaua'i Chamber of Commerce. Thank you Chair Rapozo, Vice Chair Kagawa, and Members of the Council for hearing me today. I

know I only have three (3) minutes; therefore, I will try to get as much in as possible. The Kaua'i Chamber supports an increase to the General Excise Tax (GET) of five percent (.5%). We believe this is the best way to secure the necessary funds to ensure an appropriate investment into Kaua'i's transportation infrastructure, which is critical for commerce on the island. Many people on our island depend on roads that are modern and well maintained whether it is tourists, the military, agriculture, the construction industry, and the energy sector. Unless the roads are kept up to date, many businesses will suffer, and when businesses suffer that impacts the real working men and women of Kaua'i. Good roads are good for business. It stands to reason that if a delivery truck is sitting in traffic...you are spending more money on gas, labor cost, and that is not a good thing for our businesses. If you have potholes in your roads, right, you are going to have more damage to vehicles, more expense for fixing vehicles, and more expense for businesses. That hurts the bottom line and impacts real people when businesses need to make decisions. I say all this with a big "However." We want to make sure that the County ensures that spending takes into account the ten (10) year sunset provision and the potential source of funds. It is our strong recommendation that projects only target the most pressing transportation and transit needs on our island and that significant money is set aside reserved for inevitable future needs. Specifically, we want to make sure that we do not create new reoccurring expenses that extend beyond the sunset of the tax and will thereafter become a burden to Kaua'i's homeowners, businesses, and residents. We support the tax, we want to make sure that spending is done in a way that is very thoughtful and takes into account that the sunset provision is there and that there will be funds in the future. Ultimately, I would say just having listened to some of the folks who have come before me that this is something that is absolutely critically needed for the island. Thank you.

Councilmember Hooser: I had a clarifying question, if you would. It kind of boggles me a little bit that the Chamber of Commerce is supporting tax increases, therefore my clarifying question is, did the members of the Chamber of Commerce, are they aware of this decision and were they polled? Is this a membership decision or is this a board decision? Are the members aware of your position of supporting the raising of taxes?

Mr. Perriello: The members are aware. We sent out an E-mail outlining our position to the entire membership, but the membership has the ability to participate in these processes and these decisions through our Government Affairs Committee and that Government Affairs Committee, which represents a broad cross-section of industry, voted unanimously in support of this increase.

Councilmember Hooser: Did that include the Board of Realtors?

Mr. Perriello: The Board of Realtors was included.

Councilmember Hooser: Okay. Thank you.

DONNA ALALEM: *Aloha.* First I would like to say to the Council, I appreciate the work you do. I know that every little detail you have to spend long tedious hours going over things and to reach consensus. I want you to know that I appreciate your community service. I would like to see more detail on Bill No. 2610 because...for instance I looked for some statistics on the bus usage and it says that the bus has increased by four hundred and seventy-seven percent (477%) since its inception. What does that mean? If there were a hundred (100) riders at first, that means there are only four hundred seventy-seven (477) – if my

math is correct. I read somewhere that the ridership is increasing by five percent (5%) per year, but without current statistics it is hard to tell whether it would warrant the expense of expansion and if it would really help with traffic problems. The projections are promising, but projections are not a guarantee and I would like to access more data on current ridership. Regarding the new auto maintenance facility, my question is, would this save taxpayer money in the long run or is this something like say a large family in a one-bedroom house where it is a little uncomfortable, but it is adequate and better than being homeless? If that is the case I would focus on other priorities because a facility is going to be enormously expensive. The bike path, the sidewalks, and the roadways, I see that it is allocated to seventy-five percent (75%) of the tax for this. My question is, would bike lanes increase bike usage? Would walkways increase people walking? It is my understanding that bicyclers already have the right-of-way on the roads, maybe except for the highways. I appreciate Councilmember Hooser's from the last meeting you wanted to focus more on...I am getting orange here. I better hurry up.

Committee Chair Kaneshiro: You have thirty (30) seconds, but you can have another three (3) minutes on your second go around.

Ms. Alalem: Okay. I will wait and come back and take my three (3) minutes later. I did not know I was going to take that long.

ROY MORITA: Good afternoon Council Chair and Members of the Council. I am here today in support of Proposed Draft Bill No. 2610. I fully support this Bill because funds raised from this surcharge will allow the County to repair existing roads and bridges, address traffic congestions, improve our bus system, pedestrian paths, sidewalks, and bicycle paths and related Americans with Disabilities Act compliances. I understand that the estimated cost to the County would be in excess of a hundred and four million dollars (\$104,000,000) to repair our roads and bridges. At the current rate of funding, which is one point two million dollars (\$1,200,000) allocated each year to the County, it will take eighty-six (86) years to fix our roads alone. Improving our transit system will help our youth, *kupuna*, and working residents who do not drive or cannot afford to own a car or choose not to drive on our congested roads. I do not like the thought of raising taxes, but raising the GET will allow the County to raise the much needed funds to do our road repairs, bridge repairs, and improve our transit system. The Administration proposes to use the surcharge along with the Federal Highway matching funds for this much needed repair work. Having the surcharge will allow our visitors to Kaua'i to also help with the burden of these much needed repairs. Visitors use our public highways, bridges, as well as our parks, so they should share some of the burden to complete these repairs and improvements. A point five percent (0.5%) GET surcharge is anticipated to generate twenty million dollars (\$20,000,000) per year and in ten (10) years, between two hundred forty to two hundred fifty-five million dollars (240,000,000 - \$255,000,000). Without the GET the current County funding for roads and bridges will fall short of addressing the much needed repairs for ongoing maintenance and improvements. I ask this body to take advantage of this funding opportunity and vote yes and support Bill No. 2610 and not pass these issues to our kids and grandkids.

LUKE EVSLIN: I caught the bus in here and I walked in five (5) minutes late. I tried to catch a 4:00 p.m. bus out of Kapa'a, showed up twenty (20) minutes late, and then driving through Kapa'a, added another twenty (20) minutes. I think we all know that our bus system is inadequate and traffic on Kaua'i is terrible. While we need to increase the bus to every half hour, right now the once an hour bus system does not work for most Kaua'i residents. You cannot go to a job on a once an hour bus system, or if you do, you will be wasting a lot of time

getting there early or late. The bus system needs to be increased to every half hour. Our roads, obviously, need plenty of repair, but funding should come from a gas tax and not from an excise tax. Users of the road should be paying for the roads. I am opposed to increasing the excise tax to fund road repairs and public transportation. Please consider raising the gas tax. Right now gas is cheaper than it has been in a long time. I do not think it is going up anytime soon, so now is the time to increase it. That is all.

MATTHEW BERNABE: Well I drove to the County Council this morning and I went all the way from Kapa'a to the stop sign over here on Rice Street, and I came down Rice Street and Rice Street is not congested until you get to the roads up here where everybody cuts through these two (2) side roads, the one leading to the roundabout and the one right in front the County Building. There was a car parked in the stall at 8:15 a.m., and no ticket on the windshield; no towing. They are not enforcing that and that road is fine as it is, there is no traffic. What I am trying to say with this is, we are rebuilding and the department in charge of building the roads are focused on rebuilding a road that is fine. Meanwhile, if you drive to any other place on this island the sides of County roads are destroyed. These guys are allocating all their funds for bike trails and bike paths, now that is fine if the infrastructure is good, but how many bike licenses are held by those biking on the road? I want to know. How much revenue is coming in? I own two (2) trucks and I pay every year about six hundred dollars (\$600) because they are heavy. I pay a lot of money to the Highway Fund. From what I have heard, when these folks are using the bus, the taxpayer is subsidizing that ride because the bus is in a deficit. Why are we going to create money out of a gas tax or a GET tax if they are going to make bike trails from the roundabout going up to Olohena Road to the Middle School, which by the way the Middle School does not even have bike paths nor does it want bikes at that school. They did that without a public process. They came here and got an after the fact permit and this is how they are spending their money. They are choosing to rip up Rice Street and look for funds. They keep saying they are trying to revitalizing Rice Street, are we using our Roads Division to revitalize the industry on Rice Street. Does that sound right? That sounds like that is what we are doing right here. Instead of doing the other roads and resurfacing all the rest of the roads, we are focused on roads that already exist and that is why I said when I drove here this morning, it was smooth and fast and there were no bikers. One car that was sitting in the stall should have had a ticket because that is revenue for us, but there was no ticket/no tow. You go to Kinau Street, O'ahu, you park in there when it is time to be out of there, they will tow you in ten (10) minutes or even five (5) minutes. Why are we going to even talk about any tax; gas or GET? They cannot even spend the money right. Why are we giving them more?

LONNIE SYKOS: Good afternoon Council, it has been a long day I am sure. I am here today to voice my opposition to this. On one hand, this is a regressive tax. This is going to impact poor people more than the middle-class and it is not going to impact wealthy people whatsoever of which your salaries put you in the wealthy people category. For a big portion of our population, this is going to be felt every two (2) weeks in the monthly budget. I am also opposed to this on the grounds that the government is not supposed to tax us and take our money until you have a plan of exactly how and when you are going to spend it and on what. This is a Constitutional issue that obviously the person to claim it is unconstitutional because I am not a lawyer. But if what you are asking us to do gets approved, taxing ourselves so that we can provide a kitty of money that some future administration will decide when, how, and what to spend it on, you are asking us to give the future administration a blank check for a lot of money. Look at what happened to the last budget surplus we had. We were taxed far in excess of what it

cost the County to actually operate with which is unconstitutional and that money was hidden within our budget system, nobody knew what we really had. We ended up getting a new accounting system, a (Generally Accepted Accounting Principles) (GAAP) system that we are supposed to have and now we have a good understanding of what our finances are, but no money. When we had tons of money, we did not use it for what it was collected for. Nobody was told we were collecting the money to hire seven (7) new assistants and all these buses and everything. We just had a ton of money and then we spent it on whatever the administration thought was good. We do not want that to happen again. Thank you.

FELICIA COWDEN: I reluctantly support this half a percent (0.5%) GET and I would say that I would like to see fifty percent (50%) of it go the bus system. That is because the fuel tax does help with the roads and from what I see...I will get in trouble for saying this, but there are people who pay almost no tax anywhere, ever. Even though this is a regressive tax, the poor people who are paying the tax, they are the ones that are most likely to be riding the bus. I think that we need the bus to come more often and I think there will be a lot more people riding it. Because I pick up riders all the time on the side of the road, I am highly aware why they are underserved by the bus system that we do have, even though the bus system is pretty well-ridden. I am not putting down what we have, I think we need more. I have been happy with the transportation plan that the County is working on relative to the bus. I think they are at least asking the right questions. I do not feel that the plan is totally in place, but I guess I have more confidence than some of the other people in the room do that the County can get some of this right. I think also as a person that will be very much impacted, because I do spend everything I earn, but I am also buying new tires and I am having my car fall apart because there are potholes everywhere and I have a low-riding car and it impacts it. I think the amount that I would be spending, I already spent in car repair because of how poor the roads are in my community. I am willing to spend that. If that helps people get to work and be able to have a way home, I really think the bus needs to be extended. I would agree with Luke that if there is a little bit more gasoline tax right now to help make some of these repairs while the gas price is low, that is okay, however, I would like to see a cap on it. I would like to see a sundown on this so we do not just create it...and somebody else said about the car place, the station for having your trucks, I do not know enough about it, but I would say if you are going to cut somewhere, I would be careful about having the vehicle building because we make all these nice places and I do not think it affects the common person as much. As much as I would like to say I do not want a GET increase because it embeds in every single thing, I would rather see a sales tax, but what we have a GET and for all the reasons I said, I am down with it, but fifty/fifty (50/50) and not twenty-five/seventy-five (25/75). Thank you.

Ms. Fountain-Tanigawa: No further registered speakers.

Mr. Taylor: I am opposed to this because first of all you say that it is going to reduce traffic and there is no literature that supports that at all. I would like to see it if you have it because I do not think you can find any. It is not right to tell people that you are going to reduce traffic by putting a few people on the bus. Would a few more people ride the bus if it was improved? Probably. Again, one of the criteria the for getting people out of their car and into the bus is to charge for parking, raise gas tax, if you have the political will to do those kinds of things, then you might force more people on to the bus. Those work. They have been proven to work, but unless you put the whole package together, it will not. A few years ago, there were free bus passes given out to County employees and very few people took advantage of them. If you want to experiment I would suggest this, charge a hundred dollars (\$100) a month for any County employee that wants to

drive their car to work and give them a free bus pass. Let us see how well that works before you go out and tax the people in the community. Do you want to try an experiment? This is a good one. You have a lot of people working here and it is a real simple thing to do because you have control of that. I would be willing to bet that there will still be a number of people that will be driving their cars to work for many reasons. They will not park in the parking lot, they will go someplace else and park, but that is okay. Take a look at what that does. Experiment before you go and tax people. I would rather see a gas tax before this, because then if I choose to drive a lot, I will pay accordingly. If I do not drive too much, then I will not be paying as much. The people on fixed incomes will be less impacted, especially because this tax charges them for every nickels worth of food they buy and that is not right. Therefore, eliminate the tax on food and put this half percent in place or do something more drastic and put the gas tax in place. Thank you.

Mr. Abrew: Our GET rate is four percent (4%) when you add five percent (5%) that is a twenty percent (20%) increase, not just a five percent (5%) increase. I would like to touch on one thing that was mentioned, which is, "What are we going to do after ten (10) years?" We are going to hire forty (40) employees and after ten (10) years, are you going to say, "Good bye?" This County does not do that to employees. This County will figure out a way to keep them. So what are we going to do in ten (10) years once this tax falls off? What are you going to do with all the extra equipment you bought, all the extra bus drivers you have, all the extra things? What are we going to do? That is one thing that we really need to look at. If you get a hundred and five million dollars (\$105,000,000) over ten years, what are you going to do after ten (10) years when that hundred and five million dollars (\$105,000,000) just vanishes, or whatever the taxes we get. My other question is this Bill would come into effect in 2018. Are we not going to hire any employees until 2018? What is going to happen between now and 2018? Are we going to start hiring more people to plan to start spending this money, which we do not have until 2018? What is the plan between now and when this takes effect in 2018, what is this County going to do? Does the plan start at 2018 to spend this money. These are all things that the public has no clue of because it has not been communicated to us. You folks are going to be voting on this. The public needs to be aware of this and know how this money is going to be spent and what is going to happen in ten (10) years. It might not even be this Council that is going to do all that work. You folks are just putting them back in this to start with I do not know if there is a way it can be written into this Bill that if the Administration, in a year and half cannot show exactly how this money is going to be spent and what they are going to do with it, that it can be void. Where are the safeguards of this entire general plan? It is like writing a blank check to the County Administration. Is there any protection to the taxpayers that are going to be paying this? Those are things you might want to think of. Thank you.

Councilmember Yukimura: Rob when you say that, this is definitely a restatement that I am asking for, when you say that point five percent (0.5%) is actually twenty percent (20%), are you talking about the nature of the excise tax?

Mr. Abrew: No, I am saying right now we are paying four percent (4%) GET on everything we purchase in this State; groceries, medicine, to anything. When you add five percent (5%) to that four percent (4%), that is a twenty percent (20%) increase in taxes that we are spending.

Councilmember Yukimura: Okay. Thank you.

Mr. Abrew: That is where my twenty percent (20%) comes up. It is not on the entire bill, it is on the GET you are paying.

Ms. Cowden: Point five percent (0.5%), right?

Mr. Abrew: It is a point five percent (0.5%) on four percent (4%), which is twenty percent (20%).

Mr. Johnson: I have in my life, I know everybody can do it, but I have commuted by bicycle to three (3) jobs, over ten (10) miles each way. I enjoy it. Some people do. I know a physician here who works at Wilcox who used to like to come from Kapa'a. We have a woman living with us right now and have the same similar problem. I was nearly killed on a bicycle years ago in San Jose. It was not my fault. I am very worried about riding bicycles next to fast moving cars these days, I will not do it. I rode into Lihue from Kapa'a on the old cane highway just to see what it is like. It is good if we can develop that someday. Let me get on to what I really want to talk about. What is our long-term plan? What is our big plan? What is our ten (10), thirty (30), or hundred (100) year plans? In the next fifty (50) years and quite frankly in the next ten (10) years, we have to make some significant changes in how we do business as humans. One of the big ideas that is out there is climate credits. It is already in place in California, at my home there. I get a check every year from the electric utility that the money comes from them having to pay extra money when they burn fossil fuel to make electricity. It is real simple. They charge everybody more money and then on a pro rata basis, they give out the money to everybody and we can do that here on Kauai. I think it would be fabulous. I want to talk more with you, but this is not the time to do it. Another idea is, frankly we got so much to work on, I think we need a dedicated commission here for the Council that works on nothing other than climate problems. We need to commission, and I have read through all the resolutions, I am of admiration of the work that you have done, but I think we need a full-blown board at this point in time to focus on all the gas powered engines we need to get rid of, how are we going to change them over, and how are we going to move into this new future. We have a lot of work ahead of us and we need a full blown commission. Third idea, one of the things we can do is educate. We often forget and we think of ourselves as regulators, we think of government, but we can educate. That is what we need to do right now. There are a lot of people who really do not understand the impact that is coming at us with climate change. They do not understand the problems. Frankly, I have had to spend the last three (3) years trying to educate myself about it to really learn what our problems and solutions are. What are the good solutions? I want to thank you very much for your work. Thank you.

Councilmember Yukimura: Just to clarify, what is your first solution, carbon credits, was that it.

Mr. Johnson: There are several names for the same thing, but it is kind of a "climate credit," in California. Some people call it, "carbon tax."

Councilmember Yukimura: But essentially a carbon tax.

Mr. Johnson: It is a way of fairly, equitably, across the entire population helping the process of getting off the carbon and doing it so the people who use more carbon pay more. This would fit right in with the transportation program, in my opinion. Thank you.

Ms. Alalem: I was talking about Councilmember Hooser saying we should focus on less government waste instead of raising taxes and I kind of agree with that. Those bike/road templates every hundred (100) feet or so in front of Kapa'a Middle School, they are going this way instead of this way. I could not

even figure out what it meant for a while and we are supposed to already know that bikes can go on the roads. I am really against doing anything like that on those curvy roads like Olohena. I think it is terribly dangerous. I would not do anything to encourage bikers on those roads. Another example is, a sign that say, "Begin rumble strip and end rumble strip." If you drive onto that rumble strip, you know you are there and you know it is there. I just wonder how many man hours it took and how much those signs cost to do that. Narrow shoulder...there are no signs that say, "Zero shoulder," when there is no shoulder on the roads. Those kinds of things...I had a renovation at my house and every couple of days it was a thousand dollars (\$1,000) just for one (1) guy and I could imagine what a road crew costs for the bike templates and all of that. I do not think it is necessary. People get emotional about raising taxes and it is understandable, because it is hard. I do not agree with raising property taxes, it is not fair, because everybody does not own property. A small excise surcharge kind of spreads the pain around a little bit. According to taxfoundation.org, Kaua'i has the second lowest average takes in the State and the in the nation, so comparatively there is room for an increase, but I want it to be a sure thing. Serious issues such as education, traffic infrastructure, and to remove tax from food sales, I would go for a one or two percent (2%) increase if those are addressed. I have no problem with that. We need to be careful and I know you are going to be thoughtful about working this out. Thank you.

Mr. Evslin: Just to clarify, in my effort to be concise, I missed my point. I am advocating for a large expansion of the gas tax. I think that increasing bus routes every half hour has to be a priority. I am not saying do not increase the excise tax and do not increase public transportation. The cost should come from owners that the roads benefit...as everybody else on the roads benefits more than the people using the bus. It does not make sense to put a drag on the economy of twenty million dollars (\$20,000,000) a year from an excise tax for the people who might not be benefiting, because they might not be driving. I would in theory support a small increase in the excise tax for a limited amount of time, just for minimal capital expenses like building bus shelters as such. We should have a shelter at every station and the bus has to be every half hour. Those are my thoughts. I think it would be like a seven cents gas tax increase to make up that difference. I saw on the proposal two million dollars (\$2,000,000) would get you to every half hour. Thank you.

Mr. Bernabe: Maybe we need a bus fare increase. How about bigger buses to get more people on the route. I want to ask a mathematical question, if we put every seat with a paying customer on the bus and travel the route, even if we change the average percentage; getting off at a few stops, give or take five here and take five more, all the way to Kapa'a Town, is that enough to pay for that operation? If we are in a deficit, that means we are running in a deficit and I am pretty sure that whatever you choose on this mathematical equation, we are going to come up with a deficit. I am talking about...I do not trust these folks. I have been here and the department that is going to be in charge of this money has not proven to me that they are worthy. If this was, let us just say, the adolescent money and it was going to go to creating the infrastructure that we can start processing vegetables to export, I could support a tax for that; point five percent (0.5%), because that is going to go on for a long time. We can construct the plan and the folks that are in it want to have that outcome succeed. These people are demonstrating time and time again that that is not the case here. I drove here this morning to see how good Rice Street was. I think the math is that they just did it twelve (12) years ago or something. Why were they going after a Transportation Investment Generating Economic Recovery (TIGER) grant for Rice Street in the first place when all the rest of the infrastructure...or even the bus was in disrepair. Why is this department in charge of transportation or whatever it is...right...if this

is all encompassing; why were we not looking for grant money to get a new fleet or create the infrastructure to have a sustainable route that can actually pick them up, bring them relatively to their house, put a shelter from the rain that we all have on Kaua'i, the sun that we have in the sub-tropics. Why is that not the focus? I went to the General Plan Meeting the other day and all they are talking about is sidewalks and bicycle trails, nothing about...they do not care about the roads. They are saying that they want to slow the traffic down on Rice Street, which is amazing because I flew through it all the way until you hit the arteries that tie into the mall and back into the highway. We need to create a financial driver. We need to create the infrastructure that can process vegetables and export them with our locally made goods. That is where we should be and if that was the tax for that, I could support that, but I can support this going to that department with all of the mistakes and all of the inefficiencies blatantly doing that bike trail by Olohena without a public process and have the *balls* to come over here and ask after-the-fact. I am embarrassed for them.

Mr. Sykos: I will reiterate that I am against this. Number one, since this whole transportation deal has been front and center in these last few years. We had this big push that is supposed to get us more walking pedestrians and more bicycle riders. We would assume that all two-wheeled vehicles using less energy than four-wheel vehicles would also be included in managing our traffic, but we do not see anything and there is no plan. There is nobody tasked and nobody funded to educate the public that we are changing the rules on the road. We are putting people where there never used to be people whether they would be walking or on a bicycle. If you hit them, you will be charged with negligent homicide, at best. You are radically changing the rules on the road, but you have no process to inform the public that, hey, we want to change things. Look at Olohena Road. Somebody driving normally on Olohena Road, which is in excess, hugging the lines and curbs. Sooner or later is going to hit a bicycle rider doing the same thing and then what? And then we get sued and as part of the trial proceedings we find out that the stripe is there and this whole bicycle lane is a Charter violation. The Administration had no right to do that without your approval. The total mismanagement...where do you want to work? Is Celia still the head of the Transportation Agency? I like Celia, I am not dissing her, but I have been to these hearings for years. The previous head of the bus department, who now is our Human Resources (HR) Director, was incapable of forecasting what the future expense was going to be, which is why we brought in Celia because she is an accountant. She has no educational background in running a bus system. Until we hire a competent manager, no. Tip of the hat to Celia for doing a great job for somebody who never went to one class in college for how to manage a bus system, never worked one day of her life managing a bus system, and then gets thrown the hot potato. It is a no.

Committee Chair Kaneshiro: Anyone else in the audience wishing to testify?

JOSEPH DUNSMOOR: I want to thank you for allowing me to speak. I sometimes ride the bus, but it is inconvenient. It does not stop where I live and it does not let me off where I want to go and so for most people, I would say that the bus is inconvenient. I believe in the bus. I believe that the bus can make a really big difference. As far as funding the bus and making the bus more user-friendly, I am sure there are lots of ideas. We all know we need those structures and things like that for people to be and systems to be able to let people out closer to their stops and not just that one stop. As far as funding that, I hate to see our taxes get raised. I wonder if a big part of our traffic problem is not rental cars and if we could not even stick them with a stiff twenty-five dollars (\$25) a day charge to use our

highways or something. I know that is ridiculous. I am not sure what the percentage of rental cars versus personal cars or business cars, but I am sure it is significant. I would say that and a gas tax. I would also like to add this as far as...we need a change in the world. We are a consumer society, we are using things. I would support change and new ideas and education. I also like the idea of experimenting with getting on the bus and seeing how user-friendly it is for all of us, because we are all so busy and we are all in a hurry to get to where we are going that we jump in our car and do it because we do not want to take that extra time being on the bus. I firmly believe in the bus, and I do not make a lot of money, so if something happens to my car, I will be using the bus more often. I feel that that could be a very exciting future for us as far as energy consumption, creation, and what we could do with our bus system. Thank you.

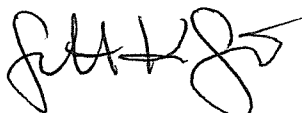
Committee Chair Kaneshiro: Anyone else wishing to testify that has not gone twice? I just want to say that this issue will be in Committee Meeting next week again.

Councilmember Hooser: I appreciate the passion from the public, but I think the public should be reminded on occasion to offer testimony that is civil and testimony that is suitable for mothers, daughters, and children, and we should avoid profanity and strong words in the future. Thank you.

Councilmember Kagawa: I am just wondering by a show of hands since you are hardcore followers of government, how many of the public that is here right now are planning to come next week? I may suggest looking at a set time and that way we do not have them waiting 8:30 a.m. – 1:30 p.m. for them to get a chance to talk. How many people from here plan to come next week on this item? Alright, maybe we will just go in order.

There being no further testimony on this matter, the public hearing adjourned at 5:59 p.m.

Respectfully submitted,



SCOTT K. SATO
Deputy County Clerk

:dmc