

COUNCIL MEETING

AUGUST 3, 2022

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Arryl Kaneshiro at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, August 3, 2022, at 8:45 a.m., after which the following Members answered the call of the roll:

Honorable Bernard P. Carvalho, Jr.
Honorable Mason K. Chock
Honorable Felicia Cowden
Honorable Bill DeCosta
Honorable Luke A. Evslin
Honorable KipuKai Kuali'i
Honorable Arryl Kaneshiro

APPROVAL OF AGENDA.

Councilmember Kuali'i moved for approval of the agenda, as circulated, seconded by Councilmember DeCosta.

Council Chair Kaneshiro: We received no written testimony. Is there anyone in the audience or on Zoom wishing to testify? None.

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Kaneshiro: Are there any questions or discussion on this item from the Members? Councilmember Cowden.

Councilmember Cowden: Are we doing the Council Meeting first or the Committee Meetings first?

Council Chair Kaneshiro: The Council Meeting.

Councilmember Cowden: Okay.

The motion for approval of the agenda, as circulated, was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

MINUTES of the following meetings of the Council:

July 20, 2022 Council Meeting

July 20, 2022 Public Hearings re: Resolution No. 2022-22, Bill No. 2871, and Bill No. 2872

Councilmember Kualii moved to approve the Minutes, as circulated, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on this item. Is there anyone in the audience or on Zoom wishing to testify? None.

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Kaneshiro: Are there any questions or discussion on this item from the Members?

The motion to approve the Minutes, as circulated, was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

INTERVIEWS:

CIVIL SERVICE COMMISSION:

- Shelley Konishi – Term ending 12/31/2024

ELLEN CHING, Boards & Commission Administrator (*via remote technology*): Today, I am happy and honored to introduce Shelley Shinsato Konishi. Shelley was born and raised on Kaua'i and attended Elsie H. Wilcox Elementary School and Kaua'i High School. After graduation, she continued her education at the University of Hawai'i at Mānoa, earning a degree in Business Education. Upon graduation, she returned home to start a career and family. Initially, Shelley was a personnel clerk at Kaua'i Community College and shortly thereafter became an instructor in the Business Division where she taught for twenty-seven (27) years until her retirement in 2010. Since 2010, she claims that she has been busier than ever between working at Gary's Service—her family business—and tending to her five (5) granddaughters ranging in ages from five (5) months to twelve (12) years old. With what little free time she has, she enjoys playing tennis. In fact, if money was no object most people talk about a dream vacation or car, but Shelley would build her own tennis court for her and her friends. As the daughter of Morris Shinsato, the founding father and author of the Kaua'i County Charter, Shelley is following in his footsteps of public service. With her business and personnel experience, I am grateful that she is willing to serve on the Civil Service Commission.

Council Chair Kaneshiro: Shelley, do you have anything you want to add to that?

SHELLEY KONISHI (*via remote technology*): No.

Council Chair Kaneshiro: Okay, thank you. Are there any questions from the Members? Councilmember Cowden.

Councilmember Cowden: Shelley, this is your first time serving on a board or a commission. Thank you so much. What inspired you or what is your willingness to serve?

Ms. Konishi: I was arm-twisted two (2) times by Ellen and my deceased friend, John Isobe. He always bugged all of us about doing our share to help the community. He is not here in body, but he is twisting my arm from up there. That is why I said that I would do my share and participate on the Commission.

Councilmember Cowden: Thank you so much. John Isobe was a dear friend of mine and I worked with him a lot. Thank you.

Council Chair Kaneshiro: Are there any other questions from the Members? If not, is there anyone in the audience wishing to testify? Alice.

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

ALICE PARKER: I have had marvelous business experience with Shelley at Gary's Service. She is always businesslike, on top of it, and she knows what is going on. She is very helpful in telling me a whole lot of things. She would be terrific. Please...thank you.

Council Chair Kaneshiro: Thank you. Is there anyone else in the audience or on Zoom wishing to testify? None.

There being no further testimony, the meeting was called back to order proceeded as follows:

Council Chair Kaneshiro: Is there any final discussion from the Members? I will say that I have known Shelley almost my entire life. I know she is going to be a great asset to the Civil Service Commission. I am classmates with her daughter. I know pretty much their entire family. I think she will be a great addition to the Civil Service Commission, and I will be voting in favor of her when the time comes. Does anyone else have anything to add? Councilmember Cowden.

Councilmember Cowden: I just want to say how much I value her efforts to come and help. It sounds like she has been basically raised with an understanding of how our County works. I want to thank you very much.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Shelley, as a school teacher, I see many of our local kids come through our elementary, intermediate, and high school programs. They go off to college and become successful. You are that shining star and that future leader

in our community. It makes me so happy to see one of our local girls prosper like you. Thank you so much, Shelley.

Council Chair Kaneshiro: Does anyone else have final discussion? If not, thank you, Shelley. We will be voting on your appointment at our next Council Meeting. Next up, we have Mai Shintani.

PUBLIC ACCESS, OPEN SPACE, NATURAL RESOURCES
PRESERVATION FUND COMMISSION

- Mai Shintani (*At-Large*) – Term ending 12/31/2023

Council Chair Kaneshiro: Councilmember Evslin, will you be doing the introduction for Mai?

Councilmember Evslin: Because this is a Council appointee, I will do the introduction for Mai. I am nominating her. She is a manager at Deloitte, a global consulting firm. She manages Federal and State projects across the country related to enterprise risk, crisis, and grants management. Her previous professional background included advising senior leaders in the Federal Government on management topics related to emergency management and she worked on disaster management at the Federal Emergency Management Agency (FEMA) headquarters in Washington D.C. She grew up on Kaua'i working at her parents' restaurant, Sushi Katsu. She is a proud graduate of the Kaua'i High School Class of 2003 where she was my classmate. Mai received her Bachelor's Degree in International Studies from Soka University in Orange County and her Master's Degree in Public Policy and Human Rights from Columbia University in New York City. She served as a volunteer in the Peace Corps in Gambia for two (2) years and in Western China for one (1) year. I will just add that I had the honor of knowing Mai for most of my life. When I saw that there was a Council appointee position available for the Public Access, Open Space, Natural Resources Preservation Fund Commission (also known as the Public Access Commission or Open Space Commission), the first person I thought of was Mai. I know she will do a great job if appointed.

Council Chair Kaneshiro: That was a good introduction, Councilmember Evslin. You are competing with Ellen. Mai, is there anything you would like to add to that introduction?

MAI SHINTANI (*via remote technology*): Good morning, Councilmembers. I am just really honored to be here and it is really nice to meet you all virtually. I hope to meet you in person soon. I am really excited about this opportunity. I am happy to answer any questions you have.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Thank you so much for doing this. You have a rather impressive background. I appreciate that we have a homegrown person who has done some pretty significant things out there. You understand the Open Space Commission's *kuleana* is to make sure the public can get to the beach or to the

mountains. What do you know about the responsibility of the Open Space Commission?

Ms. Shintani: Sure, thank you for that question, Councilmember Cowden. I understand that the Open Space Commission works in parallel with the Planning Department. We provide recommendations and advise the County Council on projects to fund with the Fund that is I believe is one-half of one percent (0.5%) of the real property taxes that go annually to this Fund. My understanding is that there is a list of projects the public is able to submit through a survey on your website. Any of these areas that they would like to have the Councilmembers consider...I believe you did Black Pot, Hideaways Beach, and Waimea in the past. A lot of those situations dealt with public access. Our job is really to work with the public, the Council, and the Planning team to provide a list of recommendations.

Councilmember Cowden: Thank you. I am pleased to see that you are from Kalāheo, because we need people from all around the island. I appreciate that you have an understanding of this and how it is essential to our hunting and gathering rights and the perpetuation of the range of cultures that we have here. Thank you.

Ms. Shintani: Thank you.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Thank you, Mai. We are glad to have you aboard. I was at the last Open Space Commission Meeting. I did a small presentation for Planning on some *mauka* accesses. I hope that you advocate for our *mauka* to *makai* accesses.

Ms. Shintani: Thank you, Councilmember DeCosta.

Council Chair Kaneshiro: Are there any further questions from the Members? Is there anyone in the audience or on Zoom wishing to testify? Lonnie.

LONNIE SYKOS: Thank you very much for considering this position. I very much hope the County Council approves your nomination. I have a question though about your perception about what your job is. I sat out here in the peanut gallery some years ago when the land preservation fund was created. At the time it was created, there was great discussion about whether or not the money in the Fund should be used solely to acquire property or should it be used to acquire property and then develop some aspect of it for the public to use, such as a right-of-way where one does not exist any longer because it fell apart due to the weather or whatever. My question for the candidate is, have they considered that not only is their duty to develop a list of properties to purchase, but in consideration of what is realistic, how does the nominee view how you look at how much money actually exists to purchase property and how much of that Fund will be committed to develop some aspect of the property versus purchasing it? This is also a question for the County Council. This is very germane because you have a Resolution in front of you in which you want to create this dedicated fund and yet we see from past experience, that the dedicated fund can easily be raided in order to generate money for some future budget, which is what occurred with this fund. The purchase of the

property was then pursued and then the money from the fund was directed to create the public access to the property. That is my question to both the Council to inform the nominee, as well as my question to the nominee as to how she would balance those two (2) needs that now exist for the one (1) fund. Thank you.

Council Chair Kaneshiro: Is there anyone else in the audience or Zoom wishing to testify? This is on Mai Shintani's appointment to the Open Space Commission. Are there any further questions from the Members?

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

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

Councilmember Cowden: I just want to respond to what the testifier was speaking about with Hideaways. He brought up an important point, if that was the property he was talking about. We ended up basically doing a negotiation where we got that access without cost, but in order to do that, we needed to improve the ability to have it be safe. It really was a very good deal. The cost of the improvement...many times the cost of making the purchase is much more than that. It was a critical site. Because there was a question...were you able...

Council Chair Kaneshiro: Are you going to ask a question?

Councilmember Cowden: I will not. I definitely voted in support the improvement, hopefully it can be done for a lot less than it was voted for. Basically, the improvement was much cheaper than we would ever pay for that land. That is why that happened. I appreciate what the testifier was pointing out is that there are a lot of subtleties and training is important. When I look at what you have done, training is probably going to be a pretty quick learn for you.

Council Chair Kaneshiro: Is there any final discussion? Councilmember Evslin.

Councilmember Evslin: I just want to thank Mai for her willingness to serve. As I said in my opening, I think she is going to do a really good service for Kaua'i as she has really extensive experience in government. She is a quick learner and dedicated to the island. Quickly, to respond to Lonnie's question as well. I served on the Open Space Commission for a few years before the Charter was amended to allow for the Fund to be used for improvements. We constantly had a stream of issues that we were seeing...these were at some point County accesses that were overgrown and people could not longer use them. They got lost in some capacity. Over and over again we were faced with this issue that the public was asking for help in restoring these accesses, but the Fund was not able to go towards maintenance or

improvements, and the accesses were stuck in limbo or lost in some capacity. As far as what that priority should be, I think that will be up to the Open Space Commission to balance out on sort of a property-by-property basis. I think it is valuable to be able to use the Fund sometimes for improvements when necessary.

Council Chair Kaneshiro: Does anyone else have any discussion? If not, I just want to thank you, Mai, for your willingness to serve. Based on your work experience and credentials, I think you are very qualified to be on the Open Space Commission. Not related to the County, but in the back of my head, I am hoping you will open up Sushi Katsu again. That is just me selfishly saying that if you open it up, I will be there. It was one of my most favorite restaurants around. Thank you, again, for your willingness to serve. We will be voting on your appointment at our next meeting. Next up, we will go through the Consent Calendar and then we will go to the performance audit.

CONSENT CALENDAR:

C 2022-163 Communication (07/13/2022) from the Director of Finance, transmitting for Council information, the following reports:

- a. County of Kaua'i Bond Summary of General Long-Term Debt: Rollforward for Fiscal Year 2022;
- b. County of Kaua'i Bond Supplemental Summary of General Long-Term Debt Amount Outstanding as of June 30, 2022; and
- c. Excluded County of Kaua'i Bond Supplemental Summary of Long-Term Debt Amount Outstanding as of June 30, 2022: CFD No. 2008-1 (Kukui'ula Development Project) Special Tax Bonds, Series 2012, Series 2019, and Series 2022.

C 2022-164 Communication (07/19/2022) from Chris Donahoe, Deputy County Attorney, transmitting for Council information, the Quarterly Report on Settled Claims filed against the County of Kaua'i from April 1, 2022 through June 30, 2022.

C 2022-165 Communication (07/20/2022) from the Director of Finance, transmitting for Council information, Period 12 Financial Reports – Statement of Revenues, Statement of Expenditures and Encumbrances, Revenue Report, and Detailed Budget Report as of June 30, 2022, pursuant to Section 21 of Ordinance No. B-2021-877, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2021-2022.

Councilmember Kualii moved to receive C 2022-163, C 2022-164, and C 2022-165 for the record, seconded by Councilmember Chock.

Council Chair Kaneshiro: We received no written testimony on these items. Is there anyone in the audience or on Zoom wishing to testify? Seeing none.

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

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

The motion to receive C 2022-163, C 2022-164, and C 2022-165 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. We are going to skip to C 2022-173, which is the performance audit.

There being no objections, C 2022-173 was taken out of order.

COMMUNICATIONS:

C 2022-173 Communication (07/26/2022) from Council Chair Kaneshiro, requesting agenda time for a briefing from Spire Hawaii, LLP (external auditors), to provide a presentation on the Department of Public Works, Roads Division Performance Audit.

Councilmember Kualii moved to receive C 2022-173 for the record, seconded by Councilmember Cowden.

Council Chair Kaneshiro: Tyler, do you want to go through the presentation? We will hold our questions until the end of your presentation.

There being no objections, the rules were suspended.

TYLER KIMURA, Spire Hawai'i, LLP (*via remote technology*): Thank you. Aloha, Council Chair, Council Vice Chair, and Members of the Council, my name is Tyler Kimura, Partner with Spire Hawai'i, LLP. Thank you for the opportunity to present our report for our performance audit of the Kaua'i Department of Public Works, Roads Division. I have a short presentation that summarizes the audit scope, our findings and recommendations, as well as the Department of Public Works' (DPW) response to the audit. I would like to thank Acting County Engineer Troy K. Tanigawa, Managing Director Michael A. Dahilig, and all of the past and present Roads Division personnel who worked with us throughout the audit process. Let me just share my screen here.

Here is the audit objectives and scope. We reviewed whether the Roads Division had the necessary and qualifying staff, policies, and standard operating procedures to confirm the road maintenance projects funded by the General Excise Tax (GET) surcharge, which started on January 1, 2019. We also examined whether the Roads Division had the necessary and qualifying staff, policies, and Standard Operating Procedures (SOPs) to conduct regularly-scheduled storm drain and shoulder clearing maintenance, pothole repair, sealing and maintenance, and repair of safety devices, signs, and road markings. We also followed up on the findings and recommendations of a Road Maintenance audit that was performed in 2012.

First finding. The Roads Division does not have the necessary and qualified staff, policies, and SOPs to perform the GET-funded road maintenance projects

within its scope of responsibility. This funding is based on field work which included interviews, document review and interviews, and research on practices from other jurisdictions. We found that the Roads Division did not have sufficient engineering or project management capacity to conduct assessments on road conditions and to provide technical oversight such as construction management of contractors. The roads Division produced only one (1) policy and SOP relating to guidance and selection on the County streets for paving, reconstruction, and maintenance projects. We also found that funding from the GET during the test period was unpredictable and that allocations to projects not relating to road issues are outside of the Roads Division control that affect its ability to plan. All recommendations for Finding 1 included that the DPW should consider giving a high priority to working with the Department of Human Resources, to identify the changes it needs to make to fill its need for in-house engineers. We note that DPW made staffing changes in 2022 that appeared to show that they made progress in implementing this recommendation, as certain engineering duties and positions were transferred from the Roads Division to the Engineering Division, within DPW. DPW and other recipients of GET funding should consider incorporating best practice policies and SOPs, such as data driven project monitoring, cost-effective, and efficient organizational structure, project delivery evaluation, evaluation of program performance and costs, and public access to project information and compliance processes.

Finally, DPW and other intended recipients of the County GET should be consulted during the GET allocation process, so the results of cuts to anticipated funding are known and accepted prior to the cuts being made. In its auditee response, DPW generally agreed that the finding and recommendation...

Council Chair Kaneshiro: One second, Tyler. Councilmember Cowden.

Councilmember Cowden: Yes, can I ask you to lose some of the acronyms and use the real words. We are talking to the public. SOP is Standard Operating Procedure, DPW is Department of Public Works. I see we have "IWR" which I would not know, but I see that is Islandwide Road Resurfacing. Can you use the real clause instead of the letters?

Mr. Kimura: Sure. Will do.

Councilmember Cowden: Thank you.

(Note: Mr. Kimura thereafter refrained from using acronyms, but acronyms continue to be used herein for brevity.)

Mr. Kimura: Thank you very much. DPW generally agreed with the finding and the recommendations and noted that it made the following improvements, which included moving the contracting and administration of construction projects including the IWR Program under a Project Manager, which is now under DPW Administration. They also plan on updating policies and procedures while working with the Department of Finance on a budget process policy. DPW estimates that these improvements will be in place by June 30, 2023.

Second finding. The Roads Division does not have the necessary policies and SOPs to conduct regularly-scheduled storm drain, shoulder clearing maintenance, pothole repair, sealing and maintenance, and repair of safety devices, signs and road markings. The only policy and SOP that was produced to us, was the Road Resurfacing Policy and SOP, which provides guidance on the protocols and procedures for selecting which County streets are chosen for paving, reconstruction, and maintenance projects. There are no policies or SOPs that covered other duties, including contractor oversight, or project tracking, maintenance and repair performed by its in-house crews or complaint handling. The Roads Division does not have project tracking or performance monitoring system for in-house work that would enable a measurement of response time or other indicators of efficiency and performance. We have three (3) recommendations related to Finding 2. The Roads Division with the assistance of DPW and the Engineering Division, should develop or improve its data gathering with the aim of using the data to analyze efficiency, effectiveness, and plan future projects. Roads Division should also complete its policy and SOPs manual and consider policies and practices from other jurisdictions for inclusion. Roads Division should also consider customer and employee surveys to identify any areas of improvement. DPW in its auditee response generally agreed with the finding and recommendations and notes that it has made the following improvements. DPW estimates that these improvements will be in place by February 28, 2023.

Finding 3 is related to our assessment of whether the recommendations from the 2012 Road Maintenance audit were implemented by DPW. We found that Roads Division has implemented four (4) out of seven (7) recommendations, the two (2) recommendations were partially implemented, and one (1) recommendation was not implemented. These are the four (4) recommendations that were implemented. First, the Administration and Council should provide sufficient resources to enable the Roads Division to develop an asset management plan. Second, DPW and Roads Division should conduct an economic trade-off analysis to determine the estimated optimum amount to invest in roads to achieve the highest economic return. The third recommendation that was implemented, Roads Division should consider allowing the reconstruction as part of the roads maintenance solicitation even if exact locations cannot be specified. The fourth recommendation that was implemented was that the Administration and Council should ensure that the IWR projects are categorized as required by the Kaua'i County Charter, and capital budget funds are not used for repair and maintenance. The two (2) recommendations that are deemed partially implemented are listed here. One, the Kaua'i County Administration and Council should continue to allocate resources necessary for their Division to plan and execute time and annual road maintenance programs. We found that the funding and support was there. However, staffing remains a problem. The former Division Chief and former Civil Engineer VI appeared to have a good understanding of the nature of the contracted work, but they retired. We understand that the Roads Division is having continued problems with filling positions, although they made changes as previously discussed with moving positions and responsibilities to the Engineering Division. The second partially implemented recommendation is that the Administration and Council should provide sufficient resources to enable the Roads Division to complete its policy for the SOP manual. Roads Division indicates it has the resources to develop a manual, but the manual has not been completed. The one (1) recommendation that we deemed was not implemented dealt with DPW and the Department of Finance, that they should amend their existing policies and procedures, and develop and chart of account to ensure compliance with State fuel and vehicle weight tax, and public utility franchise fee restrictions. This finding and recommendation from the 2012 audit is related to the sources and uses of the

Highway Fund money. The primary sources are fuel taxes, vehicle taxes, and public utility franchise fees, but they each have their own restrictions on use. Once all the funds are comingled within the Highway Fund, the County did not have a way to ensure that the use of those funds match the restrictions with those sources. In the Department of Finance's response as to whether this recommendation from the 2012 audit has been addressed and implemented, they responded that it has not been accounted for and the ability to track the actual use of response has not been done. For that reason, we deemed this recommendation as not implemented. In its auditee response, DPW states that it will review the recommendations and any findings that have not been implemented with the Administration and Council to prioritize and fund full implementation. I will be happy to answer any questions that you have.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I will start with a few; I have a lot. I want to begin by saying that I am glad that our roads work, and that people are going...I want to acknowledge the positive, that is good. Honestly, I was stunned when I read this because it seems beyond the pale. We did not do a good job in tracking and complying. I want to recognize that it is hard to be hired for any position. Why did this audit take three and one half (3½) years? Did we not ask for this audit in 2019, do I have the date wrong? It is a long time and that is a big problem. What took so long to get this data to us? Thank you for doing it.

Mr. Kimura: Thank you, Councilmember Cowden. Great question. We were working through the process and completed our fieldwork in 2021. The scope of the audit was through year 2020 and a lot of our findings were of that date. There were issues and delays getting information from Roads with changes that were being made related to personnel, so there was some back-and-forth, and getting it into our final report. Ultimately, that is the reason why it took the amount of time that it did.

Councilmember Cowden: Okay. I want to let my colleagues ask questions. Most of my questions will be for the Roads Division and Engineering.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: This audit was from 2012, am I correct?

Mr. Kimura: The discussion and finding they made from Finding 3 was to address whether the recommendations from the 2012 audit were implemented. The findings for Finding 1 and Finding 2, whether the Roads Division had the necessary policies and procedures to deal with the GET surcharge, that related to the period 2019 and 2020. The last part of our scope was to look at the 2012 audit to see what was done relating to those recommendations.

Councilmember DeCosta: Two (2) concerning things I wanted to ask you about was "sufficient resources," is that considered another term for funding or money?

Mr. Kimura: In this case, the resources were not actually related to funding. It was the experience and expertise necessary to oversee the duties that Roads Division personnel had to oversee, such as project management, engineering backgrounds, et cetera. We understand that there were general difficulties in finding and holding onto qualified personnel with those backgrounds.

Councilmember DeCosta: In the defense of the County and the engineering hiring process, the County does not pay as great as private sectors. It is really difficult to compete and bring in the best qualified people. I believe that the County tries their best, with what they have, with the package and pay scale, but it is almost impossible to compete with the private sector. We are lucky to have the engineers that we have. I am letting you know that it will be an ongoing problem unless we can raise funding to allocate towards salaries to attract more qualified and higher paid engineers that are grasped to the private sector. Thank you.

Council Chair Kaneshiro: Are there any further questions from the Members? Councilmember Cowden, you can ask your questions to Tyler or the Administration.

Councilmember Cowden: Okay. It could be for Tyler or the Administration. I have to say that something is working right. When I look at some of our roads, they are in good shape, and I appreciate the design. We are also applying for grants. Something is working right. We also have bad roads. How many contractors do we have and what is their role in bridging this gap? When I read that we basically have the responsibility and I am quoting this...it talks about how many positions we do not have filled, but it says, "Based on the information provided to us, this leaves roads responsibilities in the hands of two (2) employees. One (1) with project management background and another with no project management or engineering background." That is pretty stunning. I hope Michael Moule is on here. If Troy or Michael wants to respond? As many projects that are happening and working well...let us just start there because I have another question.

TROY K. TANIGAWA, Acting County Engineer (*via remote technology*):
For the record, Troy Tanigawa, Department of Public Works. I want to condense the question a little. If I understand the question, right now, we have the Roads Division in fact. They are responding to regular maintenance type issues. As far as road resurfacing and road improvements, we have a Project Manager who is managing that operation and contract. We have one (1) contractor, Maui Kupono Builders, who is the resurfacing contractor. They are progressing from district to district to accomplish the roads that are listed in their contract for resurfacing and reconstruction. The Engineering Division is accomplishing road improvements through various contractors for road improvement projects like the ones you have seen on Maluhia Road, Kōloa Road, Kawaihau Road, Haua'ala Road, and Mailihuna Road in Kapa'a. There are a lot of projects that are being accomplished. It is the County's responsibility to ensure the residents have a good riding surface to drive on and is safe. There are a number of roads that we need to get to, and we have people working scoping work for these roads. We will have information for the next bid that will go out projected for this year, for the next phase of IWR, and to continue the good work that we have been doing for the past several years since GE funds have been appropriated.

Councilmember Cowden: We have a road, I am going to use Olohena Road as an example, which seems to “blow out” a lot. I use that “colorful phrase” because it blows out tires, wheel wells, et cetera. When we have a road like that, my guess is the roadbed itself is not good. As much as that road gives up, is that accurate?

Mr. Tanigawa: Olohena Road is a collector road. Currently, there is a project design going on now to construct the improvements to correct those problems. We have engineers trying to work to finalize the plan specifications and contract documents. Right now, that work is pending and in completion of the environmental review. Anything else is in place. Once the environmental review is done, the Federal Highways Administration will obligate the funds to allow the County to start the project. In the meantime, road resurfacing crews are trying to keep up with the potholes. We have leeway to do additional reconstruction work during the interim if areas other than regular pothole patchwork.

Councilmember Cowden: Is there an engineer to help design that? Is it a project manager, an engineer, who is it? What I am trying to look at...go ahead, you can answer.

Mr. Tanigawa: For large complex projects, we have a project manager who is a staffed engineer managing the consulting contract. These consultants have experts that can come in and find solutions for complex issues and problems. There is a design, and the design is complete. The rest of the puzzle involves environmental work that is complex in a different way, but they have experts to get through that. Right now, and from what I understand, we are waiting on response from the State Historic Preservation Division. Once we get that concurrence with the solutions we proposed, the project will go ahead.

Councilmember Cowden: Thank you for answering that. Who is the contractor? You said Maui Kupono Builders. Do they do resurfacing, or do they do the design work as well? Who does the design or strategy work?

Mr. Tanigawa: The IWR Project currently uses Maui Kupono Builders, they are a construction firm. They do road resurfacing and roadway construction. They have a different listing of roads and are on a different contract, which they are attending to now. Olohena Road is on a different contract. We have a separate effort to repair issues on that road.

Councilmember Cowden: I have a few more questions, but I want to let other people ask questions. When we see that there is no SOP, it seems like that should be a baseline. It was asked for in 2012, can you help me to understand why we do not have that? It sounds like an urgency, why has this not been called to our attention?

Mr. Tanigawa: Councilmember, could you repeat that?

Councilmember Cowden: When I looked through here, I saw that there was a recommendation in 2012 and I believe I also saw another recommendation from 2007 for SOPs and having ways where we can track the money and performance. This did not start with you, and you have not been in this position for that long. I am not “pinning” you with this. You have been in your position for about a year.

Mr. Tanigawa: Yes.

Councilmember Cowden: Why did anyone not say to us, "Hey, we need help, we do not have enough people, we are not hitting the goals that we are trying to get to," when you know that we are asking for an audit. I do not understand how this has been allowed to be a problem for the last fifteen (15) years or more. It was found in 2007, so I do not know how long it has been. Why was this not called to our attention and why do we not have an SOP?

Mr. Tanigawa: I am not able to speak for decisions that were previously made. I can tell you that in 2019, the Administration requested the audit specifically for the Roads Division. They saw the influx of funds coming in from the GET appropriation and there needed to be an assessment. Based on what was found, the information that came from the audit was very helpful. They identified areas that needed attention. They provided helpful information focusing on areas that needed changes, so that the program could function the way it is supposed to. Also... utilizing the funding properly given the restrictions on GE funds.

Councilmember Cowden: I am glad you brought that up. I will ask one (1) more question, then let other people ask questions that might address some of my other questions. It seems to me for a Councilmember or at the DPW, we have two (2) responsibilities. One (1) is to ensure the roads are functioning. They are imperfect, but they are functioning. We have that responsibility. The other is to be accountable for the funding that we are getting and that we use it well. That part lays heavier on the Council. I had a lot of anxiety reading this, because I never expected it to come out showing...and I would frame this as if we are "winging it." The good news is that we are winging it well. What makes me uncomfortable is in how many other departments are winging it? Is this typical? When this did not have any flags saying, "Hey, we need help and this is where we are behind," it makes me think that is happening everywhere. I want to let you have a chance to respond to that, and I will yield my time to my colleagues. I am sure they have good questions.

Mr. Tanigawa: The use of the funds and ensuring funds are spent appropriately, we have a system within DPW that involves approvals at various levels. We have a department head approval step; we have a step for prior to the department head approving, our fiscal office looks at the expense. They are well informed of the requirements, limitations, and what certain accounts can be used for. With those checks in place, that is a daily method of assuring funds are spent properly. They have project managers managing the different contracts. They are also informed of limitations and funds being used for the purpose. We have procedures placed at different levels. I found that has provided issuance of funds properly and work related to contracts are performed properly and the funds are appropriated before work is done.

MICHAEL A. DAHILIG, Managing Director (*via remote technology*): Mike Dahilig, Managing Director. Councilmember Cowden, I am adding to Troy's comments. The timing of the requested audit also reflected the fact that this, scaled to explain in previous budgets, all moneys appropriated for road resurfacing was a fraction of what we are getting now. In other words, the GET revenues are now hitting twenty million dollars (\$20,000,000). Before, the only money that was spent on resurfacing was one million dollars (\$1,000,000) here, and one million

dollars (\$1,000,000) there. A lot of that history was why the GET authority was given by the State Legislature was exercised by the Council back in 2018. When we went into bargaining in January 2019, it was important for us to understand these gaps because the operation became that much more exponentially complex. When you look at the finding in the auditor's report relating to SOPs on page 4, it was clear that there was not any SOPs for GET projects or contractor oversight. This was a brand-new taxation authority that was given. This audit is very helpful because it was expected that our operation was going to become more complex. As you are seeing through the years since that authority was exercised three (3) years ago, there has been growing pains. Tyler has reflected that there has been a moving target in some sense whereas we have been implementing, things have been corrected, things have showed up, and some things still need to be addressed. I think that is why the value of having the audits performed gives us that benchmark to reflect what is going on. The case in point and when you look at the Waimea rock fall, having GET money available helped to reprioritize and being able to take care of that quickly, given the administrative aid was going out to there. As it has been pointed out, there are means for us administratively to stand up, because we are not dealing with millions of dollars in revenue whereas before we were only dealing with one million dollars (\$1,000,000) here and one million dollars (\$1,000,000) there. I think we made a point to agree with the findings because this is helpful for us to stand up a better structure to reflect of the size funding now.

Councilmember Cowden: Thank you for that comment. If I may, what I would like to see in the SOPs and the tracking of it is which equipment is used. I tend to roam around and look in the baseyards. We have a lot of beautiful brand-new big pieces of equipment. I will own the fact that I am not a heavy equipment operator, so I do not even know what they are for. What I do look at, they are brand-new, and they are oxidizing. Maybe they have been sitting there for two (2) or three (3) years, it does not seem like they are being washed, cared for, or utilized. I am a little worried that maybe we are buying equipment that is more than we need or...I do not understand. I want to know when we buy something are we using it? I look at this and when we sell the equipment. Do we buy equipment, sell it for ten percent (10%) or fifteen percent (15%) on the dollar, ten cents (\$0.10) on the dollar to some other contractor? Why do we spend all this money on big pieces of equipment that I do not even see getting used? I want to know what is being used and I want to make smart decisions when we make these purchases and approving it at budget. I am dismayed that not only are things not coming to us, but no one is looking at it, they are not even creating this tracking of how we run projects and what utilized. Troy, I see you jumping up. Do you have something to say? If not, I will let my colleagues have a turn.

Mr. Tanigawa: Yes, I do. I would like to shed light on why there was so much equipment sitting, rusting away, and unused. Previously, there was a culture developed because there was a feeling that these vehicles could be kept and used for parts, or they would be fixed and used as spares. A lot of them were stored and stockpiled or staged and were never fixed. For whatever reason, the workload was too much, or it was never fixed. We recognized this problem about a year ago. We started to ensure that various divisions process their disposal forms, so these pieces of equipment could either be auctioned while they are still in useable

state and/or properly disposed. The area was primarily used for stockpiling or staging these pieces of equipment. The area could not be used for any other purpose. We started to work on that, and I think you will start to see areas that were populated with rusting equipment, will continue to be cleared. There will be a need for some old equipment, some will still be staged, but less than what you have seen in the past.

Councilmember Cowden: Okay, thank you. It is the new and unused equipment that catches my attention. I want to yield the floor to others.

Council Chair Kaneshiro: Councilmember Chock.

Councilmember Chock: Thank you, Mr. Chair. Troy, the audit outlines, as Councilmember Cowden mentioned, the need for SOP updates and tracking means for data retrieval. I think I heard Tyler respond that there was going to be an effort to complete this work in updating the SOPs by February 2023. I wanted to clarify or confirm that. I also want to know how you intend to accomplish that.

Mr. Tanigawa: We already put new measures in place. For example, selection of roads to be resurfaced. Some of the changes made involve the District Roads Overseers (DROs) providing input of which roads should be prioritized. That is an example of some of the changes being made. We spent time with stakeholders regarding legality, SOPs, and proper provisions to be useful in getting the work done they need to do to keep everyone safe. Information for the SOPs would involve the consultants. We will spend the time with staff to ensure this gets done.

Councilmember Chock: A few follow-up questions. When I hear you mention stakeholders, I am assuming based on the audit, that includes staff, line workers, employees, employee surveys, et cetera. That is the first question, and I will give you the second question. Can the Council receive a listing of the policies that you intend to put together that we can anticipate in the final draft of the manual that will be completed in February?

Mr. Tanigawa: I will be happy to provide that list in response to a written request.

Councilmember Chock: Okay. We will get that in writing, thank you.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Thank you, Chair. I am following up on Finding 3, partially implemented recommendations. The second part talks about a SOP manual. The Roads Division indicated that they have the resources available to develop the manual, but the manual has not been completed. Can you say that the manual is in the works, how far along are you, and when do you expect it to be completed?

Mr. Tanigawa: We are going to complete our SOPs and projecting for it to be done by February 2023. As far as putting the manual together

and what will be included, we are working with the Roads Division to develop the content.

Councilmember Kualii: The recommendation that was not implemented, your response was that you would review it. It was a finding in 2012. Today, you agree that this has to be done, right?

Mr. Tanigawa: Yes. We reviewed the audit. We will look at our current conditions and work with the Administration to ensure that we address those points.

Councilmember Kualii: I think it said something about establishing a chart of accounts; are you getting assistance from the Department of Finance?

Mr. Tanigawa: Yes. We have been working with the Department of Finance in areas that we need their input. We also work with our Fiscal Office to help in those areas. We have resources available to us to complete the SOP manual. We will try to get that to you by the February deadline.

Councilmember Kualii: Beyond the manual, the whole system you need to set up, and I am assuming you need to comply with the State on reporting on the funding received. Is that being done with the help of the contractors you are working with? Are they keeping the data and helping you report back? I assume you would have to give the State reports on what you are doing now.

Mr. Tanigawa: The reports that are deemed for financials, that is something we do based on information from the project. We try to avoid doing anything additional that is not involved with grant compliance. We follow reporting requirements for particular grants from Federal Highways or from the loan programs like the State Revolving Fund (SRF) program. If there are specific requirements, our Fiscal Office generates information regarding reports. We have discussions to ensure the requirements are clearly understood, so when it comes time to submit those reports, it has the required information and format the grantor requires.

Councilmember Kualii: My last question. I heard you say that you have the resources that you need. I wanted to say, we are here to prioritize and fully fund implementation of what needs to be done here. A recommendation has not been implemented for nine (9) years. If you need anything from the Council, can you tell us?

Mr. Tanigawa: We definitely will. We have the resources needed to assess what the implementation of the SOP. It will be required. At that point, we will determine what resources we need to implement. We will definitely come to the Council to discuss those resources.

Mr. Dahilig: Councilmember Kualii, in response as an added item. An example of the commingling of funds back in 2012 was situations where the repaving would entail work within County parks. The County parking lot would be repaved, but there would have to a receipt, vouchered back, or separated to ensure the effort that was being done by the contractor was not being charged to the

Highway Fund. It made sense from an efficiency an accounting standpoint that becomes a very gray area for us to potentially get into trouble if there is the potential for restricted funds to be used for other purposes. The finding is that it has been somewhat implemented from a budgeting and operational standpoint, I am stating as much as possible to not comingle funds. If a situation arises where non-highway type of improvement on the table for someone to catch while they are in the vicinity of an area. If we do something like that, it is with the utmost care to ensure the moneys and contract is separate. However, we understand that there needs to be more vigilance in creating an outline for that. I think we take the finding as a follow-up to be memorialized properly. At least operationally, we have been migrating toward that type of operation to try to abstain as much as possible from the commingling type of activities that could be classified as something that does not meet the requirements for the funding that is being given.

Councilmember Kualī'i: Thank you. That is helpful.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Troy, I just wanted to reiterate what my colleague Councilmember Kualī'i said. If you need anything, let us know. I may have to disagree with your SOPs. I have called you twice regarding a few roads that needed to be paved. You were very diligent on getting back to me with a response on when Olohena Road was going to get done and when that road behind the old Camphouse Grill in Kalāheo was going to be resurfaced. As we have discussed here, the most important part that I hear is that there was an influx of money in 2019. Prior to that, we operated with a very low budget. How can we do anything with one million dollars (\$1,000,000)? If I am recollecting as the newest Councilmember here, and Councilmember Cowden and Evslin, you both have been here for only four (4) years, I think we had a great change of personnel in that Division. I believe Mr. Suga left. He was in charge of the Roads Division. We have a new person, Bryson, and I think he is doing a really good job. We have a pick-up of Todd Ozaki who is also a new employee. We have made some big changes in our operating personnel who are in charge, and they have just started in the past couple of years. Let us not badger them too much and give them the support that they need. That is how I look at it. Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: In response to that, Troy, I think you know that I am not trying to badger you. I recognize that you stepped into this and that every business and organization right now is threadbare in terms of having enough people doing the job. What I get concerned about is...we just came back from two (2) National Association of Counties (NACo) conferences in the past four (4) months and almost all of these grants that are coming out are competitive grants. When we do not have good paperwork in place or tracking on how are doing our funding, I worry that we cannot then get those competitive grants. We did get that Transportation Investment Generating Economic Recovery (TIGER) grant that was a big gain. We are trying to get a grant for Po'ipū Road. If we do not have good financial tracking, is there any claw-back vulnerability for core tracking? By claw-back I mean that the

Federal Government will ask us for the money back. How are we dealing with that and are we looking at that?

Mr. Tanigawa: We do. When we receive grants like that, there are a number of people involved. It is not just DPW. The Department of Finance is also aware of the grant and reporting requirements. In addition to the data collection that the Department does when we manage and administer those projects, including collecting data from the contractor, making sure submittals are approved by the designer, et cetera, the designer makes sure that the materials being provided comply with specifications. That is one of the first things that the grantor looks for. Do the materials that you incorporated into your project meet contract specifications. That is the basis of a lot of Federal funds being obligated. We pay close attention to those details. The submittals get approved and recorded. That becomes a part of the record. The expenditure of funds for various improvements in the project is another thing that closely tracked. Most of these Federal projects incorporate unit pricing into the contracts. There is accounting a lot of times on a daily basis by our construction managers. They take measurements and they incorporate all of those details into the support that goes into the pay request. It starts from the very ground level on where the project is being implemented to be sure that accurate and appropriate records are kept to be able to comply with the grant requirements. Once those pay requests are approved, our Fiscal Office does their checks to be sure that contract provisions and pricing is being followed. Those expenditures are put into invoices to request reimbursements from the granting agencies. There are checks every step of the way before quantities get expended. Based on the system that we are using, I found it to be very successful during the time that I have been here in this seat. We minimize non-participating expenditures to the greatest extent, and I am not aware of Federal funds being de-obligated from projects. I believe the system works. It is not to say that we do not have to pay attention. I believe it is absolutely necessary that we remain vigilant. We have new staffing coming in that require training. They get the training to make sure that we continue operating the way we are to ensure that the County gets the biggest bang for its buck and also continues to have the maximum participation from granting agencies.

(Councilmember Evslin was noted as not present.)

Councilmember Cowden: Thank you. My final question...I am not sure if it is for Director of Finance Reiko Matsuyama or Managing Director Mike Dahilig. That question would be, are we having blowback from these deficiencies? Are we running into problems anywhere? Is it coming through to the Department of Finance accurately and nonproblematically? I just want to hear from the other end. Are you all good? Even if we did not meet what was being looked for, are you experiencing problems from these deficiencies.

REIKO MATSUYAMA, Director of Finance *(via remote technology)*: From what I can see, no. We do track grants and the compliance that is done and required on behalf of grantees or grantors. I would say no, to the extent that we know of. We do not see this as creating issues for us.

(Councilmember Evslin was noted as present.)

Councilmember Cowden: Okay. Thank you. Mike, any final comments?

Mr. Dahilig: Sorry, was that directed at me, Councilmember Cowden?

Councilmember Cowden: Yes. I did not know if you had any summary, because ultimately, the Office of the Mayor is responsible for all of this. Are you largely satisfied with the work that has been achieved by the Roads Division and this is something that needs to be corrected and not too problematic? Or has this been a weak point that we are not aware of here at the Council?

Mr. Dahilig: I think it is a work in progress. As the Director of Finance and the Acting County Engineer mentioned, it is something that we need to implement as a normal discipline rather than an on-demand type of situation. I think for us, given that it is an overlapping type of scenario that you pointed out, it has also been brought up in the Annual Comprehensive Financial Report (ACFR) from previous years, these fiscal matters need to be done like clockwork rather than as you quoted previously, on an on-demand or waiting type of situation. We are making progress in this area, but I think there is more that needs to be done. We have regular conversations about that. I think as we look forward to the financial audits that will be starting as we speak right now, some of these things will give us a report card into how we are doing, and we can make adjustments.

Councilmember Cowden: Thank you.

Council Chair Kaneshiro: Are there any further questions from the Members? Councilmember Carvalho, then Councilmember Evslin.

Councilmember Carvalho: Mike, the GET, now that we are receiving it, can you explain a little more on that? I know back then like anything else, we had to deal with a lot of disaster situations throughout the whole process, we needed additional support elsewhere too. I just wanted you to touch base on that a little bit.

Mr. Dahilig: When the pandemic hit, it was very clear to us that one of the things that would help stimulate the economy was making sure that we got out as much construction as possible during that period. Given the amount of money that was coming in for GET, it seemed to be a logical indicator for us to ensure that whatever we did, that the contracts for road resurfacing continued to be pumped out at the budgeted amounts to make sure that we are getting every dollar possible circulating into our economy. That actually helped from a discipline standpoint to get our bearings and finding efficient and accountable ways to get these contracts managed, get the roads identified, and be able to not have a lag in expenditure. That is where ultimately it has turned out to be a blessing in the sense that a lot more of our roads are getting reconstructed. A lot more investment is being made in the condition and the upkeep of our roads. We are migrating towards a culture of preventative maintenance as the ultimate objective, rather than a full teardown and reconstruction of the road since many of our roads are in that state

right now. The work is not done. Ultimately, when the GET moneys were passed back in 2018 by the Council, it was with the understanding that even the ten-year event horizon of authorization from the State Legislature would not necessarily be able to cover all of the deferred maintenance that was approved across the whole island when it came to our road infrastructure. We are making headway and we are making progress. I think at each turn, we get feedback and adjust. I think that is why we value these audits as a way to make further adjustments to ensure compliance and efficiency with those dollars that are spent. There is a responsibility that we feel that the Council took that chance and adopted the GET back in 2018. Not all counties did it. To honor that authorization, we need to make continued adjustments. That is why we saw the audit back in 2019 as valuable. We had an operation that all of a sudden was going to, by itself, be larger than most of our departments, just in this one (1) area. That is where I think it serves us well to have dialogue like this to keep us accountable.

Councilmember Carvalho: Thank you. I just wanted to touch base on the funding issues back then. Now with this opportunity we can take things to the next level. That is good. Thank you.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: This question is for Tyler. Are you still there?

Mr. Kimura: Yes.

Councilmember Evslin: This might be for Troy as well. I had hoped that the audit would contain more actual performance measurement. Perhaps it was not part of the scope of the audit. You do certainly reference throughout the audit that that is something that is lacking from DPW, this performance measurement of their efficiency. You cite some examples from other places, tracking the time to fill a pothole as one (1) potential measure. There are also some references to the cost per mile of resurfacing over time. I think every year during budget I have requested the cost per mile for resurfacing. Part of the answer from DPW, which seems rational as far as cost per mile of resurfacing, is that it is not really a good performance indicator because the condition of the roads can vary, and the topography can vary so much. It does not tell us so much as we see the fluctuations in cost per mile. Even the figures that you provided that looked at other places that tracked the time it took to fill a pothole, maybe it is a performance measurement, but it does not tell us anything about efficiency and it could have some perverse incentives if you are just rushing out to do single pothole filling and not chunking large sections of the road. I just wanted to get a better idea from you on what some effective measurements could be that you feel DPW should be tracking and reporting on regularly.

Mr. Kimura: Sure. As you mentioned, we do mention other audits that were done in other jurisdictions on the mainland, that did note that the good things that those departments were doing were that they were able to track the amount of work that they did in-house. You are right, it is not going to be perfect, and it is not going to be "apples to apples" for all different jurisdictions, particularly with road conditions, the types of roads, et cetera. It is just a way for the Roads Division to track for example the types of complaints that they get, the amount of time that it takes to address those types of complaints, whether or not they have the

resources in-house to be able to do that, et cetera. We noted that the Roads Division is responsible for quite a bit of different responsibilities. In addition to taking a look at which roads need to be resurfaced, they also respond to complaints from the public about potholes, but also debris on the side of the road, blockages in signage, et cetera. Right now, what they do is they receive complaints as they come in and from there assign them. Figuring out how long it took, what resources were used, what the cost of those were, et cetera, those are metrics that were not tracked. There is a variety of different metrics and measurements that can be implemented. Those are just some of the examples. The Roads Division is spread thin with their personnel and so being able to efficiently and effectively identify where those needs are and to be able to go back and track what they have accomplished in the past year, how long it took, what resources was used, and what were the costs, those are the types of things that we are recommending that the Roads Division take a look at for future budgeting on what could be improved on.

Councilmember Evslin: Okay, thank you. Part of the answer there is that it is just complicated. We have to look at different measures and outcomes. There is no simple formula that we can use to track the efficiency of our Division. That may be a follow-up to Troy. I was wondering if you folks have any specific indication of what types of measurements you hope to be able to track and report on, such as regularly track complaints or time to fill potholes, et cetera?

Mr. Tanigawa: That is something that we are going to be tracking closer is our response time for complaints. Like Tyler indicated, we are going to be developing metrics like the response time, quantity of materials used, and we will be working closely with the baseyards to narrow down that list. We also have new tools that will be available. There is some software that is currently being introduced to the County and is under development that has shown a lot of promise in giving us better capabilities to help us track these things. We are looking at further developing our use of those tools.

(Councilmember Carvalho was noted as not present.)

Councilmember Evslin: Just as Tyler had mentioned, tracking the complaints to me sounds a good way to get at how we are doing. Anecdotally, I feel like when we first came on Council we were flooded with pothole and road condition complaints, and I feel like the pace of those E-mails has declined precipitously as our roads have improved. I do feel like if we can track complaints well, it should give us some idea of the condition of our roads as our complaints have slowed down over time. Thank you, Troy and Tyler.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: I have a follow-up to that question. This question would be directed to Mike. For years we have talked about tracking complaints and how they come through. For sure the Council receives its share of complaints, which we typically forward to the Administration because of our individual capacities. I know that we have a tracking form through the Office of the Mayor and the Administration's side receives many of these that categorize them and sends them out appropriately. I am curious if there can be some overlap in assisting

DPW. I am sure it gets there from your side, I am just not sure on the cohesiveness of that. Rather than duplicate some process, there would seem to be an avenue for us to explore how it is we can all be a little bit more informed and thus accountable to how it is these complaints are followed through on.

(Councilmember Carvalho was noted as present.)

Mr. Dahilig: That is a good question. Typically, when we get complaints as intake into our Office, we typically will forward the item to the direct department for disposition and expect that communication be maintained between that department and the person that is making the contact. If we get a complaint a second time to our Office that relates to the same item, then that is when we start getting involved and wanting a degree of enhanced accountability in terms of why there was not any follow-up or had not been addressed. We do not have a master tracking from start to finish within our Office. We look at it more as an intake and pushing type of situation. With additional software, it provides us an opportunity from a holistic standpoint to take a look at overall performance. Simply counting potholes filled is something that from an operating procedure standpoint, we need to and have started to instill that discipline with our Roads staff to take a look at what they are doing, including tracking miles paved, monthly miles sealed, and those types of things. It is one thing to get the data, but it is another thing to put it into context. As Councilmember Evslin did point out, we also need to collect data that is meaningful for us to see if we are above or below the curve. I think that type of data as it gets closer to the ability to mine, will help us here in our Office be able to talk in a big picture way about accountability and whether or not we are hitting targets. Typically, we leave the day-to-day response times to individual complaints, we are relying on the individual departments. This is kind of the procedure across the whole County to be able to timely dispose of it. We do not prescribe a specific time period because as you know, there are varying calls or types of coordination between the Department of Finance, Planning Department, and even the Fire Department, may take longer. What we do expect is that if we do send something out, there would be a touch within twenty-four (24) hours of us getting something over to a different department.

Councilmember Chock: Thank you.

Council Chair Kaneshiro: I have a follow-up question from Councilmember Cowden.

Councilmember Cowden: When we are thinking about roads safety and avoiding fatal accidents, right now we are in the middle of August and peak growing season. I believe the maintenance of the sides of the roads is a part of it, right? We are seeing that the guinea grass has grown so much. On the curves it is a problem. I have gone to look because I have been getting complaints. I see that the guinea grass has grown over and obscured the curb, road signs, and the lower speed limit signs. I just want to be acknowledging that that is another less quantifiable challenge. That is very important in terms of not running over that cyclist who is going into the lane. There are a lot of problems with that. People are crossing the

center line to avoid walkers. How big of a maintenance issue is that for you, Troy? That might be something worth measuring.

Mr. Tanigawa: You are correct, Councilmember Cowden. Guinea grass is a concern, especially during the summer months when we have a lot of sunlight. The grass seems to grow almost overnight. We continue to work with the crews to find some solutions and to make sure that crews get out to areas where the grass is close to the road and address that before it causes problems. We have not received guinea grass complaints recently to my knowledge, but I have been on roads and have seen it. We have identified areas and contacted the baseyards directly about it.

Councilmember Cowden: Okay, thank you.

Mr. Tanigawa: To add to what was being discussed a little earlier about responding to complaints, another piece that I think would be of interest is the follow-up that we are going to be making sure it is also a piece of the system that we end up with, is to have information go back to the initial entity, be it the Council or another division or department to follow-up with them to let them know what was done and when it was completed.

Councilmember Cowden: Okay.

Mr. Dahilig: Just as an added item, most people do not really bother with whether a road is under our jurisdiction or State jurisdiction. A lot of times, at least from our Office, we will get guinea grass complaints about items related to roads within the State's jurisdiction. We regularly contact the State Highways Kaua'i District Office and they tend to be very responsive anytime we call and forward a complaint about something that relates to a guinea grass situation along a thoroughfare along their jurisdiction.

Councilmember Cowden: Thank you. I will just give a shoutout that the Kōloa Road curves need to be looked at. Thank you.

Council Chair Kaneshiro: Councilmember DeCosta, did you have a question?

Councilmember DeCosta: I was waiting for final discussion.

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

Councilmember Kualii'i: Mike, when you were talking about efficiencies with the dollars being spent and we were talking about accountability to the grants, I think the bigger picture is with accountability to the taxpayers, right? I know there is a publicly available schedule that is posted of upcoming roads that are being maintained and people can put in requests to get on the list or be reviewed. Do we at least maybe once a year put out a report publicly that tells the different funding sources, how much money in that year came from GET, how much came from the fuel

and vehicle weight taxes, and maybe other sources, and then basically how that money was spent? It could be just a basic overview. "X" miles of roads paved, sealed, et cetera. I think that would also be helpful for the public at large. I think especially after today's audit, right? This is sounding alarms and people will be overly concerned or worried. Maybe you can help give assurances by putting that information out there. Maybe you already do that. I do not know. I am asking.

Mr. Dahilig: These are statistics that I think you are describing, Councilmember Kualii, from a communications standpoint, we could do a better job at posting either infographics or "self report cards" that would show the roads that we addressed for the year and what we accomplished with what moneys and how many miles and potholes we addressed, et cetera. I think that is a good objective and does not seem too hard to try to do. We just need to make sure that our inputs are accurate, and we are disciplined internally to make sure that those things are tracked so when they are pushed out, they are accurate. That for us, provides a retrospective trend that may be helpful for everybody. One of the things that becomes a consequence of us being able to put roads in better condition, we have less potholes to patch and less to maintain from a crack and those types of situations if we are making these investments upfront. Seeing that trend go down where the potholes are less and less, are the things that we need to communicate to the public as a secondary consequence of success if we are doing things properly, rather than seeing more potholes being filled. That means that our roads are not in good condition. That type of trend analysis would be helpful for us to put on our websites as simple tables or infographics, and we can definitely work with our Roads team to see if we can get some basic information up that reflects what you mentioned.

Councilmember Kualii: Thank you.

Council Chair Kaneshiro: Are there any further questions from the Members? If not, while the rules are still suspended, we will take public testimony. Is there anyone in the audience wishing to testify? Alice.

Ms. Parker: He just mentioned website and graphics. Could you please print things? This is "Analog Alice." I touch computers and they die. Guaranteed. Ask all the stores around here. We too want to be updated. Thank you.

Council Chair Kaneshiro: Thank you. Is there anyone else in the audience wishing to testify? Lonnie.

Mr. Sykos: My thanks to the auditor. It appears that we as the public got our money's worth. Thank you very much. Great job. To the Department of Public Works and especially the Roads Division, tip of the hat. My extreme gratitude for the great job that you are doing. I have institutional memory which this body does not. Going back to 2005 or 2006, there was...and I will use Mel Rapozo, Councilmember and ex-Council Chair, who I am either going to quote or paraphrase...there was never a single year that the Administration came and asked for more money for paving. Not a single year. Number two, you even gave great words for Mr. Mickens. Glenn Mickens and Mr. Rosa came here for twenty-three (23)

years in a row and explained to the County Council and DPW why they were paving the roads incorrectly and the pavement fell apart. We incorrectly paved our roads for two (2) decades, so there is no wonder why the pavement fell apart. We hired Larry Dill. Larry Dill at his second time before the Council told us that Mr. Mickens and Mr. Rosa were correct. Tip of the hat to the guys that do all the labor because they changed. They now correctly lay the asphalt down. They struggle with not having enough people. The engineering for all of this is a real specialty. Another tip of the hat to them for bringing Maui Kupon Builders over here to pave. I lived in Hana for twenty-five (25) years. I watched the State three (3) times pave Hana Highway. The first two (2) times they brought over companies from Honolulu. The first one was a disaster. The pavement just fell apart. The second time, they put so much pavement down, they changed the waterflow and the highway was getting destroyed by the water no longer flowing where it was supposed to. Then they hired Sonny Vick's Paving, Inc., which turned into Maui Kupon Builders. They paved it and fifteen (15) years later, ninety-nine percent (99%) of the pavement is still in good shape. They got a good contractor, and I am very happy with all of the changes that have occurred. I am very happy that they are proactive about developing the information we need to become more efficient in the future. I will take my next three (3) minutes.

Council Chair Kaneshiro: Is there anyone else wishing to testify on this item? Bruce.

BRUCE HART: This audit is long overdue. I just want to say that I am glad that it is finally done. The roads are in a mess, the ones that are bad. Olohena Road is so bad that I consider it unsafe to drive at night. I see the problems and we have seen them for years. It does not seem to change. I have been here long enough. I was here and heard Mr. Mickens. I have heard others. I have heard you all. I do not really understand, I am not on the inside, and I do not want to blame any one (1) person. It sounds like a problem across-the-board, and it involves everybody. Back several years ago, pre-COVID, there was some company that came through and evaluated our roads. It was printed in the newspaper, and we had the worst roads in the nation. I want to switch over and see it from a different perspective. We are a small county, and we have a limited number of resources to be able to fix roads. The cost of fixing roads is astronomical. It is out of this world. I want the public to understand that too. That is a big part of the problem. I think we need to all roll up our sleeves, do the work, and do whatever is necessary to provide roads that are safe. Thank you.

Council Chair Kaneshiro: Thank you. Is there anyone else for the first time testifying? If not, Lonnie.

Mr. Sykos: I want to thank the Councilmembers who took the time to read all of this and think about it. They got out into the weeds to look at what are the unintended consequences that are going on today because of the actions or inactions of the past. Several of you, I believe, brought up the fact that the lack of SOPs raises the question of whether it is isolated to this Division within the Department or if it is isolated to this Department and how widespread is it. Again, sitting out here for the last fifteen (15) years, I would be shocked if anyone except the Police Department had a functioning SOP. The Police Department would have one, because it was required as a part of their national certification. However, for the rest

of the County, this is a reflection of the serial ongoing failures of our Department of Human Resources (HR). I appreciate that our Mayor has made some changes and has tried to address the failings of our HR system, but it basically has not changed, and HR has to take the lead in the creation of these manuals for every single employee and manager, because there has to be a commonality thread to keep everybody legal and on the same page. That does not occur if each division and each department write their own manuals. This is a collaborative effect and act to do this. We get into an issue of which we are talking about systems. When you have systems, you hire contractors perhaps that are system innovators and designers, so they help you figure out what it is you want to accomplish and how to do it. Then you hire a completely different set of brains to implement the system. Then a complete different set of brains to operate the system. What we are critically lacking in our departments and especially in HR is the capacity to innovate, design, and implement systems. Our managers could manage a functional system. They just do not have functional systems to manage. This is a failure of HR, and it needs to be addressed.

Council Chair Kaneshiro: Okay, thank you. That is your time. Is there anyone else in the audience or on Zoom wishing to testify? None. With that, we will take our ten-minute caption break and we will come back with any final questions and discussion. Ten-minute caption break.

There being no objections, the meeting recessed at 10:35 a.m.

The meeting reconvened at 10:45 a.m., and proceeded as follows:

Council Chair Kaneshiro: Welcome back. We took public testimony. Are there any further questions from the Members prior to discussion? Councilmember DeCosta.

Councilmember DeCosta: I want to address Mr. Tanigawa. Troy, I want to thank you for your diligent work. I only had positive experiences with you as our Department Head Engineer. I wanted to ask you, Troy, when we pave our County roads and there is an approach into someone's driveway, that the corners of the driveways have deeper potholes because of the rain, especially in the *mauka* areas like Olohena, Kalāheo, Lāwa'i, Kalihiwai Ridge, do we assist those residents with cold patch, so they do not need to get their shovel and rocks, do we have a standard operating procedure to address that? I know it is not a County part of the road, and we only surface up to the driveway entrance, but if on the sides of it has deeper holes that could impact a grandma's car coming up the driveway, do we assist those families?

There being no objections, the rules were suspended.

Mr. Tanigawa: Typically, what happens is, like you indicated, the County will pave up until the road right-of-way, but what I have seen in the past is residents can typically take advantage of the contractor being in the area, and we put them in touch with the contractor, so they can work out the details of any improvements outside of the right-of-way that would benefit the property owner, and they pay for it with their own dollar.

Councilmember DeCosta: The next question I have, you and I corresponded really well on this, but about six (6) months ago, there was guinea grass before the Kalihiwai Bridge going north to Hā'ena and there was a traffic accident, I remember addressing that with you, did we take care of the tall shoulder of guinea grass approaching the bridge?

Mr. Tanigawa: Councilmember DeCosta, can you restate that location again, I missed that.

Councilmember DeCosta: It was prior to the Kalihiwai Bridge, I believe the road turning up to Kalihiwai...

Councilmember Cowden: It is called Kahiliholo.

Councilmember DeCosta: Thank you, Councilmember Cowden for that. A couple of calls came in saying that it was a bad accident, and the guinea grass was really tall.

Mr. Tanigawa: Kahiliholo.

Councilmember Cowden: That was Kalihiwai Road.

Mr. Tanigawa: Our crews have addressed the areas within the County's road right-of-way. For anything that might overlap with the State, sometimes we might help, but in this case, I am not sure what happened, if there was anything in the State right-of-way, but I do know the State has been in that area also. I believe those areas were addressed.

Councilmember DeCosta: Thank you.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: Troy, in your comments earlier you said you had something about folks out scoping road maintenance needs before the next bids go out, when are the next bids going out for road work?

Mr. Tanigawa: For islandwide road resurfacing, is that what you are referring to?

Councilmember Kualii: Yes.

Mr. Tanigawa: That bid should go out before the end of the year, or at least the projection is to go out some time in December.

Councilmember Kualii: Typically, how often do bids go out? Once a year?

Mr. Tanigawa: No, we have actually been able to utilize our existing contracts with change orders. We have been working with the purchasing department, that was the most efficient way to continue the resurfacing for the past

Fiscal Year; however, we have been able to get the sufficient resources to rebid resurfacing. We understand that there may be additional competitors entering the market and that is something that we would like to try and take advantage of and get competitive pricing.

Councilmember Kualii: I was curious about that. When we put out a bid, how many responses do we typically get? I guess you are saying now that we anticipate more, because there is potential additional competitors entering the market.

Mr. Tanigawa: Yes. Typically, in the past there were just two (2) respondents, and the disparity in pricing was significant in the past. Now we are informed that separation could be a lot smaller and getting information that it is becoming a competitive market again.

Councilmember Kualii: Thank you for your work and everyone there at Public Works Roads Division.

Council Chair Kaneshiro: I have a question. Troy, this may be for you or Mike. I remember not too long ago, Keith Perry, I used to bug him on roads, as far as requesting an inventory of what is getting done, how much we have spent, and he actually showed me a copy of what the County was working on, as far as the geographical information system (GIS) maps with the roads. Mike, do you have any more information on that piece of information that I saw from Keith? I think when he showed it to me, it was preliminary, but I thought that is exactly what people would be looking for, as far as something that is easy to find, see, I believe it showed roads that were done, roads that were in process, roads that are to be completed for that year, and it was in GIS. Mike, do you have any information on that? I think that was a lot of the questions that people are talking about; going back to see this road inventory.

Mr. Dahilig: Council Chair, in response and as I have mentioned to you during the break, in response to Councilmember Kualii, I have not brought up some of the items that we have been working on simply because we are still in beta testing, but when the Mayor came into my office he said, "Let us give them an idea of what is going on with the technology in terms of reporting." I am going to share my screen briefly and the Mayor will explain what we have been beta testing as feedback for public consumption, as well as accountability with all of our employees. Are you able to see that?

Council Chair Kaneshiro: Yes.

Mr. Dahilig: I have the Mayor here for explanation.

DEREK S.K. KAWAKAMI, Mayor (*via remote technology*): Good morning, Council Chair, Vice Chair, and Councilmembers. Hello, to the Council Services Staff. We want to thank Spire, and we want to thank the Council for conducting this audit. Our Administration views audits as a necessary tool to be able to identify areas where we need to make improvements, so it is a good way to get a third party to take a look

at our operations and make these types of recommendations, and it also helps to identify areas where we are doing a good job, so we are very thankful. I was monitoring the conversation and I was able to review some of the findings, and when we talk about tracking progress, how do we track how money is spent; we were just briefed from the Information Technology (IT) Department and the Roads Division management team brought me downstairs to give me a look at what I have been asking for, and what I have been asking for is what Councils have been asking for, just a basic, easy way for members of the public and the Administration to be able to access information very conveniently. What you see in front of you is what we call the Land Information Management System (LIMS) upgrade. When we came in, we realized that our IT infrastructure was antiquated and we wanted to modernize our technology to be able to keep up with the 21st century, and the expectations that our constituents have, as far as government transparency, and I want to thank the Council for appropriating funding for these types of tools. This is a beta version of a tool that we will all be able to use, and as you can see, we are looking in the Kōloa District, and the color codes different County roads. The green will show that those roads are completed. Of course, it is a work in progress, because Maluhia...I am sorry, this is Waimea District. The green roads will show that it is complete. Red will tell members of the public, the Administration, and Councilmembers that this is in progress, and if you see a road in orange, it is scheduled within three (3) weeks, and anything in purple is pending. It also identifies our bridges, because one thing that is becoming very apparent is that with our aging infrastructure, we have a number of bridges that need to be worked on immediately. So, for everyone's knowledge, we also layered on the condition of our bridges, so if you see a bridge in green, it will tell you it is good, if it is in orange, it is telling you it is bad, and unfortunately, if you see a bridge in your neck of the woods that is color-coded in red, it is critical, so it has become a point where it needs to be addressed with urgency. Furthermore, it gives people information as far as how many miles have been paved, so at the top right, you will see that forty-three-point fifty-one (43.51) miles out of one hundred-point twenty-six (100.26) lane miles have been paved since 2020. It gives the amount that we budgeted, so that will give the members of the public and the Council the total amount of appropriations, then it tells you how much we billed to date, means how well of a job we are doing, getting projects out, going through procurement, and then getting money to projects and getting these roads resurfaced. I think back at my time sitting in the same seat you folks are sitting in, and I cannot help but to think about a special person that meant so much to the Council, and he will go down as a legend, but for years Glenn Mickens addressed the Council about how County roads should be repaired. It was just a budgeting and revenue issue at the time, we just did not have the types of funds that the GE tax has brought. I think that Glenn Mickens would take a look at how we addressed roads and our resurfacing program, and I am sure he would have more advice from us, but I think he would say that we are moving in the right direction. So, this is another tool that I think will help to address some of the findings and the audit. Like I said, it is a beta test, but it is close to being able to go live, and it does not stop here. This will be able to flow down into engineering, building permits...the amount of capability that this system has, we eventually can fold it into parts, so that people can know which park we mowed, and which trees were trimmed. So, it is a tool that is worth its weight in gold, as far as giving us a snapshot of our performance, but also and more importantly,

letting the members of the public have a tool at their fingertips to be able to see how their County is doing. Thank you very much, Councilmembers.

Council Chair Kaneshiro: Thank you. Are there any further questions from the Members? Councilmember DeCosta.

Councilmember DeCosta: This could be a question for Mike or Troy. I was concerned about roads in limbo. I believe I went out with Troy and Deputy Engineer Gayagas to look at the Lāwa'i Cannery Road in limbo, and it was in bad shape, from my recollection, there are eleven (11) or twelve (12) residents that have trash pickup back there. Do we have a SOP in place for these roads in limbo, because I have dealt with the State and they can say it is not our road, the County can say it is not our road, but those residents are our residents; can we address the roads in limbo, and if so, that road specifically the road in Lāwa'i behind the cannery?

Mr. Dahilig: In response, Councilmember DeCosta, this has gone on for decades, and it has been such an issue that even the State Legislature had to commission reports on where the status is with the roads in limbo type of situation. I can say this, not every road is the same when it comes to a discussion of what is a limbo road and not. Sometimes it may involve the underlying landowner, sometimes it may involve what was done in the past by previous Public Works Administrations or vice versa in terms of what the Department of Transportation (DOT) had done with certain County roads, so when the County was created, that is where the State Legislature had to divide the assets between the County and the State, and it still has never perfected that divorce properly. I can say this in general, if there is a safety concern, we will go ahead and take care of the item, that is simply what we will do to make sure that it is up to a safety type of situation, and if there is a complaint about a pothole, we will fix the pothole, or if it is a guardrail type of situation that is going to be something that we take care of, but when it comes to the overall ownership of the road, the reason why we abstain from exercising broader ownership types of activities is that it incurs liability. For example, we do have roads in limbo that sit above dams throughout the County, and that is a broader type of discussion with Department of Land and Natural Resources (DLNR) about who is responsible for dam safety. That is why each of these roads in limbo types of issues are handled on a case-by-case basis, so there is not, as you asked, a countywide policy as it addresses at least the future ownership of the asset, but if there is something that is a very glaring health and safety concern, even though it may be a State issue, we will just take care of it, to take care of it, just like we did with the Waimea river mouth where that is a State asset, but if we do not do something, we are going to have to take care of the flooding, so we will just do it, and take care of it, but in terms of long-term ownership, we do not have a countywide policy, because it would be difficult to fit the landownership types of scenarios on a case-by-case basis into something broader.

Councilmember DeCosta: Mike, I appreciate that answer. I think you did answer eighty percent (80%) of the question. You did tell me about fixing a

pothole, and you did tell me if it was about safety, you would address and fix it, but that last twenty percent (20%) you did not address was, those residents who live back there on that road in limbo, they still want to know, how will my road get paved?

Council Chair Kaneshiro: This may be an item for another agenda item, but I know roads in limbo is getting away from the agenda item of the audit, so I do not want to go too much further on roads in limbo, because we are getting away from anything in the audit.

Councilmember DeCosta: We were asking about paving and how do we get miles per paving on the road, and if roads in limbo would qualify for that assessed value of miles per pavement, that is why I threw it in there, when do we have time to ask these questions? I will refrain from asking more questions. Thank you.

Council Chair Kaneshiro: On roads in limbo. Are there any further questions? If not, I will call the meeting back to order. Is there any final discussion from the Members? Councilmember DeCosta.

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

Councilmember DeCosta: Thank you, Council Chair. I wanted to say, I think we are doing a great job with the money we have allocated since 2019. I thought the former Mayor did an excellent job prior to 2019 with the little amount of money he did have with the transition of positions changing, I think we are doing a really good job with personnel. It is very difficult to get people from the private sector to work for the County when the funding of their salaries is not matched. I want to let everyone know one thing too, we live in the tropics, I do not think we can measure price per mile, paved roads, to no place else in the world. Where do we take a county of seventy thousand (70,000) people in the miles of roads that Kaua'i has and measure it to Las Vegas, Nevada, Wyoming, or let us go to a more rainy state like Seattle, so I think we are doing a good enough job that we can, and I am expecting to see a little better. Thank you for the great work that you folks are doing out there, Troy and your department, and Mike and the Administration.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I am really glad that we got this audit finished. I am glad it showed us where we have gaps and what we need. As I was driving to work today, I was saying, well, something is working because I am driving, and I know we have problems, but I am glad that the true performance of getting our roads in running order is not a reflection of this paperwork and standard operating procedures that are lacking. We can do better in terms of that administrative element, but I am glad this was done. Also, I want to thank the Roads Division because we have very few people in the County, now everyone is threadbare. We learned in National Association of Counties (NACo) how threadbare some of the others are thirty percent (30%) down, even the City and County of Honolulu, everywhere is having this problem.

Council Chair Kaneshiro: Councilmember Kualifi.

Councilmember Kualifi: I, too, want to express my gratitude. *Mahalo nui loa* to Troy and everyone at the Roads Division in the Department of Public Works. I also wanted to thank Managing Director Mike Dahilig and even our Mayor for telling us about this new and exciting LIMS, even though it is a beta version, I think the more information we can put out to the public, the better, just making sure we are accountable to that. Thank you.

Council Chair Kaneshiro: Councilmember Carvalho.

Councilmember Carvalho: I know there is a lot of past history and how we can move forward, but I think the discussion is all good, and we are moving in the right direction, especially with the audit. The audit is going to say what happened, but I also want to bring to the table, like what Councilmember DeCosta said, we ourselves, this island has gone through so many natural disaster situations where all the attention when here, we had to ship our resources one way, we had to make sure we cover this, at this particular timeframe. That is just my own, bringing to the table, but it is good that we are following through and have a good team in place and look forward to the results of what we can move forward on, and make the right decisions moving forward, hopefully everything is in the right direction.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: I want to echo the *mahalo* to Spire and our departments. There is a reason why we have audit gives us insight and gives us the ability to improve, continuous improvement no matter where we are is really important. We could be doing really outstanding work and yet, there is always the next step. I think the audits are as good as how well we are at following through on them, so Council Chair Kaneshiro and I will not be here, but some of you will be here to follow-up on this audit, the findings of it, the recommendations, and actions that are being committed to; that is what I am looking forward to. I appreciate everyone's hard work on it. Thank you.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: Not to echo too much. Thank you to Spire and Tyler for being here today. Thank you for the good work on the audit. Just to reiterate about my questions regarding the performance measurements, and I do hope going forward into future budget cycles we can have more hard performance data. I think Councilmember DeCosta is right, in that comparing us to other municipalities, does not always work, but we should be able to compare us to us in the past. We need to see how we are progressing. Again, as I have said anecdotally, we have less complaints than we used to, we can all see the improvement in our roads year over year, so I think we all know that our road conditions are getting better, but it would be good to see more hard data on that front, and certainly data on the efficiency of our efforts on that front. Thank you to Troy, the Roads Division, and Spire.

Council Chair Kaneshiro: Is there anyone else? For me, I was on the Council when we were allocating one million dollars (\$1,000,000) to the Roads Division and we would not spend anything that year, then we would allocate another million dollars (\$1,000,000) the next year, and we would go out to bid with two million dollars (\$2,000,000) of road work, which as you know, does not even scratch the surface of barely any road, so when the enactment of the G.E. tax brought in a huge infusion of almost twenty million dollars (\$20,000,000), we could actually start to tackle roads. This audit came about in agreement with the Council and the Administration. The Administration said, we are getting this huge infusion of money, we want to do an audit, we want to see if we have the capability and capacity to spend this money as it comes in, because obviously it is way bigger than what we are getting in the past. We are all in agreement that it would be a great audit to do, and that is how it came about back in 2019. As far as the G.E. tax money being spent well, I think you see it, look at Kōloa Road, Maluhia Road, those are over twenty million dollar (\$20,000,000) projects that we would have never been able to have done with two million dollars (\$2,000,000), we would have to wait ten (10) years to even be able to try and do something like that, but with this G.E. tax money coming in, we were able to tackle those huge roads. In the future, you are going to see more of the roads getting tackled. Troy said Olohena Road is on the list, and that is a big one that we have always heard. Olohena Road has always been on the list, it was always Kōloa Road, Maluhia Road, and Olohena Road that were are the main roads that needed to be fixed, so as far as keeping track of them and how it is done, we have not heard any backlash coming back off of Kōloa or Maluhia Road, which we received Federal money on those projects, so I think we are doing a great job. I have to apologize to Keith Perry, because at one time, he showed me the County website, and it had all the potholes they were fixing, and how many loads of rock they were putting in, and I asked him, "Why do we need to know how many rocks loads they are putting in? All people want to know is which potholes have been fixed." Then, hearing from the auditor, we should be keeping track of what it cost to fill the holes, so I am sorry Keith. As far as the public perception of what is going on with roads, I think Keith and the Administration worked really hard on this GIS system, I know they have past lists on the website now of roads that were completed and roads to be completed, and with time, they are going to modernize this and it will be at everyone's fingertips on when is my road going to get fixed, what is the condition of my road, what are they doing, and that adds to the transparency. We have a quick view of what the GIS mapping looks like, so I am happy with the way things are going with roads. I think the audit is a good thing, it gave things for the Department of Public Works to work on, and improve upon, and that is what the audit is there for, so it did its purpose. It came to commingling funds from prior to 2012 audit, that happened a long time ago, where I believe it was happening with our auto shop being covered by the highway and fuel tax, and the auto shop was working on a Department of Parks & Recreation's vehicle or machinery, and technically, that is why now in the budget, we split it out; we have to split out the Department of Parks & Recreation and Highway Fund types of work. At that time, it was flagged, and we fixed that, so I am not concerned about our commingling. As you see in the budget, you see it separated out all the time, I know that is what was happening in the past. You can see the Auto Maintenance Shop, you think anything going in there should be highway funded, but it is not. They fix police cars, they fix the Department of Parks & Recreation vehicles, and all types of other things, and we have been able to split it out. Councilmember DeCosta.

Councilmember DeCosta: You just jogged something in my memory there, Council Chair. I want to say thank you to the Roads Division who patched and fixed the road outside of the Sheraton with the natural disaster rainstorm we had with the waves busting on the road. It was amazing, you folks were out there the very next day, and there was a rumor that Mayor Kawakami was out there shoveling asphalt and working really hard...they said you drank all the Gatorade and water from the cooler though. Thank you, Mayor Kawakami, for doing that. That builds comradery when you go out and help the workforce and rub shoulders with the men who are in the trenches, and I am amazed that we had that fixed right away, so thank you, Mayor, the Department of Public Works, and all the men and women who have the hard hat, the vest, and the shovel, and going to work.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I just want to throw that brief piece in there too, we had the 2018 flood, and a lot of that was not fixed. By 2019, we had Kahiliholo Road. We had so many different roads on the island. We had the landslide in Waimea. We have had one disaster after another, so at some level—forgive me for nitpicking a little bit, when we are looking at the bookkeeping—when so many critical things have been there too, so they have done a really good job.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Again, I want to piggyback on my fellow colleague Councilmember Cowden, you brought up an excellent point with all of our natural disasters that we face, sometimes one after another, it is good to have a reserve, it is good to have money that we can draw on, it is good to have a budget that we have the liberty to move money around to fix things like this, so thank you to the Administration for having that available, and thank you to the Council for having those reserves that we have that is important.

Council Chair Kaneshiro: Is there anyone else?

The motion to receive C 2022-173 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

COMMUNICATIONS:

C 2022-166 Communication (07/11/2022) from the Acting County Engineer, transmitting for Council consideration, a Resolution Establishing A Crosswalk And Bicycle Lanes On Po'ipū Road, Establishing Parking Restrictions And A Crosswalk And Modifying A School Zone On Pa'anau Road, And Repealing Resolution No. 50-95 And Resolution No. 2013-53 In Their Entirety, And Amending Item 3, Section XV Of Resolution No. 54-91, Kōloa District, County Of Kaua'i.

Councilmember Kualifi moved to receive C 2022-166 for the record, seconded by Councilmember DeCosta.

Council Chair Kaneshiro: This will be coming up in our agenda later as Resolution No. 2022-27. We received no written testimony on this item. Is there anyone in the audience wishing to testify on this? Is there anyone on Zoom? If not, are there any final questions from the Members? Is there any final discussion?

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to receive C 2022-166 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-167 Communication (07/11/2022) from Ka'āina S. Hull, Clerk of the Planning Commission, transmitting the Planning Commission's recommendation to amend Chapter 8, Kaua'i County Code 1987, as amended, relating to Additional Rental Units.

Councilmember Kualii moved to receive C 2022-167 for the record, seconded by Councilmember Cowden.

Council Chair Kaneshiro: We received no written testimony on this item. Again, this item will be up later in our agenda as Proposed Draft Bill (No. 2878). Is there anyone in the audience or on Zoom wishing to testify? Alice, do you want to testify on the communication? We will add your testimony to the actual Bill. This is regarding additional rental units.

There being no objections, the rules were suspended.

Ms. Parker: Alice Parker. I am a deaf person, are you referring to Resolution No. 2022-22, the housing one?

Council Chair Kaneshiro: No.

Ms. Parker: Okay, I am off. Thank you.

Council Chair Kaneshiro: Is there anyone else? Is there anyone on Zoom? If not, are there any questions or discussions from the Members?

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

The motion to receive C 2022-167 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-168 Communication (07/12/2022) from Ka'aina S. Hull, Clerk of the Planning Commission, transmitting the Planning Commission's recommendation to amend Chapter 8, Kaua'i County Code 1987, as amended, relating to the Constraint Districts.

Councilmember Kualii moved to receive C 2022-168 for the record, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on this item. It will be coming up later in our agenda. Are there any questions from the Members? Is there anyone in the audience or on Zoom wishing to testify? If not, is there any final discussion from the Members?

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to receive C 2022-168 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-169 Communication (07/12/2022) from the Executive on Transportation, requesting Council approval to dispose of the following government records, which have been kept for over seven (7) years and are no longer of use or value, pursuant to Hawai'i Revised Statutes (HRS) Section 46-43 and Resolution No. 2008-39 (2008) as amended:

- Fuel Documents (Fuel Receipts from July 1, 2013 through December 31, 2014, and July 1, 2014 through December 31, 2014)
- AP Documents (Shop AP Documents and Reports, Fiscal Year Small Equipment Disposed Busses, and Vehicle Maintenance Logs from July 1, 2012 through June 30, 2015)
- Payroll Documents (Timesheets, half sheets, Weekly Schedule (Leave of Absence and Overtime Selections, Daily Change Forms) Leave Requests, Time Sheets Distribution List from July 1, 2013 through June 30, 2015)
- Audit Documents (AP, Travel, AEA Quarter/Annual Reports, P-Card Transactions, Adjusted Journal Entries from July 1, 2012 through June 30, 2015)

Councilmember Kualii moved to approve C 2022-169, seconded by Councilmember Carvalho.

(Councilmember Evslin was noted as not present.)

Council Chair Kaneshiro: We received no written testimony on this item. I will suspend the rules. Councilmember Cowden.

Councilmember Cowden: I have a quick question for Celia or Leonard. I do not have any objection to disposing of these, but do any of these records get scanned, or are they just the paper records that are sitting in the boxes?

There being no objections, the rules were suspended.

CELIA M. MAHIKOA, Executive on Transportation (*via remote technology*): The bulk of them would have...I guess depending on which ones we are talking about, there would be additional records or copies available of it for fuel documents for the actual invoices that we received—those are processed through the Department of Finance, so we are just requesting the ability to dispose of the items that we have here at our agency, which, again, depending on the document, some would be also centrally housed with the Department of Finance, and others would just be internal.

Councilmember Cowden: Okay, thank you. It is audit documents and things like that. I know for years when I was on the other side of this banister, I had no idea that these are boxes of papers sitting in what I consider “the old Gems store,” and at some point, you can only sit on so much of boxes of paper, so the critical things have been scanned if there is ever some sort of backward look. Thank you.

Ms. Mahikoa: Thank you.

Council Chair Kaneshiro: Are there any other questions from the Members? Is there anyone in the audience wishing to testify on this item? Is there anyone on Zoom? Is there any discussion from the Members?

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

(Councilmember Evslin was noted as present.)

The motion to approve C 2022-169 was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-170 Communication (07/13/2022) from Michael Gibson, Fire Chief, requesting Council approval to accept a donation from the Kaua'i Lifeguard Association, a non-profit organization, of one (1) 2023 Kawasaki Mule 4010, 4x4 Utility Terrain Vehicle, valued at \$13,455.49, to be used by local lifeguards to serve the community.

Councilmember Kualii moved to approve C 2022-170 with a thank you letter to follow, seconded by Councilmember Chock.

Council Chair Kaneshiro: We received no written testimony on this item. Is there anyone else in the audience or on Zoom wishing to testify? I will call the meeting back to order. Are there any final questions from the Members?
Councilmember Cowden.

Councilmember Cowden: Chief Gibson, I am glad that we have this, which lifeguard stand is this Utility Terrain Vehicle (UTV) going to?

There being no objections, the rules were suspended.

MICHAEL GIBSON, Fire Chief (*via remote technology*): Good morning, Chair and Council. This one will just be to supply our existing. We have about nine (9) of them that are currently in the fleet; three (3) in the north, three (3) in the east, and one (1) in the south. Typically, the UTVs on the east and the north only last one (1) to two (2) years due to the extensive corrosion, the rest will last two (2) to three (3) years, so we will most likely put this in the south where it can last the longest, and we will move the older ones to the east and the north where they deteriorate quicker.

Councilmember Cowden: Okay, thank you. Just honoring the Kaua'i Lifeguard Association—they really do amazing things for us, and the hotels who basically fund the Kaua'i Lifeguard Association, right? Citizens do too, but I just wanted to acknowledge that pathway.

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

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

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

Councilmember DeCosta: I want to personally thank our new Fire Chief for doing such an excellent job, “boots on the ground” taking control of a situation you are put into. At the same time, I would like to thank our lifeguards, they are under-gratified, under-paid, our lifeguards do such a great job, they risk their life. Chief, you and I had this conversation, they almost work as hard, I do not want to say harder, but as hard as our firemen; yes, they have a tough job, so I just wanted to recognize the lifeguards like Kalani Vierra doing such a great job that the men and women in our red and yellow outfits are doing out there. Thank you.

Council Chair Kaneshiro: Is there any other discussion from the Members?

The motion to approve C 2022-170 with a thank you letter to follow was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-171 Communication (07/15/2022) from Councilmember Evslin, transmitting for Council consideration and confirmation, the reappointment of Jonathan Thomas Lucas to the Public Access, Open Space, Natural Resources

Preservation Fund Commission (*Kōloa/Po'ipū/Kalāheo*) – Term ending December 31, 2025.

Councilmember Kualii moved to receive C 2022-171 for the record, seconded by Councilmember Cowden.

Council Chair Kaneshiro: We received no written testimony on this item. Is there anyone in the audience or on Zoom wishing to testify? Are there any questions from the Members? Is there any discussion?

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to receive C 2022-171 for the record was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

C 2022-172 Communication (07/21/2022) from the Fire Chief, requesting Council approval to accept a donation from the Friends of Kaua'i Fire Service, a non-profit organization, of an air conditioning unit, inclusive of installation, parts, and the cost of any necessary permits valued at \$10,000.00, for the Hanalei Fire Station.

Councilmember Kualii moved to approve C 2022-172 with a thank you letter to follow, seconded by Councilmember Chock.

Council Chair Kaneshiro: We received no written testimony on this item. Is there anyone in the audience or on Zoom wishing to testify? Are there any questions from the Members? Is there any discussion?

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to approve C 2022-172 with a thank you letter to follow was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

CLAIMS:

C 2022-174 Communication (07/14/2022) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Waimea Huakai Partners, LP, for property damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2022-175 Communication (07/18/2022) from the County Clerk, transmitting a claim filed against the County of Kaua'i by, American Family Insurance, as subrogee of Monte Huff, for vehicle damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

C 2022-176 Communication (07/21/2022) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Heather Barth, for vehicle damage, pursuant to Section 23.06, Charter of the County of Kaua'i.

Councilmember Kualii moved to refer C 2022-174, C 2022-175, and C 2022-176 to the Office of the County Attorney for disposition and/or report back to the Council, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony. Is there anyone in the audience wishing to testify? I will suspend the rules.

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

Mr. Sykos: Claims against the County is an area in which the County can most proactively act, and in claims. In these particular claims for vehicles, the public would like to know whether or not the claims are the result of the pavement, potholes, damage to the vehicle driving down the road, or if the vehicles were damaged by falling objects by County heavy equipment, or some other type of activity. We simply would like to know why, and how these vehicles got damaged. Thank you.

Council Chair Kaneshiro: Thank you. Is there anyone else? Is there anyone on Zoom wishing to testify? Are there any questions or is there any final discussion from the Members?

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

Council Chair Kaneshiro: For my discussion, I will say, these are claims that are going to the Office of the County Attorney, once they get settled you will see them. In this actual agenda, item C 2022-164 shows a bunch of the claims against the County, the settlement amounts, and the descriptions of what it was.

The motion to refer C 2022-174, C 2022-175, and C 2022-176 to the Office of the County Attorney for disposition and/or report back to the Council was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

COMMITTEE REPORTS:

PARKS & RECREATION / TRANSPORTATION COMMITTEE:

A report (No. CR-PRT 2022-04) submitted by the Parks & Recreation / Transportation Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2869 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 23, SECTION 23-3.7, KAUAI COUNTY CODE 1987, AS

AMENDED, RELATING TO CONCESSIONAIRES AT THE SPOUTING HORN,”

A report (No. CR-PRT 2022-05) submitted by the Parks & Recreation / Transportation Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2870 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 23, ARTICLE 3, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO PEDDLERS AND CONCESSIONAIRES,”

Councilmember Kualii moved for approval of the reports, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on these items. Is there anyone in the audience or on Zoom wishing to testify?

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Kaneshiro: Are there any questions or discussion from the Members?

The motion for approval of the reports was then put, and unanimously carried.

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE:

A report (No. CR-FED 2022-05) submitted by the Finance & Economic Development Committee, recommending that the following be Received for the Record on second and final reading:

“Bill No. 2828 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, ESTABLISHING A COMMERCIAL VEHICULAR RENTAL REAL PROPERTY TAX CLASS,”

Councilmember Kualii moved for approval of the report, seconded by Councilmember DeCosta.

Council Chair Kaneshiro: We received no written testimony on these items. Is there anyone in the audience or on Zoom wishing to testify?

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Kaneshiro: Are there any questions or discussion from the Members?

The motion for approval of the report was then put, and unanimously carried.

Council Chair Kaneshiro: The motion is carried. Next item.

RESOLUTIONS:

Resolution No. 2022-22 – RESOLUTION PROPOSING A CHARTER AMENDMENT RELATING TO A HOUSING DEVELOPMENT FUND

Councilmember Kualii moved for adoption of Resolution No. 2022-22, seconded by Councilmember Chock.

Council Chair Kaneshiro: I will suspend the rules. Councilmember Evslin, did you want to say anything?

Councilmember Evslin: No, I have an amendment though.

Council Chair Kaneshiro: Okay.

Councilmember Evslin moved to amend Resolution No. 2022-22 as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1, seconded by Councilmember Chock.

Councilmember Evslin: The amendment is a housekeeping amendment. Section 19.08A of the Charter, states that all funds lapse except for paragraph “C” of the Charter shall not lapse. All this does is add paragraph “D” as another fund that does not lapse. If the Resolution amending the Charter were to pass without this amendment, it would set up conflicting parts of the Charter where it says that all funds shall lapse, but here is this non-lapsing Housing Development Fund. All this simply does is adds to the Housing Development Fund to a non-lapsing fund. As we know, the Housing Development Fund already currently does not lapse.

Council Chair Kaneshiro: This is housekeeping.

Councilmember Evslin: Yes.

Council Chair Kaneshiro: Are there any questions from the Members? Is there anyone in the audience wishing to testify on the amendment?

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

Mr. Sykos: I perhaps understand what I was told about the amendment; however, I wonder why it is not in large characters up there, so that we in the public can read it, or why we were not given a copy of this to read, which I am not asking for. Thank you. As a general housekeeping thing, when these types of things come up, we do not have access to it, and it is also quite difficult reading the screen. I do not know if you can do anything about it, but I have 20/20 vision and it is very difficult for me to read the smaller text up there. Thank you very much.

Council Chair Kaneshiro: Is there anyone else wishing to testify on the amendment? Is there anyone on Zoom? Any further questions from the Members? Is there any final discussion on the amendment?

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

Council Chair Kaneshiro: For me, I will be voting on the amendment. I think it is necessary, and it is a housekeeping item, so I will be voting in favor of the amendment. Is there anyone else? Councilmember Chock.

Councilmember Chock: I will just mention, none of us see the amendments until they are introduced, as well, so we are in the same boat as you, Lonnie.

Council Chair Kaneshiro: Is there anyone else?

The motion to amend Resolution No. 2022-22 as circulated, and as shown in the Floor Amendment, which is attached hereto as Attachment 1 was then put, and unanimously carried.

Council Chair Kaneshiro: Back to the main motion as amended. Are there any questions on the Resolution from the Members? Councilmember Cowden.

Councilmember Cowden: I do. This question is for Reiko, Director of Finance. Reiko, I really appreciate your follow-up E-mail asking about our bond rating, because that is something that I have quite a bit of concern about. Without saying what my concern is, my question is succinct—in here, you are saying we have a Triple-A (AAA) rating, which is the highest, it is great rating that we are at, right now?

There being on objections, the rules were suspended.

Ms. Matsuyama: Yes, we do have a good rating.

Councilmember Cowden: It seems to me, about three and a half (3½) years ago when I was first elected, we did not have a great rating, we had been a little soft, am I remembering correctly? And we got money in from the Coronavirus Aid, Relief, and Economic Security (CARES) Act that helped us reestablish our strength, or am I remembering wrong?

Ms. Matsuyama: I do not think that is correct. We usually only get rated when we go out for obligation bonds, or refinance, which we did in 2021, so in 2021, they actually reaffirmed our same rating that we got in 2017, so it remained at Triple-A stable outlook.

Councilmember Cowden: Triple-A. Okay, because one of the things that I worry about is, when we do things like get our one hundred-million-dollar (\$100,000,000) bond to do the Wastewater, for example, with a Triple-A rating, we would get a low interest rate, and if we had a lower bond rate, we would have a higher interest rate, is that correct?

Ms. Matsuyama: Basically, the bonds are marketed in the open market, so investors are more confident in investing in a higher rate bond, so they are willing to take more risks, so the interest rates are lower than if we had a lower bond rating.

Councilmember Cowden: So, when we have special funds, we have the Open Space Fund, which I am very supportive of, I am basically supportive of this going into the Housing Revolving Fund, but what I want to know is, will this impact our bond rating, or could it, if we have several? How does this type of thing impact our bond rating?

Ms. Matsuyama: This action in and of itself probably would not impact our bond rating directly, but when I did reach out to our financial advisors, bond council, underwriters, all of those folks who helped us with the 2021 refinancing, all of them responded quickly to say, "Well, you folks should not do this." So, it opens the door in the rating agency's eyes, that if you are willing to do this, you are willing to do other things as well, so that just limits our capacity to budget and reduces our flexibility.

Councilmember Cowden: Okay, I will save the rest for discussion.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: You said, if you do this, then you will do others, so is this a slippery slope concern, or is there a concern isolated to this action?

Ms. Matsuyama: I think there is always a concern that the legislative body would be willing to do this, but I would say that they were more concerned with the slippery slope.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: How does the Department of Finance feel about this? Are you good with this?

Ms. Matsuyama: Basically, it is the Council's purview, you folks have this legislative ability to get five (5) votes and put it on the ballot as a Charter Amendment, we have our own tasks, so we leave it to you folks to deliberate and make the decision on your own.

Councilmember Cowden: Does Managing Director Mike Dahilig have concerns, or are you supportive of our choice?

Mr. Dahilig: In terms of the proposal itself, Councilmember?

Councilmember Cowden: If this were to pass and the voters pass it on the ballot, and we have this two percent (2%) diversion of real property tax...I will be

honest, I am good with it, but I want to know how you are, if the Administration feels solid?

Mr. Dahilig: I will put it this way, Councilmember Cowden, just in response, as was asked in the previous meeting, the authority that is being exercised by the Council via this Resolution is an authority for the Council alone, it is not like a Bill that would need the Mayor's signature to end up having that become law. In terms of holding the public, if this is how they want the general revenues of the County to be expended, essentially, what it is, it is the Council giving up a portion of its overall appropriation authority to have it fixed in the record as to what portion needs to be spent on a specific program, it is not unprecedented, but it is unusual in the sense that you do not see other programs, per se, having this type of Charter-style allocation going into the budgeting process. Also, in a previous meeting, I did point out that, we need to be cognizant of the issue relating to the past case of Nakazawa vs. Baptiste in that this does not necessarily presuppose it to be an appropriated amount, that the money still needs to go through the general appropriation process of the County, should it be consented to by the voters of the County, but at the end of the day, this is a mechanism solely within the province of the Council, and respect that the Council's desire to want to seek public electorate position or consent on something where it is ceding its authority to have it be fixed in without general appropriations.

Councilmember Cowden: Thank you.

Council Chair Kaneshiro: I have a question for the introducers. What is wrong with our current budget process?

Councilmember Evslin: I can answer. One, personally, I think we are underfunding our Housing Agency. As our Housing Director has said many times on the floor, they could do a lot more with more money, and the timeframe for Lima Ola is spread out over decades based on funding. I believe the Administration, to their credit, generally asks every department head to keep their budgets flat in their budget requests, so I think it comes back to Council, if we want to try and increase a budget or not, I have personally tried to increase the Housing Development Fund twice, and failed, so I think more money should be going into the Housing Development Fund, I also think, as we have stated before, they need long-term certainty to be able to adequately plan. We just saw it with the audit for our Roads Division, that uncertainty over GET makes it hard for them to plan future road construction; we have the same exact thing to a way greater extent with housing. At least with GET, they can have a close estimation of what they are going to get, whereas the Housing Development Fund could go to zero (\$0), it could go higher, they really do not know, so I think we need the long-term certainty for long-term planning. Lastly, as has been stated over and over, having and ensuring the Housing Agency has the flexibility to go out for revenue bond is important. We just received testimony from the Budget and Policy Center strongly advocating on behalf of this and showing a number of other municipalities that have dedicated funding—Portland, Los Angeles, Maui, Honolulu—that allows these folks to go after revenue bonds from a dedicated funding source that requires access in a similar fashion. For me, that is my rationale.

Council Chair Kaneshiro: You said you felt that the Housing Agency needs more money. Did you ever hear the Housing Agency tell us they needed more money during our budget process?

Councilmember Evslin: Yes, during decision-making there are a lot of quotes from Adam saying...

Council Chair Kaneshiro: But not prior to decision-making. Prior to decision-making is when they should be telling us they need more money, so that when we get to decision-making it is justified, right?

Councilmember Evslin: I think, as we have heard from the Administration, their request to the department heads is to keep their budgets flat year in, year out, so I think in this last year, from my understanding, that is what the department heads heard, they come in with their budget requests, it is still going to be on us to try and increase that or not, but from quotes from the Housing Director during the budget process, before decision-making, he said, "With more money, we can do more, more quickly. Our development model is changing, and we will need to have additional funds over the long term to be able to make that development model successful. Infrastructure work in Lima Ola is a thirteen-million-dollar (\$13,000,000)"...paraphrase, "we have a thirteen-million-dollar (\$13,000,000) loan with ten million dollars (\$10,000,000) in interest over twenty (20) years for Lima Ola," as Adam said, if we had the funds for those projects to fund those projects ourselves, we would be saving ten million dollars (\$10,000,000) over the lifespan of the loan. You said, at budget, we have twelve (12) fifteen-million-dollar (\$15,000,000) projects coming up with no identified funding source. So, I think he has repeatedly said that they can do more with more funding. Again, it comes back to trying to figure out how we get them that money.

Council Chair Kaneshiro: I think every single department, if you ask them, they will say they could do more with more funding. I can quote Adam also, he has admitted, at two (2) hours and eighteen (18) minutes, he admitted they "are not prepared to immediately begin spending millions of extra dollars within the next fiscal year." Part of the budget process is, if they need more money, they should ask for it. If he has a project that he needs money for, he should say, "I have a project, I want to ask for bond funding, I need twenty million dollars (\$20,000,000) for this project, it is going to cost us 'x' number in so many years." He should ask for it in the budget process, then it is up to us or the Mayor to try and fund it, whether we cut money or the Mayor says, "Yes, he needs that money now, let us do it," but I think every single department needs to justify why they need money versus us just giving them money.

Councilmember Evslin: Can I respond? One, I think, again, the structure of the budget is set up so the department heads are supposed to keep their things revenue-neutral. I do not know what background conversations happen outside of what we saw, but in some sense, we treat the Housing Development Fund as a CIP fund—when times are good, we are putting money into it, when times are not good, we are not putting money into it. For so many other departments, we are locked into funding salaries. They can ensure that we can fund salaries and

retirement, and we are legally bound to do so, so they can do long-term planning based on that, and I think housing and housing infrastructure is essentially just as important as ensuring that we are funding salaries through other departments. Other examples, we spent three (3) hours talking about sewer rates a month ago, and our sewer rates that we set at Council will be based on some long-term commitment to fund one million five hundred thousand dollars (\$1,500,000) annually out of the General Fund. So, we are setting the rates, then depending on what those rates are, that locks in a certain amount of general funding, perpetually. We just do not end up doing the same for housing, so as sewer can do the long-term planning, because they know the funding is coming, our Housing Agency cannot do it, and if there is a mechanism outside of the Charter where we can ensure this level of commitment to long-term funding, then I am all ears, but as far as I know, this is the only mechanism we have.

Council Chair Kaneshiro: I have a few more questions, but Councilmember DeCosta.

Councilmember DeCosta: I wanted to ask a follow-up with what he said. I will disagree with you on pensions and salaries are as important as housing. The housing is not a Charter Amendment it is actually the Housing Agency. Those people, public safety is at the forefront. Those salaries are at the forefront. Those salaries need to be paid. I am going to ask the former Mayor here, were there times in your reign over ten (10) years, did you budget down to the last dollar because you had no extra revenue?

Councilmember Carvalho: It was crazy.

Councilmember DeCosta: It was, right? I did research.

Councilmember Carvalho: Overall.

Councilmember DeCosta: Overall, he had no extra money to do anything with. I heard the Managing Director tell us today, that rockfall in Waimea costs so much money at the snap of a finger to replace, and they needed revenue to do that, we have so many pressing natural disasters that can happen at any time, and it states that they need that access to revenue, because things change. I want to ask you and Councilmember Chock a question. We gave three million dollars (\$3,000,000) during this budget. Your two percent (2%) would have given three million seven hundred thousand dollars (\$3,700,000). Why did you and Councilmember Chock not cut seven hundred thousand dollars (\$700,000) from this budget to make sure Housing had three million seven hundred thousand dollars (\$3,700,000), which is what you want for next year, if we vote to have this on the Charter? The question is, why did you and Councilmember Chock not cut seven hundred thousand dollars (\$700,000) to ensure that Housing Director Roversi had three million seven hundred thousand dollars (\$3,700,000) to work with?

Councilmember Evslin: I had a budget decision-making proposal which would have allocated four and a half million (\$4,500,000) additional funds to housing, which is about seven and a half million dollars (\$7,500,000), through a one-dollar (\$1) tax rate increase for TVRs; that was my proposed mechanism to try and get the Housing Agency funding up, but the two percent (2%)...the additional seven hundred thousand dollars (\$700,000) is not necessarily the most important

rationale for this, it is the long-term funding, and the ability to go out for revenue bonds, so that is what is important.

Councilmember DeCosta: Hang on, we have the ability to cut the budget. I know we spent thirty (30) days, line-by-line, we went through the budget; do we know how to cut the budget, or do we just look at the budget and agree? That is our job, that is the power we have as a Council, we cut the budget, we add, or we subtract. I am asking you and Councilmember Chock, why did you not cut...do not tell me about raising TVR taxes, I am asking about cutting the budget, meeting within our means, and putting an extra seven hundred thousand dollars (\$700,000) to make sure Housing Director Roversi had three million seven hundred thousand dollars (\$3,700,000), which is what you are asking per year, but we can do that every year, we have the power. I look at Mayor Kawakami's Administration appropriations, he put two million six hundred thousand dollars (\$2,600,000) to two million seven hundred thousand dollars (\$2,700,000) every year since he has been Mayor. Former Mayor Carvalho had four hundred thirty-three (433) units built in his ten (10) years with zero (0) money, because we lobbied the State and Federal people for funding.

Councilmember Evslin: That is not why.

Councilmember DeCosta: That is not why?

Councilmember Evslin: We had forty-two million dollars (\$42,000,000) from Iniki funding that was rolled over in the Housing Development Fund under Carvalho's Administration, Yukimura's Administration, and the Baptiste Administration. They were leveraging that money repeatedly to build large amounts of affordable housing; those funds, as I understand, ran out somewhere at the tail end of the Carvalho Administration, which is when the Council ended up starting to allocate funding to the Housing Development Fund to ensure the funds were there, it was not purely...again, just to go back to it, the point is not necessarily that extra seven hundred thousand dollars (\$700,000), I still think, even if we do this, we should still...

Councilmember DeCosta: Can you answer the question, why did you and Councilmember Chock not cut the seven hundred thousand dollars (\$700,000)?

Councilmember Evslin: Because I thought the money should have come from a TVR tax increase, which is what I said, but again, it is the long-term funding that is the important part here, not necessarily the extra seven hundred thousand dollars (\$700,000).

Councilmember DeCosta: You still did not answer my question. Councilmember Chock, do you want to take a jab at it?

Councilmember Chock: No, because the budget process offers mechanisms for us to deliberate on it. The decision here and in the proposal was not to cut, it was to increase. So, you are asking for us to answer a question which was not the strategy to the solution that we are seeking.

Councilmember DeCosta: I have a strategy.

Councilmember Chock: Let me tell you something about that, because we all have the right to cut the budget, and if you look at the history of our budget deliberations, you will find that nowhere in time, at least as far as I have been here, have we cut more than two hundred thousand dollars (\$200,000) from the budget, so we know that it is difficult to find the money, that is why it has never been done. That is why the strategy was such to look for the funding elsewhere, rather than cut the really important funding mechanisms that were already in place that were being proposed in the budget.

Councilmember DeCosta: It is hard to cut something that is streamlined. They did a really good job on the budget, that is why we had a hard time cutting the budget.

Councilmember Chock: That is why we sought funding in a different direction.

Council Chair Kaneshiro: Let me bring it back, so that we do not get too testy with each other. Again, going back to my main question on the budget and the budget process. This year we saw a huge...we never had an influx of revenue like this in any other years, which is why we had a hard time cutting money. This year we had forty nine million dollars (\$49,000,000) more in revenue, we have twenty-two million dollars (\$22,000,000) more in new General Fund CIP projects, so if there was a reason to cut, I am sure it could have been cut, but when you add a tax and a cut, then it makes it more difficult, but if you just wanted to cut money and put it into Housing, I think it would have been easier if you took a project on the General Fund CIP list and cut it and put it into Housing—that would have been much easier to swallow to put into Housing than a tax increase and a cut. The budget process is there. How is that budget process faulty and us needing this Charter Amendment?

Councilmember Chock: I do not think it is faulty. I think we have several options as a Council to move on initiatives that we see as important, and we use those; this is another tool to do so, so I am not faulting the budget process, but I can tell you what it does do, when we put an initiative like this forward, it depoliticizes the exact conversation that we are having at the table right now. It is an option. If the option is so bad, then maybe that is the question that we should be asking. I am not criticizing our budget process. I am saying, we went through the process, this is where we were, and we have another option in front of us, so we are entertaining it, that is our job.

Council Chair Kaneshiro: Councilmember Carvalho. We are still on questions and answers.

Councilmember Carvalho: Just for the record. Knowing all the roles of being former Mayor and understanding the process there, and sitting here as a Councilmember, and knowing the options we have on the table, I feel like going this Charter route is not the route to go. We have options that we can work towards. I have examples on how we secured funding for housing. We can work on different

options that are on the table right now, as we speak, I know that. From the Administrative side, securing the funding, on the Council side, we put it into the budgetary process, we can allocate the funds accordingly. What if something like a natural disaster happens again, and the funding is not available, here on the table, we can actually have it in our discussion.

Council Chair Kaneshiro: Do you have a question with that?

Councilmember Carvalho: I just wanted to ask the question again, Councilmember Evslin, as far as going the Charter route, there are other ways we can do it, did you seek other options that can happen to keep it here?

Councilmember Evslin: Yes, I think we had this discussion in depth during decision-making. Around my understanding with a lot of the resistance around the increase of the TVR tax and the allocation was that is was a one-time allocation, so as we discussed it, this is a way in some sense to ensure there is a permanent allocation, the only way that I know of is via the Charter. If I can just add a little bit, to respond to what Councilmember DeCosta was saying, times have changed a lot over the last four (4) years, in that the vacation rental tax rate has increased over that time. The vacation rental tax rate was increased in the 2018 budget, right before we got on, the residential investor threshold has gone down to one million three hundred thousand dollars (\$1,300,000), and we are now getting more revenue out of the Transient Accommodation Tax (TAT) for that allocation, so we have, I do not know how much of that funding that equals up to...twenty million dollars plus (\$20,000,000+) in additional funding that we did not have before, and we have the mechanism through increasing TVR taxes to be equal to resort, which every other county does to raise an additional four and a half million dollars (\$4,500,000) that easily funds this two percent (2%) allocation. Then, we have a tiered bill, which we will talk about in the Committee Meeting, which will give us the capacity to exclusive the tax high value vacant homes and vacation rentals at higher rates also. So, we have all these funding mechanisms available, we have a whole lot more funding coming in than we had five (5) years ago, and based on all of that, I personally think it is important via the Charter to say that building housing is of utmost importance, so important that we are going to put it in the Charter and we are going to give the Housing Agency the tools that they need to do this year in and year out.

Council Chair Kaneshiro: Councilmember DeCosta, then
Councilmember Cowden.

Councilmember DeCosta: You missed one step; that extra revenue we have coming in. The next Council can appropriate that revenue towards housing, the same power we have this year to do it; why do we have to go to the Charter for two percent (2%)? If we have twenty-two million dollars (\$22,000,000) coming in from all the increases from the vacation rental investor or the TVRs, then maybe my question is for Mike. Mike, are you on? Mike, I want a simple answer, I do not want a lawyer answer, I just want a simple answer. Mike, we all agree that housing is at the forefront, we have landfill that has been three (3) years also, but housing is at the forefront. If Adam says, next year, "We have a shovel-ready project, I need twelve million dollars (\$12,000,000)," we have twenty-two million dollars (\$22,000,000)

coming in from the TVRs, would we cut a few CIP projects to give Adam the ten million dollars (\$10,000,000) to make that shovel-ready project go? Are you committed to that?

Mr. Dahilig: From a process that we can commit to is that, as you have described, there is a shovel-ready project that needed funding, would definitely rise to the top of the priority list, but it always depends on what revenue is available, and how the collective bargaining increases impact availability of extra funds, so there is always more demand than resources, regardless of what we try to do in government. But something that is shovel-ready, absolutely, would rise to the priority considerations in our process.

Councilmember DeCosta: So, from what I heard Managing Director Dahilig say, collective bargaining and retirement has to be paid, that is very crucial. Duties of that department, Housing Agency, is at the top if there was a shovel-ready project, we have a mechanism in place that we can put money into, ready to go, so I do not know how we are trying to fix something that is not broken.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: Well, if he needs to respond to that, or I have a different question.

Councilmember Evslin: Just a quick response. Last year or the year before, the Housing Agency went out for a thirteen million dollar (\$13,000,000) loan with ten million dollars (\$10,000,000) in interest for Lima Ola infrastructure, shovel-ready project, went out for a loan at much higher interest rates, and that could get to a revenue bond to ensure that they have the funding for it, five hundred thousand dollars (\$500,000) a year of taxpayer money in interest alone, if we had a dedicated annual funding that you can better plan for that, and have better revenue bonds, et cetera. Again, in my opinion, it comes down to the annual discretion that is part of the problem, and that they cannot keep up with long-term planning, but I recognize that we disagree there.

Council Chair Kaneshiro: I have a follow-up question, and I think this question goes to Reiko. Reiko, are revenue bonds cheaper than general obligation bonds?

Ms. Matsuyama: No. Revenue bonds are technically more expensive. They probably will range from twenty-five (25) to fifty (50) base points higher as an interest rate perspective, and it also requires more debt coverage, so you basically cannot borrow as much, but there is little to no risk on the County, because revenue bonds are not rated...they do not have any ties to the County, it is passed on to the developer.

Council Chair Kaneshiro: I have a follow-up, it is going to go to Adam. Adam, are you currently pursuing a revenue bond?

ADAM P. ROVERSI, Director of Housing (*via remote technology*): Aloha, Council Chair. Yes, if you recall the Council approved the issuance of revenue bonds, it is a special category of revenue bonds that...private activity bond issuance, so that

is a special category of...not technically a revenue bond actually, I do not think. Private activity bonds are authorized under State law, each County has a statutory private activity bond cap, so it allows roughly between...so Kaua'i's cap in private activity bonds is roughly between seven million dollars (\$7,000,000) and eight million dollars (\$8,000,000) each year. Historically, at least for about the last twenty-five (25) years, Kaua'i County has not used any of its private activity bond cap that was available. The County and most counties to be honest, have allowed that private activity bond capacity to flow to the State, so it has fallen on Hawai'i Housing Finance and Development Corporation (HHFDC) to administer each county's private activity bond cap in the pool of State funding. So, the State has an allocation of private activity bonds, and every County has an allocation, and traditionally, most counties have allowed their share to go to the State, which then administers the funds through HHFDC. The Council authorized us to pursue a pilot program this year, doing our first issuance of private activity bonds in many decades to fund the vertical infrastructure of the eighty-five (85) units at Lima Ola. As I described when I came to the Council to ask permission to do that, the reasoning was, that if we are dependent on the State to administer the bonds, we have no say as to what gets funded or what does not, we along with every other project in the State would have to submit a competitive application to HHFDC and keep our fingers crossed that we received the bond proceeds to fund the project on Kaua'i.

(Councilmember Chock was noted as not present.)

Mr. Roversi: Some years we get lucky, and Kaua'i projects get funded, and some years we do not, and no Kaua'i projects get funded. Since we just spent seventeen million dollars (\$17,000,000) in total putting in the infrastructure at Lima Ola, it did not seem like a great idea to let those lots sit empty and just keep our fingers crossed that we would receive funding from the State, so it seemed like a perfect match to use our essentially guaranteed private activity bond capacity to direct the funding to the Lima Ola project that we put so much time and effort into getting it up and off the ground, so that we could get it done on our schedule, and in a way that we wanted. Yes, the Council approved this private activity bond issuance, and we have bond counsel under contract working on the necessary paperwork to do so, and we will likely be coming to the Council for the required bond resolution in the next thirty (30) days or so.

Council Chair Kaneshiro: I know the answer to this next question, but I want you to confirm it; is that bond contingent on a Charter Amendment passing with two percent (2%) revenue going to the Housing Revolving Fund?

(Councilmember Chock was noted as present.)

Mr. Roversi: Because private activity bonds are a creature of State law, they are irrelevant to the current Charter Amendment, or the County budgeting process for that matter. However, they are capped every year at that

statutory state amount, and I think it is worth noting this past year, not because of what Kaua'i County did, but because the City and County of Honolulu had indicated that they may also retain their private activity bond capacity, which would have taken huge amounts of funds out of the State pool. There were at least three (3) pieces of proposed legislation at the State level that would have stripped Kaua'i County of its private activity bond capacity and given it all to the State. I am thankful that did not happen, those pieces of legislation did not pass, but they were close and there was significant State-level movement to try to take away the County's private activity bond capacity, because they were concerned about the State having their own bond shortfall. My point being that an ongoing private activity bond capacity is not guaranteed.

Council Chair Kaneshiro: And it is not contingent upon having this two percent (2%) Charter Amendment pass, right?

Mr. Roversi: That would be correct, they are two (2) separate animals and are unrelated.

Council Chair Kaneshiro: Okay. Do you have a follow-up or new question? Councilmember DeCosta, then Councilmember Cowden.

Councilmember DeCosta: Mine is with Adam, is that okay?

Councilmember Cowden: Is it a follow-up, or is it a fresh question?

Councilmember DeCosta: It is to do with funding from the Federal government into housing.

Council Chair Kaneshiro: Councilmember DeCosta, then Councilmember Cowden.

Councilmember DeCosta: Two-part question, Adam. Can you explain the approximate eight million five hundred thousand dollars (\$8,500,000) that came in from Senator Schatz. Was that a direct influx into the Housing Agency or did that come from the Administration into the Housing Agency? That is my first part of the question.

Mr. Roversi: Last Federal fiscal year, the Federal government reinstated the process of allowing individual centers and congressmen to request funding earmarks, which had been banned on the Federal level for several decades. Last year was the first year that it was permitted, and the way that works is State and local governments are invited to submit applications to their respective Senators and Congressmen, therefore all the County departments were invited to put together applications. The Housing Agency put together two (2), the Department of Public Works and maybe Office of Economic Development (OED) also submitted applications, I may be confusing last year and this year. The Housing Agency, working with the Office of the Mayor, submitted applications to Senator Schatz, as well as Senator Hirono. Thankfully, one of our applications for vertical construction of the senior housing project at Lima Ola, and funding for a portion of the community

center were approved, so that is the eight million five hundred thousand dollars (\$8,500,000) that you are talking about. That was specifically Federally earmarked that was submitted into the Federal budget by Senator Schatz, but then it becomes just a creature of the appropriations process. Ultimately, it was approved by congress, but like I say, it was the first time in decades that the possibility of getting those funds has even existed.

Councilmember DeCosta: Correct, but that possibility did not disappear, it still is going to be ongoing, or do we not know that yet?

Mr. Roversi: The Housing Agency, as well as the Department of Public Works did submit applications for next Federal fiscal year, but we have no idea whether it will pass, stay in the final budget or not, but we did submit applications. There are no guarantees, but we did apply.

Councilmember DeCosta: There are no guarantees with the way we run our budget, with natural disasters and how we appropriate money and where money needs to go, but the big question on this second part of it is, how is your relationship with these Federal leaders? Do you have folks in your office? Are you there late working with them? With Senator Schatz, Senator Kouchi, and all the key players to make sure that they are bringing money home to Kaua'i? That is a key component that needs to exist. Are you doing that? Are you okay with that? Do you need our help moving that along? Where are you comfortable on answering this?

Mr. Roversi: Mike might be a better person to answer the political maneuverings that happen with the congressional delegations than myself.

Mr. Dahilig: Councilmember DeCosta, just in response, what typically happens is that the earmarks are not guaranteed funding. In fact, they are described as community support types of moneys rather than a full discretionary earmark, so there are certain categories that the Senators or the Representatives can ask their constituency, saying, "I may want to put something into the budget for you, if I can get the rest of the congress to approve. Do you have something in this area that we can use support on?" Ultimately, what will happen is Senator Schatz, Senator Hirono, and Congressman Kahele will make that call out and they will determine based off of their discretion whether they want to ask for it to be included into the budget process, but it is still not guaranteed until both chambers of the United States (U.S.) congress approves it and the President signs the budget into law. So, there is no guarantee per se that an earmark would end up being a consistent stream of funding, but part of the political process depends on who is in the majority, who has seniority. Most recently, the Senate did their markup on this Federal Fiscal Year's budget, and it seems to indicate that there is a support for housing and housing-related infrastructure from Senator Schatz, Senator Hirono, and Congressman Kahele, going into this budget that should be approved before the end of this congress. Ultimately, that political process is never guaranteed, there could be line-outs and strike-outs and God knows who is going to negotiate what in the halls of that hallowed building, but at the end of the day, each member of congress is allowed to ask, and whether the specific ask gets approved, it is subject to the appropriations process of the U.S. congress.

Councilmember DeCosta: Thank you for that elaborate answer, Mike. I do know a little bit about how that system works. When we go to NACo, we rub shoulders with the different Councilmembers. The point I am trying to make here is that this is another mechanism besides our mechanism of cutting the budget, or making appropriations. This is another mechanism that is out there to get funding for housing, and that is all I wanted to make sure, that we utilize all of our mechanisms to bring money home for the Housing Agency. Thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I have a structural question about how our budget works, so I am not sure if you are the right person to answer it, or if Mike is the right person to answer, but we have a Reserve Fund that we talk about all the time, and it seemed to have helped, where we keep so much money in reserve so if we have a rainy day, which we have, we used it, and we refilled it. Can someone help me understand the difference between that Reserve Fund and how it is structured, and say the Open Space Fund, which is separated by the Charter. Our Reserve Fund seems to be working. Could we have a Housing Reserve Fund? Help me understand the difference.

Council Chair Kaneshiro: Ken could probably answer it because he was on the Government Finance Officers Association (GFOA) Reserve Fund and Structurally-Balanced Budget group. I will try and answer it and if Mike wants to try to pick up, he can.

Councilmember Cowden: The GFOA is...?

Council Chair Kaneshiro: Government Finance Officers Association. They are the branch that we worked with on preparing our Structurally-Balanced Budget and Reserve Fund Policies. In the past, we were using our Reserve Fund to balance our budget. That was a really bad practice. It is like we have our checking account and our savings. Our savings is our reserve and our expenses were way higher than what our checking account was, and we supplemented it with our reserves. The Administration and the Council thought it was really important to establish some type of structure, so that we do not keep going down this route. Every year we would see the Reserve Fund depleting. Maybe we have a lapse in expenses and the Reserve Fund would go up, but that was not the way to balance the budget at the end of the day. We had all of these meetings and we came up with a Structurally-Balanced Budget Policy and a Reserve Fund Policy. I can tell you, the question came up during those meetings if we should do this as an ordinance, so that it has to be done, or should we do it as a resolution that we can all agree on. As much as we wanted to do an ordinance to make sure that it has to be done, we realized that the Reserve Fund Policy would tie our hands in certain situations and it definitely would have, in the past when we had the storms and we lost our transient accommodations tax (TAT) moneys. I believe at that time we supplemented some of our reserves to help fund our operations. If we had done an ordinance with those policies, then we would not have been able to put reserves in and would have had to raise taxes on something. We realized that we did not want to be that hamstrung on doing those policies. We came up with two (2) resolutions: the Structurally-Balanced Resolution and the Reserve Fund Policy Resolution. It does not have teeth as an ordinance would, but we have been following that every year.

Councilmember Cowden: There is a big difference between an ordinance and a Charter Amendment too. You cannot just get out of a Charter change. What I am wondering, how I see it, is that we did not have the political will, meaning I am going to throw it at the Mayor's Administration, when we had an extra forty nine million dollars (\$49,000,000), I do not know how much more I could have jumped up and down. For me, my big thing was the houseless community being funded. It seemed to me that we did not have the political will. We put a lot of it into our deferred maintenance, largely, and a few new job positions. Why can we not have a Housing Reserve Fund where it is like the Budget Reserve Fund so we are always putting some money in there. I am in deep agreement with what I heard from Council Vice Chair Chock and Councilmember Evslin, it is very hard to sit there and I do not want to say "claw back" four million five hundred thousand dollars (\$4,500,000) out of an already structured budget. It really needs to come from the Office of the Mayor. We cannot work together and decide we are going to take four million five hundred thousand dollars (\$4,500,000) out of a budget that they give us other than if we pull it out of the CIP budget. It is not so easy. GFOA, that is just an organization, right, that helps us do something? Could we do a Housing Reserve Revolving Fund, the same way we do the Reserve Fund? Does that not make sense?

Council Chair Kaneshiro: The Revolving Fund would be the Reserve Fund. You could do a resolution that says we want to put "x" number of dollars into that Fund every year. Whether we are hamstrung, we are not hamstrung by it, but is setting a resolution that our intention is to put money in there. This last year we put three million dollars (\$3,000,000) into the Housing Revolving Fund, plus another five hundred thousand dollars (\$500,000) for the Dwelling Unit Revolving Fund (DURF) loan interest payments. We are not putting any money into that Fund. The Housing Agency received three million five hundred thousand dollars (\$3,500,000).

Councilmember Cowden: Can I ask my colleagues then, if we had a resolution that said we wanted to put at a minimum "x" amount of percentage or dollars in there...I get that we need to have a dependable amount of money that is in there so they can leverage it. What is the difference? Why do we want it in the Charter instead of a resolution the way that...I am just asking.

Councilmember Evslin: Resolutions in the past have been about peace with North Korea.

Councilmember Cowden: Okay.

Councilmember Evslin: I think part of it is because a resolution is worth the paper it is written on and that this would be binding. Maybe it is a question for Adam, I do not think he could go out for a revenue bond using a commitment in a resolution as he could go out for a revenue bond using a two percent (2%) Charter Amendment.

Councilmember Cowden: Okay, that answers my question.

Councilmember Chock: If the Charter Amendment does not pass, then you can submit your resolution.

Councilmember Cowden: Alright. I will do that.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: Councilmember Evslin, when Adam goes to get his bond, because he has money in his account, is Adam the only person who can get a bond, or can we as the County on a larger project, let us say we are going to tie two (2) projects in, can the County, Mike, or Reiko folks get the bond with part of the money going to housing and to other projects? Does it only have to be the Housing Agency who floats bonds? Or can we float a bigger bond and kill two (2) birds with one (1) stone? Can someone answer me?

Ms. Matsuyama: Yes, we have done that before. In 2017, the general obligation (GO) bond that we issued was for Lima Ola as well as a multitude of other projects. We do that every so often. I think the avenue that Adam is talking about...it is different bond structures that might cater to developers and specific to housing. Some of the bonds, like the special tax bond that Adam is going after now, enable the developer to get Low-Income Housing Tax Credits (LIHTC). There are other avenues besides GOs that Adam is exploring.

Councilmember DeCosta: I am just looking at those nine thousand (9,000) homes that we are in a shortfall in 2050. Is the year correct? It is something like that. I am looking at the fourteen thousand (14,000) cesspools that are going to expire by 2050. Those are more homeowners than houses we have to build. I am looking at our sewer infrastructure aging. I think we have big problems. Maybe we can consolidate three (3) birds and kill it with one (1) stone with a good sized bond. We have the landfill coming up. I think we have ideas and that is why this Council can maneuver and put money towards it every year, if you agree we can put more money there next year. I know, we have done it. I have been here for two (2) years. You have been here for four (4) years. We have done it. That is all.

Ms. Matsuyama: On that note, too, Councilmember DeCosta, we have State Revolving Fund (SRF) loans for wastewater and solid waste issues as well. Those provide lower interest rates as well.

Council Chair Kaneshiro: Councilmember Cowden. I do not want to stop any questions, but I do want to take public testimony before it gets too late. I do not want to take a lunch break and have everyone wait for public testimony. Council Vice Chair Chock.

Councilmember Chock: I would like a moment of personal privilege. What I do not want to continue to happen is for us to go forward...I completely appreciate questions and I think we are here to problem-solve. If we are here to make a point when your mind is made up, that is another thing. Let us call where we are and where we stand. Today is about making a decision on the Resolution. We all have a vote. Let us move toward that direction here rather than trying to nitpick.

There are many options before us. We have an option to make a decision on one (1) of those things here today. I would like for us to move in that direction while asking specific questions. If you have opinions, you should reserve them for your discussion and vote. That is my only request.

Council Chair Kaneshiro: With that, I am going to take public testimony now. We will see where the time is when they are done. I want to give the audience and anyone waiting on Zoom the opportunity to testify now rather than waiting. I think we are coming up on the lunch break. You can wait if you want and come back after lunch, but I want to give you the option of testifying now. While the rules are still suspended, is there anyone in audience wishing to testify on this.

Ms. Fountain-Tanigawa: We have registered speakers. The first registered speaker is Alice Parker, followed by Dana Hazelton.

Ms. Parker: I think this is a good idea, a Charter Amendment. It is not carved in stone. As we saw with the Supreme Court, things can be overturned and we can rescind it later if it does not work out. We desperately need housing now. *Mahalo*.

Ms. Fountain-Tanigawa: The next speaker is Dana Hazelton, followed by Ken Shimonishi.

DANA HAZELTON: *Aloha*. I am testifying in support of Resolution No. 2022-22 to establish a Housing Development Fund utilizing two percent (2%) of the real property tax revenue. As the provider and Director of the Coronavirus Rent and Utility Assistance (CRUA) Program that works in partnership with the County of Kaua'i, we have seen an alarming trend in our rental housing market. In the last eight (8) months our team has had a drastic increase in calls, E-mails, and texts from panicked residents that are being displaced and moved out of their current housing situation and cannot find new rentals. The majority of this anecdotal evidence is from employed local residents. Those reaching out range from young families, single-parent households, young professionals, and an alarmingly high amount of *kūpuna*. Rental market rates have drastically increased as well, leaving many rentals out of the affordable range for the majority of local residents living at or below eighty percent (80%) of the area median income (AMI). In December of 2021, driven by the fact that we had many applicants that were on the verge of homelessness, our team went to local motels, hotels, and inns, and rented out blocks of rooms for three (3) months at a time as transitional housing. Along with this, I asked our team to do an independent review of the available public housing properties on our island.

These are the results of our survey and I have an attachment. Affordable housing properties. Kolopua Apartments, waitlist approximately one hundred fifty (150). Time to clear waitlist, the waitlist has never cleared. Applicants wait for over a year on the waitlist. Koa'e Makana-Kōloa, waitlist approximately four hundred fifty (450). Time to clear waitlist, the waitlist has never cleared. Applicants wait for over a year on the waitlist. Kalepa Village II, waitlist for one-, two-, and three-bedrooms, one-bedroom approximately forty (40), the list goes on. Kalepa

Village III, waitlist for one- and two-bedroom apartments. The waitlist never clears. The waitlist has increased since the pandemic and waitlist applicants wait for over a year on the waiting list. Pa‘anau Village II-Kōloa, waitlist for one-, two-, and three-bedrooms, one-bedroom approximately one hundred fifty (150), two-bedrooms approximately eighty (80), and three-bedrooms approximately eighty (80). The waitlist never clears. Līhu‘e Court waitlist. Hawai‘i Public Housing Authority. The waitlist has been closed since March of 2020. Clearing of waitlist when opens depends on income qualifications and size of family. It takes six (6) months on average to one (1) year for people to be housed.

In our efforts to temporarily rent some of these motels and inns, it ended with the ferocious return of visitors now in need of short-term accommodations. Our difficulty in running rental relief is not disbursing these funds, our problem is that there has become a severe shortage of affordable units for our community to live and rent.

Council Chair Kaneshiro: Dana, sorry, that is your first three (3) minutes. You can come back for another three (3) minutes.

Ms. Hazelton: I am done.

Council Chair Kaneshiro: If you need another three (3) minutes you can come back for it.

Ms. Fountain-Tanigawa: Ken Shimonishi, followed by Addison Bulosan.

KEN M. SHIMONISHI: *Aloha*, Councilmembers. Just to clarify, I am here on my own personal time to provide my own personal testimony. As I stated at the public hearing held on July 20, 2022, I remain fully supportive of contributing funds towards housing development, but I strongly oppose the use of the Charter to enact such funding. Rather than rehash these arguments against the Charter use, I would ask the Council to consider alternative methods to achieve the same, or in certain circumstances, I believe the possibility of increased funding. I am glad to hear that Councilmember Evslin was “all ears” with the healthy discussion that was before us on different alternatives.

First, I would ask the Council to consider revising the Structurally Balanced Budget Policy. This Policy is based on the principle that recurring revenues over recurring expenditures. Revision to this Policy could include the two percent (2%) real property tax revenue contributions towards the Housing Development Fund as a recurring expenditure. This will bake into the County’s budget process the funding currently being sought through Resolution No. 2022-22. Second, consider revising the Reserve Fund Policy. This is two (2) parts. This Policy sets the amounts to be held in reserve, the priority for funding the reserve, the use of the reserve, as well as any funds that exceed the reserve target. The first part of the revision for the reserve excess, which are the funds above the target, is now to include funding towards housing projects. I would also ask that you consider removing the road and bridge repairs, because the Reserve Fund Policy was passed in March of 2017, and this was

before we actually passed the general excise (G.E.) tax surcharge. The tax surcharge came in December of 2017 and we have a dedicated source with that. That could justify removing the roads and bridges and putting in the housing projects.

The next piece is to revise the use of the reserves themselves, again, to include temporary funding for housing infrastructure and land acquisition with timely replenishment of the use of reserves. An example of this could be no more than twenty percent (20%) of the reserve target and based on a reserve of fifty million dollars (\$50,000,000) that would allot ten million dollars (\$10,000,000) to be readily available. This should be followed by requesting the Director of Finance to provide funding options through third-party lenders, such as bond issuance, et cetera, that could be used to replenish the reserve.

Council Chair Kaneshiro: Ken, that is your first three (3) minutes.

Mr. Shimonishi: Sorry, I will come back.

Councilmember Cowden: Can I ask him something?

Council Chair Kaneshiro: If Ken is going to come back, let us have him finish his testimony and answer the question later.

Councilmember Cowden: I just want to ask him if we can have a copy of what he is reading from?

Mr. Shimonishi: Okay. I have some scribbles on it.

Council Chair Kaneshiro: You can E-mail it to us if you do not want to give us your scribbles. You might have other notes on there. The next speaker is...

Ms. Fountain-Tanigawa: Addison Bulosan.

ADDISON BULOSAN: Good morning. I am testifying in support of this Resolution. I love the discussion and I love what you are working on. I really appreciate the concerns that you all brought up and the things that you are looking at in doing the due diligence in looking at this Resolution. I am in support of it because, as you mentioned Councilmember Carvalho, you talked about looking at all avenues or ways that we can solve these challenges. The housing problem is not a problem, it is a crisis. I want to say that you are doing that right now. This is the opportunity to enable the community—because it is a Resolution, and it affects the Charter and a long-term thing—what it does is it empowers our community to say and look at this problem that we can be a part of it. I think that is one of the biggest disconnects that is happening. You probably get a call every day, just like I do, where a cousin, uncle, grandma, or whole family...it is heartbreaking to get those calls with them asking for housing and not looking at any other solutions besides what is at the table. I think this is one of the most creative ways to address this problem, and one of the best ways to look at it as a long-term solution that could enable this County to really leverage opportunities in the long run. I do not mean the next couple of years, but in the long run. We all know here with you all at the table and us sitting in these

seats, we all know that this is not something that we are going to solve with just this one (1) solution. We know it is going to take several big steps. It is not going to be small steps. I feel like this Resolution, if passed today, will give the opportunity to go to the General Election and give the people the opportunity to voice their support of this particular solution for housing. This could empower the community in a way that you have never seen before. It might create more ideas and I love the ideas that Ken brought. That is the discussion that we want to have. Particularly to this Resolution, if passed today, it could open up more doors for our community. Lastly, I just want to close with...when I think about the challenges right now, the one thing that I am so passionate about right now is...my cousin just left. She just gave birth three (3) months ago. She had to move. She is a nurse, and her husband is a teacher. They cannot afford to live here. Those are two (2) good-paying jobs contributing to the community. We have to do everything possible to address these challenges. I really truly believe that this is an opportunity for our community. Thank you.

Council Chair Kaneshiro: Thank you. Is there anyone in the audience wishing to testify? Lonnie.

Mr. Sykos: I want to thank three (3) people here today. I want to thank Councilmember DeCosta, Council Chair Kaneshiro, and I want to thank the gentleman here running for the County Council. These two (2) I agree with, and I have the opposite opinion about almost everything...

Council Chair Kaneshiro: Lonnie, please keep your comments addressed to me, please.

Mr. Sykos: Towards the Council Chair...the Council has very many different ways to route money. You all have explained that. We heard that from one of our County experts. The County solely is political will. Solely. By trying to create this Charter Amendment, you are trying to absolve yourselves, the Council in the future, of having to have the political will to put money into housing. I have a question for the Council Chair to ask the Members. Where in the Charter am I supposed to get taxed for housing for a workforce? Where in the economy in America do you charge the workforce housing to build housing for the workforce? Does that make sense? It does not. Until you address why there is a lack of housing, you are not going to present arguments that do not get all of this blowback. You are not addressing the root of the issue. One (1) of the roots of the issue, because there are many, is the fact that so many workers on this island make poverty-level wages. If you make poverty-level wages, everywhere in the world, how do you not live in poverty if all you make is poverty-level wages? Where in the world do people living in poverty buy houses? Where in the world do people that live in poverty, have poverty-level wages, where do they support themselves in a wealthy community? I am totally opposed to this, because you are just tying the hands of future mayors and you lack the political will to pay; if this is what you want to do, pay the Housing Development Fund first. This is like me wanting to have a savings account. I pay myself first, then I pay everything else in life. If in fact housing is the most important thing, pay it first.

Council Chair Kaneshiro: Thank you, Lonnie. That is your first three (3) minutes. Bruce.

BRUCE HART: It seems to me that what Councilmembers Evslin and Chock are trying to achieve is a guaranteed income. Having that guaranteed income, then they are going to be able to leverage...for the public that is borrow money against that income. That is why it needs to be guaranteed. When you go out and try to get the loan, a guaranteed income is going ensure that they are going to lend you the amount of money. Former Mayor and Councilmember JoAnn Yukimura had an article in the newspaper. She gave numbers and I hope they are accurate. I love JoAnn and I figure they are. She was saying that if we brought one thousand (1,000) units online and we were to leverage and borrow funds that we would be talking about four hundred million dollars (\$4,000,000). We have a projection of nine thousand (9,000) units that we need. That is four hundred million dollars (\$400,000,000) for just one thousand (1,000). If we take that by a third (1/3), we are over one billion dollars (\$1,000,000,000) that we have borrowed. I cannot see that that is good for any one of us to be leveraged out. If you had the guaranteed income, then you would be able to borrow that much. There is a whole lot of details that I would like to ask questions on. What if we do not have that income some years? Who is going to pay for those loans? What is the interest on those loans? Where is the infrastructure for building these projects going to come from? It is not going to come from this Charter Amendment. In short, I am very interested in what our past Director of Finance Ken Shimonishi has to say. I would like to hear all of it. There are other ways to do this. I do not want the Council, the legislative body, to give up its power to be able to legislate funds. People who want funds from the legislative body should come to the legislative body and ask for those funds. I am not for this, not as a Charter Amendment. Thank you.

Council Chair Kaneshiro: Is there anyone else wanting to testify for the first time?

MAX RICHARDSON: Am I allowed to speak?

Council Chair Kaneshiro: If you want to you can.

Mr. Richardson: I have to put the camera on me first.

Councilmember Chock: This is a first.

Mr. Richardson: For the benefit of the public, I am the camera guy. I usually sit right over there. I do not actually work for the County of Kaua'i. I work for a company that lends me to the County to operate their cameras. For the benefit of everyone who is paying attention, I want to make it clear that I am not sitting at this podium representing anyone other than myself, as a private citizen and a member of the voting public. To be honest, I do not know if it is the best idea for me to be sitting at this podium at all, considering I have a professional relationship with all of you. I am utterly flabbergasted. When I was in the military for eight (8) years, I find it difficult to be astonished. Today, I am astonished and blown away. Congratulations, because I am blown away. It was not very long ago at the budget

hearing where Councilmember Evslin introduced a proposed amendment to the budget for taxing TVRs for the purpose of increasing the budget for housing. All the resistance that he met boiled down to not liking tax increases. Okay, I do not like them either. Taxes are a bummer. That only guarantees it for one (1) year. That does not guarantee that future Councils in future years will give this money for housing. We are going to take extra money for the foreseeable future, but we are not necessarily going to be given to housing. It has to be done via the Charter or something like that. Then, he proposes a Charter Amendment, then everyone says that we cannot have a Charter Amendment and why do we not handle this during the budget. I am blown away by the fact that I and other intelligent members of the public are expected to believe that grown adults have a memory that bad. You did not forget; you are being disingenuous. You literally have resisted these two (2) separate proposals for opposite reasons. Which of those two (2) political opinions is true? They both cannot be true. You cannot think that authorizing it through the budget process is not permanent enough, so we cannot justify authorizing it, but also authorizing a Charter Amendment is too permanent, so we cannot justify authorizing it. You cannot think both of those things. I do not know. Do you just not like Councilmember Evslin? Does he microwave fish in the breakroom? That is all I have to say. I could go on, but I work here.

Council Chair Kaneshiro: Is there anyone else wanting to testify for the first time? Second time, Alice, do you want to talk again?

Ms. Parker: Lonnie brings up good points. Max brings up good points. Whatever we do, we need funding for housing and we need a bus stop on Pahe'e Street to get to urgent care, emergency, Veterans Services, Dynasty Court, and Kaua'i Island Utility Cooperative (KIUC). Councilmember Carvalho was working on it. Keep going. *Mahalo*.

Councilmember Carvalho: You go, Aunty.

Council Chair Kaneshiro: Dana, did you want to speak for a second time?

Ms. Hazelton: The real reason I am here is because I have been a public health nurse for twelve (12) years in our community. I am trained to understand when there is a disease condition that is causing massive trauma. Now that I am in the community development and finance space, I am here to tell you that running the rent and relief program and hearing the people on the other line, who are our family members, friends, loved ones, business associates, and Members of our own County Council...we are so connected in this community and the fact that we cannot figure out the solutions right now during a crisis...We are in an emergency, we do not have time to wait. We are losing our population. Whatever you decide to do is fine and dandy, but we have to decide something now or we are not going to be able to talk about this in a couple of years. We will not have a housing market. We will become a bedroom community of retirees who are getting the lowest property taxes in the United States of America for their investment properties. That is all I have to say.

Council Chair Kaneshiro: Ken, did you want a second time?

Mr. Shimonishi: Again, I think I left off requesting the Director of Finance provide funding options through third-party bond issuance, et cetera to replenish any reserve amounts used for housing. Fourth, look to exercise Charter Section 19.10A, which basically says that if during the year, the Mayor or Council certifies more revenues from sources not anticipated or revenues in excess of budget estimates, supplemental appropriations may be made. Here, I have actually given five (5) things to look at to try to address this issue of funding for housing without significantly impacting the budget flexibility nor requiring a Charter Amendment. While the Structurally-Balanced Budget and the Reserve Fund Policies have been crucial in turning the County's financial position around and some may be hesitant to tinker with any revisions, it is my belief that the revisions I have proposed will not adversely affect the County's financial position going forward, as long as both the Council and the Administration agree to adhere to these policies. At the last testimony I gave I had mentioned the lack of a policy. I think that is where the crux is as far as the debate on how we get this done. Hopefully you find my testimony enlightening and thank you very much.

Councilmember DeCosta: I have a question for him.

Council Chair Kaneshiro: Is it a clarifying question?

Councilmember DeCosta: You sound like an expert. Please tell me your educational background and what you have done in your career. Just so I can solidify your words of credibility.

Mr. Shimonishi: I just want to correct the record. The other testifier referred to me as the Director of Finance. I am not the Director of Finance. I did serve under former Mayor Carvalho as the Director of Finance towards the end of his term for almost four (4) years. I was hired at the County as a Budget Analyst and I currently serve as the Budget Administrator. I participated in getting the Long-Term Financial Planning Project, which adopted these two (2) policies that I referenced, enacted or passed during this administration.

Councilmember DeCosta: Do you have any finance, economics, or business degree?

Mr. Shimonishi: No. I have an accounting degree, but that is it.

Councilmember DeCosta: That is plenty. Accountants are smart people. Thank you.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: I am intrigued by the policy idea. I think that is something that we should continue to explore. Under the current policy, for instance, when we have utilized the Reserve Fund for the pandemic or so forth, anything that we needed, what process is within the policy that will allow or ensure that there is a circular...I am not pointing fingers and I think that it has worked well...but ensures that both arms of the government have a say into how much attributed per calendar year for such? Are you saying that the two percent (2%) can be built into it and be bound by it?

Mr. Shimonishi: What I am saying is that the two percent (2%), if the County was to define that as recurring expenditures and revise the Structurally-Balanced Budget Policy to say that this two percent (2%) amount is defined as recurring expenditures, that would give us the starting point to include it in the budget going forward. That difference would only be, as Councilmember DeCosta mentioned, the seven hundred thousand dollars (\$700,000). We would start by putting in three million seven hundred thousand dollars (\$3,700,000) and saying that we would consider this as being needed to cover before doing anything else.

Council Chair Kaneshiro: Okay, thank you. Addison.

Mr. Bulosan: I am speaking on behalf of my own personal self as an individual. I really appreciate all of the comments that have been submitted. I just wanted to reiterate and come back around that I am in support of this Resolution and to echo that this is going to go as a Charter Amendment to the General Election. This also allows the voters in the community to decide on it. I think a lot of the concerns that you brought up are valid and important concerns. If the community truly feels the same as you, they will vote it down. If they feel like this could help and make a positive dent in the challenges that we are facing in this housing crisis, then you will know if it is voted through by the community, that you made the right decision and allowed us to be a part of the solution with you at this level. I just really want you to consider that when you take the vote today, to really understand that this might be a tipping point. This might be one of the many tipping points that you have every day at this table that might just give us hope as a community to be able to keep calling this place home and potentially have some of our local people come back home. I appreciate you deliberating on these awesome ideas and appreciate all of the comments and testimonies that have come through so far.

Council Chair Kaneshiro: Next up is Lonnie.

Mr. Sykos: To the members of the public who listen to this, you should be aware of the absolute naivete of someone who says, "If we create this Charter Amendment and it turns out to be problematic, it is easy to undo it." First off, it takes two (2) years, electoral cycles. In reality, you are going to be stuck with it for four (4) years while it gets fought out in the Council and public most likely. Of the things that this County constantly suffers from are the unintended consequences of the bad decisions made in the past. That is a tremendous amount of the business that this County Council deals with, is cleaning up the past. Creating a new Charter Amendment, blessings for everyone for wanting to create housing. I will

ask again, where in the County Charter or where in the State Constitution is this body responsible for building workforce housing, elderly housing, disabled housing, et cetera, all of these specific groups of people. The Federal funding is not what I am talking about. Labor housing needs to be built by the industry that hires the labor. How are you going to build nine thousand (9,000) units? Ms. Yukimura told us what the costs are going to be. Thinking that we are going to build nine thousand (9,000) units a few million dollars a year at a time is not going to accomplish it. This is a bigger issue. Yes, the County needs to generate and have a kitty of money to put into building housing, but if we are going to build thousands of units of housing, the Administration and the County Council have got to start working on figuring out how to make it attractive to the industries on the islands that are suffering from not having employees that it is time they build employee housing they should have been building continually for the last thirty (30) years. You have to leverage our money with the industry. The Charter Amendment does not help do that. It does not at all. I am utterly opposed to this Charter Amendment and I am totally in agreement to create a fund to build up money for housing. Thank you.

Council Chair Kaneshiro: Bruce.

Mr. Hart: I got pretty excited. This issue got me here. It got me up this morning. I went to my physical therapy and I came to speak on this issue. A Charter Amendment, in my opinion, is not the way to do this. I think that there are repercussions and consequences down the road that we will regret. The Charter is something that organizes government and structures government. It is not something to be used for a budgetary process. It is a serious matter to add an amendment to the Charter, along with all of the other discussion. There is something that I really enjoyed and that was as Ms. Yukimura would say, "robust discussion" amongst all Councilmembers as to other options. All of you entered into the discussion. I believe that as has been mentioned, the political will if you put your mind to it and work in unity as I have stressed so often from this chair, that I believe it can be accomplished. I appreciate the same goals that Councilmember Evslin and Councilmember Chock have put in to this effort, they have put a great deal of energy and time into it. I appreciate that. I believe with that same kind of effort on the part of every Councilmember, you can tackle this problem. That is my feeling today. Work together to solve and to accomplish what they wanted to accomplish in a way that we can all agree upon. Thank you.

Council Chair Kaneshiro: Thank you. It seems like everyone here has testified. Is JoAnn still online? JoAnn, you will get your full six (6) minutes because you are on Zoom.

JOANN A. YUKIMURA (*via remote technology*): Thank you for this opportunity to testify. I am here to implore you to approve Resolution No. 2022-22, which proposes for voter approval, a key element of a real housing solution. I speak on behalf of the working families and individuals on Kaua'i who are crowded into housing that is far too small and/or who are paying more than fifty percent (50%) of their household income for housing, which is not sustainable. I speak for young workers like the dedicated staff members of the Boys and Girls Club and other nonprofits and businesses who want to stay and work on Kaua'i but are struggling to

make it here. I speak for their employers who desperately need these workers. I speak for businesses who cannot find employees because people are moving off the island. I speak for the many who are suffering because mayors and councils throughout the years have not provided sufficient affordable housing. In this election season, there is talk ad nauseum about the housing problem. Sometimes it seems candidates and voters think that by talking about how bad the problem is we will get closer to a solution. Please, enough talk. We need action. Not superficial action. Not poorly analyzed action. We need effective action, as proposed in the Resolution. The simple fact is you cannot build housing without money, lots of money. It costs an average of five hundred thousand dollars (\$500,000) to build one (1) housing unit. At that rate, the three million seven hundred thousand dollars (\$3,700,000) generated by a two percent (2%) earmark will provide maybe seven (7) to eight (8) houses. But over ten (10) years, the earmark will provide thirty-seven million dollars (\$37,000,000) and even more money, about fifty million dollars (\$50,000,000), can be produced through a bond float. Used strategically with other moneys, the earmark can build many homes. It can buy land like at Kalepa and Rice Camp. It can install infrastructure like at Kalepa. If you choose to say no to this and prevent the voters from having a say on this critical issue, please tell me and the voters how you personally are going to consistently provide that large amount of capital needed to solve the problem. Please do not say that the budget process is the answer.

I have been part of twenty-two (22) budgets as a former Councilmember. I have seen first-hand how the Council never begins budget sessions with a clear consensus on priorities. Especially during election years, popular issues like real property tax breaks, pay raises, or "pet projects" get funded, but not basic needs like roads, sewers, or housing. The proof of this is what happened in your last budget session when this Council turned down a proposal to allocate four million five hundred thousand dollars (\$4,500,000) for housing. You may say, "But that is because we did not pass the real property tax rate increase on vacation rentals." Why did you not take the moneys from the existing budget? Not just ask Councilmembers Evslin and Chock to do it. Why did you not propose it? Because there was not enough money, right? But why was there not enough money for one of the County's top priorities? Because it went to other uses, such as a one-million-dollar (\$1,000,000) subsidy for the Wailua Golf Course. A budget resolution as suggested in all sincerity by Budget Administrator Ken Shimonishi will not work. A budget resolution can be changed from year-to-year. I saw that happen with the Open Space Ordinance several years ago. A Charter earmark is the only way to protect a priority of extraordinary importance from being gobbled up by other demands. No other mechanism thus far discussed can do that. Ken's suggestions require the Council and the Mayor to agree. Well, we have not seen that happen through budgets. This Charter Amendment would be like, at the household-level, like a money-strapped family trying to save for a home or college education which they have deemed to be their highest priority. Because the saving goal is so important, money is put aside before any other expenditure is made. This is done with a discipline that knows that if you wait until all the other payments are made, you will never achieve your most important goal. The concerns about inappropriately using the Charter to budget are legitimate if one is trying to do a substantial part of the budget by Charter, but that is not the case here. We are talking about earmarking two percent (2%). That is three million seven hundred thousand dollars (\$3,700,000) out of the one hundred eighty-five million

dollars (\$185,000,000). In my opinion, the proposed Charter Amendment does not in any way put the County budgeting process nor the Charter at risk. We heard Reiko Matsuyama say, it is the “slippery slope” on the decisions you make after that, but not the decision per se to earmark moneys for affordable housing. This is your one (1) chance to take action and address the housing problem in a significant way. Please show your leadership and courage, which I know you have, and do the right thing for the people of Kaua‘i. If this Resolution does not pass here today, I will hold each one of you and Mr. Shimonishi and anyone else who has proposed these resolutions to make it happen. Otherwise, it is just a pipe dream.

Council Chair Kaneshiro: JoAnn, that is your six (6) minutes. Clarifying questions?

Councilmember DeCosta: I do, actually. I would like to know who you are directing your testimony to? I was the only one who asked Councilmembers Evslin and Chock about what they cut. Were you directing that to me, JoAnn?

Ms. Yukimura: No, I see it as a responsibility of all Councilmembers who are working on the budget.

Councilmember DeCosta: Can I answer from my perspective?

Council Chair Kaneshiro: No.

Councilmember DeCosta: She asked why I did not cut it.

Council Chair Kaneshiro: You can answer it in your discussion if you want.

Councilmember DeCosta: Okay. Thank you, Council Chair.

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

Councilmember DeCosta: You had said that in your written testimony over E-mail, you had forty-four million dollars (\$44,000,000) from Hurricane ‘Iniki.

Ms. Yukimura: Forty-two million dollars (\$42,000,000).

Councilmember DeCosta: Was that a government insert of funds?

Ms. Yukimura: Do you mean a government earmark?

Councilmember DeCosta: Yes, were those government moneys or County moneys?

Ms. Yukimura: It was Federal money secured by Senator Inouye and the other members of the Congressional Delegation after ‘Iniki as emergency moneys, because we had two thousand (2,000) families without housing.

Councilmember DeCosta: Okay, I understand. My last question, since you were Mayor, did you put any money into housing besides what the Federal Government gave you?

Ms. Yukimura: We had forty-two million dollars (\$42,000,000).

Councilmember DeCosta: Did you put any moneys into housing as the Mayor?

Ms. Yukimura: We had enough money when we had forty-two million dollars (\$42,000,000).

Councilmember DeCosta: Okay, thank you.

Council Chair Kaneshiro: Are there any other further clarifying questions? If not, is there anyone else on Zoom wishing to testify? None. I believe we got through all of the testifiers that are available. We are at the lunch break so we will take a one (1) hour lunch break and we can ask more questions and end with final discussion then vote.

There being no objections, the meeting recessed at 1:07 p.m.

The meeting reconvened at 2:03 p.m., and proceeded as follows:

Council Chair Kaneshiro: Welcome back. Do we have any further questions for the Administration or for the introducers? If not, is there any final discussion from the Members? Councilmember Evslin.

Councilmember Evslin: Thank you for the discussion. We had a vibrant discussion and I appreciate it. It is pretty clear what direction this is going in, so I will not belabor this too much. I do want to respond briefly to some of the testimony from Lonnie. Lonnie, you said a few things in your testimony. The first was that we should have a policy of "pay it first" to the Housing Agency. This is what this would do, right? It would prioritize funding going to the Housing Development Fund first. Second, you asked what is in the Charter that says we should be raising taxes for residents to pay for this? The answer is nothing. This would not raise taxes on residents. As I said earlier, the funding is there because of increases to the Vacation Rental and Residential Investor tax class rates, which have already happened. The Transient Accommodations Tax (TAT) is also bringing in marginally more money. As we have discussed a lot, the potential is there for a lot more funding by increasing the TVR tax rate in the future. There is nothing in here that would necessitate an increase in residential taxes. You also mentioned where does it come from and what policy document says that we need to even be providing County funds for affordable housing...the answer is that it comes from the General Plan. Policy Number 8 on the chapter on housing says, "Pursue and establish a source of capital for the development and maintenance of affordable housing. Possible sources include earmarking a percentage of real property taxes for affordable housing development." Again, it says earmarking a percentage of real property taxes and it comes straight from the General

Plan. Lastly, we have talked some about the depth of our housing crisis. I just want to acknowledge that doing this is certainly not going to solve our housing crisis. It is important to look at the housing crisis as two (2) separate, but related crises. On one side we have a housing supply crisis. A lack of housing drives up the market price of housing and we need to do all we can do increase the supply of housing through all of the things that we have been doing on the Council, and we need to continue doing what we can to bring down the market price of housing. On the other side, as Lonnie said and I agree, we have an income crisis in that a large segment of our community does not have the income to afford housing. That includes most of our working-class residents right now. We need to address it from both ends. No matter what we do to bring down the market price of housing, we are still going to be left with this income issue in that a smaller and smaller percentage will be able to afford housing, but there will always be that component in the community. We must address it, in my opinion, with more dedicated funding to our Housing Development Fund to ensure that we are doing more housing construction. I hope that this can pass. I am realistic that this will likely not pass. Thank you for the dialogue and I think we have some clear solutions moving forward, other than this if this possible does not pass here today.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I just wanted to mention, and I am grateful for this, we received some very thoughtful testimony from our Prosecuting Attorney Rebecca Like. She wrote, "Without a home, individuals are more likely to become entangled in the criminal justice system and need emergency medical care. No factor matters home to homelessness than access to housing. Not poverty, mental illness, or addiction." She mentioned the lack of access to affordable housing hurting Kaua'i's most vulnerable, including our children and victims of crime. She also says that "Increasing affordable housing is also a step towards addressing the legacy of colonialism and systemic racism." She closes that, "Codifying an earmark of two percent (2%) of the County's real property tax revenue guarantees a steady stream of public funding to increase the island's housing inventory."

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I will follow Councilmember Kualii. Where do we begin? I would like to begin with Ken Shimonishi who was former Mayor Carvalho's Director of Finance and now Budget Administrator. He seems like an expert in his field. I would like to think that all of us have our expertise. If there were ranching questions, maybe you would ask me. If you had accounting questions on our taxes, you would ask Council Chair Kaneshiro. I am pretty sure we all have specialties. The Budget Administrator said that there are other mechanisms to get funding. We saw today in our fruitful discussion...we came up with several mechanisms to get money. I do not know if I did not follow the directives of how we do budgeting, but I remember walking over to Adam's office, once with Councilmember Evslin, and I have gone to the Managing Director's office to talk about this allocation of funding. None of it was reiterated more than what we already had this year with the three million dollars (\$3,000,000) plus the eight million five hundred thousand dollars (\$8,500,000) from Senator Schatz, and I believe we had a little more of a carryover. We had almost fifteen million dollars (\$15,000,000). The mechanism is in place. We have the ability

to cut or add during the budget process. That is why the voters vote us in. We heard some testimony about leaving it in the voters' hands. I believe there are a lot of people who vote us into office to make those crucial decisions. If not, they would run for office themselves. A lot of them do not understand. A lot of them hear the words "public housing" or "affordable housing," those are buzzwords and they get excited. I know each one of us cares about affordable housing. I told you all before that I have two (2) rental units that are rented affordably to local people. It is an affordable rental. I can rent it for a lot of money. I live in 'Oma'o in the mountains. I do not rent it for a lot. I rent it for families. Listening to Mayor Kawakami's Administrative Team who put money towards affordable housing for four (4) years in a row, listening to former Mayor Carvalho, and former Mayor Yukimura, who did build affordable housing with government funding and nothing more. Mayor Yukimura said she did not put County moneys into housing. She had government money. We brought it to Adam's attention. We said, "Adam, are you getting government funding?" He learned a little bit and he levied money with Senator Schatz. He was lucky. There is a mechanism through that route. Former Mayor Carvalho told me that Mr. Cobb-Adams really did a good job of reaching out to the Federal delegation to lobby them for moneys. Let me tell you, we have a landfill that is aching for funding, probably in the range of one hundred million dollars (\$100,000,000), if that is even enough, with land that we have not even acquired yet. We have fourteen thousand (14,000) homes that have cesspools that we have to convert. Housing is a crisis. I know we should make it a priority. To me, it is a priority and we showed that in this last budget session. With that being said, I would like to end my first go-around with...our voters need to be informed that affordable housing is at the top of our list. In my opinion and my vote will be not to change the Charter like it is a document that we can revise every couple of years. The Charter is like the Constitution. That is what I was told. It is an organism that organizes and shows us structure within how we do government. Until we exhaust all mechanisms and the least restrictive way to put funding into housing, I think I would like to give next year's Council the chance to put more money into housing. Thank you.

Council Chair Kaneshiro: Councilmember Carvalho, then
Councilmember Cowden.

Councilmember Carvalho: There is no doubt that affordable housing is a big crisis. We have talked about it over and over again. Wearing my past hat, being able to really reach out, connect, and develop affordable housing...we developed Kolopua, Kaniko'o, and starting Lima Ola. Now we are seeing things come to life. Yes, there are challenges there, but we knew that was going to happen...Koa'e in Kōloa is another one. The bottom line is that I feel strongly that we need to stay focused and the Charter Amendment route for me is not the way to go. We have developed a process and the process for me was the Revolving Fund that we have. We took charge of that, we put it into place, and it is there. We have a process in place. We, as Councilmembers, our *kuleana* is in the budget process. We can set aside the funding that is needed. I think it is important that we look at that. There is actually a process that can be followed to create housing in all areas. I feel strongly that we need to stay connected and follow through on all of our efforts. For me, we can get to the same result in a different way. That way would be the Reserve Fund process, the GFOA process, reaching out and connecting those resources, and bring back those resources to the County, especially with the budget process we have. We can put in more money and

discuss it working with the Administration and the community. We have that process in place and need to build upon that relationship and connection. That is where I am at right now. Again, there are processes that have been done that we can follow, that will make a difference instead of going the Charter Amendment route.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I also feel like housing is an absolute crisis. When I look at a Resolution like this, I feel like it is a blunt, but imperfect instrument. I am always worried about unintended consequences. Many policies that we have with the best of intentions push our existing population out of their homes. I do not want that to happen. However, where I differ from what my colleagues are saying is that I find that the process is very difficult. If the Office of the Mayor, when they give us the budget, if they give us a budget that already includes it in the Housing Revolving Fund then we are going to have it. If we do not, to be able to decide that we are not going to buy that fire truck, or we will not buy this piece of heavy equipment...that is why I actually asked during the earlier discussion on roads...how do we know where to get it? We do not, for the public's sake, we cannot talk about it privately. We do not know as we are going line item by line item, it is nearly impossible to just scratch out four million dollars (\$4,000,000) or five million dollars (\$5,000,000) anywhere than probably pulling from the Capital Improvement Projects (CIP) budget. What I see as the benefit of this ballot question...it is up to the voters...the benefit of it if it goes into the Charter...if we have a Mayor two (2) or three (3) times down the road, they almost cannot get out of this. They said they could easily change their mind. They cannot easily change their mind. The voters have to change their minds. That would be very difficult to make a change. I am going to be voting to support the Resolution. If it does not pass for the voters or it does not pass now, I really like what Ken Shimonishi put here. We could do a simple resolution to create that piece, the way we have with the Reserve Fund. Regardless of how we get there, we have to get there. We have to put some money aside. I will be voting yes for this Resolution, because it is a step towards ensuring that it happens. I think it is that important.

Council Chair Kaneshiro: Does anyone have anything to add? Council Vice Chair Chock.

Councilmember Chock: Sure. I do not know where to start. I will try to be quick and not duplicate what was said. I spent a lot of my first few years on the Council trying to understand not only what our role is here as Councilmembers, but also the process for how budgeting works. I think that thanks to previous Councils, we spend a lot of time trying to fortify our budget, our reserves, and protect our County assets to build capacity within what we have to work with. The budget process in itself is a difficult one from the legislative arm. I think all of you will agree with that. It is difficult for us to cut. I would challenge anyone here to seek out ways to cut the budget. We have seen the "Ross Kagawa" approach of trying to cut three million dollars (\$3,000,000) from here and then we see the tedious process that Councilmember Kualii has taken us through of looking at things line-by-line and at each position. It is very difficult for what we have been able to do. It is even more difficult because we cannot find cuts in order to move them forward to then advocate for things that we all agree is a top priority. When the comment about looking at the housing crisis

holistically was made, absolutely, right? I think the Council, at least in the last four (4) years has done nothing but look at ways to approach this from many different angles. As was said earlier by Councilmember Evslin, this is just one (1) piece of the puzzle. It certainly is not the panacea. In this governmental process, you do not try to bite off the whole thing at once. Policy is not structured to do all of it at once. To say that we are not looking at this holistically would be wrong. I think we are all really focused on this. It comes down to choice and how much we want to prioritize towards a solution. I do have to commend Councilmember Evslin for his willingness and his ability to push hard on things that he is passionate about, and follow through with solutions. It takes a lot. People do not recognize from the outside looking in what it takes to legislate, create bills, working with the Administration, and work with other Councilmembers to work on solutions to put on the table for us to consider. In fact, I have not seen anything else similar to this. We are also limited in our reach as to what we can do. Yes, there is a solution that the former Director of Finance is offering us. It is a great option, but it is not on the table right now. I would like to see that move forward if this proposal does not pass. It is going to take a lot of work. Five (5) different policy options to move forward on. I would love to see you work on that and get it done. The fact is, I have not seen it get done. The other fact is it is not as strong. It is not saying that this is a commitment and we will now take the politics out of it and say this is...the Open Space Fund has not tanked this government. It has contributed to the viability of this community. That is what we are trying to do here. I would just say that we had a chance to use the budget process to achieve what we are all saying here right now was the right thing to do. Obviously, that did not occur. We decided as a Council not to pass that. Therefore, we looked at other options based on what was said at that meeting. On top of that, to fortify that, there were solutions on how to fund this in order for us to feel confident that there was a means for it to be not impacting our government budgeting process going forwarding negatively. This is a big one for me to move forward on. I would typically be more conservative on budgeting. In the past I have and I voted this same Charter Amendment proposal down. There comes a time when you build as much as you can in your organization and you take chances to say that this is what we have to prioritize. For me, at least now, in my career, on this Council, it is now. Therefore, I will be supporting this. Thank you.

Council Chair Kaneshiro: I will go next.

Councilmember Kualii: I thought you like to go last.

Council Chair Kaneshiro: Everyone had their first time. I am hopefully going to just speak once. I will be voting against this. I want to be very clear, I am not against affordable housing. I am against poor policy decisions. Attempting to use the County Charter to circumvent the budget process, to me, is bad budget policy. It strips budgeting power and flexibility away from the Mayor and the Council in perpetuity, forever. Our Bond Counsel stated, "While two percent (2%) does not sound like a large amount, if you put it in the context of the typical annual levy increase, it looks a bit more significant. It is never good to lose even a small amount of budget flexibility. The fear is that it becomes a slippery slope where legislators keep peeling away pieces of the revenue pie." I will go back to the question that I asked originally; what is currently wrong with our budgeting process? Housing and the Council had numerous opportunities throughout the budgeting process to jockey for more money. I have explained the process before and I will explain it again so it is on the record. Prior to

the original budget, department heads from all departments prepare their budgets and meet with the Mayor's Budget Team to justify their needs for the year. Upon submission of the original budget and prior to the submittal of the Supplemental Budget, the department head or Councilmembers can express their want for more moneys going to a particular interest or needs. Once the Supplemental Budget is submitted, Councilmembers can then cut money in the budget and add it to their particular items or raise taxes and allocate money to their particular interests. That is the process that we have now and the process that we can follow. If you look at this Charter Amendment, if this two percent (2%) was in place with our recently passed budget, it would have allocated approximately three million seven hundred fifty thousand dollars (\$3,750,000) to housing. In this recent budget that we just passed, the Housing Agency received three million dollars (\$3,000,000) to the Revolving Fund, and five hundred thousand dollars (\$500,000) for interest payments on our State of Hawai'i Dwelling Unit Revolving Fund (DURF) loan. The Housing Agency already received three million five hundred thousand dollars (\$3,500,000). If we had this two percent (2%) earmark in place they would have received three million seven hundred thousand dollars (\$3,700,000). To me, the budget process we have in place is providing the money that the Housing Agency needs or is asking for. If the Housing Agency needed or requested more moneys, which I did not hear them request more money either in their original budget submittal or the Supplemental, if they wanted more money, they can either talk to the Mayor or the Council has the ability to cut money from the budget. If there was any time to cut from the budget, it was this time. The County saw an increase of forty-nine million dollars (\$49,000,000) in revenue this year. That is unheard of. We saw twenty-two million dollars (\$22,000,000) in new projects in our General Fund-CIP. Twenty-two million dollars (\$22,000,000) of new moneys in our General Fund-CIP. Again, surely, if we wanted to get more money to the Housing Agency, we could have allocated money to them. For me, as a policymaker and decisionmaker, I have been on the budget for...that was my eighth year. In order for me to vote for a cut or an add, it depends on two (2) things: the Housing Agency or any department that comes in, they need to justify their need for more money and they need to tell us why they need more money. Secondly, any proposal needs to get four (4) other votes besides your own. If you cannot get four (4) other votes besides your own, then the proposal is not going to pass. That proposal needs to convince four (4) other Councilmembers to pass it. In the budget we did not get that. It was probably because it was combined with a tax increase. If you look at it and really wanted to cut money, and if Housing, which they did not, said they needed "x" number of dollars, then we should have cut it from the General Fund-CIP, which had twenty-two million dollars (\$22,000,000) of new projects. I am sure some of those projects could wait until the next year. For me, it is not about affordable housing. We are putting money towards affordable housing. That is our job as Councilmembers and as the Mayor. We are allocated moneys towards affordable housing. I do not want anyone to think that because we are voting no on this, that the Housing Agency is not getting money. The Housing Agency received three million five hundred thousand dollars (\$3,500,000) in this last budget. If this Charter Amendment was in place, they would have received three million seven hundred thousand dollars (\$3,700,000). Again, I am for affordable housing, but I am not for this type of policy. It is a bad policy to use the Charter Amendment to circumvent our budgeting process. The budget process is the process that we should use to get moneys where it needs to be. If we cannot get the votes to do what we want to do, then that is the budget process. Councilmember Cowden.

Councilmember Cowden: I want to state that we are chartered to take care of our infrastructure. We are not chartered to take care of housing. That is why the CIP budget tends to go more towards infrastructure, because that is our *kuleana*.

That is why I think it does not get enough. I do not think three million five hundred thousand dollars (\$3,500,000) was enough. I do not think three million seven hundred thousand dollars (\$3,700,000) was enough. I will own that I have taken a strident interest in our houseless community. For those who do not know, the Friday before last was an effort towards a fresh sweep of the very medically fragile group. I have been trying to figure out where to put them. There is just no place to put them. This is just vividly real to me when I look at who is struggling. I will say that you are right and you are right. In theory, we could do what you say, but really what it takes is to work with the Office of the Mayor beforehand. I sat on that side of the banister for a very long time and it is very rare that I ever saw anything move much away from whatever the Mayor submits. It pretty much stays along the lines of what they submit. I just want people to know, I get that this is a blunt instrument. It is imperfect, but I am willing to go with it because of how deep the crisis is.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I know we have said all of this throughout. I do not want to drag this out too much longer. A couple of things were said which I wanted to address. I really respect Ken Shimonishi's testimony and I think it is worth it to try to work towards that as Council Vice Chair Chock said, are partial steps in this direction. It is not big steps. It does not allow us to get revenue bonds and it does not ensure or give us the assurance of long-term planning on the Housing Agency's part, because it is a resolution and the Council or the Office of the Mayor could do whatever they want at any time. Regarding Ken's expertise, again, I have a ton of respect for Ken, and he has done amazing things for the County. We have other experts also submitting testimony. Again, Hawai'i Budget and Policy Center, their Housing Director sent in testimony saying, "Hawai'i Budget and Policy Center is writing in strong support of Resolution No. 2022-22...setting aside a percentage of real property taxes towards affordable housing is an increasingly common strategy for cities and counties across the country." It goes on to list a whole number of other places that are doing similar things in order to leverage revenue bonds. It is not as if we are trying to reinvent the wheel or breaking the structure of godly-written Charter or anything like that. It is all within the bounds here. Council Chair Kaneshiro, you said that part of the budget process is the need to convince four (4) other Councilmembers to vote for something. I am just recognizing how hard that can be to do. This is why it is hard to assure that this type of regular funding will be allocated towards the Housing Agency in perpetuity. Convincing four (4) other Councilmembers is not always easy. I have more, but I will not go on. I do genuinely appreciate the dialogue. I know we are all passionate about housing and the conversation was passionate. We will all keep working on solutions.

Council Chair Kaneshiro: Councilmember Kualii.

Councilmember Kualii: I will just say that this for me is one of the most important votes I am casting this term. I do not take it lightly. I am normally a person who is very thoughtful and looks at things pretty carefully and try to make decisions that are practical. I appreciate what we heard from the Director of Finance and from the former Director of Finance. All of that was very clear to me. It was not "absolutely do not do this because it is dangerous and horrible." It was not about that. We heard

about a “slippery slope,” and we heard “it would be better if.” We are talking about two percent (2%). It is such a small portion of our entire budget. Why can we not at least dedicate two percent (2%) of our budget to one of our top, if not the top, priority? The affordable housing crisis is what I believe, everyone says, is our top priority. We heard it from some of the testifiers about the time is now. It is a matter of urgency. Our families are suffering. Our families are living in overcrowded conditions. People are moving away. Maybe it may not seem like the same kind of immediate suffering as someone who is physically injured or living homeless with injuries and suffering in the dirt, if you will, but it is suffering. We have talked about this for so long. We have had opportunities and we have not voted to move in that direction. What is wrong with...all we are doing here is we are saying or admitting that we have failed and now we want to put it out to the voters to see what they think, so they can have a say. Do the voters support two percent (2%), a small amount of our budget every year, being committed and dedicated solely to affordable housing? I am pretty sure that they do. The failure will happen here and not by the voters. If we vote this down, we are failing the voters. We are not even giving them a chance to set their priorities with us. We are supposed to be listening to them. I get the whole thing about needing the flexibility during the budget and all of that. We have that flexibility with the other ninety-seven and a half percent (97.5%) of the budget. One-half of one percent (0.5%) goes to the Open Space Fund. That is in place, like Council Vice Chair Chock said. That has not caused any problems or difficulties. We value open space. Do we not value affordable housing even more? Open space is almost like a “nice to have.” Truly it is a social benefit and makes us all feel better. Those of us who cannot afford to go away need to enjoy open space and recuperate in the beauty of the island, but with affordable housing, people are suffering. Those that are working on it are suffering. They do not have the health to really help. This is sad. If we do not have the five (5) votes to get this passed today, it is really sad. To me, this is simple. This is a principle vote. This is not a numbers, law, or small this...this is about where do you stand? What do you value? What do you believe and what have you been talking about for the last two (2) years, ten (10) years, or twenty (20) years? When you are off of the Council and working out in the community, what are you going to be working on? What do you care about for our community? People are having to move away and not be able to come back. We keep having these hard votes and I do not why they are so hard. It should not be. Thank you.

Council Chair Kaneshiro: Councilmember DeCosta.

Councilmember DeCosta: I feel like there were some personal attacks on both what Councilmember Chock said about him wanting to challenge anyone on cutting the budget, and what Councilmember Kualii is saying that it is so simple with people not having a place to live. You are Housing Committee Chair, am I correct, Councilmember Kualii?

Council Chair Kaneshiro: This is discussion.

Councilmember DeCosta: I know, but he is the Committee Chair for the Housing Committee. I am the Committee Chair responsible for the Department of Public Works. Do you know how many times I went into the Acting County Engineer’s office and spoke to him or to his Deputy to ask them what they needed? I have met with

the Managing Director to try to push things that my departments needed. You both are probably the longest-serving Councilmembers on this Council, besides Council Chair Kaneshiro. How many times have you been in the Managing Director's office pushing for the Housing Agency? If I knew the Housing Agency needed more money, I could have cut two hundred thousand dollars (\$200,000). You know how I would have cut it? I had three (3) department heads tell me items that I could have cut that did not need to be cut because no one else needed the moneys. Emotions cannot speak today. The fact is that the Charter is like our Constitution. It is an organizational piece that guides us. The voters elect us into office to make the correct decision for them. I heard two (2) well-oiled mechanisms that could provide money to the Housing Agency. One of them is us and the other one includes Federal dollars. I do not see anything broken. I know for two (2) years I have worked on the budget and I made sure that we put three million five hundred thousand dollars (\$3,500,000) and the other year we put two million seven hundred thousand dollars (\$2,700,000) into the Housing Agency. If the Housing Agency needed more money and if Adam told me that, I would have gone to the Mayor and the Managing Director to tell them that. Nobody made that apparent. He said he had enough money. I am not going to stand here and act like I am going to take any responsibility except for that we need housing for our people and we are here genuinely going to do this. We are doing it. I see us doing this. All seven (7) of us did it this past year. Thank you.

Council Chair Kaneshiro:

Councilmember Carvalho.

Councilmember Carvalho: I just want to say that the Structurally-Balanced Budget Policy and the Reserve Fund Policy...those are in place and I know it can work. It has worked. To shift to the Charter part of it, which could hamper things down the road should there be disasters, we have the responsibility as Councilmembers to make the decisions and work with the Administration. I know if we lay it out the right way and we have parts of the plan in place to enhance, better, and reach out to bring in funding to make sure we can do affordable housing...again, it takes time and effort like I said earlier. We have it in place. It is just about making sure that we have the right resources to move forward. I believe the Charter Amendment route is not the route to go. This is what we have. We can work with the Administration to place the funding in and I know it can happen. We have proven that in so many different ways. I just feel strongly...it is emotional for everybody. I appreciate all of my fellow Councilmembers. Ken Shimonishi's layout says everything that we need to do. We can. I know we can. For me, that is a big part of it. I know out in the community, we want our voters to know what they are responsible for. We are responsible right now for this. We are responsible for laying out and setting aside the funding. I know we can do it based upon what I know and what we have before us. Thank you.

Council Chair Kaneshiro: Does anyone else have final discussion? For me, I do not think we failed in the budget. I did not hear the Housing Director say that he did not have enough money this year. He said he had the money that he needed. That is why no one was working hard to cut items to give him more money. If he justified it and said that he needed more money to do other projects, he probably would have gotten money. We probably could have found a cut. We did not even need a tax increase. It could have been a straight cut, but that is the process. Again, we need that

back and forth. I am not just going to take taxpayer money and fly it at any department. Housing, Police, Fire, or any department, they are all important. Public safety is important, but if they are not going to justify what they need the money for, I have never in my eight (8) years just thrown money at them. They need to justify their budgets. I think that is the part that we are missing. We need that justification in order to get that money passed. That is why I voted the way I did and why I am voting the way I am now. In this case, I do not think the Charter Amendment is the way to go about budgeting. Our budget process is the right way to go about budgeting. If you look at it again, this Charter Amendment is not going to resolve our housing crisis, absolutely not. If we had this Charter Amendment in place today or when we did the last budget, it would have brought in three million seven hundred thousand dollars (\$3,700,000). We already allocated three million five hundred thousand dollars (\$3,500,000) to the Housing Agency. It would have only been an extra two hundred thousand dollars (\$200,000). Is that so much better than what we did? I think what we did was right. We allocated money, we looked through the budget, we line-itemed everything, we made sure that everyone justified what it was for, and that is the way it should be. That is why I stick very strongly in saying that our budget process is the process that we use and I am not in favor of going through the County Charter. It actually makes us not do our job. It actually does our job for us. It automatically puts money there. Our job should be, every year, we look at the budget, and we allocate money where we believe it should be. That is where I think our responsibility as Councilmembers lay, where the Mayor's responsibility lays, and then we get criticized or applauded by how we pass that budget. I can tell you during this last budget, I did not hear the Housing Agency say that they did not have enough money for the projects that they were trying to do. Council Vice Chair Chock.

Councilmember Chock: I will just state for the record, personally, I did not support this Resolution to circumvent the budget process. I understand that in many ways it does circumvent the budget process, but that was not what the intention is. To me this is not an emotional decision, it is a value-based decision and that is the only reason why I chose to support it. I also will clarify that we can hear different things around the table and I can accept that. That is not what I heard from our Housing Director. I heard based on the questions that we asked that he clearly stated that he could utilize the funding. I just want to make that statement for the record. That is all.

Councilmember Kualii: Council Chair Kaneshiro, I just want to clarify that I did not say or did not mean to say that our budget process was a failure. All I was saying was that we are failing when it comes to addressing the housing crisis. The few units that we do get built is wonderful. That moves us in a positive direction. When we need thousands of units and we can only build hundreds, we are failing at solving the housing shortage crisis.

Council Chair Kaneshiro: Does anyone else have anything else to add? If not, we will take a roll call vote on the Resolution.

The motion for adoption of Resolution No. 2022-22, as amended to Resolution No. 2022-22, Draft 1, was then put, and failed by the following vote:

FOR ADOPTION:	Chock, Cowden, Evslin, Kualii	TOTAL – 4,
AGAINST ADOPTION:	Carvalho, DeCosta, Kaneshiro	TOTAL – 3,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: The motion fails.

Council Chair Kaneshiro: Do we need a motion to receive?

Ms. Fountain-Tanigawa: We could.

Council Chair Kaneshiro: As this is a Resolution, we do have to get a motion to receive, as the motion to approve failed.

Councilmember Carvalho moved to receive Resolution No. 2022-22, as amended to Resolution No. 2022-22, Draft 1, seconded by Councilmember DeCosta, and carried by the following vote:

FOR RECEIPT:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST RECEIPT:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Seven (7) ayes. The motion to receive passes.

Council Chair Kaneshiro: I know that was painful. Let us move on.

Resolution No. 2022-27 – RESOLUTION ESTABLISHING A CROSSWALK AND BICYCLE LANES ON PO'IPU ROAD, ESTABLISHING PARKING RESTRICTIONS AND A CROSSWALK AND MODIFYING A SCHOOL ZONE ON PA'ANAU ROAD, AND REPEALING RESOLUTION NO. 50-95 AND RESOLUTION NO. 2013-53 IN THEIR ENTIRETY, AND AMENDING ITEM 3, SECTION XV OF RESOLUTION NO. 54-91, KOLOA DISTRICT, COUNTY OF KAUA'I

Councilmember Kualii moved for adoption of Resolution No. 2022-27, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on this item. Are there any questions from the Members? Councilmember Cowden.

Councilmember Cowden: I have seen it on paper here, but if Michael Moule could show us exactly what this is. I do not have a lot of questions. I just want an overview.

Council Chair Kaneshiro: Michael, are you there?

Councilmember Cowden: Perhaps you have the map that you can put up on the screen.

There being no objections, the rules were suspended.

MICHAEL MOULE, Chief of Engineering (*via remote technology*): Good afternoon. I have a short presentation just to give a little background and mainly what the Resolution does. It is a little confusing because there are amendments to older resolutions and repealing some older resolutions. I will just share my screen here. Can you see that? Real quick, here is some brief background information.

There are three (3) public involvement efforts that have been going on for the last ten (10) years on the South Side that relate to this. It is the South Kaua'i Community Plan that the Planning Department did with a lot of public involvement. That as you see supports this Resolution. There is the Po'ipū Road Safety Mobility Project which grew out of a design charrette in 2013, which we will talk about. That is a bigger project for all of Po'ipū Road that you have seen us apply for a Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant for that and you all saw that earlier this year. That project is scheduled to be constructed about two (2) years from now. There is this Kōloa Safe Routes to School project, which is a specific project that we are doing this Resolution to approve the regulatory traffic control devices related to that project. There has been a lot of efforts surrounding the school and we will talk about that very briefly here. This is briefly a timeline of the public involvement with these projects. It started back in May of 2011, the first Walk to School Day was that day in Kōloa. A field visit with school staff and community members looked at ways to improve walking and biking to the school. For the next couple of years, the community members and the school developed the Kōloa Safe Routes to School plan. May 2013 was the Po'ipū Road Design Charette which the larger Po'ipū Road project grew out of. That modified the plan effectively. In July 2015, the South Kaua'i Community Plan was adopted with lots of public involvement prior. In August 2016, we had a public meeting about the Safe Routes to School Kōloa project. In October 2017, we reviewed the conceptual design with the school. We worked with the Kaua'i Historic Preservation Review Commission (KHPRC) in January 2020, and that was specifically for the Safe Routes to School project. Lastly, we had three (3) meetings about the Po'ipū Road Safety Mobility Project, which again, supported the elements that are included in this Resolution. This project is building the beginning of some of the sidewalks, bike lanes, and other treatments to Po'ipū Road that are planned as a part of the larger project.

Here are some quick pictures of some of those things that happened. Here is a picture of Walk to School Day. The kids are approaching the school where they would be using the areas where the crosswalks are going in and being modified in the current project. This is a part of the Safe Routes to School plan being developed back in 2012 and 2013. Item 1 was not included in the project, but items 2, 3, 4, and 5 were all the elements that we are going to go through in detail in this Resolution. Some of it changed a little bit. We did not extend the sidewalks quite as far as item 4 shows, but that will be done as a part of the future Po'ipū Road project. These are just some quick images from the Po'ipū Road Design Charrette from May 2013. You

can see all of the public involvement in that. The walking audit that was a part of that effort, specifically in the Kōloa Town area, this bottom picture is right at Kōloa School. We walked the corridor and identified this project effectively. The image on the right is from the generation of the South Kaua'i Community Plan. The image shows the network of bikeways, sidewalks, and improved intersections in this area. The image on the left shows the cross section that came out of the South Kaua'i Community Plan for the section of Po'ipū Road that fronts Kōloa School. We are implementing most of this with this project. It will be continued by the Po'ipū Road project in a couple of years. This is an image from the stakeholder meetings for the Po'ipū Road project in December of 2019 and January of 2020.

Now I will quickly go through the components of the Resolution. There are five (5) sections. The first section deals with bicycle lanes. These are screen captures from the exhibits that you should have in your Resolution. This shows bike lanes being striped from Kōloa Road to a little bit past Pa'anau Road, from the northern most portion of Po'ipū Road. In this Resolution, the plan is to extend those bike lanes as part of the future project. This project is building the bike lanes, generally speaking, in the area of this map. The school itself is here on the bottom. The bike lanes will be striped in this area, roughly from the school back up to Kōloa Road.

One crosswalk on Po'ipū Road is being relocated in order to provide better pedestrian accessibility across the street. We are also adding a sidewalk on the other side of the road. This crosswalk would be better served than the existing crosswalk that is located here. This location will remain in place and we are modifying the flashing beacons that are at those crosswalks to improve them from what they are currently.

On Pa'anau Road, there is an older crosswalk located over here. The school is here. I did not label it, but to the bottom-left of the photo or this image is Pa'anau Village housing or apartments. Right now the crosswalk is away from those areas. This crosswalk will now be located near the gate coming out of the school here so the kids can cross the street and go either way on Pa'anau Road, either to Kahikina Road to walk to houses down here or walk to the west here in this case to Pa'anau Village.

The parking zones are being changed accordingly. Since the crosswalk is moving, we need to move the little parking zones. We have repealed an older resolution that established the crosswalk and the parking zones on Pa'anau Road and replacing it with this Resolution making it clear that there is no parking along the north side of Pa'anau Road, because that is where the sidewalk. Any parking there would block the travel lane. There really was not that much parking on that side of Pa'anau Road. There is parking allowed further to the west of this area, however. The parking zones on the south side are being modified slightly to accommodate the new crosswalk so as to not allow parking near the crosswalk for safety purposes.

Section 4, because we have the room for it here, we decided we could reduce congestion a little bit during school arrival and dismissal times by putting in very short left- and right-hand turn lanes here. You can get two (2) cars in this left-turn lane and on the right cars can get by. People are currently using it like that now. We

are moving this centerline over a bit to make it better for this tight space. This should reduce congestion during those school arrival and dismissal times.

Section 5, we are changing the school zone. For some reason, the school zone, which is the hatched area of Pa'anau Road, did not extend as far west as it should have. We are extending it further west. It goes from five hundred seventy (570) feet to eight hundred (800) feet from Po'ipū Road to all the way a little further down the road here. To be clear, there is also a school zone along Po'ipū Road. We are not changing that one so it does not show up in this Resolution. There is also a school zone posted at fifteen miles per hour (15 mph) on Po'ipū Road as well. That is all that I have to present. I can blow up this image or the actual Resolution exhibits. This shows the same thing. They are just screen captures from that just in case you have any questions on that. To summarize, the two (2) resolutions being repealed are effectively being superseded by this and we are modifying a resolution related to the school zone as I mentioned.

Council Chair Kaneshiro: You do not need to share your screen. We have the information in front of us. Are there any further questions from the Members? Councilmember Cowden.

Councilmember Cowden: I just wanted to say thank you for the diligent work. This is the level of detail and accountability that I normally think of with our Engineering Division. Thank you.

Mr. Moule: You are welcome.

Council Chair Kaneshiro: Are there any other questions from the Members? If not, while the rules are still suspended, is there anyone in the audience or on Zoom wishing to testify? None.

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

Council Chair Kaneshiro: Is there any final discussion from the Members? If not, could I get a roll call vote?

The motion for adoption of Resolution No. 2022-27 was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Resolution No. 2022-28 – RESOLUTION CONFIRMING COUNCIL REAPPOINTMENT TO THE PUBLIC ACCESS, OPEN SPACE, NATURAL RESOURCES PRESERVATION FUND COMMISSION (*Jonathan Thomas Lucas – (Kōloa/Po‘ipū/Kalāheo)*)

Councilmember Kualī'i moved for adoption of Resolution No. 2022-28, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony for this item. Are there any questions from the Members? If not, is there anyone in the audience or on Zoom wishing to testify? None.

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Kaneshiro: Is there any final discussion from the Members? If not, could I get a roll call vote?

The motion for adoption of Resolution No. 2022-28 was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualī'i, Kaneshiro	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Council Chair Kaneshiro: Next up we have Bills for First Reading.

BILLS FOR FIRST READING:

Proposed Draft Bill (No. 2878) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, KAUA'I COUNTY CODE 1987, AS AMENDED, RELATING TO ADDITIONAL RENTAL UNITS (*County of Kaua'i Planning Department, Applicant*) (ZA-2022-8)

Councilmember Kualī'i moved for passage of Proposed Draft Bill (No. 2878) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 7, 2022, and that it be referred to the Planning Committee, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on this item. Ka'āina, could you give us a brief description of this item?

There being no objections, the rules were suspended.

KA'ĀINA S. HULL, Planning Director (*via remote technology*): It has been a long day. Thank you. The Bill that you have is virtually identical to one you received a few months ago, concerning taking away the requirement that an Additional Dwelling Unit (ADU) be able to have direct access to a County standard roadway. That requirement for ADUs was essentially scrubbed from the ADU section of the Comprehensive Zoning Ordinance (CZO) and we recognized during the processing of that, that the exact same requirement was in play for Additional Rental Units (ARUs). While this requirement has been in place for ADUs for some thirty (30) years now, it really has served no purpose except for adding an additional month or two (2) to the permitting process. It ultimately was a way back in the 1980s that the County thought it could get substandard roads upgraded through the entitlement process for ADUs. When it costs anywhere between three hundred thousand dollars (\$300,000) to one million dollars (\$1,000,000) to upgrade to a County standard roadway in conjunction with an ADU application, no landowner is going to upgrade the road because of the proportional nexus between the cost of the two (2) elements. This is not necessarily a panacea or really going to put more affordable housing or even housing units in our inventory. We submitted an array of different bills that helped somewhat facilitate and provide for more density for housing units in and around our urban areas. This Bill is just clearing one of the barriers that we found, that is actually time restrictive for ARUs and ADUs. It is identical to the proposal that you reviewed a few months ago concerning ADUs. This is just the one for ARUs that really should have gone in tandem, but got lost in the mix or shuffle of the array of bills that have been drafted for the CZO. I am open to any questions.

Council Chair Kaneshiro: Are there any questions from the Members? If not, while the rules are still suspended, is there anyone in the audience or on Zoom wishing to testify? None.

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

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

Councilmember Cowden: I am supporting this, but I am also conscious every time I drive through a really crowded neighborhood where my little Honda Fit struggles. I know I am exaggerating a little bit honestly. I am sure glad I do not have a bigger car, because I am straddling the yellow line. We have to be careful how much we crowd neighborhoods. That is my final discussion.

Council Chair Kaneshiro: Does anyone else have final discussion? If not, I will take a roll call vote.

The motion for passage of Proposed Draft Bill (No. 2878) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 7, 2022, and that it be referred to the Planning Committee was then put, and carried by the following vote:

FOR PASSAGE:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Proposed Draft Bill (No. 2879) – A BILL FOR AN ORDINANCE AMENDING CHAPTER 8, ARTICLE 12, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO CONSTRAINT DISTRICT(S) (*County of Kauai Planning Department, Applicant*) (ZA-2022-12)

Councilmember Kualii moved for passage of Proposed Draft Bill (No. 2879) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 7, 2022, and that it be referred to the Planning Committee, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on this item. Ka'aina, could you give us a brief description of this Bill. I know it is kind of long.

There being no objections, the rules were suspended.

Mr. Hull: Thank you again, Council Chair and Members of the Council. I will try to be as brief as possible. We will be giving a more in-depth presentation at Committee should you refer it to Committee. Essentially, this Bill is a collaborative effort that has gone on for the past two (2) years to look at a regulatory framework dealing with climate change-induced sea level rise. For about four (4) years now, the State of Hawaii, originally through the State of Hawaii Climate Change and Adaptation Commission, but also ultimately adopted by the State Legislature, has a series of maps that are able to spatially assess what three and two tenths (3.2) of a foot of sea level rise is going to have an effect on our coastlines within this century. It is standardly accepted that three and two tenths (3.2) of a foot of sea level rise will happen within this century. More than likely that will happen sooner than the end of the century, but definitely within the century. With that spatial mapping that occurred at the State level, there were essentially three (3) hazards that were particularly looked at being induced by the sea level rise. One of them is coastal erosion. That hazard is the scariest hazard. Coastal erosion and sea level rise means where our shorelines will be and what parts of our island will be underwater in perpetuity with sea level rise. In looking at those hazards, I will not say all of them, but the vast majority of them are already addressed quite honestly through Kauai's existing and relatively robust and progressive Shoreline Setback Ordinance. The Shoreline Setback Ordinance that we have on our island pushes the built environment out of most of the areas that are projected to be underwater in perpetuity due to sea level rise. Understanding that, we began, on Kauai at least, picking apart the other two (2) hazards that are projected to occur with sea level rise. Those are passive flooding, the ocean rising, and high tides being higher, and highway annual coastal runup, or waves that occur annually at a higher rate than the rest of

the wave activity. That is expected to flood our built environment. Looking at those two (2) coastal flooding hazards that will occur due to sea level rise, we began essentially working with the scientists to establish what the depths of those waters will be. Those waters, unlike coastal erosion, are waters that are temporal in nature. They come in and then they go out. While individuals should not necessarily be building there, if they are going to be building there, we have looked at that data to see if there is a way they could mitigate, adapt, or manage the flow of that water when it occurs. We spent about two (2) years looking at different models, regulatory frameworks, and different approaches. What we ultimately finalized and worked with the Planning Commission on was this Proposed Draft Bill. In a nutshell it is very simple. Taking the sea level rise flood elevations projected to occur with three and two tenths (3.2) of a foot of sea level rise for this coastal flooding activities, the habitable structure needs to be elevated at least two (2) feet above the sea level rise flood elevation and non-inhabitable structures need to be elevated at least one (1) foot above the sea level rise flood elevation. That is it in a nutshell. This is for new structures, as well as any structures that exist within these zones that are looking at being essentially rebuilt, or repaired beyond the fifty percent (50%) of assessed value of the structure. This is outside of the base flood elevation as managed through the Flood Insurance Rate Maps (FIRM) in our Flood Ordinance Program. The Flood Ordinance Program looks at historic flooding activities and requires elevation above that. It does not account for changing climates and sea level rise, and induced flooding in areas that did not historically flood. This is a Bill that is somewhat at the forefront of looking at sea level rise adaptation. The only municipality that we are aware of that has taken a stab at this is Boston, and that is primarily for larger structures and developments above two hundred (200) to three hundred (300) dwelling units. This is really the first one that we are aware of that really approaches it from a full community-based individual property level. That is why it took us some time to draft it. We were working with individuals and consultants from around the nation and got really into the nitty gritty working with land use attorneys, coastal engineers, and coastal scientists, including but not limited to Dr. Chip Fletcher and his team. A lot of hands have gone into this. We feel that it is appropriate in its approach and the data that it has. I am kind of rambling at this point, so I will cut myself off and hopefully we can get some additional work done in Committee.

Council Chair Kaneshiro: Okay, thank you. Councilmember Evslin,
then Councilmember Cowden.

Councilmember Evslin: Thank you, Ka'āina. I am impressed with all
of the work here. I understand that you are deleting the entire Constraint District
then creating a new Sea Level Rise Constraint District. On the maps that are
provided in our binder, the maps are titled "County of Kaua'i Sea Level Rise
Constraint District Map 34" and then there is a purple line on these maps that shows
Shoreline Constraint District boundaries. The purple line is the existing Constraint
District, which would be repealed with this Bill, right?

Mr. Hull: No. The County of Kaua'i Zoning Ordinance
has an array of different Constraint Districts. It has a Slope Constraint District, a
Shore Constraint District, a Watershed Constraint District, et cetera. This one is just
looking at the Shore Constraint District that was adopted back in the 1980s. It was

well-intentioned at the time and helped to have further regulatory oversight for the shore areas of Kaua'i, but after that Constraint District was adopted, the Special Management Area (SMA) District was adopted, which is much more robust and much more thorough in its shoreline impact, analysis, and permitting. The Constraint Shore District as it exists today is antiquated and not really in effect, because it is trumped by the SMA rules. We took this antiquated Constraint District that still exists today, and we are essentially gutting the language and turning this Shore Constraint District into the Constraint Sea Level Rise District. The maps that you have are proposing the new Sea Level Rise District lines that this new Constraint District would overlay. Sorry, we did attach it as specific maps of the entire proposed district area, and that was just to make sure that if there was anyone in the public assessing or reading it, they may want to have the physical copies. Clicking on the Kaua'i Sea Level Rise District viewer, which is online on our website, is a much more interactive and accurate way to see it. I am not prepared to present that today, but we will definitely present that in Committee.

Councilmember Evslin: I understood that much from the Bill. Just to clarify, the maps that are provided though, that purple line showing the Shoreline Constraint District boundary, if this Bill passes, that purple line will essentially become meaningless and the important part of the map is the depth elevations?

Mr. Hull: Correct.

Councilmember Evslin: Online presumably...if someone is building out a piece of property and they are trying to determine where exactly to build, that online step is surveyable on the ground and they can know exactly where those depth elevations are and potentially move out of them if they want?

Mr. Hull: Yes. They would be able to grab the map. You can go on a layer and I think it is down to one (1) inch is equal to a twenty-foot level, which is a very granular level that surveyors can use. We are not ready to unveil it yet, but I am fairly certain we should have it ready by the time we get this to Committee, in which a property can actually enter their tax map key (TMK) and it will just automatically spit out a portable document format (PDF) that file a draftsman or architect could upload into AutoCAD and lay their structure directly over it. We are very close to putting our final touches on it. We do not think it is necessary to adopt the Bill. The viewer can be utilized in a similar fashion. It is a much more user-friendly standpoint in being to kick these things out via a TMK entry, we are pretty close.

Councilmember Evslin: That is amazing.

Mr. Hull: Our Geographic Information System (GIS) tech savant went on vacation for a couple of weeks. He will be back in a couple of weeks.

Councilmember Evslin: It sounds like a heroic amount of work went into this. The other questions were about the two (2) feet and one (1) foot for non-residential structures. Where did those two (2) figures come from?

Mr. Hull: That was modeled directly off of the Boston ordinance. Boston has those particular elevation heights above their sea level rise flood elevation, so we just mimicked that approach. We took a much more granular approach in that they only apply to very large proposals. Our position being that we have this data, we are aware it is going to flood, and how do we continue to sit on this data and permit structures below the sea level rise flood elevation.

Councilmember Evslin: What is the rationale between the residential and non-residential? Why do they get to go a little lower?

Mr. Hull: Within the overall flood framework that even FEMA has, that is a pretty standard approach about having it a little more restrictive to residential due to the fact that after the flood occurs, this is still somebody's home and place of residence. When the waters goes through a commercial area and even somewhat applicable to resort units, they do not have the same flood standards because after the flood waters go through it, if it is below that elevation...I will not say it is not bad, but it is not as bad. The people do not need to live in these things once the flood water recede. That is my basic understanding of it. I can double-check a little more with our Floodplain Manager and other folks as well.

Councilmember Evslin: Okay, thank you.

Council Chair Kaneshiro: Councilmember Cowden.

Councilmember Cowden: I did just pull up the map on my phone. The application is pretty good and how you can move it around. I was looking at Waimea where it is always flooding. Apparently you did not put the broken gates on this thing, because we are not seeing a water problem in that area. This is good, that is what I am saying. I am kind of being playful, but not really. There are some spots that are not accurate. Does this have what is called an overlay? If somebody is needing to fix their house, is this like an overlay the same way that Form-Based Code is? When they are wanting to add a bathroom, they would have to take the same kind of action that they would with Form-Based Code with an overlay? Is it an overlay?

Mr. Hull: It is indeed an overlay much in the same way that Form-Based Code is. This specific trigger is for permitting and meeting those elevation requirements where you have to elevate a structure is for a brand new structure or if it is a substantial repair to an existing structure that puts it into the level of rebuild and not repair. That is where you are doing more than fifty percent (50%) of the assessed value in repairs. The elevation requirement would then be in play.

Councilmember Cowden: Okay.

Mr. Hull: In your example with redoing a bathroom, in the vast majority of situations if they are redoing the bathroom, it would not account for repairing more than fifty percent (50%) of the assessed value of the structure, and therefore it would be permissible without having to drastically elevate the structure, unless it is some major, luxurious type of bathroom renovation.

Councilmember Cowden: What has our outreach been or what will it be so people become aware of this? How are we going to help the public learn about this? I appreciate there are a few people in the room. How do we really get this out there for people to understand it?

Mr. Hull: Right now, it has been through public hearings quite honestly. We did outreach to the Board of Realtors so that they are aware and could notify any of their clients that may live or operate in those areas. This is not a property rights taking issue. When the Planning Department, during the West Kaua'i Community Plan, looked at proposing the somewhat coastal hazard areas where we would reduce their zoning and dropping their density from ten (10) dwelling units to one (1), that is all they would be allowed to do, for those situations we did notify the property owners because there was a reduction of development rights. In this situation we are not reducing any development rights. We are just saying that what you are proposing in the future, all it needs to be is elevated a certain amount to accommodate the flow of water. We were not individually notifying each property owner.

Councilmember Cowden: Okay. Just to be clear, who is going to be running into this? It is the person who is building a new structure. When they go in and have a design plan, they will be told that they need to raise it two (2) feet higher or hopefully whoever does the architecture already knows that or whoever is their planner for building their property. They will hopefully know that as they would normally for floodplain issues. It is just that the floodplain is higher.

Mr. Hull: Correct. To that point, we have been in discussions that should the Council feel it appropriate to adopt the Bill, having a disclaimer not just on our permitting side, but in the flood program, that while you are subject to these flood elevations, you also need to check to ensure that you are building to the appropriate sea level rise flood elevation is a good approach of putting everyone on notice.

Councilmember Cowden: Okay.

Council Chair Kaneshiro: Council Vice Chair Chock.

Councilmember Chock: Correct me if I am wrong, but the Constraint Districts move also inland, so it is not just shoreline that is reflected on the maps. My question is really around, while it might be antiquated, what is the effect of this replacement with the shoreline focus on Constraint Districts that for example cover culturally significant areas that were identified within the previous maps.

Mr. Hull: Yes, hold on one (1) second. I want to pull up something. When we actually originally proposed this Bill, we looked at amending or essentially erasing two (2) different Constraint Districts. One of them being the Shore Constraint District, which you have before you, but the other one was the Flood Constraint District. The logic behind that was that there are SMA rules and regulations and the Flood Ordinance Program, which are much more robust, have a larger regulatory regime, and a much more thorough regulatory regime than the

previously adopted zoning Flood and Shore Districts. Our Planner who is assigned to really go through the weeds on this ultimately came...and she will be giving a presentation at Committee if you send it there...she ultimately came to me and told me that the Shore District is completely antiquated to the SMA. There are no jurisdictional issues with the Shore District in our Zoning Ordinance that are not already covered under the SMA rules. She also brought up the point that while there is a Flood District and while we have a Flood Ordinance, there are water and marine issues that are a part of the goal and purpose of the Flood District that are not actually covered by the Flood Ordinance and therefore may not be appropriate to actually fully erase the Flood District. It was with that we just focused this on the Shore District and move on. The Flood District will actually still be in play as an existing Constraint District should this be adopted, as well as the other existing Constraint Districts, including but not limited to the Slope District, Soil District, Tsunami District, et cetera. Most of those, including the Tsunami District, are covered by the SMA and Shoreline Setback rules and regulations, and the Slope District for the most part, are still covered much more by the engineering standards that we have today to building on slopes. Long story short, we are not focusing on any of the other Constraint Districts. They will still exist and have their regulatory framework.

Councilmember Chock: Okay, thank you.

Council Chair Kaneshiro: Are there any other questions for Ka'āina? This is just First Reading, so I am sure we will get a more in-depth presentation at Committee. If not, while the rules are still suspended, is there anyone in the audience or on Zoom wishing to testify?

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

Council Chair Kaneshiro: Is there final discussion from the Members?
Councilmember Evslin did you have a question?

Councilmember Evslin: I had a question, but I will save it for Committee.

Council Chair Kaneshiro: Thank you. Councilmember Cowden.

Councilmember Cowden: I just want to acknowledge that this is a lot of work for them to do this. It is rather creative. I really like...for those out there who might be watching on television, Google "Kaua'i Shoreline Sea Level Rise Constraint District." It is almost like a Google Map. You can find your house and find out what the challenge might be. It is really well done.

Council Chair Kaneshiro: Does anyone else have final discussion?
Councilmember DeCosta.

Councilmember DeCosta: Thank you, Ka'āina. I have seen two (2) homes in Kekaha that are set way back from the beach compared to the older and existing homes that are set near the sandy coastline out there before Davidson's Beach. I guess it is part of this new sea level rise setback. I notice that our contractors and homeowners are following the Code. That is great.

Council Chair Kaneshiro: Councilmember Evslin.

Councilmember Evslin: I want to express my appreciation to the Planning Department for doing this and being so proactive on this and other ordinances, including the Shoreline Setback Ordinance and the West Kaua'i Community Plan. I remember being in a meeting with Dr. Chip Fletcher and asking him what the number one policy he would push for if he could do anything to help prepare for sea level rise. He said he would mandate freeboard for new construction. I remember then that there were so many difficulties in trying to do that. One of them is ensuring that we could get the data granular enough and you have meticulously worked through this. Just looking at your online sea level rise viewer here, you have done really well. Kudos to the Planning Department and I am looking forwarding to hearing more in Committee.

Council Chair Kaneshiro: Okay, we will take a roll call vote.

The motion for passage of Proposed Draft Bill (No. 2879) on first reading, that it be ordered to print, that a public hearing thereon be scheduled for September 7, 2022, and that it be referred to the Planning Committee was then put, and carried by the following vote:

FOR PASSAGE:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL - 7,
AGAINST PASSAGE:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

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

BILLS FOR SECOND READING:

Bill No. 2828 - A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, ESTABLISHING A COMMERCIAL VEHICULAR RENTAL REAL PROPERTY TAX CLASS

Councilmember Cowden moved to receive Bill No. 2828 for the record on second and final reading, seconded by Councilmember Kualii.

Council Chair Kaneshiro: We received no written testimony on this item. Are there any questions on this item? I believe we had a lot of discussion at Committee. Is there anyone in the audience or on Zoom wishing to testify on this item? Lonnie.

Councilmember Cowden: For what it is worth, receive for the record means we are not passing it and it is over. This Bill is done.

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

Mr. Sykos: Thank you very much. It is done. Good job.

Council Chair Kaneshiro: Is there anyone else in the audience or on Zoom wishing to testify? None.

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

Council Chair Kaneshiro: Is there any final discussion from the Members? If not, we will take a roll call vote.

The motion to receive Bill No. 2828 for the record on second and final reading was then put, and carried by the following vote:

FOR RECEIPT:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST RECEIPT:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Bill No. 2869 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 23, SECTION 23-3.7, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO CONCESSIONAIRES AT THE SPOUTING HORN

Councilmember Kualii moved to approve Bill No. 2869 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on this item. Are there any questions from the Members? Is there anyone in the audience or on Zoom wishing to testify?

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Kaneshiro: Any final discussion from the Members? If not, roll call vote.

The motion to approve Bill No. 2869 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:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Bill No. 2870 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 23, ARTICLE 3, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO PEDDLERS AND CONCESSIONAIRES

Councilmember Kualii moved to approve Bill No. 2870 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Carvalho.

Council Chair Kaneshiro: We received no written testimony on this item. Are there any questions from the Members? Is there anyone in the audience or on Zoom wishing to testify?

There being no one present to provide testimony, the meeting proceeded as follows:

Council Chair Kaneshiro: Any final discussion from the Members? If not, roll call vote.

The motion to approve Bill No. 2870 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:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL – 7,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0,
RECUSED & NOT VOTING:	None	TOTAL – 0.

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

Council Chair Kaneshiro: Could you please read us into Executive Session?

EXECUTIVE SESSION:

ES-1079 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), on behalf of the Council, the Office of the County Attorney requests an Executive Session with the Council to provide the Council with a briefing, discussion, and consultation regarding the Quarterly Report on Pending and Denied Claims. This briefing and consultation involve the consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Councilmember Kualii moved to convene in Executive Session for ES-1079, seconded by Councilmember DeCosta.

Council Chair Kaneshiro: Does anyone have any questions? Is there anyone in the audience or on Zoom wishing to testify? None.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to convene in Executive Session for ES-1079 was then put, and carried by the following vote:

FOR EXECUTIVE SESSION:	Carvalho, Chock, Cowden, DeCosta, Evslin, Kualii, Kaneshiro	TOTAL - 7,
AGAINST EXECUTIVE SESSION:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	None	TOTAL - 0,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Council Chair Kaneshiro: The motion is carried. That concludes the business on our agenda. Not seeing or hearing any objections, this Council Meeting is now adjourned.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 3:28 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA
County Clerk

:jy

(August 3, 2022)

FLOOR AMENDMENT

Resolution No. 2022-22, Relating to a Charter Amendment

Introduced by: LUKE A. EVSLIN, Councilmember

Amend Resolution No. 2022-22 in its entirety to read as follows:

“SECTION 1. Pursuant to Section 24.01 of the Charter of the County of Kaua‘i (hereinafter “Charter”), the Council hereby resolves to submit the Charter Amendment described in this Resolution to the voters of the 2022 General Election.

SECTION 2. Section 19.08A, Article XIX, Charter, is hereby amended to read as follows:

“A. The enactment of the annual budget ordinance shall constitute an appropriation of the sums specified therein for the purposes and from the funds indicated. Such appropriation shall be considered valid only for the fiscal year for which made, and any part of such appropriation which is not encumbered or expended shall lapse at the end of the fiscal year, except that appropriations to the funds established by paragraphs C and D of section 19.15 shall not lapse, but shall remain in the funds, accumulating from year-to-year. Agencies authorized to make expenditures under the annual budget ordinance may proceed without other authority from the council to incur obligations or make expenditures for proper purposes to the extent that the moneys are available and as allotted.”

SECTION ~~[2]~~ 3. Section 19.15, Article XIX, Charter, is hereby amended by establishing a new paragraph D as follows:

“D. Housing development fund.

1. In adopting the annual operating and capital programs budgets, the council shall appropriate a minimum of two percent (2.0%) of the certified real property tax revenues to the housing development fund. In any fiscal year, the council may make appropriations to the housing development fund in addition to the two percent (2.0%) required herein.

2. On an annual basis, no more than five percent (5%) of this fund shall be used for administrative expenses.

3. Any unencumbered balance in this fund at the end of each fiscal year shall not lapse, but shall remain in the fund, accumulating from year to year.

4. The council shall by ordinance establish procedures for the administration and expenditure of the revenues in this fund.”

SECTION ~~[3]~~ 4. All material is new. If this amendment is adopted by voters, the County Clerk need not show any underlining for inclusion in the Charter.

SECTION ~~[4]~~ 5. The County Attorney and County Clerk shall approve the wording of the ballot question, which shall be substantially in the following form:

“Shall two percent (2%) of real property tax revenues be earmarked for the purpose of affordable housing?”

SECTION ~~5~~6. Upon adoption of this Resolution by five or more Councilmembers after two readings on separate days, the County Clerk and County Attorney shall take the necessary steps to submit this amendment to the voters.”

(Material to be deleted is bracketed. New material to be added is underscored, except for proposed Section 19.15D, all of which is new.)

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