

**BUDGET, FINANCE, AND ECONOMIC
DEVELOPMENT COMMITTEE**
Council of the County of Maui

MINUTES

January 27, 2026

Online Only via Teams

CONVENE: 9:05 a.m.

PRESENT: Councilmember Yuki Lei K. Sugimura, Chair
Councilmember K. Kauanoë Batangan, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member (left at 11:36 a.m.)
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member
Councilmember Nohelani U‘u-Hodgins, Member

STAFF: Kirsten Szabo, Legislative Analyst
Pauline Martins, Senior Committee Secretary
James Krueger, Senior Legislative Analyst
Peter Hanano, Legislative Attorney
Lenora Dinneen, Council Services Assistant Clerk
Ryan Martins, Council Ambassador

Residency Area Office (RAO):

Roxanne Morita, Council Aide, Lāna‘i Residency Area Office

ADMIN.: Kristie Wrigglesworth, Deputy Corporation Counsel, Department of the Corporation Counsel
Caleb Rowe, Deputy Corporation Counsel, Department of the Corporation Counsel
Lesley Milner, Budget Director, Office of the Mayor
Maria Zielinski, Deputy Director, Department of Finance
Lauren Akitake, Executive Director, Board of Ethics
Ryssa Tam Ho, Administrative Assistant, Board of Ethics
James Kimo Landgraf, Deputy Director, Department of Water Supply
Kim Albright, Chief Technology Officer, IT Services Division, Department of Management

OTHERS: James Landgraf
Others (13)

PRESS: *Akakū: Maui Community Television, Inc.*

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CHAIR SUGIMURA: . . .(*gavel*). . . Good morning, everybody. Welcome to the Budget, Finance, Economic Development Committee. It is now 9:05 a.m. My name is Yuki Lei Sugimura, I'm the Chair of this Committee. And at this time, I'd like to introduce all the Members after I just mention, if you are in a workspace, that you need to let us know if there are any minors with you. And we are conducting this meeting in accordance with the Sunshine Law. So, good morning, Kauano'e Batangan...Member Batangan.

VICE-CHAIR BATANGAN: Aloha kakahiaka, Chair.

CHAIR SUGIMURA: Good morning. Member Cook.

COUNCILMEMBER COOK: Aloha. Good morning. There's no testifiers currently in the Kihei office.

CHAIR SUGIMURA: Aloha and good morning. Member Johnson.

COUNCILMEMBER JOHNSON: Aloha and good morning, Chair, Councilmembers, community members. There's no testifiers at the Lāna'i District office. And I'm alone in my workspace here in my house. Thank you, Chair.

CHAIR SUGIMURA: Okay. Chair Lee, good morning.

COUNCILMEMBER LEE: Aloha kākou.

CHAIR SUGIMURA: Aloha. Member Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka kākou.

CHAIR SUGIMURA: Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka kākou, mai Moloka'i nui a Hina. I'm at my private residence, alone here, and there are currently no testifiers at the Moloka'i District Office. And the mics are okay, but you have to actually like speak into it because, Chair, you're still soft.

CHAIR SUGIMURA: Okay. Member Sinenci.

COUNCILMEMBER SINENCI: Aloha kakahiaka. Here at my home office. I'm here by myself, and there are no testifiers in Hāna.

CHAIR SUGIMURA: Okay. Good morning, everybody. Member U'u-Hodgins will be joining us shortly. From the Office of the Mayor, we have Lesley Milner, who is with us virtually; Department of Finance, Maria Zielinski, Deputy Director; Department of Management, Lauren Akitake, Board of Ethics Executive Director, you're first up in...on the agenda; Department of Water, we have Kimo Landgraf, Deputy Director; Corporation Counsel, Kristie Wrigglesworth--I like your name, by the way--Deputy Corporation Counsel. Committee Staff, Lei Dinneen, Council Services Assistant Clerk; Peter Hanano,

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Legislative Attorney; James Krueger, Senior Legislative Analyst; Pauline Martin [sic], Senior Committee Secretary; and Kirsten Szabo, Legislative Analyst. Please see the last page of the agenda for information on meeting connectivity. Thank you, Members, for attending today's BFED Committee meeting. We have four items on...on the agenda today, which is BFED-47, regarding the Board of Ethics, Bill 2 (2026), Amending Section twen...2.56.080, Maui County Code, Relating to Setting the Salaries by the Executive Director and Establishing New Pay Scales. BFED-20 (22), Fiscal Year '25 and Fiscal Year '26 Carryover/Savings--this is being brought up so we can prepare...prepare for the upcoming budget. BFED-14, Bill 9, Amending the Fiscal Year 2026 Budget: Increase Estimated Revenues, Licenses, Permits, and Other Revenues: Increase General Fund Carryover/Savings; Department of Finance, Transfer to the General Excise Tax Fund; Department of Water Supply, Increase of Equivalent Personnel by 10.0; and Department of Water Supply Capital Improvement Project [sic] for Integration of Public and Private Water Systems. Bill 15...I'm sorry, BFED-15, Bill 10 (2026), Amending the Fiscal Year '26 Budget: Increase Estimated Revenues, Carryover/Savings, General Fund; Department of Management, Information Technology Services Program, Category B - Operations and Management [sic]. And for this item, we have our new Technology Officer, who will come down. And if you would allow me to mention her name, and she will be up for the last item, which is Kim Albright. And let's see, let's begin with public testimony. Do we have anybody signed up?

. . . OPEN PUBLIC TESTIMONY AT BEGINNING OF MEETING . . .

MR. KRUEGER: Chair, we currently don't have any individuals signed up for testimony at the beginning of the meeting, so we'll do a...just a brief last call in case there was anyone who did want to testify at the beginning of the meeting. If so, please identify yourself now. On Teams, you can do that by raising your hand. We'll do a countdown...three, two, one. Chair, there doesn't appear to be anybody wishing to testify at the beginning of the meeting.

CHAIR SUGIMURA: Thank you. Thank you very much. With your permission, I'd like to close public testimony and receive written testimony if there is any.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY AT BEGINNING OF MEETING . . .

CHAIR SUGIMURA: Thank you.

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ITEM 47: BILL 2 (2026), AMENDING SECTION 2.56.080, MAUI COUNTY CODE, RELATING TO SETTING THE SALARIES BY THE EXECUTIVE DIRECTOR AND ESTABLISHING NEW PAY SCALES

CHAIR SUGIMURA: So, we're going to take up the first item on the agenda, which is Bill 2. And as I read off, it is regarding the Board of Ethics. And it amends Section 2.56.080, Maui County Code, on Board of Ethics salaries and pay scales. This bill will allow the Executive Director to set salaries within the pay ranges and pay scale established in Section 2.56.080, allow the board to set the Executive Director's salary capped at \$227,091. Authorize the Board of Ethics to hire additional attorneys as needed, with annual pay based on full years since admission to practice. Set a pay scale for paralegals. Allow the hiring of part-time employees with prorated pay. Joining us today to assist us in our discussion is Lesley Milner online, our Budget Director, as well as Lauren Akitake. So, can I ask for opening comments from the Board of Ethics? Good morning, Executive --

MS. AKITAKE: Good morning.

CHAIR SUGIMURA: -- Director Akitake.

MS. AKITAKE: Good morning. Thank you, Chair, Vice-Chair, and Committee Members. My name is Lauren Akitake. I am the Executive Director, legal counsel to the Board of Ethics. I'm here to answer any of your questions regarding Bill 2, also to explain why we are requesting two additional staff. A couple things I'd like to note first is that there is a budget amendment that is scheduled for the February 6th Council meeting. Also, thank you for passing out--we did just distribute our plain guide pamphlet to ethics to all the Councilmembers. So, briefly, I'll walk you through the Bill 2 revisions. The first is to Subsection A. It allows the EDLC to set staff salaries within the Council-approved salary range, that's rather than us having to come back for every Staff to get approval for their salary in the range that was already approved by the Council. That slows hiring and operations. Second, Subsection B clarifies that the Board of Ethics sets the EDLC salary, which is the current practice. Third, Subsection C clarifies that the board may hire additional attorneys, which is consistent with the Charter. However, this number is always limited by the equivalent personnel approved for the board. At this time, we're requesting one additional attorney, with a salary pursuant to Maui County Code 2.44.015. Fourth, Subsection F establishes a pay scale for a new paralegal position. And fifth, Subsection G allows part-time hiring with prorated pay. Our office is only six months old, and our current staffing is not sufficient for the workload. To date, I've issued 75 informal advisory opinions, which is more than the board issues in two years. In 2025, we closed 25 complaints. Our office handles all complaints, including investigations and settlements, advisory opinions, financial disclosure statements, lobbyist registrations, and terminations, along with all related correspondence. We also provide the legal research and support for the board's policy initiatives. Also, our investigator is cleaning up our outdated lobbyist list. We're currently in the annual financial disclosure season, which...a friendly reminder, your financial disclosure statement is due by February 15th. We expect 203 financial

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disclosure statements to be filed and reviewed. 51 of those are public from appointed officials, 152 of those are confidential from boards and commission members. Previously, all these financial disclosure statements were reviewed by the board itself. We are processing these as a team, and we are able to be more thorough than in the past. For example, our investigator has been calling to obtain additional information about, for example, secondary employment and business interests. We're also issuing more cautionary letters than we have in the past. As of today, 22 of 52 appointed official filings have been received, 51 of 152 confidential filings have been received. As the only attorney in the office, I handle all UEPA document requests and OIP appeals. We also support Corp. Counsel on board agency appeals that are in Circuit Court. Also, a second attorney is essential for contested cases, as one attorney presents the case and another represents the board, I would not be able to do both of those at the same time. By comparison, the Honolulu Ethics Commission has 11 staff. That includes four lawyers, two legal clerks, two investigators, a training specialist, and two administrative assistants. While Honolulu has more employees and staff, we have more boards and commissions...37 compared to 30. Additional staff would allow us to move cases forward more efficiently, conduct in-person trainings, and develop more written training materials. You have our very first written training material in front of you, our plain guide to ethics. Looking ahead, our workload will continue to grow. I want to thank Vice-Chair Batangan for meeting with our office as the Chair of the GREAT Committee to discuss our Board of Ethics goals for 2026. As a result, I plan to give a 7(B) presentation to the Council in March, outlining the board's agenda, which includes legislation to extend jurisdiction over former employees to six years. Update lobbyist rules to align with the State's model that will likely increase registration of lobbyists, require quarterly disclosures, and necessitate an online filing system. Adopt a Countywide anti-nepotism rule. Propose a Charter amendment to allow Board of Ethics Members to serve two consecutive terms. And we plan to update our administrative rules regarding gifts. These initiatives will increase our workload, and additional staff are necessary to meet both current demand and future obligations. Thank you so much for your continued support. Maui County is the first neighbor island to establish a staffed Board of Ethics office, and we appreciate your leadership in strengthening ethical governance. I'm happy to answer any questions you have. Thank you.

CHAIR SUGIMURA: Thank you very much. Director Milner, do you have any opening remarks? Good morning.

MS. MILNER: Aloha, Chair. Aloha, Councilmembers. Yeah, it's good afternoon for me. I'm over here in D.C. right now, and I hope it warms up for those of you who are coming to NACo in February. . . .(laughing). . . It's pretty chilly. But yeah, I would echo what Lauren said. We are working on a budget amendment to add the additional funding that we all have discussed before. I wanted to wait for the second quarter to post to ensure we had accurate numbers when we came down for what would be needed for the rest of the fiscal year, but happy to answer any questions as we move forward. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. So, at this time then, I'm going to call for public testimony.

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. . . OPEN PUBLIC TESTIMONY FOR ITEM 47 . . .

MR. KRUEGER: Chair, there's currently no individuals signed up to testify on Bill 2, so we'll do a last call. If there's any...if there is anyone who would like to testify on this item, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown...three, two, one. Chair, there is no one to testify on this item.

CHAIR SUGIMURA: Thank you. So, at this time then, I'd like to open deliberations, starting with my Vice-Chair, Member Batangan. Oh, sorry, close public testimony.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM 47 . . .

CHAIR SUGIMURA: Sorry about that. Go ahead. Yeah, proceed.

VICE-CHAIR BATANGAN: Thank you, Chair. And thank you, Director, for being here. Can I ask about how...so I see steps provided for in the...in the ordinance. How would you determine who...what step somebody gets hired at? And then over time, how would you determine whether or not they move up to the next step or grade within the pay range?

CHAIR SUGIMURA: Go ahead, please --

MS. AKITAKE: Thank you, Chair.

CHAIR SUGIMURA: -- Director.

MS. AKITAKE: Thank you for that question, Councilmember Batangan. I already hired two...two Staff, and I determined their step based on the negotiations for their employment. And so, that is how I determined that. For the Staff, I can do that...that's my understanding. But for the attorney, it's based on the years of service pursuant to Maui County Code 2.44.015. That's my intention. I do know that it has been mentioned that I could go possibly outside of that, but that's...that is my intention, that I will stick to that for the attorney position.

VICE-CHAIR BATANGAN: Thank you. So, I guess...when I was at the MPO, I had a similar situation where the board hired and fired the ED, and then the ED had discretion over hiring, firing, managing, and setting the salary for everybody else. But on an annual basis, I had to go back to the board and get their approval for any pay increases for myself and for my Staff. And I guess my only hesitation with the bill as it's currently proposed is that there's no check of that sort, where the ED would have sole discretion to set everybody's salary...everybody else's salary. So, I'm...I'm grateful to hear that at least the attorneys would be pegged to something. I think I would feel a little bit more comfortable if it would be the ED would set with...like approval by the...by the...by the Board of Ethics, or...or some other check. Because you being an independent agency, I feel like I'd feel more comfortable if the Council was more hands-off. But I would still prefer there to be some other sort of...of review, rather than sole discretion of the ED.

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And I guess that's just what I'm trying to get at. It sounds like you had negotiations with the nonattorneys, and then you have some kind of...you're...you're pegging the pay scale for the attorneys to something else, which does give me some comfort. But I guess that's what I'm thinking right now. I don't have any other questions for this round. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much, Member Batangan. And three minutes per Member. Chair Lee?

COUNCILMEMBER LEE: No questions. Thank you.

CHAIR SUGIMURA: Member Paltin?

COUNCILMEMBER PALTIN: Thank you. My first question is the SR rating, the salary range for the Investigator, the Paralegal, and the Administrative Assistant. Is it comparable with civil service salary rating and step scale?

CHAIR SUGIMURA: Director?

COUNCILMEMBER PALTIN: Has Personnel been invited to this meeting?

CHAIR SUGIMURA: We do not have Personnel.

COUNCILMEMBER PALTIN: Oh, okay.

MS. AKITAKE: May I answer, Chair?

CHAIR SUGIMURA: Go ahead.

MS. AKITAKE: Thank you. I...maybe Director Milner could speak to that. Is she --

CHAIR SUGIMURA: Oh, okay.

MS. AKITAKE: -- on?

CHAIR SUGIMURA: Before I do that, welcome, Member U'u-Hodgins.

COUNCILMEMBER PALTIN: Pause my time. Sorry.

CHAIR SUGIMURA: Yeah, we'll...we'll stop your time.

COUNCILMEMBER U'U-HODGINS: Good morning.

CHAIR SUGIMURA: Okay. Thank you. So, we'll continue now, Member Paltin.

COUNCILMEMBER PALTIN: Okay. You can start the time.

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CHAIR SUGIMURA: Start the time. Okay. So, Director...

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. Yes, these SR rates were based off of the union SR rates, so the...the pay is comparable to the collective bargaining agreements.

COUNCILMEMBER PALTIN: And so, then, Ms. Akitake, will you be following the civil service skill for step movements? Like we start off on A for one year, then we move to B, and then like, you know, every three years after C...are you following the same schedule as civil service personnel does for step movements?

CHAIR SUGIMURA: Please proceed.

MS. AKITAKE: Thank you, Chair. I do not. *(pause)* I do not.

COUNCILMEMBER PALTIN: Okay. So, I...I feel the problem with that is that then people from the civil service would rather go to a place where they don't have to follow the...the setup. What is the reason that you do not follow the...the general movement?

CHAIR SUGIMURA: Go ahead.

MS. AKITAKE: Yeah, thank you, Chair. And thank you for your questions. I come from the private sector. And in determining to take this position, I knew I needed excellent Staff. And part of taking this position was my salary, but also the salary of my...my...my Staff. And it is...it has been very eye-opening, what people do make. To hire the best, I do need that flexibility to be able to offer and negotiate within that range. You know, I can't speak to the specifics of each...I don't know that I can, but in particular, my investigator, she's had a very long and distinguished career. And I highly doubt that she would have come on at the base Investigator step. And so...

COUNCILMEMBER PALTIN: I guess my point is that for me, I feel similarly about all of our employees. They all have very important jobs. . . .*(timer sounds)*. . . They all succumb to the same price quality of living. And, you know, I'm not opposed to paying Board of Ethics' Staff this, but it should be equal and fair across the board. I mean, we're talking about the Board of Ethics, right? And ethics, fairness, equity, equality comes to mind when you say that. And so, that's a little bit of my issue. Not saying that I don't support it, but it needs to be...it needs to be fixed. How many vacancies the County has? The cost to rent or purchase a home is a universal problem. The quality of work we want from our County employees. I think we should demand excellence for everyone, and pay accordingly for everyone to create this thing. When...when we had our own Staff, we wanted to do the same. We heard big outrage. And I think ultimately, the issue is we need to pay a living wage for everyone. We need to pay excellent wages for excellent work for everyone. And I'm not sure how we get from where we are now to where we need to be.

MS. AKITAKE: Thank you.

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CHAIR SUGIMURA: Thank you. Next, we have Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. My questions have been asked and answered. No question at this time.

CHAIR SUGIMURA: Thank you. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Mahalo, Ms. Akitake, for being with us today. I support this bill. I did have a question maybe for Member Batangan. Are...are MPO Staff civil service?

VICE-CHAIR BATANGAN: Chair?

CHAIR SUGIMURA: Go ahead.

VICE-CHAIR BATANGAN: No, the MPO Staff is not civil service.

COUNCILMEMBER RAWLINS-FERNANDEZ: Right.

VICE-CHAIR BATANGAN: So, they would...they are at-will. And if the ED changes, so may they.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. I didn't think they were civil service. It's not like super apples to apples with MPO Staff to Board of Ethics, which is why I wouldn't necessarily be opposed to the way that the bill is written now to not have that check. I think the board could request a review of the salaries at any time. And if it is an issue, you know, share that with the Executive Director at that time. I guess as a Councilmember, as Member Paltin just explained, trying to pay our own support service Staff a competitive wage so that they stay with us and not jump ship like someone on this call right now. . . .(laughing). . . No, I'm just kidding, Budget Director. But, you know, we...we...when we have great Staff in OCS, like I want to be able to keep them, I want to be able to pay them. And then when their salaries come to the Council, it becomes so politicized, and it really becomes a bigger issue than it needs to be. And, you know, there are people on this Council that aren't supportive of competitive salaries. So, you know, there's pros and cons to that. I don't...like I said, Ms. Akitake, if the board requested review of the Staff's salary, would you be opposed to reviewing it? Not...I don't necessarily support an approval process, but if they just wanted review.

MS. AKITAKE: May I, Chair? Absolutely. Absolutely. I am very transparent with my board. I...it's an exciting time to be the new ED for the board. And so, I want them to come along with this...in this journey with me. And there's so much change in movement. I would absolutely, if they ever had any question or concern or even just wanted to review, I...I do...and that could...could happen in the future. Right now, they...they are so excited to be able to move policy initiatives forward that they were not able to do before because they were reviewing the 203 financial disclosure statements every year.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Akitake.

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MS. AKITAKE: Thank you for the question.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes. Yeah, mahalo for . . .*(timer sounds)*. . . being with us, and for doing this important work. I heard the timer.

CHAIR SUGIMURA: Thank you. So, next we have Member Cook, followed by --

COUNCILMEMBER COOK: Thank you.

CHAIR SUGIMURA: -- followed by Member U'u-Hodgins.

COUNCILMEMBER COOK: Thank you, Chair. Thank you for the information, and the...the new...the new guide. I don't really have any questions. I'm just looking forward to the Ethic...Board of Ethics being completely set up, and being able to run on all cylinders and function, and be able to do...implement the intent, which is for the public have confidence and security that everyone is playing properly. So, anyway, I'm encouraging. Thank you.

MS. AKITAKE: Thank you.

CHAIR SUGIMURA: Thank you very much. Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Thank you for being with us. I have no questions. Happy to support.

CHAIR SUGIMURA: Great. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. I just had one clarifying question for Budget Director. The executive salary cap is set by the Salary Commission?

CHAIR SUGIMURA: Budget Director?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Sinenci. I believe the executive salary cap is set in part by the Charter. It states similar to, I believe, the First Deputy Corporation Counsel, that it's similar to the Deputy Corporation Counsel, but they can't make more than the first Deputy Corporation Counsel. I saw that Mr. Rowe raised his hand, so I will also defer to him if he has anything to add. Thank you, Chair.

COUNCILMEMBER SINENCI: Sure.

CHAIR SUGIMURA: Oh, very good.

COUNCILMEMBER SINENCI: Chair?

CHAIR SUGIMURA: Oh, yes. I don't see him.

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COUNCILMEMBER SINENCI: Yeah.

CHAIR SUGIMURA: Oh, there he is.

MR. ROWE: Hi, this is Caleb.

CHAIR SUGIMURA: Okay.

MR. ROWE: I...I did...I did raise my hand, but then Budget Director Milner, you know, hit it spot on. It is from the Charter. Under the...the Charter update that allowed for Ms. Akitake's position, it did say that the salary had to be lower than the First Deputy Corporation Counsel, so that's where that came from.

COUNCILMEMBER SINENCI: Okay. And then...but the...the Board of Ethics will determine her salary?

MR. ROWE: Under the way that this amendment has been written, yes. Currently, it's by the...the Council itself.

COUNCILMEMBER SINENCI: Okay. Thank you. Thank you, Chair.

CHAIR SUGIMURA: Okay. Very good. So, I have a question. How many attorneys are you planning on hiring?

MS. AKITAKE: Thank you, Chair. Just one additional attorney.

CHAIR SUGIMURA: Oh, just one at this time.

MS. AKITAKE: There'll be two in the office.

CHAIR SUGIMURA: Okay. And they're set by the attorneys...the pay scale of the Deputies, Prosecuting Attorney, and Corporation Counsel --

MS. AKITAKE: Yes.

CHAIR SUGIMURA: -- under section...okay. So, you're in line with that. All right. Anybody else have any questions before we proceed? Member Paltin?

COUNCILMEMBER PALTIN: Thank you. So, part of our reasoning on how we pay our Staff is they don't have any job security beyond two-year terms. What...is there an end date to any of the things that you and your Staff do? Like, is there some sort of job security? Is it like they're hired and fired at the pleasure of the Executive Director? Did they have to pre-sign resignation letters? Just wondering about those things.

CHAIR SUGIMURA: Director?

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MS. AKITAKE: Thank you, Chair. Thank you, Councilmember. No. There's no --

COUNCILMEMBER PALTIN: No pre-signed resignation letters.

MS. AKITAKE: -- term, there's no pre-signed resignation.

COUNCILMEMBER PALTIN: So, in theory, are they protected by the union? Are they a union member?

MS. AKITAKE: I will defer that to --

CHAIR SUGIMURA: Corp. Counsel.

MS. AKITAKE: -- someone who's...yes. To Mr. Rowe.

CHAIR SUGIMURA: There's Mr. Rowe.

MR. ROWE: So, under the Charter, these are exempt positions. So, you know, I guess you could say that they are protected by the unions the same way that Corp. Counsel is, and that, you know, we get the same benefits. But we are at...they are at-will positions, just like we are at-will positions, and that was made in the Charter amendment that they're at-will, they're not civil service positions.

COUNCILMEMBER PALTIN: So, they're...they are not classified as civil servant positions?

MR. ROWE: Correct.

COUNCILMEMBER PALTIN: And...and then your position is...how...how are you...do you serve at the pleasure of the board?

MS. AKITAKE: May I, Chair?

CHAIR SUGIMURA: Yes, please.

MS. AKITAKE: Thank you, Chair. Thank you, Councilmember. Yes, I do. They are my boss.

COUNCILMEMBER PALTIN: And is it similar to the MPO? Like if you leave, a new executive director can bring in their own people?

MS. AKITAKE: I don't know, though...and I am not contemplating that. I...I don't know, but I would hope that...my...my Staff is excellent. So, we have built this from the ground up, and we are a really great team with a very high volume of work. So, I would assume that anyone new would see that.

COUNCILMEMBER PALTIN: Does Corp. Counsel know the answer to that? Like, is it similar to MPO set up, where if the Executive Director were to change? Because I...I guess

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that's how Corp. Counsel is set up. If there is a new Corp. Counsel, is...is it they can choose their own Deputy Corp. Counsels?

MR. ROWE: I...I...you know, it doesn't specifically say in the ordinance or in the Charter, but the...you know, the...the Executive Director position . . .*(timer sounds)*. . . is selected by the...the board. So, I believe that the board does have, you know, some discretion over...you know, in...in the interview process, whether or not they...they want to keep the former employees. But, you know, again, they're at-will. So, if a new executive director were to be hired, they would have the ability to fulfill those positions because they're not civil service.

COUNCILMEMBER PALTIN: Okay. That does make me feel more comfortable with this bill. I think it should be laid out pretty clearly for everyone that is expected. Like, this should be *(snaps fingers)* known information, you know, like, so everyone knows what they're getting into and what...how they could possibly not have the same protections as everyone else. Thank you.

CHAIR SUGIMURA: Okay. Thank you. Member Batangan?

VICE-CHAIR BATANGAN: Thank you, Chair. Yeah, so, in my first round of questioning, I had just kind of assumed that Board of Ethics' Staff did not have civil service protections, that they were all at-will. So, thank you, Member Rawlins-Fernandez and Paltin for clarifying that. And I think this is a conversation that goes beyond just the Board of Ethics' Staff. I think we struggle with how to compensate at-will employees Countywide. You know, there was debate with OCS Staff. There's been debate with Office of the Mayor Staff. You know, I also struggled with how to compensate my Staff at the MPO because I was looking to peg their salaries to what the Council and the Mayor were doing, and they went in divergent paths. So, you know, I do think that there are sacrifices that you make when you become an at-will employee. You don't have the union protections. But with that, generally, you are compensated a little bit higher. I think my concern is that all of the at-will employees throughout the County are taking different tracks on how we should value, you know, that risk that they assume. I'm comfortable giving the discretion to the Executive Director. I guess my hesitation still stands that I would prefer to see it be set by the Executive Director, with review and approval by the Board of Ethics. I'm still kind of wordsmithing how I would raise an amendment to that nature, but I just wanted to express my support for the general concept, and for what I'm thinking in terms of a check on...on the ED's powers.

CHAIR SUGIMURA: Very good. You want to say something?

MS. AKITAKE: Yes, thank you, Chair. And thank you, Councilmember Batangan, and Paltin, and Rawlins-Fernandez. This is a really helpful conversation for me. So, thank you. I...I'm happy to...I will raise this with my board, and see how they feel about it. I...we're...this is all very new to us, and it is helpful to have these thoughts. So, I will raise it with them and get their feedback.

CHAIR SUGIMURA: Very good. Member Paltin?

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COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Director Akitake. And I'm not sure how much of this you intend or plan to do, but because you did say that this is very new to you, my suggestion, comment, advice would be to follow at least the same civil service performance review process of like, you know, initial probationary, whatever, and then annual job performance reports. In that way, whether...whatever decision that you make on whatever step that they get to, it's all very documented and transparent. Not that it's open for inspection for everyone, but if at any time there's a question, there is documentation to back up decisions. My understanding is that if it's at-will, I don't know if this process of job performance review is standard for noncivil service employees, but I think at least that process of a set schedule of performance review that is gone over with the employee makes it so that there's no questions, you know, and...and it's a set process. And if there's any complaint or...or reason, like why one person got a step movement and another person got a step movement, or if there's any question, it's all documented. So, that would be my advice to at least follow the civil service performance review process.

CHAIR SUGIMURA: Okay.

MS. AKITAKE: Thank you, Chair. I will look into that, and I will touch base with my board. Thank you.

CHAIR SUGIMURA: Thank you. Anybody else have any questions or comments? Member Batangan?

VICE-CHAIR BATANGAN: Thank you, Chair. So, if you're going to be touching base with your board, would you like us to take action today, or wait until after you have that conversation?

CHAIR SUGIMURA: Go ahead.

MS. AKITAKE: Thank you, Chair. Thank you, Councilmember. I am assuming that my board will be...will be happy to have this conversation, but that they don't want to be that involved. They are very happy with the direction. We have moved mountains in six months. And so, I'll touch base with them, but I would not want to hold this up today, given that I will have the conversation, but I...I don't think that they would want to be that involved.

VICE-CHAIR BATANGAN: Okay. Thank you, Chair. I guess that being the case, then I will not be proposing an amendment at the moment. I'd like to see how that conversation goes with the board, and then if needed, we can revisit this. You know, I recognize that would still permit you to negotiate and hire people at a certain range, and I accept that...I think I'm just trusting that you'll give a good faith effort to be fair to all involved, and, you know, we can revisit this conversation if need be.

CHAIR SUGIMURA: Very good. Okay. Are you done?

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MS. AKITAKE: Yes. . . .*(inaudible)*. . .

CHAIR SUGIMURA: Okay. So, any more...Member Paltin? Anybody else? Sorry if I missed anybody online. Oh, Member Paltin, can Member Rawlins-Fernandez?

COUNCILMEMBER PALTIN: Sure.

CHAIR SUGIMURA: Okay. Go ahead, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So, in...Ms. Akitake, in your opening remarks, you talked about the...I think that you said contested case hearings where you cannot represent both sides, which is one of the reasons for hiring another attorney. Would you share with us some background on how it was handled before the Board of Ethics had Staff?

CHAIR SUGIMURA: Go ahead.

MS. AKITAKE: Thank you, Chair. Thank you, Councilmember Rawlins-Fernandez. We did not have very many contested cases, so I will defer to Corp. Counsel Rowe to answer if he does know of a contested case he had during his tenure.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha, Deputy Corp. Counsel Rowe. Do you know?

MR. ROWE: Chair, if I...if I may? So, the...the way that our contested case hearings used to work was that it was really the person who was making the complaint was basically having a contested case hearing before the board against the person that the complaint was against. So, it was complaint-driven, and we had the complainant basically presenting their case to the board. The problem with that is that if the board ever wanted to initiate its own complaint--you know, if they had kind of done an investigation and they had seen this--then the...the same person...it would...our...our rules weren't really set up for that. So, that's part of the reason that the board felt that the Executive Director position was needed, so they would have something...someone who could present cases in front of them. So, that's...that's kind of how it was done. We really didn't have any complaints brought forward by the board specifically to be presented to them. Did that answer your question? I know that was a little bit confusing.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes, it did. Mahalo. And...and I...and I recognize that with, you know, more capacity comes...has resulted in more work for your office, and for the board. Well, I don't know, actually, maybe less work for the board because that's why the board wanted staff because it was just, you know, an overwhelming amount of work for volunteers to get done in the short amount of time they had. But I think...overall, I think it's great. I don't see more complaints as a bad thing. I think having that opportunity to ask, you know, beforehand about, you know, getting opinions is good. And, you know, because often we'll just hear about like . . .*(timer sounds)*. . . the egregious violations, and then, you know, it'll result in a lot of, you know,

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consequences. But having someone that can like help guide us, I think is like really helpful, and will prevent the...you know, hopefully the egregious violations of the Code of Ethics. So, mahalo. And I don't know if you want to comment on anything, Ms. Akitake.

MS. AKITAKE: May I? Thank you, Chair. Thank you, Councilmember. So, you're correct, the workload for the board has gone down significantly because they don't have to do the busy work. They would spend hours reviewing financial disclosure statements, and at a certain point, they needed to get them done. And so, now, our office, we're able to be more thorough. And my investigator and...and myself, we're making calls to follow up on things that are listed. We're even looking at previous years. You know, sometimes there's...there was a business listed previously and it's not listed now, and we just want to check. We also look at DCCA filings, and have been helpful to people to mention that they're not in good standing with the DCCA, and there have been some who didn't know that. So, we are being a lot more thorough now. And I have been very happy with the response that people have thought through their secondary employment, their business interests, and are willing to work with us to be within the rules. But the...the great thing is that the work has lessened with the busy work. And now, the board is so excited to be able to focus on their policy initiatives. They weren't able to do that at all. So, I'm doing the research for them. If you look in our December board packet, we did research on the anti-nepotism rule. And we dug up the last time the Council looked at that in 2015, 2016, and lobbyist rules. And there was a . . . *(inaudible)*. . . interaction group formed before I started on...on updating our gift rules. So, that is the kind of work . . . *(timer sounds)*. . . the board wants to do. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Awesome. Mahalo for that update. And mahalo to you, the board, and your Staff for all your hard work. Mahalo, Chair.

CHAIR SUGIMURA: Yeah, it's amazing how we were able to survive without this happening. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I don't have any further questions for Ms. Akitake, my question is for you. When I looked at it last night, I don't know if I didn't refresh my screen, but I see now that there's additional items posted to Granicus. And the number 3 and 4 talks about correspondence from Corporation Counsel, and I just was wondering how it got to that point. Because we did receive a signed bill in Bill 2, and then we got distributed your RFLS. So, I'm assuming that it was correspondence to Corporation Counsel number 3. And then they made the revision to Section E... I think somebody said based on the Charter. So, as a fellow Chair, I'm just wondering what caused you to send the second RFLS.

CHAIR SUGIMURA: Oh. So, when our Staff looked at the bill, we had some clarifications we wanted to make to tighten it up. So, that was the reason. So, when I go through our motions first, and then we'll do an amendment, I'll do that.

COUNCILMEMBER PALTIN: Oh, okay.

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CHAIR SUGIMURA: Yeah.

COUNCILMEMBER PALTIN: A substitution? Or...

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER PALTIN: Okay.

MS. SZABO: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Okay. Ms. Szabo, please.

MS. SZABO: Sorry, Members. After a conversation with Corporation Counsel, we would need to make a few other changes to the bill. So, our proposal needed some amendments. So, the Chair's motions will be verbal, and then we would adjust accordingly.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: In addition to this RFLS, you mean?

MS. SZABO: It would...it would be slightly different than the RFLS.

CHAIR SUGIMURA: Yeah, we'll just...

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR SUGIMURA: So, the title, and then to Section E. All right. Members, so at this time then, no more questions. All right. I'll entertain a motion to recommend the passage of first...on first reading of Bill 2 (2026), incorporating any nonsubstantive revisions.

COUNCILMEMBER COOK: So move.

CHAIR SUGIMURA: Thank you, Member Cook.

COUNCILMEMBER LEE: Second.

CHAIR SUGIMURA: Chair Lee, second. So, at this time then, I will now entertain a motion to amend Bill 2 (2026), by number one, revising the bill title, and by adding, at the end of the title, "for Board of Ethics Staff," and to clarify which program these changes cover...to clarify which...which program these changes cover. In Section E, deleting the sentence, "the Board of Ethics may hire additional attorneys as needed to avoid implying the board can add staffing beyond the positions authorized and funded in the annual budget ordinance without Council budget action." And so, therefore, in Section E, revising the last sentence to read as follows. The annual salary for additional attorneys for the Board of Ethics must be set based upon the number of full years...full years they has...that have elapsed since the attorney was admitted to the practice of law in any state or the District of Columbia as of the beginning of the fiscal year, pursuant to the

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salary scale under 2.44.015(A), Maui County Code, and that the salary may not exceed the Board of Ethics' executive salary. Need a motion.

COUNCILMEMBER LEE: So moved.

CHAIR SUGIMURA: Thank you. Second? Second. Okay. Chair Lee, and second by Member U'u-Hodgins. Discussion. I see Member Paltin. Do you want this in...

COUNCILMEMBER PALTIN: The title that you read as it being changed is the title that I see at the start of your RF...RF...RFLS. You said salaries for the Board of Ethics' Staff?

CHAIR SUGIMURA: Right. Salaries for the Board of Ethics' Staff.

COUNCILMEMBER PALTIN: That's...

CHAIR SUGIMURA: Yes, Member...

MS. SZABO: Member Paltin, we had just added...instead of making the whole title changed for this purpose, we just simplified it by adding Board of Ethics at the end to clarify instead of changing the whole title.

COUNCILMEMBER PALTIN: Oh, on salaries for the Board of Ethics' Staff, Board of Ethics?

MS. SZABO: Yes.

COUNCILMEMBER PALTIN: Oh, okay. And the change in Section E was needed because...

MS. SZABO: Member Paltin, we proposed that change because the original bill says they may hire as many attorneys as needed, and there was no reference to the bond ordinance...or the budget ordinance, excuse me. And so, we proposed to take out that sentence, and then specifically reference the salary scale under Section 2.44.015(A) so that there was clarity that they were addressing the salary scale.

COUNCILMEMBER PALTIN: Okay. I guess my question is, if you said that there wouldn't be a budget amendment needed if they hire more attorneys, but where would the money come from then in that case?

CHAIR SUGIMURA: Ms. Milner? Oh, there. Did you hear the question?

COUNCILMEMBER PALTIN: Sorry, Councilmember Paltin...I did not. Could you repeat it, please?

CHAIR SUGIMURA: Member Paltin?

COUNCILMEMBER PALTIN: Sure. I didn't catch all 100 percent of the verbal amendment, but from what it sounded like is, they can hire however much staff, as long as it's paid less than the Executive Director, and along with somewhere on the scale without a

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budget amendment. But then if there's no budget amendment, and it's higher than what was budgeted for, where would the funds come from? And how would you track?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. Yeah, I believe if they need additional A funds, we would need to do a budget amendment, like we will be doing this fiscal year. I know there was some discussion about...not exceeding the E/P in the budget ordinance is the big part of it with some of the language that's being changed for the amendment. So, they can hire as many attorneys they want up to the E/P that's available to them in the budget ordinance, but if they exceed the A budget salary, then that would necessitate a budget amendment most likely unless, it happens, you know, in the very last month, in which case we may need to use Countywide costs.

COUNCILMEMBER PALTIN: Chair, do you mind repeating what the E was? Because I --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: -- I didn't fully catch it.

CHAIR SUGIMURA: Okay. So, in Section E, revising the last sentence to read as follows, "the annual salary for additional attorneys for the Board of Ethics must be set based upon the number of full years that have elapsed since the attorney was admitted to the practice of law in any state or the District of Columbia as of the beginning of the fiscal year, pursuant to the salary scale under 2.44.015(A), Maui County Code, and that the salary may not exceed the Board of Ethics' Executive Director salary."

COUNCILMEMBER PALTIN: Oh, okay. So --

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER PALTIN: -- there wasn't anything about not needing a budget amendment.

CHAIR SUGIMURA: No.

COUNCILMEMBER PALTIN: I must have made that up in my head.

UNIDENTIFIED SPEAKER: . . .(laughing). . .

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Go ahead. Yes, go ahead, Ms. Szabo.

MS. SZABO: Member Paltin, I think I misspoke, and I wanted to clarify about the title. The title...the amendment to the title is not the CD1 version that was in the RLS, it is the main...the amendment is for the original title, and it would read...the proposal would read "a bill for an ordinance amending Section 2.56.080, Maui County Code, relating to the setting the salaries by the Executive Director, and establishing new pay scales for the Board of Ethics' Staff.

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CHAIR SUGIMURA: That's from the Bill 2 without the CD1.

COUNCILMEMBER PALTIN: Okay. Thank you. I think I'm all good. Thank you.

CHAIR SUGIMURA: Yeah.

MS. SZABO: I apologize for that.

CHAIR SUGIMURA: Okay. Members, any more questions?

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, I don't understand what was just read. Because I'm looking at what was posted to Granicus as Bill 2, CD1. Is there a different version that I should be looking at?

CHAIR SUGIMURA: No, we're making a...

COUNCILMEMBER RAWLINS-FERNANDEZ: Because it doesn't say...what?

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: You have an ASF?

COUNCILMEMBER PALTIN: It's...it's only verbal.

CHAIR SUGIMURA: It's only verbal. Would you like us to send you what the written is?

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, is there a reason that it wasn't put into an ASF? You just thought about that now?

CHAIR SUGIMURA: No, of course not. This was...go ahead, Ms. Szabo.

MS. SZABO: I apologize, Members. We had this discussion late last night, so I apologize for not making sure it was written down.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, we...the motion is to substitute the CD1, and you're now asking us to entertain a motion to amend the CD1 that's posted to Granicus? Or procedurally, where...at what point are we?

MS. SZABO: Member Rawlins-Fernandez, we're just working off the original bill and not the CD1 version. The amendments are to the Bill 2 (2026).

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COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, we're at the original bill, and we're amending the original bill title and Section E?

CHAIR SUGIMURA: Yes.

MS. SZABO: Yes, ma'am.

COUNCILMEMBER RAWLINS-FERNANDEZ: That's it?

CHAIR SUGIMURA: That's it.

COUNCILMEMBER RAWLINS-FERNANDEZ: The title and Section E?

CHAIR SUGIMURA: Yep.

COUNCILMEMBER RAWLINS-FERNANDEZ: And Section E looks like CD1 version? Or is it different, too?

MS. SZABO: It's different as well.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: All right. Can you put it in the chat, then, so I can see what...what it looks like? Because it's kind of...

CHAIR SUGIMURA: Sure. You know what, let's take a ten-minute --

COUNCILMEMBER RAWLINS-FERNANDEZ: It's hard to follow.

CHAIR SUGIMURA: -- recess, and then we'll put it in the chat. Yeah? Okay. . . .(gavel). . .

RECESS: 9:58 a.m.
RECONVENE: 10:11 a.m.

CHAIR SUGIMURA: . . .(gavel). . . 10:11. Welcome back to the Budget, Finance, Economic Development Committee. Sorry we took a little bit extra. We were having a hard time connecting with *Akakū*, so here we are back. Can you pass out the email to the Members?

MS. SZABO: Members, the amendment has been emailed to your emails.

COUNCILMEMBER RAWLINS-FERNANDEZ: Got it.

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CHAIR SUGIMURA: Got it? Great. There. Okay. All right. So, anybody have any questions based on what was sent over to you by email? Did you get it, Member Paltin? Okay. Got it? Member U'u-Hodgins is good. Who...who has a question? Sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: I...I have a question.

CHAIR SUGIMURA: Okay. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. This is...okay. Well, first, who recommended these amendments?

CHAIR SUGIMURA: Corporation Counsel.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, my question will be for Deputy Corp. Counsel Rowe? Is that --

CHAIR SUGIMURA: I think we have Wigglesworth here.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- who's advising us right now?

CHAIR SUGIMURA: Is it Wigglesworth or Rowe?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Who recommended these changes? Whoever did, that's...that's who the question is for.

CHAIR SUGIMURA: Okay.

UNIDENTIFIED SPEAKER: I don't see the amendment, sorry.

MS. SZABO: Councilmember, I'm happy to answer any questions that you might have.

COUNCILMEMBER RAWLINS-FERNANDEZ: I don't know who's speaking. Who's speaking?

CHAIR SUGIMURA: It's...oh, Ms. Szabo.

COUNCILMEMBER RAWLINS-FERNANDEZ: Ms. Szabo. Okay. Okay. So, on CD1, it struck the setting the salaries language in the title, and then...so we're...we're not going to...

CHAIR SUGIMURA: So, we're using Bill 2. We're not using the CD1 version.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, I understand that. Yep. So, in CD1, that language was struck, and now we're going back to putting that language in. Can you explain that?

MS. SZABO: Yes, Councilmember. So, for...we had changed the title with more than just the...in the initial draft with more than just the last few words, but for simplicity's sake, we were just adding for the Board of Ethics' Staff to the title, just for clarity. It just

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seemed it was going to be a verbal amendment. We were trying to facilitate an easier amendment.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, there wasn't...I don't know. I guess I don't understand the thought process behind going back and forth between that. Why it was deleted, and then it was decided to be kept. I'm okay with the other two amendments.

CHAIR SUGIMURA: Okay. Very good. All right.

COUNCILMEMBER RAWLINS-FERNANDEZ: That was the question that I wanted answered, if...Ms. Szabo, if you can just speak to that real quick, in maybe a sentence or something.

MS. SZABO: Sure, I apologize. I was just thinking that it was easier for the Members than revising the whole title. I see that it was not the best decision, but...but that was my mindset, was to just make it an easy amendment to provide clarity that it was for the Board of Ethics' Staff.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. All right. Thanks.

CHAIR SUGIMURA: Okay. Very good. So, motion made by Member Cook, seconded by Chair Lee, and any...we have discussed it. So, at this time, is any more discussion? If not, all in favor, raise your hand and say "aye."

COUNCILMEMBERS: Aye.

COUNCILMEMBER PALTIN: Can you remind us what we're voting on?

CHAIR SUGIMURA: Oh, sorry. So, the...the motion was to amend Bill 2, revising the title, which...by adding at the end of the title, "for Board of Ethics' Staff," and clarify which program these changes cover...to clarify which...which program these changes cover.

COUNCILMEMBER PALTIN: So, we're...we're voting on the verbal amendments --

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER PALTIN: -- to the...okay.

CHAIR SUGIMURA: Yeah, yeah. Oh, okay. And then you have the Section E, right? So, you guys don't have to read it, or do you want me to read it?

COUNCILMEMBER PALTIN: No, I have it.

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CHAIR SUGIMURA: Okay. Very good. Okay. That's what we're voting on. Member...oh, Member Sinenci, you have a question or are you voting? Member Sinenci?

COUNCILMEMBER SINENCI: Just a question.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER SINENCI: Yeah, thank you, Chair. And so, in number 2, deleting the sentence, "the Board of Ethics may hire additional attorneys as needed." And I believe Ms. Szabo mentioned that we would have to refer to...what was her reasoning for number 2? I didn't quite catch her reasoning --

CHAIR SUGIMURA: Ms. Szabo?

COUNCILMEMBER SINENCI: -- when she read it the first time.

MS. SZABO: Thank you, Member Sinenci. We were just removing the...or deleting the sentence to say that they can hire as many attorneys as needed so that there was no conflict with the annual budget ordinance.

COUNCILMEMBER SINENCI: The annual budget ordinance. Okay. Thank you for that. Thank you, Chair.

CHAIR SUGIMURA: Okay. Good question. Anybody else? All right. If not, all in favor, raise your hand for the amendment. Okay. Good. So, everyone's here. Nine "ayes." Motion carries.

VOTE: AYES: Chair Sugimura, Vice-Chair Batangan, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and U'u-Hodgins.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: AMENDING Bill 2 (2026).

CHAIR SUGIMURA: Oh, Member Johnson's there. Okay. We're good. Now, main motion as amended. All in favor, raise your hand and say aye.

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year budget for the Fiscal Year '27 budget session. So, joining us today is Ms. Milner online, and Maria Zielinski, Deputy Director of Finance. I'd like to ask for opening comments from the Director, and as well as Deputy Director of Finance. Go ahead.

MS. ZIELINSKI: Thank you, Chair. Good morning.

CHAIR SUGIMURA: Good morning.

MS. ZIELINSKI: First, I just want to recognize that...inform you folks that the ACFR, the Annual Comprehensive Financial Report, was completed actually on December 23rd...and that's despite having 33 percent vacancy in our Accounts section. So, a major accomplishment for them, and we're very pleased with that. And of course, that's a...that's an audited document. We have provided the carryover schedules to you folks. This all ties to the ACFR. But let me just start by saying that the first thing is that if you were to look at page 41 of the ACFR, and you probably don't have it in front of you, not critical, but the total General Fund balance at June 30th, 2025, was 653.9 million. So, that's the total General Fund balance. But then what you need to do is look at...to get to the Carryover/Savings, we need to look at the unrestricted fund balance. And that's actually...that amount is 261.1. And once again, that's in the ACFR, that's in the document itself. So, 261.1. But from that doc...from that number, what we actually do--so just...just to kind of walk you through how we get to this number--is we take...we deduct out what was used for the 2026 budget, okay? What you folks...when we were working on the budget, we use what we view as the Carryover/Savings. So, that's...you can't double count it. So, that amount was 137.6, and that's by...you'll see that that's in our budget ordinance from budget...from Fiscal '26. So, when you take the 261.1, which is the unrestricted balance, you deduct what was used for the '26 budget, you come up with 123.4 million. So, that's almost the...the carryover...but not quite because we then have some certifications. And those certifications right now are 24.5, and that's also on the schedule we provided. I believe two of them are actually pending that you'll be looking at today as well, Bill...Bills 9 and 10, and I do believe I did see a few more certs...certifications coming down the pike that you probably haven't seen yet, but for small amounts. But nevertheless, that will...that will reduce the Carryover/Savings, if you will. But if you take all of that out...so if you take the 123.4, which is before the certs, you take out the certifications, 24-1/2, you come up with 98.9 million. So, that's the number we're looking at. That's kind of the magic number that you're looking at right now on the Carryover/Savings.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

MS. ZIELINSKI: 98.9. So, on the schedule...yeah. That would have been the first schedule we sent to BFED, not the most recent schedule. But that's the...and I'm...I'm rounding it out, but let me just...

CHAIR SUGIMURA: One moment, Miss...Deputy Director.

MS. ZIELINSKI: Yeah.

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CHAIR SUGIMURA: Do the Members have this schedule? I'm looking at the one that was passed out, it's harder to...the simple. That one that she's talking from --

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

CHAIR SUGIMURA: -- is a combination of this. Do they have this?

MS. ZIELINSKI: We...we sent two. One was actually a BFED letter that was sent, and I believe it was...I can look and see, but I believe it was January.

CHAIR SUGIMURA: Okay. They have it?

COUNCILMEMBER RAWLINS-FERNANDEZ: It's on Granicus.

MS. ZIELINSKI: Yeah --

CHAIR SUGIMURA: Okay. Okay.

MS. ZIELINSKI: -- it should be on Granicus.

CHAIR SUGIMURA: Thanks.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah, I got it.

CHAIR SUGIMURA: It's just that one was passed out is a little bit...

MS. ZIELINSKI: And then the other one is the more recent...

CHAIR SUGIMURA: Thank you. Proceed. Sorry to bother you.

MS. ZIELINSKI: So, the amount is...if you look at the very bottom line, you'll see it's 98,987,127. So, that's...that's the Carryover/Savings, if you will, for right now. But I think that will change slightly. As I said, I think there's a few certifications that'll be coming down the pike.

COUNCILMEMBER PALTIN: Chair, is it okay if she clarifies what date this is as of?

CHAIR SUGIMURA: Director?

MS. ZIELINSKI: So, that would be...that would be...oh, you...well, everything is as of June 30th, 2025, but then the certifications are kind of still coming in, right?

COUNCILMEMBER PALTIN: Oh, okay.

MS. ZIELINSKI: So, that's...that's the only moving target. Everything else...

COUNCILMEMBER PALTIN: This is --

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MS. ZIELINSKI: Yes.

COUNCILMEMBER PALTIN: -- June 30th, 2025?

MS. ZIELINSKI: Right.

COUNCILMEMBER PALTIN: Thank you.

MS. ZIELINSKI: But when you look at the certifications, which is on that sheet, but at the bottom...you see it says Fiscal '26 certifications? So...and it has all of the various budget...budget amendments, CIP Parks, I don't know if you see that. Oh, okay. So, that's...that's how we...and that...that comes to 24,462,500. So...and on that, you can see there's a couple that have not been...it's just pending. They...they're not approved yet, okay? But as I said, I believe there's a few small ones coming down the pike too. But right now, the Carryover/Savings...that would be the number that when budget comes to you, that would be the cert...carryover that we...they'd be utilizing, or at least something similar, 98,987,127. So, that's the General Fund carryover. Okay. We were also asked about restricted committed assigned balances. So, those are the ones that you can't really use for carryover, but are important to understand. So, again, now, I'm only talking General Fund right now. So, we had restricted funds, and that's the more recent schedule that we had sent to you. So, restricted for General Fund, we had \$220.7 million. And that, again, is also in our ACFR. These are straight from the...the document. These are restricted--and just as an FYI, because I believe this was one of the questions--restricted, in general terms, is something that's at the highest level of restriction...HRS or Charter, okay, something like that. And examples of that...so the larger items that restricted...the restricted of 220, actually, it consists of affordable housing of 157 million, GET of 28 million, managed retreat of 12 million, and open space of 23.7 million. So, that...that's all of the restricted funds, and you can see why it's called restricted. The next is committed, and on our committed...now, committed is not as bad as restricted, but it is subject to constraints. It's things that have to do with ordinances, bills, Maui County Code. So, again, there are restrictions, constraints, but not as...as...as onerous as restricted. And in the committed, it's \$91-1/2 million, again, in the ACFR. The biggest piece of that is the Emergency Fund, which is 90...\$90.5 million. And then there's a small piece that has to do with economic development and cultural purposes, and that's 1 million. So, that's where the 91.5 comes from. And then lastly, we have the assigned--again, all...this is all General Fund--assigned is 80.7 million, and that's reflecting encumbrances. Okay. Monies that's been put aside for specific purposes, usually it's for procurement. So, that...that kind of just gives you a heads up on the General Fund. There are other carryover numbers that are from the special funds, which are on the schedule that I won't go over because it's kind of...you know, it's...it's just a number, and it's showing what the...you know, what the encumbrances are. So...but that's on the schedule as well. I wanted to also discuss the revenue--these were questions that BFED had asked--revenue in excess of budget. Okay. Again, now I'm starting with General Fund. Revenue in excess of budget was actually \$87.4 million. That's pretty...that's pretty significant, considering that, you know, we received that much revenue over and above

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what our budget expectations were. Just to give you the large items that that is comprised of, TAT was 10.3 million in excess of the budget, GET was 28.0 in excess of budget, and then the biggest amount was actually the section called license, permits, and other. There's a little bit of a misnomer. It's kind of, in my mind, confusing what that actually contains, but I'll give you a breakdown of that. So, interest earnings were \$28.5 million, so in excess of what we budgeted for. So, you know, a real strong testament to what our...you know, our Treasury and our investment advisor has performed, you know, within the requirements or restraints of what we can invest in. Penalty in interest, just from TAT. Our TAT--I think I've told you folks in the past--our TAT folks actually made phone calls, sent letters, did all kinds of emails, and actually got penalties in interest of \$3.1 million from just TAT from making those calls. Because everything is...has been manual up to this point. We're removing...we got our software start...project starting, but we're still in manual mode right now. Building permits in excess of budget was 2.7. And then there was a prior year grant reimbursement that was due to fire expenditures in the previous year, in Fiscal '24, and that was 10.6. So, that...so that's...those amounts I just read to you comprise that 45.8, which is the license, permits, and others. And that's ultimately what adds up to the 87.4, which is in excess.

COUNCILMEMBER PALTIN: Can you repeat that last one? Fire...

MS. ZIELINSKI: Yeah. It was...my understanding was it was a reimbursement due to fire expenditures from...that were made in 2024.

COUNCILMEMBER PALTIN: Thank you.

MS. ZIELINSKI: You're welcome.

COUNCILMEMBER LEE: Chair, how long is her presentation?

MS. ZIELINSKI: I'm pretty fast. I'm...I'm not going to be much longer.

COUNCILMEMBER LEE: Okay. Because we...it's hard to memorize all this information --

MS. ZIELINSKI: Sure.

COUNCILMEMBER LEE: -- so that we can ask you a question --

MS. ZIELINSKI: Oh, okay.

COUNCILMEMBER LEE: -- 10, 15 minutes from now.

MS. ZIELINSKI: Oh, yeah. It won't be that long, though.

COUNCILMEMBER LEE: Okay.

MS. ZIELINSKI: I promise. I talk fast. Okay.

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CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: The unspent categories...oh, let me just...on revenue, just one quick thing. Those were all General Fund monies. On special revenues, Water exceeded its revenue exceeded budget by 7.4, Highway by 5.8 million, and Solid Waste, 8.1. The Sewer Fund, unfortunately, was less than what the budget was by \$3-1/2 million. And I know that...that we had...that had been discussed in a previous BFED meeting.

COUNCILMEMBER PALTIN: Can...can you repeat the Water? I don't see it on here.

MS. ZIELINSKI: Oh, okay. Yeah...yeah, it should be. 7.4. Let me just see. That would have been on a separate page. Let me just see here. Oh, yeah, yeah. Oh, you know what? We didn't have Water available, so we did recently send a new spreadsheet. We just sent it a few days ago, but the 7.4 is on the...is on that same schedule.

COUNCILMEMBER PALTIN: Thanks. We also don't have Water available in West Maui.

MS. ZIELINSKI: On unspent Category A appropriations, okay, we had...primarily the...the reasons for the unspent Category A, and that's the salaries. The biggest amounts were Fire of 5 million unspent salaries, Police 3.6, Parks and Rec 3.1, Management 2.1. Those were the big ones. It's all on your schedule, but again...and that's on, I believe, the second page of that...of the sheets that we had sent to you. But those are the...the large...large items. Highway Fund had...under Public Works, had 1.7 million of unspent A...Category A. The others were smaller. Finally, unspent B and C appropriations. Now, this is, again, on just General Fund, was \$45.6 million, and the big...the...the...the major reasons for this, for these...that 45.6 was basically Management of 12.4...and that's Office of Recovery, okay? It was Office of Mayor, 3.4 million, that's OED. Countywide was 12.7, so that was actually the largest one. And the reason for Countywide being on its...B and C being under budget was debt issuance by 6.9. So, our debt issuance, as you know, we were very fortunate with our most recent bond issuance, and in any case, our debt service was less, and our ERS, our pension, 5.8. So, those are the two reasons why we do have that. That's what comprises primarily the 12.7 on the Countywide. The others were smaller. The only other one I'll mention is that Sewer Fund, actually, in their B and C, was 9.8 million, and that was under Wastewater, was \$9.8 million unspent, and Highway Public Works, 4.9. And oh, I'm sorry, lastly, Department of Water, 7.6. So, they had...these...these special funds also had unspent. And that's pretty much it. We...I know one of the questions, Chair, was to ask us about CIP appropriations listed by project. Because of our staffing, we were unable to get it done. We will get it done, we promise, but we...we weren't able to get it done for this meeting. That's...that's all I have.

CHAIR SUGIMURA: Thank you. So, that's the end of your presentation?

MS. ZIELINSKI: Yes.

CHAIR SUGIMURA: All right. And...

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UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Yeah. Member...Staff?

. . . OPEN PUBLIC TESTIMONY FOR ITEM 20(22) . . .

MR. KRUEGER: Chair, we have one person signed up to testify right now, that would be James Langford.

CHAIR SUGIMURA: Mr. Langford, please state your name. You have three minutes. *(pause)*
Is he still on?

MR. KRUEGER: Yes, James Langford's still on. We've unmuted you on our end, you'll just need to unmute on your end to proceed with your testimony. *(pause)* James Langford, last call. *(pause)* Chair, Mr. Langford does not appear to be responding at this time. We can proceed with the last call for all other testifiers to see if there's anyone else first before...so, we'll...we'll do that. We'll proceed with last call. If there is anyone else who wishes to testify on this item, please identify yourself now. On Teams, you can do that by raising your hand. We'll do a countdown...three, two, one. Chair, there's no one else to testify on this item, and Mr. Langford has not responded yet.

CHAIR SUGIMURA: Thank you. With your permission, Members, I'm going to close public testimony and receive written testimony on this item.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM 20(22) . . .

CHAIR SUGIMURA: Okay. Thank you. So, Members, do you have questions for the Department? We'll start with Chair Lee, and then we'll go to Member Paltin.

COUNCILMEMBER LEE: Okay. Thank you for your presentation. And real quickly, when you have on your list revenue collections in excess of budget, are those essentially unrestricted funds?

CHAIR SUGIMURA: Please.

MS. ZIELINSKI: Chair? Yeah. No, it wouldn't...let me just see for a second here. No --

COUNCILMEMBER LEE: Okay.

MS. ZIELINSKI: -- because we would have the GET in there, so that's...that's not unrestricted.

COUNCILMEMBER LEE: Okay. Where's the part that you have listed unrestricted funds?

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MS. ZIELINSKI: Well, we had unrestricted under our...our carryover, but I didn't have...we have it just General Fund revenue in excess of the budget. We don't...we don't track restricted or unrestricted revenue as compared to the budget. The budget doesn't reflect restricted or unrestricted.

COUNCILMEMBER LEE: Okay. Because last year, we had about 48-plus budget amendments, okay? 48-plus changes to your original budget, okay? That's...that's significant to me. Secondly, we never know when these budget amendments are coming. We never know when there's extra money. And I'm thinking, are we taxing people too much? Because we have all these millions and millions and millions of dollars that come up as Carryover/Savings throughout the year, and that's excess funds that...that we are using many times. So, due to a lack of filling vacancies, due to a lack of projects moving forward, due to additional monies that have been written...you know, grants that come in to replace General Funds. So, there's all this substantial funds that come through our budget that we, the Council, have no idea is coming up throughout the year until it's actually presented to us as a budget amendment. You don't keep track, you don't have a running total of these funds as they come up into the budget?

CHAIR SUGIMURA: Deputy Director?

MS. ZIELINSKI: When you say funds, you're talking about the revenue itself?

COUNCILMEMBER LEE: I'm talking about Carryover/Savings, or savings from projects that don't proceed...savings that can be used pretty much for anything.

MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Yeah. Yeah, Chair, I...I think...the important thing, I think...and I understand your question. I don't know that I have necessarily a specific answer, but the point is that our revenue in excess of budget actually had nothing to do with real property tax. We're actually under budget, okay? It was from interest earnings that has nothing to do with our...our...our citizens. Penalties and interest, people that we...should have paid taxes and they didn't, and then a grant that we...we had to...rather, I'm sorry, reimbursement for fire expenses. So, in my mind, just in my simple mind, the expense...the revenue that we got of 87.4 was not on the backs of our . . .(timer sounds) . . . of our...our taxpayers, at least in my opinion.

COUNCILMEMBER LEE: Well, that's your opinion --

MS. ZIELINSKI: Okay.

COUNCILMEMBER LEE: -- because...because over \$600 million comes from real property taxes, and if we don't have to collect that, we can get it from other sources. Thank you.

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CHAIR SUGIMURA: Thank you. Member Pal...

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: Yes, Member --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair --

CHAIR SUGIMURA: -- Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: -- I'd just like to add that, like from TAT and GET, that's where some of the amount of Carryover/Savings came from. And when we budget, we...it...it is in our best interest to be more conservative because those two are harder to estimate because we don't know how many people are going to be staying at transient vacation rentals. We don't know how much people are going to be spending to generate the GET surcharge. And so, we don't want to overestimate and then we end up with less money than...than we think we'll...we'll be able to get, and that's where some of the Carryover/Savings came from. I just wanted to add that for Deputy Director.

COUNCILMEMBER LEE: I really --

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER LEE: -- was asking her that question, okay? I was asking Finance.

COUNCILMEMBER RAWLINS-FERNANDEZ: I know, but I had...I had that information that I did.

COUNCILMEMBER LEE: I know, but thank you. I just wanted to talk to her on that. Thank you.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER LEE: Because it...that could --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. And Chair...

COUNCILMEMBER LEE: -- be a long, long conversation. Thank you.

CHAIR SUGIMURA: Okay. Very good. Member Paltin?

COUNCILMEMBER PALTIN: Thank...

CHAIR SUGIMURA: Then we'll go to Member Johnson, then Member Rawlins-Fernandez.

COUNCILMEMBER PALTIN: Thank you, Chair. So, I just wanted to double-check, clarify. All of these papers are as of June 30th, 2025, so what we're really evaluating is the Fiscal

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Year '24/'25 because the books are closed, so we're able to get the complete snapshot. Is that what you're saying?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Yes, thank you, Chair. Yes, yes.

COUNCILMEMBER PALTIN: Okay.

MS. ZIELINSKI: The books are closed.

COUNCILMEMBER PALTIN: Just wanted to --

MS. ZIELINSKI: Yeah.

COUNCILMEMBER PALTIN: -- make sure we're all working off of the same information.

MS. ZIELINSKI: Yeah. The only thing, as I mentioned, that could change is if there were any further budget amendments that come down the pike, then that would reduce what I viewed as...I showed as the, you know, carryover right now. That's...

COUNCILMEMBER PALTIN: Oh, because that's going to be inputted in the '27 --

MS. ZIELINSKI: 7 budget.

COUNCILMEMBER PALTIN: -- '28 budget --

MS. ZIELINSKI: Yes.

COUNCILMEMBER PALTIN: -- as the Carryover/Savings?

MS. ZIELINSKI: Correct, correct.

COUNCILMEMBER PALTIN: And then if we --

MS. ZIELINSKI: So, that number is still a moving target.

COUNCILMEMBER PALTIN: -- pull from it during this year up until this June 30th, it'll be less?

MS. ZIELINSKI: Probably. Yes. Yes. Yeah.

COUNCILMEMBER PALTIN: Okay. And then the other question I had was revenue collections in excess of the budget...we were down approximately 3.5 in Wastewater, and then we had excess in B...A categories of 1.9 or so? So, then Wastewater is short about 1.5; is that correct? And then...oh, and then the...in Environmental Management on unspent B/C appropriations, it doesn't seem to break it down into the Sewer Fund or not. So,

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is the unspent Category B/C appropriations for Environmental Management, does that chip away at Wastewater short 1.5? So, then they're actually short like a mil, is that how that works?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Chair? Yeah, I believe so. I didn't...I didn't do the net, but yeah, bottom line is they have...the Wastewater does have that...the B and C is at 9.8, so it's, you know, they have extra. So, all in all, between the A, B, and...and revenue, they're fine, but...but obviously, they're...they're...they did not meet the revenue expectations.

COUNCILMEMBER PALTIN: So, you have it as they have 1 million extra, I have it as like they have 1 million deficit...approximately, give or take.

MS. ZIELINSKI: Well, I guess I'm confused because we're showing...we're showing 2 million in Wastewater in unspent A, right?

COUNCILMEMBER PALTIN: Oh, okay.

MS. ZIELINSKI: And then we've got the 9.8 in B and C, that's 10 point, right? And . . .*(timer sounds)*. . . over 10 million, but they're only short by 3-1/2 on their revenue, so...

COUNCILMEMBER PALTIN: Oh, sorry, I didn't flip the page. My bad.

MS. ZIELINSKI: Yeah. Okay.

COUNCILMEMBER PALTIN: I was looking at the Environmental Management on B/C. So, we're only going off of the Wastewater 9.8 --

MS. ZIELINSKI: Yes.

COUNCILMEMBER PALTIN: -- 1.9, and then subtract out that 3.5.

MS. ZIELINSKI: At the 3-1/2. So, they're...net, they're okay.

COUNCILMEMBER PALTIN: Okay.

MS. ZIELINSKI: Yeah. Yeah.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: And any projections into the future that need adjustments?

MS. ZIELINSKI: I don't know offhand. I...I...I would actually defer to perhaps Budget Director if she has any knowledge, but no, I don't know offhand. We haven't seen anything.

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COUNCILMEMBER PALTIN: I guess the concern specifically for this one was, didn't they have like a 60 percent increase in sewer fees or something? And then they came...because I was trying to half that. Or was it 9 percent?

MS. ZIELINSKI: Yeah, I don't think it was that. Yeah, I want...I want to say 9.

COUNCILMEMBER PALTIN: That 9 percent.

MS. ZIELINSKI: But...but --

CHAIR SUGIMURA: Here's Budget Director.

MS. ZIELINSKI: -- Budget Director may...probably remembers.

CHAIR SUGIMURA: Yeah, she's...she popped up.

MS. ZIELINSKI: If she's on. Oh, she's...

CHAIR SUGIMURA: And I think Marcy Sato is on.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. Yes, for Fiscal Year '26, it was a 9 percent increase for the sewer fees.

COUNCILMEMBER PALTIN: So, that was the correction that would address this deficit of 3.5 in revenue, but we're still ahead even with the old sewer rates, right?

MS. MILNER: Yes. As of last year, we were ahead with the old sewer rates. I know part of that probably had to do with...as you'll remember, the last two fiscal years, we did notify the Council that we were anticipating a shortfall in revenues for the Sewer Fund. And so, they did make adjustments to their spending, and maybe not proceed with some things that they would have liked to, in order to fall under the anticipated loss of revenue. So, that has, I think, an impact on their Carryover/Savings as well. Thank you.

COUNCILMEMBER PALTIN: Okay. Thank you. I...I did hear the bell, but I guess that's something I would like to keep an eye on. Because if we're raising the sewer rates 9 percent in response to the 2024 numbers, we raised it in this past fiscal year. If it continues to come in so high, maybe we don't keep raising it on folks.

CHAIR SUGIMURA: Thank you. Marcy Martin is online, in case you had any questions. Next, we have Member Johnson, followed by Member Rawlins-Fernandez.

COUNCILMEMBER JOHNSON: Thank you, Chair. Good morning, everybody. Thank you for your hard work on the budget. Real quick question. What is an acceptable Carryover/Savings for the Department? Do you guys have a number, or an area, or a percent?

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CHAIR SUGIMURA: Deputy Director?

MS. ZIELINSKI: Yeah. Thank you, Chair. Councilmember, I don't know that we have a number per se. I think...you know, I...I...I know it's really a matter of...you know, I think it's where your comfort...the comfort is. And I understand, like, for example, Chair Lee, you know, speaks of, you know, you don't want to...you don't want to tax the residents, you know, and you don't want to...you don't want to do that on the...on the...on the backs of our...our taxpayers or our...our residents. But on the other hand, and I don't...but you do like to have somewhat of a healthy carryover. And when I say healthy, I mean, I...I would say that I've seen in the past, when I first started in budget, it looked like we were running about 40...about 49, \$50 million. If I were to give you a number--and this is not an official number, this is just me speaking--I would have to say 50 would make me feel comfortable, I think.

COUNCILMEMBER JOHNSON: Okay.

MS. ZIELINSKI: Yeah.

COUNCILMEMBER JOHNSON: Thanks...thanks for that. I...I see Director Milner's camera on. Director, would you like to add to that?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Johnson. Yeah, I would just echo some of what Deputy Director said. We don't have a specific percentage that we mandate for the departments. I would say, obviously, as we're all aware of in our conversations, we want to make sure that everything that's spent is spent appropriately, and that what is spent is necessary, and not to spend money just to spend money.

COUNCILMEMBER JOHNSON: Right.

MS. MILNER: And so, I think that also leads to some Carryover/Savings. Thank you, Chair.

COUNCILMEMBER JOHNSON: Okay. Well, the number is 98 million; is that correct? I...I feel that's too high. Do you guys agree with that, Department?

CHAIR SUGIMURA: Deputy Director?

MS. ZIELINSKI: Thank you, Chair. I don't want to say I feel it's too...too high, but I understand there's...there's an amount of comfort that --

COUNCILMEMBER JOHNSON: Okay.

MS. ZIELINSKI: -- you...you want to have some, you know, some...something to work with just in case there's an issue, but you --

COUNCILMEMBER JOHNSON: I understand.

MS. ZIELINSKI: -- don't want to overdo it.

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COUNCILMEMBER JOHNSON: Thank you.

MS. ZIELINSKI: As I mentioned before, and I'm just, I guess, in some ways, justifying it, but I don't feel bad about us...our interest earnings being \$30 million over budget. That's not on anybody. That's just on the banks paying us more.

COUNCILMEMBER JOHNSON: Okay.

MS. ZIELINSKI: So --

COUNCILMEMBER JOHNSON: I got you.

MS. ZIELINSKI: -- those kinds of things --

COUNCILMEMBER JOHNSON: Yeah.

CHAIR SUGIMURA: Thank you.

MS. ZIELINSKI: -- you know. So, that's just kind of how I feel. If...if there were reasons why it gets us --

COUNCILMEMBER JOHNSON: Okay.

MS. ZIELINSKI: -- to the 90, I'm okay with it. But anyway --

COUNCILMEMBER JOHNSON: Sure. Director Milner?

MS. ZIELINSKI: -- I understand, though, Councilmember.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Johnson. Yeah, no, I understand the discomfort with significant Carryover/Savings. I would add, as Deputy Director said earlier, I think one of the reasons, and we'll see it over the next couple years, is we are getting those reimbursement payments from the fire, which we can't really account for until they come in, because . . .(timer sounds). . . we all know that process can take up to five years or longer.

COUNCILMEMBER JOHNSON: Yeah, I understand that.

MS. MILNER: Thank you, Chair.

COUNCILMEMBER JOHNSON: All right. My time's up, but Members, I think moving forward in this next budget, that's something to consider. There are monies that we don't really know how much it will be, but the monies that we do know, I don't...I don't like having that kind of Carryover/Savings when...when we're talking about, oh, we don't have enough funds for this program or that program, and then at the end of the day, we have

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98 million as a Carryover/Savings. For me, that's uncomfortable. But I heard my time --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER JOHNSON: -- and I'll move on to the next --

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER JOHNSON: -- Councilmember. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Member Rawlins-Fernandez, Member Cook, Member U'u-Hodgins, and Sinenci. We have two more bills to do, so this discussion is important, appreciate it. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. Okay. Aloha, Deputy Director Zielinski. Mahalo for your...the reports. I...I thought it was very clear. How long does it take for you to...for the Department to generate these reports? And I'm asking because I think these are great, and I'd love to get them like before every budget session so that we can understand, you know, the previous fiscal year's Carryover/Savings.

CHAIR SUGIMURA: Please.

MS. ZIELINSKI: Thank you, Chair. Councilmember, I think the biggest thing is getting the ACFR done, that's a major. Once that's done, the numbers don't change. So, that's the biggest hurdle. Once that's done, and, you know, everything is...all the T's are crossed, all the I's are dotted, then these...these sheets can be generated. The ones that have to do with, you know, revenue in excess of budget, or expenditures in excess of budget, that takes a little bit longer. But I would have to say that, you know, we could...the time frame that was...was...that we provided it to you folks now is...is doable, and as...as I said, we're...we're running on, you know, about three cylinders, we have a 33 percent vacancy here in Accounts. But I think that we will...you know, it will improve, and that I think the timing is fine. And of course, it gives you an idea of what you're working with, so I think that's good. And we...we want to do that, we want...and we appreciate it too, that what we know what...what's, you know, what the results are. I just want to mention, it's not really a question that you gave, but I do want to mention to the Council, the one thing, as we were talking about, things like TAT that you can't really control. So far I'm seeing less...the revenue is a little down, not as much...not huge amount that I'm worried about, but it's definitely down, which surprises me because I live on the West Side, and it seems like it's nothing but tourists. But in any case, I just want to mention this. So, as I believe...I don't know who it was who said, it might have been you, Councilmember, that said that there's...there's always that uncertainty, you don't know, you can't assume that you're going to exceed the budget or achieve the budget on certain revenue items. So, just a thought.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that additional information because that's what I was going to say as well. You know, we can't just look at Carryover/Savings as one lump sum. As you have done for us in these reports, broken them out into what's restricted, what's unrestricted, what's committed. And some of the funds that exceeded the projected amount in the budget that we adopted are...are things like TAT, GET, interest earnings, reimbursements. And, you know, I'm not going to complain about us exceeding the amount that we projected, I think that's better than the opposite, and then us being in real trouble. I think, you know, it's hard to, especially during the time that we've been on the Council, there's been . . .(timer sounds). . . COVID, fires, and it's hard to have like a normal amount of Carryover/Savings. But every year, we try to lower the RPT rates for our residents, and the majority votes against it. So, let's remember this discussion in April, and get a unanimous vote on lowering the rates for our residents that need it the most. Mahalo, Chair.

CHAIR SUGIMURA: Thank you. Next, we have Member Cook, followed by Member U'u-Hodgins and Sinenci.

COUNCILMEMBER COOK: Thank you, Chair. So, thank you, Deputy Director. My...hopefully, my question is simple and brief. The monies that we receive for reimbursement for various--and there's a variety of them--it might be FEMA, it might be State, it might be insurance. How is that...how is that logged? Okay. You might not know when it's going to come. Like FEMA might come over a three-year period, it might be \$40 million. How do you budget and address that?

MS. ZIELINSKI: Chair? I think it really depends on the nature of the...of...of what that reimbursement is. In the case of the...those expenditures that I mentioned that we...or rather, the revenue that we received of \$10.6 million, that was actually reflected as an expenditure. So, this was just, you know, basically an offset of something from FEMA. So, that was just an offset, and obviously shown as revenue, but it really would depend on the nature of the expenditure. So, I...I'm not really giving you a good answer, I know, but I know many times there've been questions about certain expenditures, and then we get an insurance from it, and it has to go to the same fund. So, if it was, say, paid by Sewer Fund, then it has to go to Sewer Fund back, or something like that. But in this case, I really don't know what the...with this FEMA, what this expenditure specifically was charged to.

COUNCILMEMBER COOK: Okay.

MS. ZIELINSKI: Yeah.

COUNCILMEMBER COOK: Thank you very much. That's good for now. No further questions.

MS. ZIELINSKI: Thank you.

CHAIR SUGIMURA: Thank you. Member U'u-Hodgins, Sinenci, and then Member Batangan after.

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COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Thank you for being with us. So, I want to just clarify a couple of things, and help me understand this, please. So, right now we're at 97...oh, I'm sorry, \$98.9 million Carryover/Savings. But then you were discussing that \$24 million that is pending appropriation. So, should we adjust that, even though I know it's certified, but in our head, should we adjust that \$98 million by minusing the 24 million, no?

MS. ZIELINSKI: No. Chair?

CHAIR SUGIMURA: Go ahead.

COUNCILMEMBER U'U-HODGINS: Please explain that to me.

MS. ZIELINSKI: Yeah, if you look at that schedule, I don't know if you have it, the one that shows the \$98.9, you have that?

COUNCILMEMBER U'U-HODGINS: Yeah.

MS. ZIELINSKI: Yeah. Okay. So, look above, and you see the \$24,462,500.

COUNCILMEMBER U'U-HODGINS: Yeah.

MS. ZIELINSKI: So, that's already been taken to an account...in account.

COUNCILMEMBER U'U-HODGINS: Okay.

MS. ZIELINSKI: And actually, as I mentioned, there's a couple...I think that 10 million is actually Bill 9, if I'm not mistaken, I think that we'll be talking about...you'll be addressing shortly, and I think the three. So, those two at the...at the bottom of that, that comprises...those actually are just pending.

COUNCILMEMBER U'U-HODGINS: Okay. So, that has already been taken into account --

MS. ZIELINSKI: Already included.

COUNCILMEMBER U'U-HODGINS: -- that 24 million --

MS. ZIELINSKI: Correct.

COUNCILMEMBER U'U-HODGINS: -- which leaves us at 98. Oh, okay.

MS. ZIELINSKI: But if Budget then comes back with any additional budget, I mean, we still have...we've got through...you know, through the end of the...end of June, right --

COUNCILMEMBER U'U-HODGINS: Okay.

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MS. ZIELINSKI: -- or whatever, there could be additional budget amendments, I don't know. I know I did see a couple, but very small amounts, under half a million, I think, so...

COUNCILMEMBER U'U-HODGINS: Okay. Thank you.

MS. ZIELINSKI: Yeah. Okay.

COUNCILMEMBER U'U-HODGINS: And then on page 3 of 4 of the big handout that you folks gave us, I think that was Schedule B that you were talking to us about. And then you mentioned something about the Office of the Mayor and their \$12 million Carryover/Savings, but that was a lot of information. Would you mind resaying that for me?

MS. ZIELINSKI: Of course. Thank you. Yeah, we just looked at what was unspent, and that is in the B and the C Category. That's that...it was 12...I'm sorry, I'm looking at the wrong thing, 12 point...oh, Office of Mayor was 3.4.

COUNCILMEMBER U'U-HODGINS: Yeah, Office of Mayor was 3, Management was 12.

MS. ZIELINSKI: Was 12.4. And that --

COUNCILMEMBER U'U-HODGINS: Yeah.

MS. ZIELINSKI: -- was primarily Office of Recovery.

COUNCILMEMBER U'U-HODGINS: Office of Recovery.

MS. ZIELINSKI: Yeah, and I don't know the specifics, except that it was Office of Recovery.

COUNCILMEMBER U'U-HODGINS: Okay. And then there was another 12.

MS. ZIELINSKI: Yes, that's the Countywide.

COUNCILMEMBER U'U-HODGINS: And that's just all of it.

MS. ZIELINSKI: It's...the Countywide is kind of...that's...includes debt service. So, that was 6.9, and then the ERS, which is our pension plan --

COUNCILMEMBER U'U-HODGINS: Okay.

MS. ZIELINSKI: -- and that was 5.8. Those are the two big pieces of why that was under.

COUNCILMEMBER U'U-HODGINS: Okay. And then to also add in, because it wasn't done before you sent this over, the Department of Water at 7.6.

MS. ZIELINSKI: Correct.

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COUNCILMEMBER U'U-HODGINS: Okay.

MS. ZIELINSKI: Yes.

COUNCILMEMBER U'U-HODGINS: Okay. That's all the questions I have.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER U'U-HODGINS: That was a lot of..

COUNCILMEMBER PALTIN: I thought you said 7.4. 7.6?

MS. ZIELINSKI: 7.6, yeah. There was something that was 7.4, but I don't think that...that was something else. Let me just. Oh, you got a good memory, Councilmember. The Water, their revenue in excess of budget, Water was 7.4.

COUNCILMEMBER U'U-HODGINS: Excess.

MS. ZIELINSKI: Yeah, the 7.6 was their unspent B/C appropriation.

COUNCILMEMBER U'U-HODGINS: That's the excess monies that they collected was \$7.4 million?

MS. ZIELINSKI: Correct.

COUNCILMEMBER U'U-HODGINS: Okay.

MS. ZIELINSKI: The 7.6 is just what they didn't spend in operations...B and C.

COUNCILMEMBER U'U-HODGINS: Okay.

MS. ZIELINSKI: Yeah.

COUNCILMEMBER U'U-HODGINS: Thank you. Thanks, Chair.

CHAIR SUGIMURA: Member Sinenci, then Member Batangan.

COUNCILMEMBER SINENCI: Thank you, Chair. I just had one clarification question. Did you say, Deputy Zielinski, that CIP projects were also part of the Carryover/Savings, or different?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Chair? Thank you, Councilmember. Yeah, no, we actually haven't. The CIP was one of the requests from the BFED Committee for us to identify. We...we did not have a chance to do that. So, no, that's not included in any of the documentation that we gave to you. We...we will be providing it.

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COUNCILMEMBER SINENCI: Okay.

MS. ZIELINSKI: Yeah.

COUNCILMEMBER SINENCI: Oh, okay. Thank you for that. And then I do see for County Council, we have Carryover/Savings.

MS. ZIELINSKI: Correct.

COUNCILMEMBER SINENCI: Is that...what does that...is that normally from just unappropriated funds?

CHAIR SUGIMURA: Do you have that?

MS. ZIELINSKI: I...I don't think I have the details. The 2,253,000.

COUNCILMEMBER SINENCI: Okay.

MS. ZIELINSKI: Yeah. Yeah, no, I don't have that information, but we can certainly get it.

COUNCILMEMBER SINENCI: Okay. Thank you. That's all I had. Thank you, Chair.

CHAIR SUGIMURA: Very good. Member Batangan?

VICE-CHAIR BATANGAN: Thank you, Chair. Deputy Director, what amount of the carryover is a result of the Administration not encumbering conditional appropriations placed in the budget by the Council?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: I'm...I'm sorry, Councilmember, could you repeat the question? I didn't...it didn't...it didn't register . . .(laughing). . . in my brain.

VICE-CHAIR BATANGAN: What amount of the carryover --

MS. ZIELINSKI: Yeah.

VICE-CHAIR BATANGAN: -- is a result of the Administration not encumbering conditional appropriations placed in the budget by the Council?

MS. ZIELINSKI: Anything that's been conditional would be...would have been encumbered. I mean, I don't...if it's something through ordinance or through a bill, it's...it's going to be encumbered, so I'm not sure.

VICE-CHAIR BATANGAN: So, all conditional appropriations placed in the budget by the Council have been encumbered by the Administration, is that what you're saying?

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MS. ZIELINSKI: I'd have to...I...I...I actually don't...I can't answer that. My understanding...

VICE-CHAIR BATANGAN: May I ask that it be transmitted to the Administration in writing?

CHAIR SUGIMURA: Yeah. I have --

VICE-CHAIR BATANGAN: And ask --

CHAIR SUGIMURA: -- three questions.

VICE-CHAIR BATANGAN: -- for an explanation for why any conditional appropriation placed in the budget by Council has not been encumbered.

CHAIR SUGIMURA: Okay. We got it.

MS. ZIELINSKI: Okay.

VICE-CHAIR BATANGAN: Thank you, Chair. Okay. Second question. Am I reading this correctly? So, the big handout you gave us, there's...am I seeing \$28 million in excess GET tax being collected?

MS. ZIELINSKI: That's...that's correct, yes.

VICE-CHAIR BATANGAN: Okay. So, my understanding is that the Code requires a fixed percentage of GET to go to the Department of Hawaiian Home Lands, but I don't see any appropriation for them listed under restricted or committed funding. Can you please explain?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: Yeah, that was made. I have to look and see. I don't know offhand where that would be. It probably is under restricted.

CHAIR SUGIMURA: Ms. Milner?

MS. ZIELINSKI: But I know that we did...we did book that.

CHAIR SUGIMURA: Oh, I see Ms. Milner popped up.

MS. ZIELINSKI: Okay.

CHAIR SUGIMURA: Did you have a comment?

MS. MILNER: Yes. Sorry to interrupt, Deputy Director. Thank you, Chair. Thank you, Councilmember Batangan. So, as you can see from there, our excess GET is recognized as part of the General Fund Carryover/Savings. And when you get the Fiscal Year '27

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Budget, you will see that portion of the Carryover/Savings under the Department of Finance has a transfer to the GET and a transfer to the GET DHHL for that 20 percent. So, that will be reflected in the Fiscal Year '27 Budget when that additional funding is recognized. Thank you, Chair.

CHAIR SUGIMURA: Very good.

VICE-CHAIR BATANGAN: Thank you, Budget Director. No other questions.

CHAIR SUGIMURA: Okay. So, I have a...I have a couple of questions. So, does the County have a policy or target for Carryover/Savings? And do you have a...is there a policy on target for Carryover/Savings?

MS. ZIELINSKI: Chair? No. As I believe Councilmember Rawlins-Fernandez asked...had asked something similar. Oh no, I'm sorry, Councilmember Johnson asked that question. No, we really don't have a number --

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: -- per se that we try to...try to achieve. I mean, many times, if the revenue exceeds the budget, that that's not something that we could necessarily control.

CHAIR SUGIMURA: Okay. Thank you.

MS. ZIELINSKI: Yeah.

CHAIR SUGIMURA: Okay. So, I'm going to also ask, Staff, if you could send to the Department, what is the track record of Carryover/Savings over the last three years? So, there'll be a look back on that. Okay. And how much is related to Staff vacancies? Do you have that information, or shall we send it to you in writing?

MS. ZIELINSKI: Yeah. I would say if you could send it. Because we'd have to look to see --

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: -- for each of them. Yeah, thank you.

CHAIR SUGIMURA: For each of the departments. Are you doing anything moving forward --

MS. MILNER: Sorry. Chair?

CHAIR SUGIMURA: -- to minimize the amount of Carryover/Savings so that we do not overburden our taxpayers with rate increases? Go ahead.

MS. ZIELINSKI: Yeah. As I had mentioned, you know, we...we are...we look to our revenue, and...and when it's in excess of budget, that's going to result in a carryover. And our budget itself, if we're...if we've underspent, it's...it's really because of...if it's vacancies,

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as you indicated, or some other reason. But yeah, I mean, we...it's hard to control that. It's really --

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: -- a matter of how the budget is constructed --

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: -- and we try to be as conservative as we can.

CHAIR SUGIMURA: Thank you very much. So, did I hear a voice? Somebody was...had a question?

COUNCILMEMBER U'U-HODGINS: Ms. Milner . . .*(inaudible)*. . .

CHAIR SUGIMURA: Oh, Ms. Milner, sorry about that. Go ahead.

MS. MILNER: That's okay. Thanks, Chair. Sorry, I know it's difficult when I'm over on the TV out of eyesight. . . .*(laughing)*. . . I did just want to point out that on the documentation transmitted by the Department of Finance, there is a page specifically about A budget carryover. We can't definitively say that that's all due to vacancies, but I think it would give you a good idea of what you're looking at there.

CHAIR SUGIMURA: Okay. Thank you.

MS. MILNER: Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. All right. So, Members, I'm going to defer this, and we'll bring it up again. Anybody have any pressing questions? Oh, Chair Lee, and then we'll go to the last two items. Go ahead.

COUNCILMEMBER LEE: I think Member Paltin also has a burning question. I..when I was the Budget Chair years ago, Finance Director...I mean, Deputy...we were advised to set aside anywhere from, oh, 10 to 12 percent for sort of an emergency fund, rainy day fund, you know. So, do you not follow that same standard today?

CHAIR SUGIMURA: Deputy Director?

MS. ZIELINSKI: Chair? We have...we do have an Emergency Fund budget, so that's...monies are put aside for that.

COUNCILMEMBER LEE: Yeah.

MS. ZIELINSKI: Okay.

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COUNCILMEMBER LEE: Okay. So, that's where we're talking about excess...excess funds. When you're talking about excess revenues, a portion of that is designated for a rainy day fund, right?

MS. ZIELINSKI: Typically, we will...that...that's...that's an important...as well as...yeah, that is. Yeah.

COUNCILMEMBER LEE: Okay. So, and the other question I had was having to do with...ah, shucks, I waited so long, I can't remember now. But Member Paltin has a question.

CHAIR SUGIMURA: Okay. Member Paltin. Teamwork.

COUNCILMEMBER PALTIN: I just had mentioned that when you said the amount that is carried over due to vacancies, wouldn't that be too for unspent Category A appropriations? Because Category A is for salaries?

MS. ZIELINSKI: Yeah.

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: And I know when...when I was asked that question, I said I wasn't certain. I mean, it probably is primarily, there may be other reasons, but I would say the...the lion's share is probably because of vacancies, yeah.

COUNCILMEMBER PALTIN: And then the other clarification I had was on what Mr. Batangan asked for GET DHHL, that the excess revenue, the percentage in the GET is going to be reflected in Fiscal Year '27 to go to DHHL. Just clarifying, the same would be true for like the Open Space Fund, if the General Fund comes in higher, TAT, Managed Retreat Fund, if it comes in higher, it would be reflected in not the next fiscal year, but the following fiscal year as an increased percentage because of a higher revenue?

MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Go ahead.

MS. ZIELINSKI: I'm actually going to defer to Budget Director because I know the funds...I believe the funds were handled a little differently. And I want...I don't want to misspeak.

COUNCILMEMBER PALTIN: Oh, from GET --

MS. ZIELINSKI: I...I don't know.

COUNCILMEMBER PALTIN: -- TAT or General fund?

CHAIR SUGIMURA: There she is.

MS. ZIELINSKI: Yeah.

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CHAIR SUGIMURA: Ms. Milner, did you hear that?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. For Managed Retreat, we generally put in 20 percent of the estimated TAT collection. We don't always include the additional funds received in that 20 percent calculation because it's our understanding that the 20 percent is a guideline, so we choose to use the estimated revenue some year, although that's been suspended for the last couple of years. But, you know, we'll see once it goes back into effect how that Carryover/Savings is factored in. Thank you, Chair.

COUNCILMEMBER PALTIN: And the General Fund revenues and the Open Space Fund is adjusted in the following-following fiscal year as well?

MS. MILNER: Thank you, Chair. The Open Space Fund revenues are based on the TAT collections for that specific year. Per the Charter, it's 1 percent of the...or sorry, not TAT, RPT. It's 1 percent of the RPT for...the estimated RPT for that fiscal year per the Charter, so Carryover/Savings doesn't factor...factor into the Open Space calculations. And our RPT has actually come in under the last couple of years, so we've exceeded that 1 percent requirement.

COUNCILMEMBER PALTIN: And the same goes for the Affordable Housing Fund, Carryover/Savings are not factored in?

MS. MILNER: Correct. The way that it is written in the Charter is that it is a percentage of the estimated RPT for that fiscal year.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Okay. Chair Lee?

COUNCILMEMBER LEE: I just remembered, I did have a question on the Affordable Housing Fund. I don't know if this is for you or the Budget Director, but is it \$157 million that we have in the restricted Affordable Housing Fund?

CHAIR SUGIMURA: Deputy Director?

MS. ZIELINSKI: Thank you, Chair. Yes, that's what's...what is in the account as of June 30th, 2025, under restricted.

COUNCILMEMBER LEE: Okay. All right. Thank you.

CHAIR SUGIMURA: Okay. You're done? Okay. Any --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: -- any last...oh, Member Rawlins-Fernandez?

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay. So, this is for the Affordable Housing Fund. Since...every year, we've generally put more than the mandated 3 percent, even if we collected less in real property tax revenue, it exceeds the 3 percent. For larger Council conditions in the budget, many times they're under the Revolving Fund, so it would be restricted, and not be recognized necessarily as Carryover/Savings. In posing the question to the Finance Department for Member Batangan, how would you like that question posed, or would you just...would the Department just respond to us by explaining where those unencumbered or unspent conditions are as far as it being restricted, committed, or recognized as unrestricted Carryover/Savings?

CHAIR SUGIMURA: Do you have a comment?

COUNCILMEMBER RAWLINS-FERNANDEZ: Deputy Director?

MS. ZIELINSKI: Councilmember, I'm not sure I understand the question. I'm sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, my question is regarding our Council conditions. Member Batangan asked for correspondence...a follow up from your Department to explain the unspent Council conditions. Some of our conditions are under Open Space, or Affordable Housing, or other Revolving Funds. Those Revolving Funds revolve, so they're not recognized as Carryover/Savings, they're recognized as restricted, correct?

MS. ZIELINSKI: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, when we're asked...when the Committee is asking the question about our Council conditions that we add in April to the budget that we receive, the proposed budget from the Mayor, how will you respond to that question? And is there a recommendation on how we ask you, or will you just, you know, give us that information broken out in that way?

MS. ZIELINSKI: Chair? Yeah, I think...I think it's really going to depend on the nature of those conditions. I mean, that's what kind of has...

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. ZIELINSKI: Yeah, that's what's confused me.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, you're just going to break them out. Because I think --

MS. MILNER: Sorry...

COUNCILMEMBER RAWLINS-FERNANDEZ: -- that's a great idea. Oh, Budget Director --

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CHAIR SUGIMURA: Ms. Milner?

COUNCILMEMBER RAWLINS-FERNANDEZ: -- go ahead.

MS. MILNER: Sorry, just for clarity, I think if you could ask the Department to provide information on any Council-added conditions in the budget ordinance, including any Revolving Fund conditions that were not encumbered during the fiscal year, that that might make it easier. Because as you all know, if a Revolving Fund condition is not encumbered, it just goes back into the Revolving Fund, except for Open Space, which you will see in prior year appropriations. Thank you, Chair.

CHAIR SUGIMURA: Okay. Very good.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Budget Director . . . *(timer sounds)*. . . for helping the Committee pose that question so that we actually get the information that we're hoping to receive. My office actually tracks our budget conditions to see them through, and that way they get done. And I've always worked with the Administration, and they've worked earnestly and collaboratively with my office to see through the conditions so that they're done. And so...and I also make sure I set up the program or projects so that they're ready to be completed in the eight months so that, you know, it's realistic that it's done in the fiscal year. And the Emergency Fund that is under there was 90.5 million, Chair Lee.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: The rainy day fund, if that's what you're referring to. The Emergency Fund, 90. *(phonetic)* million.

CHAIR SUGIMURA: Thank you. Okay. Are you done, Member Rawlins-Fernandez? Then...

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm done. Mahalo, Chair.

CHAIR SUGIMURA: Very good. Okay. So, I'm...I want to close this, and defer this for later. We've asked questions. We're going to send it to the Department. And I think where I'm trying to get to is, as we're looking at budget, can the Department estimate...like is it 10 percent, 20 percent, a reasonable estimate for Carryover/Savings that we seem to have a lot of? So...so, when evaluating the budget, should the Committee start by reducing the budget by that amount? And so, that's what I'm trying to get to. So, as we're getting ready, when we get the Mayor's budget. Can you send that in writing? Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

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CHAIR SUGIMURA: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: When you're asking that question on behalf of the Committee, are you asking about unrestricted General Funds? Like what...what specifically are you looking for with that question?

CHAIR SUGIMURA: So...so, I was looking at the total budget. Hmm. Let me...we'll see what the departments come back with, and then we can, you know, base it on that with the last three years. Okay. Members, I'm going to defer this item, and move forward so that we can take the last two bills. I see Water waiting and...okay. Thank you. So, I'm going to defer this item.

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER.

CHAIR SUGIMURA: Thank you, Maria Zielinski, for being with us all this time. We will send questions. Thank you, Ms. Milner.

ITEM 14: BILL 9, AMENDING THE FISCAL YEAR 2026 BUDGET: INCREASE ESTIMATED REVENUES, LICENSES, PERMITS, AND OTHER REVENUES; INCREASE GENERAL FUND CARRYOVER/SAVINGS; DEPARTMENT OF FINANCE, TRANSFER TO THE GENERAL EXCISE TAX FUND; DEPARTMENT OF WATER SUPPLY, INCREASE EQUIVALENT PERSONNEL BY 10.0; AND DEPARTMENT OF WATER SUPPLY CAPITAL IMPROVEMENT PROJECTS FOR INTEGRATION OF PUBLIC AND PRIVATE WATER SYSTEMS

CHAIR SUGIMURA: So, the next item on our agenda is BFED-14, Bill 9, Amending the Fiscal Year Budget: Increase Estimated Revenues, License, Permits, and Other Revenues; Increase General Fund Carryover/Savings; Department of Finance, Transfer to the GET Fund; Department of Water Supply...I see Deputy Director Landgraf, you want to join us? And of Water Supply, Increase Equivalent Personnel by 10.0; and Department of Water Supply Capital Improvement Project for Integration of Public and Private Water Systems. So, Members, the next item on today's agenda, Bill 9, which amends Fiscal Year '26 Budget to transfer 10 million in General Fund Carryover/Savings resulting from the GET to the Department of Water Supply for the integration of public and private water system CIP. The project's new total would be 15 million. Bill 9 also increases the Department of Water Supply's equivalent...equivalent personnel limit from 159 to 169. Joining us today is Kimo Landgraf, Deputy Director; Lesley Milner, and does...Maria Zielinski, do you have to be here for this item too? You can join us if you do. Opening comments from the Department.

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MR. LANDGRAF: Thank you, Chair and Councilmembers. So, there's like two parts. So, the first part is about the 10 million. So, it's an amendment to actually reappropriate the 10 million that we did receive in a previous budget year because it expired at the end of...on December 31st, 2025. So, it's the same money, but it just needs to be reappropriated so we can continue to use it for private water system acquisition. And the second part is to create ten unfunded positions so when the Department does acquire a system, we do have the ability to move quickly in creating more positions. Thank you.

CHAIR SUGIMURA: Very good. Ms. Milner and Ms. Zielinski, did you want to join us for this? I'm not sure, Deputy Director. I see your name here, and you're sitting in the Chambers. Okay. Go ahead, Ms. Milner.

MS. MILNER: Thank you, Chair. Thank you, Councilmembers. As you know, GET and the Water Department gets a little complicated because they are an enterprise fund, so it requires a little more of a convoluted amendment. What we're doing here is, we're recognizing that \$10 million in Carryover/Savings. We are transferring that \$10 million to the GET fund, but we are also recognizing the \$10 million in order to be able to appropriate under...appropriate it under the Water Department as CIP because it is an enterprise fund. I would just add, I apologize, there was an issue with the bill. I don't remember the exact section, but it's the one on the GET. We inadvertently did not include the increase of \$10 million for the overall amount of the GET fund. So, my team has transmitted, via testimony, a proposed amendment to make that correction, but I'm here and happy to answer any questions on the machinations involved in this. Thank you, Chair.

CHAIR SUGIMURA: Okay. Very good. Deputy Director Zielinski, do you have any opening comments? You don't? Okay. All right. So, I'm going to open public testimony, and then take questions from the Members. Any testifiers?

. . . OPEN PUBLIC TESTIMONY FOR ITEM 14 . . .

MR. KRUEGER: Chair, we currently don't have any individuals signed up to testify on this item, so we'll do a last call. If there is anyone who would like to testify on this item, please identify yourself now. On Teams, you can do that by raising your hand. We'll do a countdown...three, two, one. Chair, there's no one to testify on this item.

CHAIR SUGIMURA: Thank you. With your permission, Members, I'm going to close public testimony and receive written.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM 14 . . .

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CHAIR SUGIMURA: Thank you. All right. So, very good. I will start off with Member Cook. This is...this is what...the money that you put into the budget.

COUNCILMEMBER COOK: Thank you, Chair. Thank you, Deputy Director, for coming today. I'm supportive of the ten positions. My understanding, and correct me if...if I'm mistaken, these are nonfunded positions so that when the County does purchase private water systems, you have additional personnel to be able to address those in general. And if you can clarify that at all.

MR. LANDGRAF: Yes, correct, Councilmember Cook. These are ten unfunded positions, and basically it's so we can create the positions ahead of time and not fund them. And when we acquire a system, we can move quickly in case we have to get more personnel on board for...to manage those systems.

COUNCILMEMBER COOK: Because in general, as the system expands, you're going to need additional personnel to be able to address it?

MR. LANDGRAF: Yes, because the current personnel that we have, we can, you know, manage our systems pretty well. With anything additional, we may need extra. It may not have to be ten all of a sudden, maybe two might be enough, but at least we have it in case we need it.

COUNCILMEMBER COOK: Thank you.

CHAIR SUGIMURA: You're done? Okay. Member U'u-Hodgins, followed by Sinenci, then going to Mr. Batangan.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Thank you for being with us. Do you have an update on when we're going to be acquiring a new water system? I support this, by the way, but I'm just trying to maybe determine when we're going to be spending this money.

MR. LANDGRAF: I cannot say anything specific, but probably by the end of this year.

COUNCILMEMBER U'U-HODGINS: Okay. Is it on the West Side, or is it Upcountry?

MR. LANDGRAF: I can't be that specific --

COUNCILMEMBER U'U-HODGINS: Oh, okay.

MR. LANDGRAF: -- because of the negotiations going on.

COUNCILMEMBER U'U-HODGINS: Okay. Thank you. Thank you, Chair. That's all I have.

CHAIR SUGIMURA: Oh, thank you. Good questions. Member Paltin and I are loving that question. . . .(laughing). . . Member Sinenci, then Mister...Member Batangan, then Chair Lee.

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COUNCILMEMBER SINENCI: Thank you, Chair. Is it on the Hāna side?

CHAIR SUGIMURA: . . .*(laughing)*. . . That has tons of water.

COUNCILMEMBER SINENCI: No questions. Thank you.

CHAIR SUGIMURA: . . .*(laughing)*. . . That's a good one. Member Batangan, Chair Lee, then Member Paltin.

VICE-CHAIR BATANGAN: Thank you, Chair. Okay. So, this is...this feels like another one where I'm coming in midterm and don't have full context. So, if the Committee has already discussed these questions, you know, thank you for your patience. But when I first look at this, it feels like we're putting the cart before the horse because we're appropriating money to acquire systems when just coming in from the outside, it looks like what systems we should be acquiring, when, where, should be discussed in the WAI Committee. Has there been discussion as to what private water systems we should be acquiring, what kind of potential capacity will be gained, how it would impact rate payers, the environmental impacts, how it would function, say, if we got one in the East Side, how that would be...work in coordination with the East Maui Water Authority. Like I'm just trying to understand what thought is going into the acquisition of the water systems before we appropriate money to go acquire water systems.

MR. LANDGRAF: Yeah. So, we evaluate everything you're saying, right? When we start looking at the system, we see how it's going to integrate into our system, we see what the effect is on the...the customers, right? Because we don't want to take on something that needs a lot of work and then it affects, you know, how the fiscal responsibility that we have to our current customers. I'm not sure on this, but it's appropriated, I think it's because it's the GET fund, so if you put it in a budget, then when we find something, it's easier for us to actually move on it quicker. We still need to come back before Council before anything happens, but at least if the money is there already, then we don't have to appropriate added money.

VICE-CHAIR BATANGAN: Okay. Thank you. I don't have any other questions.

CHAIR SUGIMURA: Very good. Chair Lee?

COUNCILMEMBER LEE: No questions.

CHAIR SUGIMURA: Thank you. Member Paltin, then Member Johnson, and then Member Rawlins-Fernandez.

COUNCILMEMBER PALTIN: Thank you, Chair. You know, as we discussed yesterday in the WAI Committee, we wanted to make sure that our actions are in alignment with the Countywide Policy Plan, and I just want to make sure that whatever we're doing...you know, things change. The Countywide Policy Plan was from back in the day, and...you know, water issues, all these issues change, so I just...and...and the Countywide Policy

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Plan can change to reflect the times. I just...that would be my request, that either we're working in alignment with the Countywide Policy Plan, and if not, that steps are being taken to amend the Countywide Policy Plan to match the direction that we're going in. Because, you know, a lot has changed. Businesses have changed hands, water managers have changed, and things like that, so I don't think the change in direction is the problem. The not reflecting the change in the Countywide Policy Plan could potentially be a problem, depending on which water system we're talking about that we don't know. So, that's...I mean, it's not a question, it's just, let's double-check, cross our T's and dot our I's, and make sure that either we're following the Countywide Policy Plan, or we're amending it, you know, for a good cause, or whatever it is.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: Because it's kind of a lengthy process to amend it. Because we got to go through all the planning commissions, and things like that, and they got a lot on their plate. So, I'd rather not be like quick, fix this so we can do that kind of thing.

CHAIR SUGIMURA: Okay. So, we'll send it as a question then, in writing.

MR. LANDGRAF: Well, that's...that's a good point, that we should look at that, and make sure that it's not going to be an issue when something happens.

CHAIR SUGIMURA: Yeah. Thank you. Member Johnson, followed by Member Rawlins-Fernandez.

COUNCILMEMBER JOHNSON: No questions at this time, Chair. Thank you.

CHAIR SUGIMURA: Thank you. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Deputy Director. I'm supportive of this initiative.

CHAIR SUGIMURA: Very good.

COUNCILMEMBER RAWLINS-FERNANDEZ: No questions.

CHAIR SUGIMURA: Very good. Anybody have any further questions? Okay. So, I would like to entertain a motion to recommend the passage on first reading of Bill 9, incorporating any nonsubstantive revisions.

COUNCILMEMBER COOK: So move.

CHAIR SUGIMURA: Member Cook, Member U'u-Hodgins second. So, we have a CD1 version of the bill? Oh, okay. Budget Director's asking for a replacement. I'll now entertain a motion to amend Bill 9 by replacing it with proposed CD1 version...oh, we received from the Budget Director via testimony, incorporating any nonsubstantive revisions.

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COUNCILMEMBER U‘U-HODGINS: So move.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER COOK: Second.

CHAIR SUGIMURA: So moved by U‘u-Hodgins, and Member Cook is the second. Any discussion, Members? Okay. So, we will entertain the...now entertain a motion, so we’re amending it with the CD1 version, motion made and...and seconded. So, any discussion? All in favor, raise your hand and say “aye.”

COUNCILMEMBER PALTIN: Just wanted to clarify, it’s the one submitted by Tiare Horner?

CHAIR SUGIMURA: Yes.

COUNCILMEMBER PALTIN: Okay.

CHAIR SUGIMURA: Yes, from Budget Office.

COUNCILMEMBER PALTIN: Because the other testimony is speaking in against of it.

CHAIR SUGIMURA: . . .*(laughing)*. . . Okay. We don’t want that one. All in favor, raise your hand and say “aye.”

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: Do we have nine ayes? Yeah, I see Member Sinenci. Nine “ayes.” Motion carries.

VOTE: AYES: Chair Sugimura, Vice-Chair Batangan, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and U‘u-Hodgins.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: AMENDING Bill 9 (2026).

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CHAIR SUGIMURA: Very good. Moving right along here. Thank you for waiting with us all morning. Thank you for your good work. Thank you for finding more water in...in Upcountry, is what I heard you say.

UNIDENTIFIED SPEAKER: . . .*(inaudible)*. . .

CHAIR SUGIMURA: I know.

CHAIR SUGIMURA: The last item is Bill 10, which is amending the...the last...is Bill 10 to amend Fiscal Year '26 Budget to recognize \$3 million in General Fund Carryover/Savings to the Department of Management Information Technology Services Program for transient accommodations tax software, upcoming software, subscription, renewals, and the cybersecurity contract. All right. So, this is Kim Albright, and could you introduce...give us your title?

MR. KRUEGER: Chair? Apologies to interject, but just --

CHAIR SUGIMURA: Oh.

MR. KRUEGER: -- just for...for the Committee's clarity, I think on the last item, the...the Members voted on the motion to replace the bill, but...

CHAIR SUGIMURA: Oh, we didn't do the motion as amended. Sorry.

MR. KRUEGER: Just for clarity. Thank you, Chair.

CHAIR SUGIMURA: Okay. We got to do the main motion as amended. Okay. Very good. All in favor, raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: Okay. It looks like nine "ayes." We're good. Member Paltin, you voted, yeah? Oh, Member Batangan?

VICE-CHAIR BATANGAN: Aye.

CHAIR SUGIMURA: Okay. Very good. So, we're nine "ayes." Motion carries.

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VOTE: AYES: Chair Sugimura, Vice-Chair Batangan, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and U‘u-Hodgins.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: None.

MOTION CARRIED.

ACTION: Recommending FIRST READING of Bill 9, CD1 (2026).

CHAIR SUGIMURA: Sorry about that.

ITEM 15: BILL 10 (2026), AMENDING THE FISCAL YEAR 2026 BUDGET: INCREASE ESTIMATED REVENUES, CARRYOVER/SAVINGS, GENERAL FUND; DEPARTMENT OF MANAGEMENT, INFORMATION TECHNOLOGY SERVICES PROGRAM, CATEGORY B - OPERATIONS & EQUIPMENT

CHAIR SUGIMURA: So, we're on to Bill 10, and I'd like to ask our brand new Kim Albright to introduce yourself, and then please give us opening comments.

MS. ALBRIGHT: Thank you, Chair. Good morning, it's great to be here. My name is Kim Albright, and I have recently accepted the position for the Chief Technology Officer for the County of Maui. Happy to be working with you all. We're here representing...or asking for an amendment for Bill 10. I don't know if Maria, or Director, or Lesley, if you wanted to speak...speak to the details, and I can answer any questions you may have.

CHAIR SUGIMURA: Okay. Ms. Milner, or...Ms. Milner's going to speak to it?

MS. MILNER: Yes, I can do that, Chair. Thank you. As we discussed in the transmittal letter, our Transient Accommodation Tax software, which we've been talking about for a little while now, the procurement came in higher than anticipated. So, in order for us to cover some other costs, including our Microsoft contract and managed defense, and some other cybersecurity costs, we are asking for this amendment to get through the end of the fiscal year. Thank you, Chair.

CHAIR SUGIMURA: Okay. Deputy Director Zielinski, do you have any comments?

MS. ZIELINSKI: No.

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CHAIR SUGIMURA: No? This is long-awaited, huh? . . .*(laughing)*. . . Okay. Open for public testimony.

. . . OPEN PUBLIC TESTIMONY FOR ITEM 15 . . .

MR. KRUEGER: Chair, there's currently no individuals signed up to testify on this item, so we'll do a last call. If there is anyone who'd like to testify on this item, please identify yourself now. On Teams, you can do that by raising your hand. We'll do a brief countdown...three, two, one. Chair, there's no one to testify on this item.

CHAIR SUGIMURA: Thank you. So, I'd like to close public testimony and receive written testimony.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM 15 . . .

CHAIR SUGIMURA: Thank you, Members. Okay. Great. So, questions on this? Who has IT...or no, you know, it's Finance, right? Basically because we're talking about taxes, so we can just...we should ask.

COUNCILMEMBER PALTIN: I think IT is under Management, huh?

CHAIR SUGIMURA: Yeah. Go ahead. So, Chair Lee, you want to take this for the first round? You have any questions?

COUNCILMEMBER LEE: No questions.

CHAIR SUGIMURA: Okay. Then we go to Member Batangan.

VICE-CHAIR BATANGAN: Thank you, Chair. So, Budget Director, the TAT software came in over budget, and so we're...we are being asked to approve a budget increase to cover software subscriptions. I don't understand why this isn't a budget amendment for the TAT software. Or did I misunderstand what you said?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Batangan. No, you're correct. The TAT software has already been procured, whereas the other payments have not been made yet, so that's why it's presented the way it did. The need for the extra funds are due to the cost of the TAT software, but it has already been encumbered. Thank you, Chair.

VICE-CHAIR BATANGAN: Is that standard practice? Because if the Council appropriates money for a specific item and it comes in over budget, why isn't there a budget amendment for that item rather than...rather than us shifting monies around, and then

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asking the Council to cover other things? Like shouldn't the Council have the opportunity to weigh in on a procurement that comes in over budget rather than it be made, and then we are asked to cover things that we can't say no to?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Batangan. The initial intent was to do this as an amendment for the TAT software, but the funds that were intended were actually recognized in the FY '26 Budget as Carryover/Savings during the Council process. Because the ACFR was not done, and in order to not delay this process, that everyone seemed to be on board with moving forward with this TAT software, particularly in light of the Auditor's findings, we moved forward, and determined to come in for an amendment for these funds instead. Thank you, Chair.

VICE-CHAIR BATANGAN: Thank you, Budget Director. I just...I'm uncomfortable with this particular bill and this instance. I just worry that in the future, if the Council appropriates money for something, say a large CIP project, it comes in over budget, I would be uncomfortable with the Administration making the executive decision to force the Council to then pay for those increases in cost without consultation with the Council. Thank you.

CHAIR SUGIMURA: Thank you very much. Member Sinenci, Member U'u-Hodgins, Cook, Rawlins-Fernandez, then Johnson.

COUNCILMEMBER SINENCI: No questions.

CHAIR SUGIMURA: Oh, I'm sorry. And Paltin. Go ahead. Oh, the...Member Sinenci. Oh, no questions. Okay. Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: I have no questions, Chair. Thank you, Member Batangan, for asking that question.

CHAIR SUGIMURA: Member Cook?

COUNCILMEMBER COOK: Congratulations on your position. That's really exciting. I know the Department, you've been working there a long time, and anything that we can do to support IT, I think is appropriate. It's really an important component of running our government, so I'm supportive, and looking forward to what you do.

CHAIR SUGIMURA: Very good. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I will echo Member Cook's sentiments. Mahalo for taking on that position, and for the software, and Finance Department for getting our TAT program refined and up to...up to par. My question is for the cost of the software. So, it...it exceeded the amount by 3 million, but...and the total cost was how much?

CHAIR SUGIMURA: Department?

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MS. MILNER: The amount encumbered for Fiscal Year '26 ended up being approximately 4.6 million. Thank you, Chair.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, man. These tech bros, I swear.

CHAIR SUGIMURA: . . .*(laughing)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: . . .*(laughing)*. . . They've taken over the government, and they just charge us millions and millions of dollars. And I'm supportive of the necessary software and technology we need to appropriately collect the new County TAT funds. It's just painful to pay that much for...for software, especially when they're like buying islands, and jets, and yachts, and...okay. Back to...back to this. Okay. I think...I think...I think I'm done.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

CHAIR SUGIMURA: Very good. Member Johnson, then Paltin.

COUNCILMEMBER JOHNSON: Thank you, Chair. I pretty much agree what everyone's saying, we need...we needed software. We welcome you aboard, and thank you for taking on this kind of work in the County. But I don't have any questions. I get the sticker price. I mean, it's high. It's brutally high. But...but I...I don't have any questions at this time. Thank you, Chair.

CHAIR SUGIMURA: Okay. Very good. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. I'm so grateful to you to fill this slot. Please don't leave us like the last guy after going to a conference. I don't know what went happen, but just stick with us. We're cool people for the most time, most of us. And we really need this. I don't know if you've seen the carryover in Management because we haven't been able to fill those IT slots. And I don't know that Management is the best place to house IT because of that. But I believe in you. Don't leave us.

UNIDENTIFIED SPEAKERS: . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: And let us know what you need and communicate with us. Thank you.

CHAIR SUGIMURA: Oh, very good. Oh, you want to say something? Okay. Go ahead, Ms. Albright.

MS. ALBRIGHT: Thank...thank you so much. I appreciate all of your support, and the congratulations as well. We have the same vision as well, meeting with DPS this afternoon to talk about jobs . . .*(laughing)*. . . and try to fill our positions as well. So, we're off and running. And thank you for...for your support as well on this Bill 10.

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COUNCILMEMBER PALTIN: And...and utilize the Civil Service Commission. We got some great members on there. You know, we have to compete with the private sector and cybersecurity, our computers, especially with all the AI and things right now, and GPTs, and all the letters. It's so important. So, yeah, don't be afraid to utilize the Civil Service Commission. They're there to help DPS get on their feet on trying to be more competitive. So, we don't need everyone to be noncivil service to get a...paid living wage and all the things. Thank you.

CHAIR SUGIMURA: Thank you.

MS. ALBRIGHT: Mahalo.

CHAIR SUGIMURA: So, I met your predecessor at a conference, and then I never saw him. That was the first time I met him. He says, I'm your...and I said, you are? Never met him. And then after that, he left. So, I wonder it was a chance encounter. And he said, oh, done. But welcome, and we appreciate, and we look forward to working with you. The TAT software is super important. I think we've been talking about that for years. So, glad that we're finally at this point, and we can go back and collect those uncollectables, maybe? Yes, you're nodding your head. Okay. All right. So, Members...I'm going to ask you for a breakdown of...of the...what was the breakdown of 3 million for each item in the Transient Accommodation Tax software, subscription renewal, and the cybersecurity contract. So, we can send that to you in writing. And at this time then, Members, I'd like to recommend the passage on first reading for Bill 10, incorporating any nonsubstantive revisions.

COUNCILMEMBER COOK: So move.

CHAIR SUGIMURA: Thank you. Member Cook --

COUNCILMEMBER U'U-HODGINS: Second.

CHAIR SUGIMURA: -- second by Member Nohe U'u-Hodgins. Any further discussion? Seeing none. All in favor, raise your hands and say "aye."

COUNCILMEMBER JOHNSON: Chair, I have a discussion.

CHAIR SUGIMURA: Oh, yes, Member Johnson.

COUNCILMEMBER JOHNSON: You know, I...I really appreciate the fact that we're moving forward with this, and that we have IT here today. You know, there's a lot of our policies that have stumbled because we don't have IT folks...the Bill 111, the portal for that, among any...many things. But the fact that you're here today and, you know, you're on board, I really look forward to us stepping into the 20th Century, and getting rid of those fax machines. Thanks so much. Thank you, Chair. Full support.

CHAIR SUGIMURA: . . .(laughing). . . Fax machines.

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MS. ALBRIGHT: Thank you. Me too.

CHAIR SUGIMURA: Okay. All right. So, anybody else, discussion? If not, I'll take the vote. All in favor, raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: I think I see eight "ayes." Who is not here is Chair Lee. Yeah. All right. Motion carries.

VOTE: AYES: Chair Sugimura, Vice-Chair Batangan, and Councilmembers Cook, Johnson, Paltin, Rawlins-Fernandez, Sinenci, and U'u-Hodgins.

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Lee.

MOTION CARRIED.

ACTION: Recommending FIRST READING of Bill 10, CD1 (2026).

CHAIR SUGIMURA: Thank you very much, Members. This is the end of our meeting. So, we will see you this afternoon at 1:30 for the GREAT Committee meeting...Member Batangan, will be your first meeting. And this...this meeting is now adjourned. . . .(gavel) . . .

ADJOURN: 11:40 a.m.

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Transcribed by: Daniel Schoenbeck

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CERTIFICATION

I, Daniel Schoenbeck, hereby certify that pages 1 through 64 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 26th day of February 2026, in Wailuku, Hawai'i



Daniel Schoenbeck