

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

MINUTES

August 19, 2025

Online Only via Teams

CONVENE: 9:07 a.m.

PRESENT: Councilmember Yuki Lei K. Sugimura, Chair
Councilmember Tasha Kama, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member (left at 9:15 a.m.)
Councilmember Shane M. Sinenci, Member
Councilmember Nohelani U‘u-Hodgins, Member

STAFF: Kirsten Szabo, Legislative Analyst
Yvette Bouthillier, 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):

Mavis Oliveira-Medeiros, Council Aide, East Maui Residency Area Office
Roxanne Morita, Council Aide, Lanai Residency Area Office
Christian Balagso, Council Aide, West Maui Residency Area Office
Bill Snipes, Council Aide, South Maui Residency Area Office
Clyde “Buddy” Almeida, Council Aide, Makawao-Ha‘ikū-Pā‘ia Residency Area Office

ADMIN.: Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel
David Raatz, Jr., Esq., Director of Council Services
Cythia Lallo, Chief of Staff, Office of the Mayor
Lesley Milner, Budget Director
Marcy Martin, Director, Department of Finance
Carmelito Vila, Motor Vehicle and Licensing Administrator, Department of Finance
Cynthia Razo-Porter, Director, Department of Personnel Services

OTHERS: Jasee Law
Anonymous
Others (35)

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Resource Personnel

Chuck Collins, Senior Development Manager, Johnson Controls, Inc.

PRESS: Akakū: Maui Community Television, Inc.

CHAIR SUGIMURA: . . .(gavel). . . Good morning, everybody, to the Budget, Finance, and Economic Development Committee. It is now 9:07 a.m., and I welcome all of you. And before I start my meeting, I wanted to also pause for a moment of silence to honor the fallen...fallen Maui Police Officer, Suzanne O. On Sunday, I spent several hours in front of the police station, and I got to see the many...many one of...many of her fellow officers who came to pay respect. It was very sad. Her family arrived from O'ahu. There were little children there. I think their relatives from Maui also. And it was a very solemn and sad day in front...in front of the police station. So, I look forward to hearing more about what the family decides for her service. And I'm sure all of us have been with her in spirit, and heart, and soul since the passing of her on Friday. So, at this time, I would like to ask for a moment of silence.

(Pause for moment of silence)

CHAIR SUGIMURA: Thank you. I'll also like to send our aloha to the many MPD 'ohana that worked with her and showed up that day. It was...it was very painful. So, now I would like to proceed with today's meeting. Welcome. This meeting is being conducted in accordance with the Sunshine Law. And as a reminder, when your name is called, if you're not in the Council Chamber, please identify by name who, if anyone, is in the room, vehicle, or workspace with you today. Minors do not need to be identified. Good morning, Vice-Chair Kama.

VICE-CHAIR KAMA: Aloha kakahiaka, Chair. I am in my workspace. I am alone. And I have two adults in the other room.

CHAIR SUGIMURA: Good morning, Member Cook.

COUNCILMEMBER COOK: Good morning, Chair. There's nobody in the Kihei Regional office to give testimony, but we're on standby, and I'm looking forward to the meeting today. Thank you.

CHAIR SUGIMURA: Very good. Good morning, Member Johnson. Nice seeing you here in the Chambers.

COUNCILMEMBER JOHNSON: Morning, Chair, Councilmembers, community members. There's no testifiers at the Lāna'i District office, and I'm here and ready to work. Thank you, Chair.

CHAIR SUGIMURA: Great. Good morning...oh, Chair Lee is going to be a little late. Good morning, Member Paltin.

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COUNCILMEMBER PALTIN: Aloha kakahiaka kākou, streaming live and direct from the historic burn zone in Lāhainā. I have with me Christian Balagso.

CHAIR SUGIMURA: Good morning. Good morning, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka kākou. I am alone in my workspace, and there are no testifiers at the Moloka'i District office at the...at the moment. And my condolences to Officer O's 'ohana. Mahalo again for holding space for *(audio interference)* --

CHAIR SUGIMURA: You have to get closer to your mic. Could you?

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh. Okay. And then, Chair, I'm going to be off and on this meeting, but I'll...I'll try to be on during the...the last item regarding the grant.

CHAIR SUGIMURA: Very good.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

CHAIR SUGIMURA: Member Sinenci, good morning.

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

CHAIR SUGIMURA: Okay. Good morning. Good morning, Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Good morning, Chair. Good morning, everyone. If my camera can be enabled, that'd be great. It doesn't matter to me, but I think --

CHAIR SUGIMURA: Got to be present.

COUNCILMEMBER U'U-HODGINS: -- I think it matters to like the quorum, but just letting you know. Thank you.

CHAIR SUGIMURA: Okay. Thanks. Good morning, Chair Lee.

COUNCILMEMBER LEE: Aloha kākou.

CHAIR SUGIMURA: Aloha. From...as our resources from the Office of Council Services, we have our Director, David Raatz; Office of the Mayor, Cynthia Lallo, Chief of Staff; Lesley Milner, Budget Director; Department of Finance, Marcy Martin, we're not sure she'll be here; Lito Vila, Motor Vehicle and Licensing Administrator for Bills 90 and 91; Department of Personnel Services, Cynthia Porter-Lallo [sic] has been invited. The Department of Police, we had invited Chief Pelletier, but you will see that we're going to defer that item based upon on the sadden...saddest...sadness that's going on with the loss of Officer Suzanne O, so we're going to defer that item. Corporation Counsel, very

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happy to see you here, Kristina Toshikiyo. And you're right, when you're present, we get to talk story before and after items, and in the meeting. Committee Staff, Lei Dinneen, Council Services Assistant Clerk, thank you very much; Peter Hanano, Legislative Attorney; Kristine...oh, Kirsten Szabo, Legislative Analyst; James Krueger, Senior Legislative Analyst; Yvette Bouthillier, Senior Committee Secretary...nice to see you here, Yvette.

MS. BOUTHILLIER: Good morning.

CHAIR SUGIMURA: Good morning. See the last page of the agenda for information on meeting connectivity. Thank you, Members, for attending today's BFED meeting. We have five items on the agenda today, which is BFED-4, Bill 92, Authorizing the Mayor to Enter into an Intergovernmental Agreement with the Federal Bureau of Investigation for a Joint...Joint Terrorism Task Force. And this item will be deferred, as I mentioned. BFED-2, which is Bill 90 (2025), Authorizing the Mayor to Enter into an Intergovernmental Agreement with the County of Hawai'i, and BFED-3, Bill 91 (2025), Authorizing the Mayor to Enter in...into an Intergovernmental Agreement with the City and County of Honolulu. BFED-20, Item 16, Johnson Controls, Inc. Energy Performance Contract, Rule 7(B). BFED-20(19), Extension of Grants and Contracts, as a Rule 7(B). That's the agenda. Do we have any testifiers?

MR. KRUEGER: Chair, we currently don't have any individuals signed up to testify at the beginning of the meeting, but we can do a last call.

CHAIR SUGIMURA: Okay. Could you?

MR. KRUEGER: If there is --

CHAIR SUGIMURA: Oh, here we have someone. Let me read this. Testifiers wanting to provide testimony should sign up with Staff, join the online meeting with the Teams link, or call in to the phone number noted on today's agenda. Written testimony is encouraged, and can be submitted via the eComment link at maucounty.us agendas [sic] as well. Under the Sunshine Law, the Chair will receive oral testimony for agenda items at the beginning at the meeting, and also...and as an item is called up. For individuals wishing to testify via Teams, please raise your hand by clicking on the Teams raise-hand button. If calling in, please follow the prompts via phone, star-5 to raise your hand and lower hand, star-6 to mute and unmute. Staff will add your name to the testifier's list in the order testifiers sign up or raise their hands. For those on Teams, Staff and...will lower your hand once your...your name is added. Staff will then call the name you're logged in under or the last four digits of your phone number when it's your time to...to testify. And at that time, Staff will then on...enable your microphone and video. Please ensure your name appears on Microsoft Teams as your name you prefer to referred to, or as "Anonymous" if you wish to identify anonymously. If you're in-person, please notify Staff that you would like to testify anonymously, otherwise, please state your name for the record at the beginning of your testimony. Oral testimony is limited to three minutes, and if you're not done...done, I'll give you another 30 seconds to...to complete. And...and you must...and testimony must pertain to items on the agenda. If you are

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still testifying beyond the time, I will kindly ask you to complete your testimony. Please direct your remarks to the Committee Chair and not to the Committee Members, or members of the public. Once you are done testifying, or if you do not wish to testify, you can also view the meeting on *Akakū* Channel 53, Facebook Live, or mauicounty.us agendas [sic]. We will do our best to make...each person up to an orderly fashion. Decorum will be maintained at all times. Any person who behaves in a manner that disrupts, disturbs, or impedes the orderly conduct of any...any Committee meeting can, at the discretion of the presiding Officer or a majority of the present Councilmembers, to be ejected or banned from the Council meetings, or Committee meetings, or if participating remotely, muted or dropped from the meeting. Examples of disruptive behavior include, but not limited to, heckling, shouting, use of profan...profane...profanity, threatening, and slanderous remarks made to any Member of the Council, or Staff, or general public. We will now call on testifiers wishing to testify at the beginning of the meeting. Staff, please call up testifiers.

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

MR. KRUEGER: Chair, currently the only testifier we have right now is the individual who's approached the podium.

CHAIR SUGIMURA: Thank you.

MR. LAW: Thank you, James. Thank you, Luna Ho'omalua Yuki Lei Kashiwa Sugimura. Ohayō. Jasee Law, Kula Uka, Waiakoa Ahupua'a. Aloha kakahiaka. Aloha, kākou. Aloha, *Akakū*. Aloha, comrades. This is about...I'm going to try...if you give me some leeway here, I...I might need more than three minutes. I'll try to wrap it up. I put Bill 92 and 90 together. I work for the Federal Bureau of Investigation. And I was concerned when I saw this Federal Bureau of Investigation Joint Terrorism Task Force. So, I went to the...the 7th Floor Clerk's Office, and they were...they were helpful to me and I...it took me a while. I didn't read through the whole thing, and I'll try when I get to the lobby there. I'm a little bit skeptical of anything with...any cooperation with the United States Government because of what they did in 1893 to the Queen of Hawai'i. So, with all due respect to the Mayor's Office and the Police Department, I want to say no to this one. So, that'll kind of ease up your guys' mind on...on that part. And in my opinion, the...the U.S. military, the ones with the bombs and the missiles, are making Hawai'i a target. But if you want to do cyber security, then I guess it's all right. And like I said, since Chief Pelletier is requesting this, then I...I'm going to stand behind him. And I get no beef with the U.S. FBI since it was the Marines that kicked Lili'uokalani out. So you all work it out without duress. And so, I was kind of wondering about the Rules of the Council for this testimony. Since it's going to be deferred, is there going to be more testimony at the next meeting? Because I was accused of being a terrorist once in...in Waiakoa by the manager of Kula Bistro, but that might be a different kind. So, I don't know if they got home terrorists or just foreign terrorists. And finally, I see that Mr. Colby (*phonetic*) signed off on this. I'm a fan of his, as well as J. Edgar Hoover. Thank you for your time, and I...I save the rest of my time for the Hawaiians.

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CHAIR SUGIMURA: Thank you. Anybody have questions for the testifier? Seeing none. Thank you very much.

MR. KRUEGER: Chair, no other individuals have identified themselves as wishing to testify at the beginning of the meeting, so we'll do a last call. If there is anybody who would like to testify at this time, 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, no one else has identified themselves as wishing to testify.

CHAIR SUGIMURA: Thank you very much. So, at this time, Members, with your permission I like to close public testimony and receive written testimony.

COUNCILMEMBERS: No objections.

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

CHAIR SUGIMURA: Thank you.

ITEM 4: BILL 92 (2025), AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE FEDERAL BUREAU OF INVESTIGATION FOR A JOINT TERRORISM TASK FORCE

CHAIR SUGIMURA: So, the first item on our agenda is Bill 92, "AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE FEDERAL BUREAU OF INVESTIGATION FOR A JOINT TERRORISM TASK FORCE." And, Members, as I said earlier, that the Chief was not able to be here today, and I believe his participation is important. So, I will open public testimony for this item, and then I will then defer it. Thank you.

MR. KRUEGER: Chair, there are no individuals currently signed up for this item. Oh, it appears that maybe someone is signing up. Yes, there's one person signed up to testify. They are signed in as Anonymous on Teams.

CHAIR SUGIMURA: Okay. Very good. Anonymous, please proceed.

. . . OPEN PUBLIC TESTIMONY FOR ITEM (BFED-4) . . .

MR. ANONYMOUS: Aloha. Are you able to hear?

CHAIR SUGIMURA: Yes, we can hear you. Can't see you.

MR. ANONYMOUS: Oh, wonderful. Oh, I'm...I guess I got to do the anonymous thing.

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CHAIR SUGIMURA: Oh, okay.

MR. ANONYMOUS: So...yeah, I am really grateful to hear about a FBI Task Force working locally with us. I do...the last testifier does bring up an amazing point, where it's like, okay, we have an opportunity to delineate what our community can come together, and what we say yes and what we say no to. So, I...I'm not...I'm...I'm testifying as...as Anonymous, so I'd love to work with...with this Task Force, and be a lead on the...on helping to find terrorism. Because as you folks have the opportunity, you...you understand the difference between words and actions, perception of accountability, and how far people will go to distract from accountability. So, the...moving forward, the actions of terrorism needn't be twisted with the truth that accountability would...of...of folks who are doing bad things, their truth of actualizing terrorists acts. You know, we really need to...to...to put a fine-toothed comb of the thin blue line for how we proceed because we don't want to be creating a situation that accountability can cure, and demonstrate to the future generations, oh, look, nobody got in trouble, but some people had to face some shame, you know. And instead of trying to...to lie to each other and create (*audio interference*). So, thank you. I...I hope you use this opportunity to...to protect...you know, there are some things that need to be looked at in the Police Commission, and the...how the police force behaves, especially recently in the Pā'ia District. So, you know, people know, and it's...we need to avoid (*audio interference*) anything, and this...you know, trying to silence people who are trying to tell you how to avoid (*audio interference*). All right. I love you guys. Anonymous out, unless there's any question.

CHAIR SUGIMURA: Okay. Are you done testifying? Members, any questions for the testifier? Seeing none. Thank you very much.

MR. ANONYMOUS: Awesome. I love you guys. Aloha. We lift hearts and clear minds (*audio interference*).

CHAIR SUGIMURA: Aloha. Next testifier.

MR. KRUEGER: Chair, there's currently no other individuals signed up to testify on this item, so we'll do a last call. If there's anybody who would like to testify on BFED-4, please identify yourself now. We'll to a countdown...three, two, one. Chair, no one else has identified themselves as wishing to testify.

CHAIR SUGIMURA: Thank you. With your permission, I'd like to receive public testimony, and...I mean to close public testimony and to receive written.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM (BFED-4) . . .

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CHAIR SUGIMURA: Thank you. All right. So, Members, as I said, I'm going to defer this item until we can have the Chief come to be with us.

COUNCILMEMBER PALTIN: Chair?

CHAIR SUGIMURA: Oh, Member Paltin, sorry. I didn't see you. Go ahead.

COUNCILMEMBER PALTIN: Could we transmit some of our questions so that possibly they could be ready when it comes back up again?

CHAIR SUGIMURA: Thank you. Yes. So, can you please send that to Committee. Would you like to tell us what the questions are for the other Members, or...

COUNCILMEMBER PALTIN: Sure. Like...you know, there seems to be a lot of change at the Federal level with the whole Constitution and everything. I was wondering if they could define what...what they're looking for in terms of terrorism. Like, you know, us being an occupied nation and all, there just was, you know, the war crimes of desecration of the Royal Hawaiian Complex at Moku'ula, Mokuhinia. Is this considered a form of terrorism and, you know, those types of questions.

CHAIR SUGIMURA: Okay. Thank you very much. Did you get that? Yeah. So, Staff got that. If you have any more, you can let us know. Member Kama --

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: -- then Member Sinenci.

VICE-CHAIR KAMA: Thank you, Chair. I just wanted to ask for the definition of terrorism. I mean there's domestic terrorism, there's international terrorism. I mean what does that mean, and who is it for, or who is it against?

CHAIR SUGIMURA: Okay, very good. We'll send that forward. And Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. My first question was for you, if there was a time sensitivity to this. And then for the Department, what would be the County's financial commitment to this MOU? How long is the MOU for? And then their list, a couple things within the MOU, like overtime...who pays for the overtime, traveling expenses, as well as deputization of officers. Thank you, Chair.

CHAIR SUGIMURA: Good questions. So initially, when we spoke to the Chief, he said there was no time sensitivity. Did we have another conversation with him regarding this? No. Okay. So, we will schedule it as soon as appropriate. Thank you for that question. Any other questions? Oh, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. I know Councilmember Kama talked about the definitions, but...but I...one thing I'm really wanting to learn more about is a new type of terrorism. Or I guess they coined it as stochastic terrorism, which is...stochastic

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terrorism doesn't really go out and say, go kill that person. It just...there's so much toxicity in their messaging, and so much negativity that you create these lone-wolf-type folks that go on...and no one directed them to go and do Pizzagate, but the guy and went and did Pizzagate, right? So, that kind of thing is...when we talk about terrorism, I...you know, it --

CHAIR SUGIMURA: What level?

COUNCILMEMBER JOHNSON: -- used to be just like, you know, what you would...you know, it's changed over the...over the period. And I...I want to see what our officers, what our FBI guys are planning to do with stochastic terrorism, where it's...it's hard to pin down. Is there going to be task force? Are we going to educate the public? Are we going to...is there budget-specific monies in this type of MO...intergovernmental agreement that...that addresses these type of online radicalization of people, then...and then they finally just can't take it enough, and they've been compounded that this is what's happening, this is what's true...and then you get a lone wolf, and then they go and do it. So, that's what I really would like to kind of focus on because...I mean it's just...it...I sometimes feel like this body, this...our community, local governments, we are kind of out in the wind, and it's just...no real...nobody is doing anything. So, I...that's my concern. Thank you, Chair.

CHAIR SUGIMURA: Okay. Good...good points. Good questions. Anybody else? Seeing none. All right. So, at this time then, with your permission, we'll send these questions further to the Chief and the Department. And then we'll...we'll reschedule this, and they'll be prepared with questions that you just mentioned. So, at this time, I'm going to defer this item, Members.

COUNCILMEMBERS: No objections.

ACTION: DEFER pending further discussion.

CHAIR SUGIMURA: Thank you. All right. So, we'll defer this.

ITEM 2: BILL 90 (2025), AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE COUNTY OF HAWAII

ITEM 3: BILL 91 (2025), AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY AND COUNTY OF HONOLULU

CHAIR SUGIMURA: Now, I'm going to take up the next two items together, which is BFED-2, Bill 90 (2025), "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE COUNTY OF HAWAII," and BFED-3, Bill 91 (2025)...and Bill 91 "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY

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AND COUNTY OF HONOLULU.” Thank you, Members. Do we have Lito here? Oh, he's online. Okay. And do--I'm sorry, what? Oh, okay. So, Marcy Martin is also online. Okay, great. Thank you, Members. So, Lito from DMV is online, as well as Marcy Martin...both online. These bills authorizes intergovern...intergovernmental agreements to allow Maui County Department of Finance personnel to be temporarily assigned to conduct road tests for commercial driver's license applicants in the County of Hawai'i and City and County of Honolulu. The County of Maui will be reimbursed, in full, for all costs and fees relating to the temporary assignments. The agreement...this agreement helps our neighboring counties meet their testing needs, while providing our Staff with additional experience and collaboration opportunities. Each agreement runs through June 30th, as it reads, and may be ended earlier by either party from the exhibit that was provided. And we can talk about that. Joining us today is...to assist us with the discussion is Lito Vila, Motor Vehicle and Licensing, Administrator, and Marcy Martin, Director of Finance, who...who are online. Do we also have Cynthia Razo-Porter from Personnel? You don't see her? Oh, she is. Okay. So, at this time I'd like to ask for opening comments from Director of Finance, Director Martin, and then we can hear from Mr. Lito Vila, and Personnel. Miss...Director Martin.

MS. MARTIN: Thank you, Chair. So, we appreciate you in assisting us with these agreements. They are statewide...it's a statewide program, the CDL program, and we are here to answer any questions you might have.

CHAIR SUGIMURA: Okay. Great. Next, we have Mr. Vila.

MR. VILA: Good morning, Chair and Councilmembers.

CHAIR SUGIMURA: Yes.

MR. VILA: Good to be here with you folks. And thank you for taking up this matter. I'm here as a resource to answer any questions. As you know, there's...our County CDL program is a grant-funded position that is paid through the State. So, all of the requirements, and et cetera, are through the State Director of Transportation [sic]. And so, we would like to assist the other counties, due to their staffing shortages, with testing on their various islands that's going to be...however, Maui testing requirements and demands will be our priority, since this are our County staff and employees. So, I'm here to answer any questions you folks may have, and thank you again for taking this up.

CHAIR SUGIMURA: Thank you, Mr. Vila. You must be doing a great job. Cynthia Razo-Porter, do you have any opening comments? *(pause)* Oh, we can't hear you. We can see you, but we can't hear you.

MS. RAZO-PORTER: *(Audio interference)*.

CHAIR SUGIMURA: Oh.

MS. RAZO-PORTER: You hear me now?

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CHAIR SUGIMURA: Yes, now we can hear you.

MS. RAZO-PORTER: *(Audio interference)*.

CHAIR SUGIMURA: Yes.

MS. RAZO-PORTER: Can you hear me now?

CHAIR SUGIMURA: Yes.

MS. RAZO-PORTER: *(Audio interference)* hear me?

CHAIR SUGIMURA: We can hear you. Please proceed. You can't hear us.

MS. RAZO-PORTER: Okay. Well, good morning, Members. So, I'm here as a resource. HRS provides the opportunity for counties to work together and provide staffing support. My audio is not working.

CHAIR SUGIMURA: Okay. So, you know, we can hear you. Can you hear us, Director? No, she can't hear us.

MR. KRUEGER: Chair, that's right. There's...there seems to be some technical issues. Director, right now we can't hear you again. And it seems like there was a period where maybe she wasn't able to hear us.

MS. RAZO-PORTER: Good morning, I'm a resource --

CHAIR SUGIMURA: Can you hear us?

MS. RAZO-PORTER: -- to provide explanation and any help that you need. HRS provides this opportunity for counties to *(audio interference)*.

CHAIR SUGIMURA: Okay. So, can you hear us? You can hear us now. Okay, now we can't hear you. I think you said what you wanted to say. We can't hear you. *(pause)* Okay. Are you fine? You have anything else to share with us? Okay. What do you want to do about this technical difficulty?

MR. KRUEGER: Yeah. Chair, so, it appears that the technical difficulties might be on Director's end. We are able to hear her periodically, but it seems like sometimes she's not able to hear us, and then sometimes she...she is unable...she mutes on her end --

CHAIR SUGIMURA: Uh-huh.

MR. KRUEGER: -- or we're not able to hear her answering, period. So, perhaps...it sounds like maybe she was able to complete her opening remarks, so perhaps the Committee could just continue with testimony while Director troubleshoots the...the errors on her

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end. If you want, Director, you could try calling in and...and that might be an easy way to resolve the audio issue.

CHAIR SUGIMURA: Okay. I think she can't hear us, is the problem. Okay. So, we're going to move on, Director. And so, at this time, I'd like to open up for public testimony, if there's anybody signed up for these two bills.

MR. KRUEGER: Chair, there's currently no individual signed up for either, but there is an individual approaching the podium.

. . . OPEN PUBLIC TESTIMONY FOR ITEMS (BFED-2 & BFED-3) . . .

MR. LAW: Thank you, James, for keeping all the communications open there. Hopefully you won't have to cut me off today. So, yeah, I missed that part...I was surprised that...oh, this Jasee Law again, for the record. I was surprised that there were...actually was a Hawaiian word for terrorist, but I'll save that for the next time. And this...so, this one is under Bill 90 with the driver's --

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

MR. LAW: -- license...the DMV and stuff. So, I came from Virginia. They suspended my license in Virginia for...so my truck was parked, and I didn't register my...if you...if you don't get insurance, then they check on your tags. And my truck was parked because I couldn't afford to buy a starter, so then I had to...they was supposed to turn in my tags, which was like 20 miles away in the next county. So, I got this letter saying that my license was suspended for like technical. And then they told me I had to pay \$500 plus the \$85 reinstatement fee, and it was like just too much. So, my license got suspended. And then I came to Hawai'i to find out my license is still suspended. They were telling me I was blocked. And this was through...during the previous Director of the DMV. And I kept on asking her, could she tell me the law under which it was blocked? And she couldn't. So, when I...I actually went to the farmer's market there for a few times, Chair Sugimura...I asked you, and you couldn't answer the question. I asked Senator...what's the guy's?...Yamashita, he couldn't answer the questions. So, I finally got my...it got unblocked. And I found out it's like a ten-year...what do they call that?...I'm going...you know, it's a ten-year law where that...it automatically goes off after ten years. And so, I finally found out it was an act from the Hawai'i State Legislature like right about the same time when they changed the...the license place from across the street, the Governor's Office, they put it in the...in the DMV Finance Office. So, I was just like...that's my testimony for you guys. I was just telling you to work out some of...kind of the bugs because that really put me behind the eight ball on getting a job and stuff. And we really need help here in Hawai'i, as you all know, and it's all the people that are blocked on their driver's license for...like this is technical stuff. I'm hoping that maybe we could work it out. Oh, and thank you for...I wanted to...I won't be here for this next meeting, but I want to thank the...the Lima Hana (*phonetic*), for the...the GREAT Committee, for putting their agenda in 'Ōlelo Hawaiian [*sic*] because the Hawaiian word for Tuesday is Po'alua. Maika'i Po'alua.

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CHAIR SUGIMURA: Thank you. Any questions for the testifier? Seeing none. All right. Last call.

MS. SZABO: Chair, there are no more testifiers. Would you like me to do a last call?

CHAIR SUGIMURA: Yes, please.

MS. SZABO: Last call for testimony, please. You can do so by approaching the podium, or you can raise your hand in Teams. Five, four, three, two, one. Chair, there are no further testifiers.

CHAIR SUGIMURA: Thank you very much. Members, with your permission, I'd like...we'll close public testimony and receive written.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEMS (BFED-2 & BFED-3) . . .

CHAIR SUGIMURA: Thank you. All right. So, we're taking up the two bills at once because they're very similar, almost verbatim except for County of Hawai'i and City and County of Honolulu. We did send to Corp. Counsel, Ms. Toshikiyo, a request for Legal Services to update the...the documents...or the bill. So, did we receive anything yet for the Members?

MS. TOSHIKIYO: No, Chair, not yet. Thank you. I've reached out to Finance, and we are, I believe, going to be amending the date to November 30th, 2025. So, we just need to receive confirmation that the other jurisdictions are in agreement, and then we can make those changes.

CHAIR SUGIMURA: So, that's not been confirmed yet, is that what you just said?

MS. TOSHIKIYO: Ms. Martin is on the line. She might --

CHAIR SUGIMURA: Oh.

MS. TOSHIKIYO: -- have more information.

CHAIR SUGIMURA: Okay. And so, wait. Before we turn over to Ms. Martin, the document that was sent over to you uses interdepartmental versus intergovernmental, which is the heading. So, is that an issue, or is that fine?

MS. TOSHIKIYO: Sorry, Chair. We can make that request. I believe that that's probably just because between the various Department of Finances, they might be referring to as interdepartmental. But, yes, we can change to that to intergovernmental.

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CHAIR SUGIMURA: Okay. So, you're fine with either way basically.

MS. TOSHIKIYO: Yeah.

CHAIR SUGIMURA: Okay. And then the date. And then also, on the document, again, the Mayor's name is...doesn't have his Junior. So, it doesn't have Richard . . . *(inaudible)*. . .

MS. TOSHIKIYO: Yes, we'll make that correction. Thank you.

CHAIR SUGIMURA: Okay. Ms. Martin...Director Martin, do you have any comments regarding the bills?

MS. MARTIN: Yeah. So, when we had made our original request for Legal Service under the ordinances, under Section 2 for both bills...the ordinance for Bill 90 and 91 allows amendments consistent with the purpose and scope of the Memorandum of Agreement as long as they don't increase the County's financial obligation. So, you know, we were going to change those...the date...the termination dates, you know, based on when these ordinances were passed, to give about 90 days for the agreement period.

CHAIR SUGIMURA: Okay. So, you're saying if we pass it in the next couple of weeks then, it'll be...oh, it'll...won't be a couple of weeks, but we pass it soon. then the date is going to be changed to November 30th? Because it...right now says June 30th.

MS. MARTIN: Yes. Yes, to allow for the...the 90 days.

CHAIR SUGIMURA: Okay. And in concurrence with the other counties. I think that's what your letter said in response to our questions. Okay. Thank you. So, Members, you'll have three minutes to ask questions starting with Member Kama. *(pause)* Oh *(audio interference)* yeah.

VICE-CHAIR KAMA: So, this...these two bills only allows us to do CDL trainings for people from the County of Honolulu and...and Big Island, and we...our County gets reimbursed. So, do...do the people come here to do the CDL, or do our people go there?

CHAIR SUGIMURA: Mr. Vila.

MR. VILA: Thank you, Chair. It will be...well, we...we're a CDL testing site for the State --

VICE-CHAIR KAMA: Uh-huh.

MR. VILA: -- so people or applicants from other county jurisdictions may fly over, and they do --

VICE-CHAIR KAMA: Uh-huh.

MR. VILA: -- to test at our facility.

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VICE-CHAIR KAMA: Uh-huh. Uh-huh.

MR. VILA: In this agreement, what we would be doing is sending one of our CDL-trained staff over to their State-approved testing facility at those counties --

VICE-CHAIR KAMA: Uh-huh.

MR. VILA: -- to administer the CDL skills testing at their location.

VICE-CHAIR KAMA: So, we're going to send a staffer to the neighbor islands to train the people --

MR. VILA: Chair, no.

VICE-CHAIR KAMA: -- in...in terms of what?

MR. VILA: We will not be training...we will be administering their skills testing --

VICE-CHAIR KAMA: Oh, okay.

MR. VILA: -- for the CDL applicant. And if they pass --

VICE-CHAIR KAMA: Okay.

MR. VILA: -- we will issue them a passing score, which they can then use to activate their appropriate CDL license at that respective county licensing office.

VICE-CHAIR KAMA: So, once they finish the skills test, they pass that, then they get a certificate that actually gives them the CDL. Is that what it is?

MR. VILA: Chair, yes, that is correct. They actually obtain their Class A, B, C, truck, bus...whichever CDL class of license they're being tested on, they will be issued that type of license in that respective county, which is going to be valid throughout the State.

VICE-CHAIR KAMA: Okay. Okay. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you very much. Next we have Chair Lee, followed by Member Paltin. No questions? Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Vila. Is this optional for the Maui County workers, or will they be...have to go? Like what if they got kids and stuff?

MR. VILA: We have two CDL...fully-licensed CDL examiners. We have backups because we believe in cross-training. It will be voluntary on their part, and they do get travel and per diem. So, it's kind of a win-win situ...a win-win for the staff. It helps out the County, it helps out the DOT, and it helps us out in the event...in the future, we may need a reciprocal type of assistance from them.

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COUNCILMEMBER PALTIN: And then maybe from Ms. Toshikiyo, I don't have HRS 78-27(a) through (d) handy. I was wondering if you could brief us on what that means.

MS. TOSHIKIYO: Oh, I'd have to pull it up as well. I just reviewed it this morning, but it...it sets forth, you know, if you're going to be doing temporary assignments between the counties.

COUNCILMEMBER PALTIN: And so, the...the county that is receiving it would pay the airfare, and the per diem, and whatnot?

CHAIR SUGIMURA: . . . *(Inaudible)*. . .

MR. VILA: Chair, if I may attempt to answer that question?

CHAIR SUGIMURA: Okay. Mr. Vila.

MR. VILA: Thank you. Our CDL examiners are State grant-funded position. So, all expenses actually are going to be paid through the State DOT because...and that's how it works. So, the per diem will be charged to the State, any overtime will be charged to the State, the travel...the...the requesting county will probably book the airfare, and travel, and transportation, and they pay that direct. That's how I'm going to set it up. So, it's going to be as easy as possible for us so it's not going to be an operational burden on our part.

COUNCILMEMBER PALTIN: Okay. And are we anticipating any overnight stays?

MR. VILA: If there is because of the flights, and the time duration, and the county will have to, I guess, pay for the hotel accommodations and rental cars. They're the receiving beneficiary. So, we're providing the staffing, and the salaries of the staff is being charged...paid by the DOT through our grant program.

COUNCILMEMBER PALTIN: But the receiving county, if there is a delay or anything, would pay for the flight and...I mean, the hotel and transportation?

MR. VILA: That is true. And I believe the . . . *(timer sounds)*. . . State DOT, since it's a DOT program will also reimburse that respective county for that accommodation. But it's through that county, so it will minimize our paperwork and, you know, our support from our end.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: Okay, cool. Did the bell ring?

CHAIR SUGIMURA: Yeah, it did.

COUNCILMEMBER PALTIN: Oh, we didn't hear it --

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CHAIR SUGIMURA: You didn't hear it?

COUNCILMEMBER PALTIN: -- online.

CHAIR SUGIMURA: Okay. You want to...you want to try ring the bell again so that people can hear? It did go off. Okay. Next we have...you want to ring your bell? . . .*(timer sounds)*. . . You got it? Okay. Next we have Member Johnson, followed by Member Rawlins-Fernandez, then Member Cook.

COUNCILMEMBER JOHNSON: Thank you, Chair. I appreciate this effort to help fix the CDL driver shortage that our whole nation is dealing with. So, I'm curious. Is there a wait list, and how long is that wait list to get...have an appointment? Do you know if other counties are having like a hard time making appointments for these tests, Mr. Vila?

MR. VILA: Chair, if I may?

CHAIR SUGIMURA: Yes.

MR. VILA: Yes. In my last conversation with the Hawai'i County Administrator, they advised me that they have about a three-month backlog in their requests. They are in process of hiring another CDL examiner --

COUNCILMEMBER JOHNSON: Uh-huh.

MR. VILA: -- and so we know they have a backlog, so we'll...we'll be assisting them. But then, again, first and foremost, our demands for Maui will take priority.

COUNCILMEMBER JOHNSON: Thank...that was my --

MR. VILA: So it will be *(audio interference)*.

COUNCILMEMBER JOHNSON: Thanks for clarifying that, Mr. Vila. I'm really...that was my follow up. So what...do we have...Maui County have a backlog?

MR. VILA: I believe we are up-to-date.

COUNCILMEMBER JOHNSON: Okay.

MR. VILA: We currently have availability. We have two applicants that are almost ready on the...on your island...on the Island of...no, on Island of Lāna'i. We're working with Human Resources there. As soon as they're ready, we'll be flying an examiner over there. I haven't touched bases with Honolulu yet as to what their scheduling will be, but first and foremost, if this body agrees, then we'll be able to move forward, and assist them where we can.

COUNCILMEMBER JOHNSON: You know, that...that's really...I...I've got to commend you for being creative. This is a good...a good plan, good program, if you will, that helps, if we

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can, carry the load for someone...some other communities in our State. I'm...I'm supportive. So, thank you, Mr. Vila. Thank you, Chair. No further questions.

CHAIR SUGIMURA: Thank you. Thank you very much. Member Rawlins-Fernandez. She has not come back, huh? She's not there. Okay. In and out. All right. Next we have Member Cook, followed by Member U'u-Hodgins, then Sinenci.

COUNCILMEMBER COOK: Thank you, Chair. And my question for Mr. Vila...and also, echoing Mister John...Member Johnson's appreciation for this because CDL license is...it's a stepping stone basically to get higher pay and the services in the community, we really need it. How...how often do you project that the trainers would go off island...or the examiners?

CHAIR SUGIMURA: Mr. Vila.

COUNCILMEMBER COOK: Is there an expectation of how many times per month that this would be occurring, or is it just as-needed?

MR. VILA: Thank you, Chair. I'll answer that. It will be as they need it, but I think I'd like to stress again that our permit...CDL permit holders requesting tests will take priority.

COUNCILMEMBER COOK: Uh-huh.

MR. VILA: Because the CDL staff are State-funded position, and are paid through the State. We'll make them available as much as possible, but at the same time it, doesn't become a burden on that individual or individuals that will be flying over because it will be voluntary. I'm not going to force them to go over, and I believe it will be a win-win situation for them.

COUNCILMEMBER COOK: Thank you. So, to get a CL...CDL license, there's...there are training companies, correct? And then when they're ready, they come and take the exam?

MR. VILA: That is correct. Everyone has to undergo CDL training. And once they're ready for the final skills testing, that's where our examiners come in, administer the skills testing, the pre-trip, and the actual road test. And if they pass, then they get their appropriate CDL class of license.

COUNCILMEMBER COOK: Well, thank you. I'm really happy that this is...program is going to be enacted, and the more CDL drivers, the better. Thank you, sir.

CHAIR SUGIMURA: Thank you, Member Cook. Member U'u-Hodgins, then Member Sinenci.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. I have no questions. But I just would like to add that there are so many more...March...August birthdays, which also include Director Martin. So, I just wanted to --

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CHAIR SUGIMURA: Oh.

COUNCILMEMBER U'U-HODGINS: -- wish her a happy belated birthday. I saw her birthday was last weekend. But other than that I have no questions. Happy to support. Thanks.

CHAIR SUGIMURA: Thank you. That's a good thing. Happy birthday, Director Martin. Member Sinenci.

COUNCILMEMBER SINENCI: I, too, didn't have any questions, Chair. And also, happy birthday to Director Martins [sic].

CHAIR SUGIMURA: Okay, very good. So, at this time then, if I could...with Personnel then, we are sure that...we are assured that there's no union concerns regarding this action. Director? There.

MS. RAZO-PORTER: Good morning.

CHAIR SUGIMURA: Oh, good.

MS. RAZO-PORTER: Can you hear me now?

CHAIR SUGIMURA: Yes, we can hear you.

MS. RAZO-PORTER: Okay. There's an echo, though. . . .(laughing). . .

CHAIR SUGIMURA: . . .(laughing). . . You're fine on our side.

MS. RAZO-PORTER: No issues if...if Finance has it worked out with their staff. It's allowed in HRS, and it seems like it's a reciprocal relationship between the jurisdictions, and happy to support them however we can.

CHAIR SUGIMURA: Okay, very good. Then I wonder, since we're doing for Hawai'i...Big Island, as well as for City and County of Honolulu, what happened to Kaua'i? Do we have to do a separate agreement for Kaua'i, or they do not have any needs? Mr. Vila.

MR. VILA: Oh, thank you, Chair. Kaua'i is good. They're...they're the smallest of the counties and they have a CDL examiner there. And for your info, they do have a reciprocal agreement in place with the City and County of Honolulu to assist periodically with their testing. So, overall, our...the relationship of the various Administrators of the counties are very good. So, we...you know, thank you very much for the support you're giving.

CHAIR SUGIMURA: Yeah, that's fine. That I...the other thing that impressed me was how the other counties reached out to you and your work. So, congratulations of leadership of keeping this important work going. Do you have anything...you have any comments on that?

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MR. VILA: Well, thank you. It's good to always have the support of my Director, Councilmembers. And actually, this would not have happened if our staff is not behind this and are willing to do it.

CHAIR SUGIMURA: Uh-huh.

MR. VILA: So, kudos to them. And thank you for allowing us to continue training. Just for your info, in case I...we don't want to run into a similar situation, so we are working with some of the companies to provide training of our existing Class 3 examiners to bring them up...to have them eligible and obtain their CDL licenses on a voluntary basis just in case we have openings, so it...it frees them up. So...and thanks to *(audio interference)*...we've been working with Public Works and some of the transportation companies in providing the testing, so that...we're trying to avoid a backlog, or avoid in the event one of our examiners retire, or get hired off.

CHAIR SUGIMURA: Very good. That is very good planning. So that . . .*(timer sounds)*. . . is the end of my questions. Anybody else have any more questions for this item before we take it up? Seeing none. Okay. So, at this time, Members, I'd like to entertain a motion to recommend passage on first reading of Bill 90 (2025), entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE COUNTY OF MAUI [*sic*]," and Bill 91 (2025), entitled "A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT WITH THE CITY AND COUNTY OF HONOLULU," incorporating any nonsubstantive revisions for both bills.

COUNCILMEMBER U'U-HODGINS: So moved.

COUNCILMEMBER COOK: So move.

CHAIR SUGIMURA: Thank you. So --

COUNCILMEMBER JOHNSON: Second.

CHAIR SUGIMURA: -- Member U'u-Hodgins, and second by Member Cook. Thank you very much. So, before we take a vote, I just want to confirm with Corp. Counsel that we will get the signed revised bills.

MS. TOSHIKIYO: Yes, Chair. That's correct.

CHAIR SUGIMURA: We will. Okay. And then we're going to use the inter...inter...interdepartmental, not intergovernmental? Does it matter?

MS. TOSHIKIYO: Chair, we'll make a change to intergovernmental just because it's in the title.

CHAIR SUGIMURA: Okay. Thank you. And then the...the name of the Mayor. And what was the other thing? Oh, and the effective date . . .*(inaudible)*. . .

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MS. TOSHIKIYO: And the effective date...the termination date.

CHAIR SUGIMURA: I'm sorry, what?

MS. TOSHIKIYO: The termination date.

CHAIR SUGIMURA: Yes, termination.

MS. TOSHIKIYO: Yeah.

CHAIR SUGIMURA: Terminations day [sic], not effective. All right. So, Members, at this time I like to...please raise your hand to take a vote. All in favor, say "aye."

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: I think it's eight "ayes," Member Rawlins-Fernandez excused.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Rawlins-Fernandez.

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Bill 90 (2025) and **FIRST READING** of Bill 91 (2025) by committee report.

CHAIR SUGIMURA: Thank you very much. Thank you very much, Mr. Vila, for your leadership. And Director Martin, good job, as well as Director Porter [sic]. Thank you very much. I guess we can move on. Do you want to --

MR. VILA: Thank you.

CHAIR SUGIMURA: Thank you. Okay. So, we are done with that. And it is now 10:00, and I would like to take up Johnson Controls...or would you like to take a break? We'll take a break after Johnson Controls, Members? Okay.

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ITEM 20(16): JOHNSON CONTROLS, INC. ENERGY PERFORMANCE CONTRACT

CHAIR SUGIMURA: So, at this time then, the next item is Johnson Controls, Inc., Energy Performance contract--thank you very much. I saw you come down here, Ms. Milner--Rule 7(B). And this item is just on discussion on the County's energy performance contract with Johnson Controls, Inc. I think I see some of them in the audience. Did you also want to come here? Are they also part of your resource, Director?

MS. MILNER: Thank you, Chair. I would defer to the Chief of Staff on if she gave them a call to be here today. But, obviously, their input is welcome, as they're a vital part of this project.

CHAIR SUGIMURA: Yeah. Okay. Ms. Lallo, are you online? I don't see --

MS. LALLO: Yes --

CHAIR SUGIMURA: Okay.

MS. LALLO: -- Chair, I am online.

CHAIR SUGIMURA: Oh.

MS. LALLO: Thank you very much. And we did let Johnson Controls know about what was happening today, as they will be an excellent resource for the conversation.

CHAIR SUGIMURA: Okay. So, I wonder if you wouldn't mind coming down here to be with us. And then you need to tell us your names. So, at this time then--only one person? Oh, you can come down here. Yeah. My intent today is to receive an update of the contract, including potential contract amendments, remaining work, and results to date, and payments, credits, finance terms, and realized and projected energy, and cost-savings. So, we have Director Milner here, present, and Chief of Staff, Cynthia Lallo, online. And could you introduce yourself from Johnson Control?

MR. COLLINS: Aloha, kākou. My name is Chuck Collins with Johnson Controls, based here on Maui.

CHAIR SUGIMURA: Chuck Holland [sic]? Is that what you said, Holland [sic]? Yes?

MR. COLLINS: Collins, C-O-L-L-I-N-S.

CHAIR SUGIMURA: Oh, Collins. Collins. Thank you. And I need to ask for your permission to be a resource, Members, for --

COUNCILMEMBERS: No objection.

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CHAIR SUGIMURA: Okay. Thank you. And we also--do we need to have Marcy Martin also, Director of Finance, on? She was here earlier. We did inquire, so--are you still there Marcy Martin...Director Martin? Okay. I'll ask for opening comments from the Chief of Staff, Ms. Lallo, and as well as...then we'll ask for Ms. Milner, as well as from Chuck Collins from JCI.

MS. LALLO: Good morning, Chair. Thank you very much for the opportunity to have the discussion. I want to let you know that we did receive your request for correspondence. Apologies, I was off-island and out of country for a moment. But we did transmit those yesterday, addressing all of the, I think, one through five or one through six questions that were there. So, hopefully, you have received those. If not, happy to have a discussion about those. I would just note that Johnson Controls' first report is not due until, I believe, Octo...September of 2025. So, that, just...just to frame the conversation. Although, we have received some preliminary information, and I know that Chuck probably has that. But everything is going...for Phase 2 is on schedule. We have 11 sites that have been mobilized, another 4 ready to be scheduled, and 3 sites have been completed, energized, and are producing power for the Phase 2 photovoltaic period. So, we're...just as far as timeline goes, we're 7 months into a 23-month construction period. So, like I said, we're...we're on target. So, again, thank you, JCI, for being here. Chuck, thanks for being here, and being willing to contribute to the conversation.

CHAIR SUGIMURA: Thank you very much. And next we'll have...we'll hear from Johnson Control [sic]. Thank you. Mr. Collins.

MR. COLLINS: Thank you, Ms. Lallo, for the update. I'm just here to answer any questions, and be available as a resource as needed.

CHAIR SUGIMURA: Okay. Thank you. Ms. Milner.

MS. MILNER: Thank you, Chair. Yes, I think Chief of Staff covered it. I will just add that when we do receive the energy performance report from JCI in late September or early October...we're currently working on the RFP for that third-party auditor that we've all discussed, excuse me, to ensure that we're all on the same page with the numbers. Thank you, Chair.

CHAIR SUGIMURA: Very good. Moving along then. All right. So, at this time I'm going to close this portion and open for public testimony.

MR. KRUEGER: Chair, there is currently no individual signed up to testify on this item, but there is an individual approaching the podium.

. . . OPEN PUBLIC TESTIMONY FOR ITEM (BFED-20(16)) . . .

MR. LAW: Jasee Law. I just wanted to thank the...the Johnson Brothers...no, no...Chuck Collins, and it looks like the guy's name is Lief (*phonetic*), his...his helper here. I like...just thank you for spending your Po'alu morning with us.

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CHAIR SUGIMURA: All right. Any questions for the testifier? Seeing none. I'm going to close public testimony and receive any--oh, you want to do a last call?

MR. KRUEGER: Yes, Chair. We'll do a last call on this item. If there's anybody else who would like to testify, please identify yourself now. On Teams you can do that by the raise-hand function. We'll do a countdown...three, two, one. Chair, no one else has identified themselves as wishing to testify on this item.

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

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM (BFED-20(16)) . . .

CHAIR SUGIMURA: Thank you. Okay. So, at this time, Members, the...the correspondence that we received from the Mayor's Office is in Granicus number 4, and it just appeared like yesterday. And so therefore, if you would like to...we'll take the questions and, you know, we can just go down the row, if would like. So, at this time, I'd like to ask Member Kama, then we'll follow by...oh, Chair Lee, Member Paltin. Member Kama, any questions?

VICE-CHAIR KAMA: I don't have any questions, Chair.

CHAIR SUGIMURA: Okay. Chair Lee has stepped out. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I guess my first question would be for Mr. Collins. Could you provide us the details about the Lightnings [sic], and the Teslas, and the exchanges, and whatnot?

CHAIR SUGIMURA: Mr. Collins.

MR. COLLINS : Thank you for the question, Councilmember. I'm not aware of Teslas that were a part of our agreement.

COUNCILMEMBER PALTIN: Oh, you didn't...I thought we had some Lightnings [sic], and you guys gave us some Teslas for exchange of a Lightning. No, that didn't occur?

CHAIR SUGIMURA: Ms. Milner, Ms. Lallo.

MS. MILNER: Thank you, Chair. I will also let Ms. Lallo chime in if she would like to. But, yes, sorry. We've had some switch ups on the JCI side. So . . .(laughing). . . they may not be aware of some of the early days of the...the project. But, yes, we had...I don't remember how many Teslas we originally received, but what the County has right now in inventory, if memory serves, is two Teslas and one Ford Lightning for this agreement.

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We were in discussion on acquiring a larger number of Teslas, but ultimately decided that that wouldn't be the best use of this lease agreement. So, we opted to just keep the vehicles that we had already acquired under the agreement. Thank you, Chair.

COUNCILMEMBER PALTIN: So, to clarify, at this time, we only have one Lightning [sic]?

MS. MILNER: Two.

COUNCILMEMBER PALTIN: Two Lightning [sic].

MS. MILNER: Sorry, I will let Ms. Lallo chime in. My apologies.

MS. LALLO: Yeah. Thank you. Thank you, Lesley. I am not aware of the original conversations around the electric vehicles, but I can tell you in inventory, we have two Teslas and two Ford Lightnings. One is in the Office of the Mayor, and one is the Department of Management.

COUNCILMEMBER PALTIN: Those are the Lightnings [sic] or the Teslas?

MS. LALLO: The Lightnings [sic]. One is the Mayor's...yeah. One is in...I actually believe the Teslas are that way as well. but I'll have to get you some additional information. If you can just let me know specifically what it is you're looking for, happy to find that for you.

COUNCILMEMBER PALTIN: And then the chargers that we have downstairs for the Teslas, are they like the rapid chargers, or like trickle charge? Trickle charge. Oh, okay. And do we have any plans to upgrade that? Or we're...that's what we're sticking with?

MS. LALLO: The OETI (*phonetic*) contract is different than the JCI contract, which provides our chargers. Honestly, the chargers that are out in front of our building probably need to be the rapid chargers because there's a limited amount of time that you can park in that parking lot...or you're supposed to park in that parking lot. We have a little more time underneath the building with our own vehicles to charge overnight, so those are probably okay. But the rapid chargers, definitely looking into upgrading those chargers and the software as well. . . .(*timer sounds*). . .

COUNCILMEMBER PALTIN: And so does JCI look into the OETI contract...oversee it?

MS. LALLO: They do not.

COUNCILMEMBER PALTIN: Oh, okay. I heard the bell.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Very good. Next we have Member Johnson, followed by Member Rawlins-Fernandez, then Member Cook.

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COUNCILMEMBER JOHNSON: Thank you, Chair. When I was a college undergrad at Kent State University, one of my jobs--a school study job--was the light patrol, where I'd go and turn off all the lights in the classrooms.

CHAIR SUGIMURA: No way. Wow.

COUNCILMEMBER JOHNSON: So, I was the original Johnson Control, but --

COUNCILMEMBERS: . . .*(laughing)*. . .

COUNCILMEMBER JOHNSON: -- I'm...I'm teasing, of course. The --

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

COUNCILMEMBER JOHNSON: -- I'm...I'm really curious about the third-party audit. Is...Director Milner, is that common? Is that usual? Is...why do we do that that way?

CHAIR SUGIMURA: Director Milner.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Johnson. Yes. In discussion with our Counsel, they advised that having a third party look at, just to ensure that we agreed on the numbers. Because as you know, under the contract, if Johnson Controls doesn't meet their guaranteed energy savings, they have to cut us a check. So, I believe their numbers will be accurate, but I also understand that it's in their best interest for their numbers to match what they told us it would. So, just having a third party to confirm that they do gives us that peace of mind.

COUNCILMEMBER JOHNSON: And can you remind me the name of that third party? I think I --

MS. MILNER: We haven't hired them yet. We're working on the RFP.

COUNCILMEMBER JOHNSON: It's a RFP.

MS. MILNER: Yeah.

COUNCILMEMBER JOHNSON: That's right. That's right. A timeline on when that will be executed, and we would know?

MS. MILNER: We want to have somebody on board, obviously, before we receive the report in October.

COUNCILMEMBER JOHNSON: Right.

MS. MILNER: So, we're working on the RFP now. It will need to be posted for at least 30 days, but we'll be happy to send that down as soon as somebody is brought on board.

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COUNCILMEMBER JOHNSON: Kind of in a time crunch, right? So, say that deadline...it has to be before the third...or can you go over the deadline again?

MS. MILNER: Yeah. So, we want to have them on board as soon as we can. I believe the report is due in early October, so --

COUNCILMEMBER JOHNSON: Uh-huh.

MS. MILNER: -- we'd want to get that RFP posted by the end of this month so we can get somebody on board by the time...or within a couple of weeks of receiving that report.

COUNCILMEMBER JOHNSON: Great. Okay. Thank you, Chair, those are my questions.

CHAIR SUGIMURA: Okay, very good. Next we have Member Rawlins-Fernandez, I guess she's...will join us eventually, and Member Cook, followed by Member U'u-Hodgins.

COUNCILMEMBER COOK: Thank you, Chair. So, has there been much...have there been responses to the outstanding RFP for the third-party auditor?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Cook. We're still drafting the RFP. It hasn't been posted yet, so...

COUNCILMEMBER COOK: Okay. The timing doesn't seem to really work, to be drafting an RFP, to selecting an auditor, and for them to have time to review the contract and the results before October. So, is there a...what's the mechanism for not having that report, say, for 60 days after the report is due? What's the intention?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Cook. Yes. The intention is once we receive the report from JCI in October, then the third-party auditor would have a period of time after October to do that review, and get us their findings.

COUNCILMEMBER COOK: Okay. Thanks. That's my current questions.

CHAIR SUGIMURA: Okay. Thank you. Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Thank you for being with us today. On Amendment 4, on page 2, there's a written sentence here. It says, this amendment does not address a total contract amount, yada, yada, yada. It signed by JCI, but not signed by us. It's just handwritten in there. I just want to make sure that's all good on our end.

CHAIR SUGIMURA: Department.

MS. MILNER: Thank you, Chair. I will ask Ms. Toshikiyo to chime in, but I...I will say I believe Amendment 5 does adjust the amendment of the contract...amount of the contract. But I believe for Amendment 4 --

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COUNCILMEMBER U'U-HODGINS: It doesn't.

MS. MILNER: -- that was acceptable because we did not change the amount.

COUNCILMEMBER U'U-HODGINS: Okay. I'm just curious because it's not signed by us. And then, I know that the reporting is not due until October, but we must have some sort of inkling to where we are now. Do we have any...like graphs that show wattage, or cost of electricity, or anything that we do pay for before and after the changes, and the installation of all the things?

MS. MILNER: Thank you, Chair. Thank you, Councilmember U'u-Hodgins. I will let Chief of Staff chime in, but I know that we did receive a preliminary report from JCI at the conclusion of the Phase 1 period --

COUNCILMEMBER U'U-HODGINS: Uh-huh. Uh-huh.

MS. MILNER: -- on...I...I don't know if we want to call it draft savings during that installation period. And we're just getting started on the PV portion of it, so we can certainly look at electric bills before and after that installation. But I will see if Chief of Staff has any --

COUNCILMEMBER U'U-HODGINS: And...and Water since --

MS. MILNER: Yeah.

COUNCILMEMBER U'U-HODGINS: Thank you.

MS. MILNER: Any figures to add.

COUNCILMEMBER U'U-HODGINS: Yeah.

MS. LALLO: Thank you. So, sorry, I was taken away there. So, we have that preliminary...that preliminary report, and I would...I don't have that right here at my fingertips. Chuck, do you have any information to add here?

MR. COLLINS: I know that our expected savings are very close to the actual savings that we are seeing based on our earlier reports.

COUNCILMEMBER U'U-HODGINS: Okay. And then hypothetically, if we don't meet the guaranteed savings, then what happens? Can you remind me?

MR. COLLINS: Johnson Controls will make up the shortfall.

COUNCILMEMBER U'U-HODGINS: Okay. Okay. And you do so by just like writing us a check, and we figure out the delta, and then we're good to go? Or how does that work? How does the reimbursement process work?

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MR. COLLINS: In simplistic forms, yes, we will write the County a check.

COUNCILMEMBER U'U-HODGINS: Okay. Well, we're hoping you don't have to do that. We're hoping all the things work out. But for now, that's all the questions I have. Thank you.

CHAIR SUGIMURA: Thank you.

MR. COLLINS: Thank you.

CHAIR SUGIMURA: Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Just a question for Ms. Milner. Can you remind me, how long was the length of the contract again?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Sinenci. Our current contract is still active and ongoing. Phase 1 completed in September of 2024, so that first year of performance is October 2024 to September 2025. I believe our current contract extends at least through 2027, but we've been in discussion with Corp. Counsel about if that needs to be amended in light of the ongoing repayment process. Thank you, Chair.

COUNCILMEMBER SINENCI: Amend...amended for a longer period?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Sinenci. Yes, to extend it. But right now, I believe it goes through 2027.

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

CHAIR SUGIMURA: Thank you very much. So, I guess, of course, we are hearing that this is a little bit premature for the kind of results that we're hoping for in terms of savings, and energy, and that. But could somebody comment on the departments that are utilizing these services, and the benefits that they have received? Who would that be? Would that be Chief of Staff?

MS. LALLO: Thank you for that. I do not have the specific departments' savings, per se. Really working on the coordination of getting the...the work done and completed. But I can certainly reach out and connect with them regarding the Phase 1, and then the three sites that are currently producing power. I don't have those specifics.

CHAIR SUGIMURA: Okay. Yes, Director.

MS. MILNER: Thank you, Chair. Just to add on to what Chief of Staff said, I would say that in the letter that was transmitted, there is a link to the Johnson Controls website for this project, where you can see some of those projects from Phase 1, which have been at facilities for the Fire Department, for the Water Department, for the Parks Department. So, it's kind of...I believe Public Works as well. So, it's sort of

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Countywide, but there's a list of those projects that were attached to Amendment 5, and they're also available on the website.

CHAIR SUGIMURA: Okay.

MS. MILNER: Thank you, Chair.

CHAIR SUGIMURA: Thank you for that. And in your letter response to us--thank you very much for doing it so quickly--and it is in Granicus number 4. But Phase 1...I can't read this. It's one of those that the font is so small and smudgy. So, can you send...resend to us that information so it's legible for the Members, and will be available for the public, and we'll post it in Granicus. Is that possible? Do you see it? Yeah? Okay.

MS. MILNER: Thank you, Chair. Are you referring to the repayment schedule?

CHAIR SUGIMURA: Whatever this is.

MS. MILNER: Okay. I believe we have that in pdf, but we will work with Johnson Controls and Corp. Counsel to try and get one with a larger font.

CHAIR SUGIMURA: Can you make it larger so it can be read? Yeah.

MS. MILNER: Yeah, we'll work with them on that.

CHAIR SUGIMURA: Okay. All right. Members, anybody have any more questions regarding this? Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. On page 2 of your folks' letter dated to us yesterday, you folks...question 4 says, the County has not realized measurable energy savings or efficiencies under the agreement so far. Again, I realize that the report is due in a month...well, rather, in a few weeks. And until that time, the savings cannot be formally quantified or reported. Did...do we know if we've saved anything, or is it just because the thing is not due that we don't know, that that's the way you formulated that response?

MS. LALLO: Thank you for the...thank you for the question. I'll jump in here. So, as Chuck had mentioned, in the preliminary report that Johnson Controls provided, we are on target for the savings. We just don't have that formal report.

COUNCILMEMBER U'U-HODGINS: Okay.

MS. LALLO: So, in relationship to...to realized measurable, we...like I said, we just don't have it in a formal report, but we are tracking that we are on target.

COUNCILMEMBER U'U-HODGINS: Okay. Okay. Thank you. I just wanted to clarify that statement. Thanks. Thank you.

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CHAIR SUGIMURA: Very good. Member Paltin.

COUNCILMEMBER PALTIN: I just wanted to ask what...how is it decided which lights to make tantaran, and which ones to leave old school?

CHAIR SUGIMURA: . . .*(laughing)*. . . I like that. Who...who knows what the tantaran or not?

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

MR. COLLINS: Thank you for the question, Councilmember. We did a full audit of the lights. And so, those that have the highest energy potent...energy savings potential were targeted in a priority phase.

COUNCILMEMBER PALTIN: Oh, okay. Because like the kitchen in the back is still manual, and I think...like some of them are manual, and it's just kind of weird. Like, I guess, training yourself...like right now, I'm tantaran...right now, I'm manual. Like --

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

COUNCILMEMBER PALTIN: -- it seemed like weird like that they wouldn't all be one or the other. But...okay.

MR. COLLINS: Yeah. Thank you for the question again. So, in terms of the controls of the lights...so, there's the light fixture itself, we'll replace that, and we'll make it more energy efficient. Controlling lights, it's sort of as a cost-benefit scenario. So, if you have like one light on one controller, it can be a little cost prohibitive. If there's a whole gang of lights, maybe such as this Council Chamber right here, it would be prudent to have a controller on that because it...it controls a whole bunch of light. So, it's a case-by-case basis.

COUNCILMEMBER PALTIN: Oh, my understanding, the...the Chamber is manual. So, like if you're in there in the dark, it's not going to turn on, but --

MR. COLLINS: That was a bad example, I wasn't really clear on how this room is controlled, but I was just using it as an analogy to say, you know, a...a whole bunch of lights are better on a controller than one individual light switch on a controller. It can be cost prohibitive.

COUNCILMEMBER PALTIN: Okay. Got it. Thank you.

CHAIR SUGIMURA: Okay. Any other questions? Okay. Seeing none. Thank you very much, Administration, for this...and...and Mr. Collins from JCI. And we look forward to seeing you again, and appreciate any cost savings that we are...you know, are experiencing. So, that final report and audit, we are waiting. So, before I...before I defer this item, are we going to see this contract continue, or if this second contract is it and done? Who knows that? Oh, Ms. Milner.

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MS. MILNER: Thank you, Chair. My understanding is...you know, as I said, we may extend the contract just due to the ongoing payments. It wouldn't be for additional projects. There is the possibility for us to negotiate an additional phase, which would require a new lease agreement with JCI. At this point, we haven't chosen to pursue that, but it is always an option for us to do in the future.

CHAIR SUGIMURA: Okay. So, before we close this...and how much have we spent so far? Or how much...yeah.

MS. MILNER: Thank you, Chair. We made our first lease payment, which is just under \$1.8 million.

CHAIR SUGIMURA: And?

MS. MILNER: That was our primary payment. I know we do have some costs related to the PV, but I think that's around \$5,000. So, I'd probably put our expenditures to date, out of the County's pocket, at around \$2 million.

CHAIR SUGIMURA: 2 million. And the total amount of contract is?

MS. MILNER: The total amount of the contract...I don't have it right in front of me, I apologize, but it's a bit over \$20 million. It'll be paid down over the next 20 years with the interest owed to the bank, which is 3.84 percent, if I remember correctly.

CHAIR SUGIMURA: Does that change as our economy changes?

MS. MILNER: Thank you, Chair. That is one of the benefits of an agreement like this, that interest rate is locked in for the lifetime of the lease agreement.

CHAIR SUGIMURA: Okay. All right. All right, Members. So, thank you very much. I'm going to defer this item because we can always hear more updates. Thank you very much, Mr. Collins, for joining us, and your friend in the gallery, too, thank you very much for being with us. And so, this item is now deferred.

COUNCILMEMBERS: No objections.

ACTION: DEFER pending further discussion.

CHAIR SUGIMURA: And I'm going to call a recess, and we'll come back at 10:35. . . .(gavel). . .

RECESS: 10:24 a.m.
RECONVENE: 10:39 a.m.

CHAIR SUGIMURA: . . .(gavel). . . Welcome back to the Budget, Finance, Economic Development Committee. It is now 10:39. Welcome back, Members.

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ITEM 20(19): EXTENSION OF GRANTS AND CONTRACTS

CHAIR SUGIMURA: The last item on our agenda is BFED-20(19), Extension of Grants and Contracts, under Rule 7(B). The...the reason that I'm taking this up is to look at the procedures that were for...that were followed for this performance period, and increasing funding for grants and contracts. As an example, we will review Grant G5401 to Sust'ainable Moloka'i for the Countywide climate change and sea level rise adaptation and resiliency master plan, including Amendment number 1. In this case, the original performance period ran Jan...June...I'm sorry, June '21 to July '23. And in June '24, an amendment was executed to retroact...retroactively extend the period, and to also add 50,000 in funding. That's the point, this...this little gray area here, which is a concern of mine, so I wanted to bring this up for the Members' discussion. And so, I intend to help us better understand this process, and ensure future extensions are...extensions are handled in a timely and consistent manner. So, at this time, I'd like to invite David Raatz to say opening comments.

MR. RAATZ: Thank you, Chair. We appreciate the opportunity to be here today. We always welcome Council review of our operations. OCS, everything we do is for the Council, so you should be aware of what we're doing, support what we're doing. And today's discussion gives us an opportunity to...to scrutinize some of our practices, so we're glad to be here. I do have correspondence that was delivered to the Committee this morning in response to your questions, Chair. Defer to your preference, if you want me to provide an overview of the response under presentation, or wait until deliberations.

CHAIR SUGIMURA: Yeah. So, if you could present it now, then --

MR. RAATZ: Okay.

CHAIR SUGIMURA: -- the Members will not have to read this big document that you just gave us this morning, if you don't mind.

MR. RAATZ: Okay. Okay, great. Thank you. So, you asked four questions. The first one was about the timeline. So, I'll try to quickly go through the timeline, with the understanding it does go back over four years now. So, the grant agreement, Grant G5401, was executed on June 25th. The stated grant amount is \$500,000, of which \$300,000 has been paid. On June 28th, 2021, \$500,000, the total grant amount, was encumbered for the grant. So, as noted, 300,000 has been paid. So, we still have \$200,000 that has been encumbered, and is available for payment under this grant. The original grant term expired July 1st, 2023. The grantee received verbal approval from OCS in the spring of 2023 to extend the term through December 31st, 2023, by correspondence dated October 2nd, 2023. The grantee requested the term extension in writing and an additional payment of \$50,000. So, that's how we get to today, having an outstanding balance of \$250,000. That 200,000 that was encumbered, and the additional 50,000, which is reflected in Bill 95. The next key date in the timeline was March 12th, 2024. The grantee reiterated the request that had been made on October 2nd, 2023. Then on June 25th, 2024, the Council Chair executed Amendment 1 to the grant agreement,

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extending the term based on the authority to do that under the grant itself, and authorizing payment of the requested additional \$50,000. On July 5th, 2024, OCS submitted a request for payment to the Department of Finance. Additional documentation was requested. So, on November 21st, 2024, the grantee submitted that additional document. On March 20th, 2025, OCS submitted a request for payment to the Department of Finance, and it was rejected. We spent time in the spring and summer of this year having informal communications with both the Department of Finance and the Department of Corporation Counsel. The consensus advice to OCS was to request a budget amendment with conditional language recognizing the grant amendment that Chair Lee had executed. So, on August 25th...excuse me, August 5th, 2025, the Council Chair introduced Bill 95. As the Members will recall, on August 12th of this year, the Council passed Bill 95 on first reading. We anticipate it being scheduled for second and final reading on August 26th. Chair, your second question, you requested a list of invoices and payments. First, on January 12th, 2022, the grantees submitted an invoice for \$125,000. The following month, on February 17th, the grantee was paid by check 1363046. Later that year, December 26th, the grantee submitted an invoice for \$175,000. April 6th, 2023, the grantee was paid that amount by check 1391350. So, that's the \$300,000 that they've been paid, as I mentioned earlier. On June 27th of last year, the grantee submitted invoices for \$200,000 and \$50,000, respectively. So, that's the...the invoices and payments. Question three was about the Fiscal Year 2026 budget category. The category is other legislative programs, line item 901041B/6103, that has \$405,000 for studies and audits. No goods or services will be cut or deferred if the Bill 95 budget amendment is ultimately enacted. Final question, Chair, clarification of whether the contract scope needs to be modified. On June 25th, as I mentioned earlier, of last year, the Council Chair executed the Amendment 1 to the grant agreement, no further modification is needed. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you for going through that, since we just received it. So, at this time I like open up for--oh, do we have Finance that is on the line? Director Martin? Oh, there she is. Hi. Thank you very much, Director Martin.

MS. MARTIN: Hello.

CHAIR SUGIMURA: So, since you're in charge of all the money and cutting checks, we wanted you to have any statements about this one contract that we're looking at, and processing payments.

MS. MARTIN: Well, I can...per the letter that we received yesterday afternoon, I can confirm that we show that two payments have been made, as Director Raatz stated.

CHAIR SUGIMURA: Okay. So, if you have no other statements.

MS. MARTIN: No.

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CHAIR SUGIMURA: Okay. So, if you could stick around for questions. All right. So, anybody else for...as a resource? None, right? Okay. So, we open up for public testimony. We have Jasee Law.

. . . OPEN PUBLIC TESTIMONY FOR ITEM (BFED-20(19)) . . .

MR. LAW: Aloha again. Yeah, I'll just make...just to get them all...all my ducks in a row here on the last one. I've been reading some good stuff about Moloka'i in the newspaper, *The Maui News* thing. And I feel that Moloka'i is like an endanger...endangered species, as well as the other islands on the edges out there, Lāna'i and...I know Hāna is not an island, but I throw them in that category too. And the...the Councilmember for Moloka'i is also endangered species, but I believe that she's very pono. And...and thank you, Mister...Big Brother Raatz, for keeping us straight on this stuff because that's another pono guy over there. And I'm sure that she would have straightened out any discrepancies on this one. So, I'm in favor of the...and thank you guys for keeping track of our money too. But, yeah, I'm in favor of extending the...this grant G5401.

CHAIR SUGIMURA: Any questions for the testifier? Seeing none. Last call.

MR. KRUEGER: Chair, we'll do a last call for testimony on this item. If there is any other individuals who'd like to testify on BFED-20(19), 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, no other individuals have identified themselves as wishing to testify on this item.

CHAIR SUGIMURA: Thank you very much. Members, with your permission, I'd like to close public testimony, and receive written testimony on this item.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY FOR ITEM (BFED-20(19)) . . .

CHAIR SUGIMURA: Thank you. So, this is Granicus 4, this item...this document that Director Raatz just gave us, so--is that 4? It is 4, or is it 3?

MR. KRUEGER: Chair, yes, that's right. On...on the Granicus item, it's...it's number 4, correspondence from Director of Council Services --

CHAIR SUGIMURA: Okay.

MR. KRUEGER: -- 8/19/2025.

CHAIR SUGIMURA: Okay. Thank you. All right. So, at this time, I'd like to ask Members for questions. I'm going to start with...I don't see Member...oh, there. Member Kama, do you have any questions?

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VICE-CHAIR KAMA: Okay. I just want to review the timeline. So, the grant was executed in June of '21. And then it ex...it expired in July of '23. And then they extend...there was an extension given in October of '23. Along with that extension went...\$50,000 was...was in...was also, I guess, invoiced and allotted to that...to the grant. And then...and then they extended it again in '24; is that right? Did I get those dates kind of like right?

CHAIR SUGIMURA: Director. Oh.

MR. RAATZ: Thank you, Chair. Thank you, Councilmember Kama. That was just about right, according to our understanding. The only minor difference I would suggest...I think you said that the contract was extended, or the grant period was extended on October 2nd of --

VICE-CHAIR KAMA: Yeah.

MR. RAATZ: -- 2023.

VICE-CHAIR KAMA: Yeah.

MR. RAATZ: It actually wasn't approved by Chair Lee until...shown on the next page, June 25th, 2024. The...the grant agreement does call for written approval, and it took some time to actually have that occur. Otherwise, your summary was accurate. Thank you.

VICE-CHAIR KAMA: Okay. So, if a grant had expired in '23, and then the extension was requested, I guess, in '23...so what took so long to get a signature, and didn't get it until '24? What...what took so long --

CHAIR SUGIMURA: Director.

VICE-CHAIR KAMA: -- to get that approval?

MR. RAATZ: Thank you, Chair. And thank you for that fair question, Councilmember. There were informal discussions happening throughout this process. And think one lesson I've learned from this overview and agree--again, we appreciate the opportunity to...to reflect on this project--was to have more formal correspondence included in the record. It was for understandable desires for expediency. I think things were handled, in some instances, maybe a little bit with more informality than would be advisable moving forward. There also was a...at least a brief period of time when the grantee was not compliant with the State of Hawai'i's HCA System (*phonetic*) . . .(*timer sounds*). . . Hawai'i...Hawai'i Compliance Express, and that held out some of our process. And as I think Councilmembers are aware, that's a strict requirement for anyone receiving funds under a State or a County contract, or...or a grant agreement, they have to be compliant with that system, so...

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VICE-CHAIR KAMA: Yeah.

MR. RAATZ: And it's...a lot of it is very technical paperwork that sometimes isn't current. So, that was part of the delay. Thank you.

VICE-CHAIR KAMA: I heard the bell, Chair.

CHAIR SUGIMURA: Okay.

VICE-CHAIR KAMA: Thank you.

CHAIR SUGIMURA: Thank you. Chair Lee, do you have questions?

COUNCILMEMBER LEE: Actually, no. Because as was explained by the Director, you know, this happens to a number of grantees where they run into a lot of issues with paperwork and technical matters, and this is another case of that. And so, you know, I have no...I have no problems with it, and I'm...I'm glad it's finally going to be resolved. Thank you.

CHAIR SUGIMURA: Thank you. Member Rawlins...I'm sorry, Member Paltin.

COUNCILMEMBER PALTIN: I guess my question is, is I didn't see the deliverables attached to this. I...I thought the master plan was going to help inform the rest of us with coastal communities. Has that been --

CHAIR SUGIMURA: Done.

COUNCILMEMBER PALTIN: -- have the deliverables been delivered? . . .*(laughing)* . . .

CHAIR SUGIMURA: Director.

MR. RAATZ: Thank you, Chair. And thank you, Councilmember Paltin. That's a good question. We...we weren't asked to produce the deliverables to this Committee today. But at Thursday's Committee meeting, the deliv...deliverables will be presented. In fact, they're already posted under the Committee's public file in...in Granicus for...for Thursday. Thank you.

COUNCILMEMBER PALTIN: Oh, awesome. I look forward to it. I guess I'll come.

CHAIR SUGIMURA: . . .*(laughing)* . . . Any more questions?

COUNCILMEMBER PALTIN: Oh, for me? No. I'm good.

CHAIR SUGIMURA: Okay. Thank you. Member Johnson, followed by...maybe Member Rawlins-Fernandez might pop up. Okay.

COUNCILMEMBER JOHNSON: Thank you, Chair. Is Director Martin on the call still?

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CHAIR SUGIMURA: Uh-huh. Director Martin?

COUNCILMEMBER JOHNSON: Okay. Good morning, Director. I just want to follow up on the March 20...20th date of...it says here that OCS submitted the request for payment to the Department of Finance, which was rejected. What's your stance on why it...it was rejected? What happened?

MS. MARTIN: Thank you, Chair. So, in order for the Department of Finance to make payment on a...a grant reimbursement, it must meet the terms and conditions of the grant. So, you know, we would return the request, and request for the needed documentation.

COUNCILMEMBER JOHNSON: Okay. . . .*(laughing)*. . . OCS...all right. So, it...it wasn't compliant, I guess? Is that the term you would say?

CHAIR SUGIMURA: Director?

MS. MARTIN: Yes, thank you. I don't know the exact reasons, but --

COUNCILMEMBER JOHNSON: Okay.

MS. MARTIN: -- generally, it's...you know, whatever we need, we would request --

COUNCILMEMBER JOHNSON: Yeah.

MS. MARTIN: -- from them.

COUNCILMEMBER JOHNSON: Okay. Thank you. Director Raatz, maybe you can add because I know you did speak a little bit to this. So, can you follow up on what exactly was missing from that?

MR. RAATZ: Thank you, Chair. And...and thank you, Councilmember, for the question. I don't think we have specific documentation on the concerns that led to the denial of payment...payment, but there was a consensus understanding that a transparent way of making sure everything was above board, and the Council was still supportive of this project, which again has been in effect for many years --

COUNCILMEMBER JOHNSON: Uh-huh.

MR. RAATZ: -- was to have this budget amendment process. So, it...it's kind of a mechanism to reflect, in a transparent way, that...exactly what's happening --

COUNCILMEMBER JOHNSON: Okay.

MR. RAATZ: -- to document Chair Lee's extension of the grant under the terms of the grant.

COUNCILMEMBER JOHNSON: I think, you know, if OCS was having troubles, and needed time to reflect on this application process, could you imagine what a grassroots institute

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as to go through, who don't have the lawyers that OCS has and the...some of...like farmers, for example. I mean, for a farmer to fill out this kind of paperwork is...is pretty intense. That...that's just an example. There's a million other folks who probably struggle with this. I think moving forward, this body could look at something to streamline the process, or make sure that this kind of thing doesn't happen. Because again, if...if we fund OCS, and we have . . .(timer sounds). . . all those folks who can work on it, imagine what the smaller folks have to deal with. So, that's my time. And I think this could be a time to learn, you know, a teachable moment. Maybe we could get better. And that's my time.

CHAIR SUGIMURA: Excellent. So, that's going to be in this Committee, exactly that. Thank you very much. Member Rawlins-Fernandez? I guess she didn't come back. Member Cook.

COUNCILMEMBER COOK: Thank you, Chair. My question, how many grants does OCS do?

MR. RAATZ: Thank you, Chair. Thank you, Councilmember Cook. This is the only one I'm aware of, both that's part of our current work, and I'm...I'm not aware of past work in this area.

COUNCILMEMBER COOK: So, OED normally does the grants, correct?

MR. RAATZ: I...thank you, Chair. I...I think OED does a lot of grants, but other County agencies do as well.

COUNCILMEMBER COOK: Okay. So, why was this particular grant gone through OCS if...if it's kind of unique? What was special about it?

MR. RAATZ: Thank you. Thank you, Chair. That was a policy decision made by the Council a couple of terms ago during the budget session. There was an appropriation put in the legislative budget, and...and we executed it. I actually looked in the relevant Committee report, and I couldn't see any particular policy statement as...as to the rationale, but, you know, I don't think there was anything wrong with that. You know, it's a little unusual, but we've executed it to the best of our ability, and it...but, yeah. To answer your question, it is...it is not something we normally do. Thank you, Chair.

COUNCILMEMBER COOK: Okay. So, kind of me looking at it from a higher level, not being judgmental. The OED grants, we...my office hears often challenges with the process, with the review, with the payments becoming...you know, "X" amount of money is funded. I was curious about the encumbrance aspect because it's funded, they're approved, and then at the end of the grant, for whatever reason, they're not paid the balance. So, I'm just trying to get a handle on how the County is--Finance and everybody is managing the two different ones. Because we're sending...this one is so pliable, and then other ones are so rigid. And I just...what's our answer to the people who have been told just last year that they're...they're...they didn't meet a deadline, and this one is over a period of years?

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CHAIR SUGIMURA: So, you want...you want Director Martin to answer that?

COUNCILMEMBER COOK: Yeah, either one. That's...I don't know who's going to have the answer, but that's my question.

CHAIR SUGIMURA: Okay. Chair Lee.

COUNCILMEMBER LEE: Yeah. It...maybe it...it might help you. You weren't at the Council at that time, right. So, the Council approved it. Not one person, not two people...the whole Council approved it. So, once an approval like that on an appropriation is...is consummated, then it goes through many, many reviews. And nothing is paid until all the requisite information is provided to Budget Office, Finance Office, even Corp. Counsel. So, there's lots of layers of review. So . . .(timer sounds). . . the idea of having two different types of grants management is true for almost every department. Almost every department has grants that's...and it's different. So, that's one of the reasons why I wanted to create a division that handled all grants. But anyway, getting back to this one. Yeah, we don't do too many grants. I can't remember exactly the reason why it went to OCC instead of OED, or Planning, or someplace else, but I do remember that it was a unanimous vote, to my recollection, by the County Council. And as you can see, because we don't do this on a regular basis, OCC, it's probably the reason why it took, probably, longer than what other departments would do with management of grants.

COUNCILMEMBER COOK: Thank you.

CHAIR SUGIMURA: Okay. You...you have more time if you...if you need. Or are you fine?

COUNCILMEMBER COOK: Yeah, I'll just...I'll look up that meeting. That...that answers my question why this particular one is unique. My...I don't have an answer for all the other people--and there's many, many, many people who have applied for, complied with, been granted a County grant, and run the gauntlet, and ended up being not paid, and asking for help. So, there's plenty room for improvement. I'm not being judgmental. I'm glad you're having this. I guess, there's not really an answer to the question because it's different. I'll just accept it at that.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER COOK: Thank you, Chair.

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

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. This...this conversation is especially interesting to me because I had a grant, as Member Cook was describing, that couldn't get paid for the work they did because their contract expired and it was closed. So, for the eight months of work they did, they only got paid for, I think, three, and they were forced to just eat the cost of five. So, I have one important question I wanted answered right off the bat. So, what we did on the 12th meeting ensures that this grantee is paid

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out, and there's no issue. We don't have to do anything else. That \$50,000 is good to go. It's not going to be rejected. Because I'm assuming OCS is not writing them the check, that it's Department of Finance?

CHAIR SUGIMURA: . . .*(inaudible)*. . .

MR. RAATZ: Thank you, Chair. Thank you, Councilmember U'u-Hodgins. Yes, that's our understanding, that --

COUNCILMEMBER U'U-HODGINS: Okay.

MR. RAATZ: -- yeah. Thank you.

COUNCILMEMBER U'U-HODGINS: Is that...can I confirm that with Finance? Because I appreciate your word --

CHAIR SUGIMURA: Director Martin?

COUNCILMEMBER U'U-HODGINS: -- but I would like to hear it from Finance as well that...I'm going to make sure that that's...they're good to go on that end.

CHAIR SUGIMURA: Director Martin?

MS. MARTIN: If the terms and conditions of the...the grant have been...been met, and the...all the paperwork is in line, Finance makes the payment.

COUNCILMEMBER U'U-HODGINS: Okay. What kind of terms and conditions are they going to need to meet that haven't already been met? Is...is that why you...why did you reject the...or I don't want to say you, but why did Finance reject the payment a few months ago?

MS. MARTIN: I don't have the specifics --

COUNCILMEMBER U'U-HODGINS: Okay.

MS. MARTIN: -- for this grant.

COUNCILMEMBER U'U-HODGINS: Okay. Did we issue the extension...OCS issue the extension for the grant? Or who issued the extension for the grant?

CHAIR SUGIMURA: Director?

MR. RAATZ: Thank you, Chair. Thank you, Councilmember. That was Chair Lee's action last year, on June 25th.

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COUNCILMEMBER U'U-HODGINS: June 25th, 2024. But the grant was from...started 2021. So, did the original grant go until 2022, 2023? Did we extend the grant after it was expired? Because that was three years later.

CHAIR SUGIMURA: Go ahead.

MR. RAATZ: Thank you, Chair. Thank you, Councilmember U'u-Hodgins. The original grant term extended through July 1st of 2023.

COUNCILMEMBER U'U-HODGINS: 2023. Okay. So, it went from...sorry, there's lots of dates, and of course, I wasn't here, so I'm trying to just wrap my head around it. So, I can hopefully make this work as we've making...as we're making this one work for the other grantees that kind of had to eat it. So, we went from...2021 was when \$500,000 was encumbered. And then, I'm sorry, there's a remaining balance of how many thousands of dollars?

CHAIR SUGIMURA: 200.

COUNCILMEMBER U'U-HODGINS: 200,000.

MR. RAATZ: Thank you, Chair. There's a remainder of 200,000 from that encumbrance.

COUNCILMEMBER U'U-HODGINS: Okay. Okay.

MR. RAATZ: And then there's an additional \$50,000 invoice. So, the outstanding balance would be \$250,000.

COUNCILMEMBER U'U-HODGINS: Okay.

MR. RAATZ: Thank you.

COUNCILMEMBER U'U-HODGINS: Thank you for that. . . .*(timer sounds)*. . . Oh, shucks. I can wait.

CHAIR SUGIMURA: Okay. So, second round.

MS. TOSHIKIYO: Chair. Sorry, it's Kristina.

CHAIR SUGIMURA: Oh. Yes, Ms. Toshikiyo.

MS. TOSHIKIYO: I just wanted to kind of step in. I...I didn't review everything that Director Raatz submitted, but I'm just looking at the dates, and the question has been coming up about the payment on the...the invoices that were submitted. I would point out that if the performance period under the terms of a contract expired on a certain date, and they continue to do performance, and the invoices that they submitted were after the performance period, Finance would not be able to make that payment because whatever work they've done has to be within the performance period. So, that's why

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there would be a need for an extension, so that it would cover the time period that they performed the work.

COUNCILMEMBER U'U-HODGINS: Chair, can I ask one question to follow up before all of this oozes from my brain like it will be right now? What...what was the original performance period? And then was that...that was what was extended? Can somebody tell me what the original performance period went from --

CHAIR SUGIMURA: Ms. Toshikiyo . . .*(inaudible)*. . .

COUNCILMEMBER U'U-HODGINS: -- start date to end date?

MS. TOSHIKIYO: Per the primary contract...the primary grant agreement, it was June 30 of 2021 to July 1st, 2023.

COUNCILMEMBER U'U-HODGINS: So, they would need to then show the invoices that are dated within those two years.

MS. TOSHIKIYO: That's correct. And if there were invoices that were dated after that, which is why I think there's the discussion for the need of extension --

COUNCILMEMBER U'U-HODGINS: Uh-huh.

MS. TOSHIKIYO: -- the grant agreement would need to be amended to reflect the extended performance period.

COUNCILMEMBER U'U-HODGINS: The grant agreement would have to be amended. Okay. Did we do that?

MS. TOSHIKIYO: I think that's part of this process. Once...or if this bill passes, then the grant performance period would be extended, and then it would probably be allowed to make that final payment...if they meet all the terms and conditions, in addition to the increasing the certification of the funds.

COUNCILMEMBER U'U-HODGINS: I'm going to be honest with you, I understood what you said, and yet, it's a lot of words. So, if I have to ask a question in a little bit to like let it sink in --

MS. TOSHIKIYO: It's...it's a lot to process.

COUNCILMEMBER U'U-HODGINS: Yeah.

MS. TOSHIKIYO: And there are a lot of moving parts that...that go along with it --

COUNCILMEMBER U'U-HODGINS: There's a lot of moving parts.

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MS. TOSHIKIYO: -- right? Because there's, you know, the amount that is paid on the grant. You know, we got what's been encumbered, what's been --

COUNCILMEMBER U'U-HODGINS: Uh-huh.

MS. TOSHIKIYO: -- is requested to add to the additional 500,000, but there's also the performance period. Especially because it sounds like they did continue to do work --

COUNCILMEMBER U'U-HODGINS: Uh-huh.

MS. TOSHIKIYO: -- for whatever reason --

COUNCILMEMBER U'U-HODGINS: Uh-huh.

MS. TOSHIKIYO: -- after --

COUNCILMEMBER U'U-HODGINS: Uh-huh.

MS. TOSHIKIYO: -- the original performance period expired. So, basically, they were just asking for more time to complete their project. And the grant agreement, as amended, would need to reflect that extension of time. So, for...so, like I said, if they submitted invoices that was dated after the...what Finance has on record as the performance period, they would not be able to reimburse.

COUNCILMEMBER U'U-HODGINS: Okay. Because Pā'ia Clean and Safe was told they couldn't get paid out, even though they did the work during the time it...we asked them to do the work because their contract...or, I'm sorry, their grant agreement had expired. And it was just okay, closed. Thanks. Bye.

CHAIR SUGIMURA: Wow.

COUNCILMEMBER U'U-HODGINS: And granted, you know, we're continuing to work with them, but they basically had to eat five months of work. So, I'm...I'm...like I said, I'm just extra curious so I could see --

MS. TOSHIKIYO: Yeah.

COUNCILMEMBER U'U-HODGINS: -- what we can do to remedy that situation, and so many others. That's just one I know about.

MS. TOSHIKIYO: Yeah, I'm sorry. I...I don't know --

COUNCILMEMBER U'U-HODGINS: That's not on you.

MS. TOSHIKIYO: -- yeah, the...the details . . .*(inaudible)*. . . yeah.

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COUNCILMEMBER U'U-HODGINS: That's not...that's just how it is. Thank you. Thanks, Chair. Sorry for that. Thanks for that leeway.

CHAIR SUGIMURA: Thank you. . . .*(Inaudible)*. . . that string of thought, so that makes sense. Member Sinenci.

COUNCILMEMBER SINENCI: Mahalo, Chair. And mahalo for...for bringing this grant up. I too can wait for the deliverables of the grant on Thursday...however, I'm happy to kind of contribute to the conversation. Our office have [*sic*] been receiving a lot of calls from our grant...grantees. With the Federal cuts, a lot of them are kind of in dire straits. And...and with the County going through this transition period into the 2026 Fiscal Year, a lot of them are coming up short in paying...paying out their...their employees that work for the...for the nonprofits. I am, however, Chair, referring them to Senate Bill 933, Act 310, that the Governor had signed into law, securing emergency funding for...to support Hawai'i nonprofits. So, for those people that, you know, require...are seeing those shortfalls from the Federal side, the State is...does have some emergency funding for...for some of our nonprofits that...that really do the important work within our small communities. So, we're referring them to...to those sites, Chair. Thank you.

CHAIR SUGIMURA: Oh. Thank you for that resource. Anybody else have any more questions? Chair Lee.

COUNCILMEMBER LEE: Not necessarily a question, just want to remind everybody, as was mentioned earlier, this matter can...will be presented again on Thursday with all the details. And you will know...and I just mentioned that the grants are not consistent. Depends on which department you are getting the grant from. And this grant was from OC...OCS, and we don't have any other grants, you know. So...so, I'm saying there's probably a good reason why we don't. And maybe in the future, we...we wouldn't want to unless we had to because we don't have the expertise like other departments. But just keep in mind, it was done, it was approved, but somewhere along the line, the folks that...the grantee was not able to complete their work in the time allotted, and we don't know why, and we'll find out why on Thursday. Thank you.

CHAIR SUGIMURA: Oh. I wasn't trying to make them wrong. I'm just trying to figure out how to do this right and not...not setting precedent. So I appreciate that. I think the presentation at KA'Ā is...is a final report. But I wasn't really trying to make them look bad on any way, Chair.

COUNCILMEMBER LEE: Excuse me, I'm not saying that. Did I say that? I didn't say that. I just said --

CHAIR SUGIMURA: I...I don't --

COUNCILMEMBER LEE: -- that departments...there are a lot of departments that --

CHAIR SUGIMURA: Right.

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COUNCILMEMBER LEE: -- give grants, and they're all different. They follow different rules and...and procedures. That's all I said.

CHAIR SUGIMURA: Okay. Correct. And there's laws that we got to follow. So, that's...that's what this was about, you know, what is the process? So, thank you for that. And anybody else have any more...Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. This question is for Ms. Toshikiyo, or anyone in Corporation Counsel. My...my understanding is that there was some movement in Corporation Counsel to standardize grants, to make this not like the way it is. It sounds so crazy, but can you explain...expand on that?

MS. TOSHIKIYO: Chair, if I may?

CHAIR SUGIMURA: Yes.

MS. TOSHIKIYO: Yes. Actually, that's something that is...I've been working on --

CHAIR SUGIMURA: Oh.

MS. TOSHIKIYO: -- in all my extra time --

COUNCILMEMBERS: . . .*(laughing)*. . .

MS. TOSHIKIYO: -- because I currently also work OED on standardizing the grants process between all the different departments. And of course, we don't make policy decisions, so we're just making recommendations on streamlining, you know. And...and when we do so, that it hopefully was going to reduce any of the County's risks --

COUNCILMEMBER JOHNSON: Right.

MS. TOSHIKIYO: -- and making sure that people are made whole for the work that they do. So, it's just kind of really taking a very overall look at all of our grants. And...and Chair Lee is correct. I mean with all the different departments and agencies, and the different types of grants that the County is working on...we've got new departments with new types of grants that...I guess when I first started five years ago, it was a lot of service-related grants, and...you'll see from mostly OED and Human Services.

COUNCILMEMBER JOHNSON: Yeah.

MS. TOSHIKIYO: But now we've got departments like Agriculture and 'Ōiwi Resources that are really expanding their programs. And we just want to make sure that we capture every scenario, and be able to address all that upfront in our grant agreements.

COUNCILMEMBER JOHNSON: Because, you know, at my office, we were...I was trying to work on it, but I'm not the lawyer. So, if you guys are going to take it...you know,

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obviously we're going to run into these kinds of scenarios, but we don't want to run into these kind of scenarios. Those Moloka'i folks --

MS. TOSHIKIYO: Yeah.

COUNCILMEMBER JOHNSON: -- are doing good work.

MS. TOSHIKIYO: Uh-huh.

COUNCILMEMBER JOHNSON: We want to help those folks who are doing good work. And if it's our shoelaces that are too long and tripping everybody up, then we need to trim them.

MS. TOSHIKIYO: Right.

COUNCILMEMBER JOHNSON: So...and I'm here for that.

MS. TOSHIKIYO: Correct.

COUNCILMEMBER JOHNSON: Thank you, Chair.

MS. TOSHIKIYO: Yeah.

COUNCILMEMBERS: . . .*(laughing)*. . .

MS. TOSHIKIYO: Correct. Thank you.

CHAIR SUGIMURA: Perfect. So, Member Paltin, then Member U'u-Hodgins. Did you have more questions?

COUNCILMEMBER PALTIN: I just was...like my memory of that time period was, we were discovering that just because we put it in the budget, it doesn't mean that the Administration was going to execute or spend it, and to have a little bit more oversight over OCS to be able to ensure that it got done. But it feels like repeatedly, money that the Council puts in under Human Concerns doesn't get spent. Like I remember there was a program that Member Johnson put in for Lāhainā with the Clean and Safe group. And then even after that budget year, when it didn't get executed, I made it be like one of my priorities to try and extend it, and still yet it never happened. And so, like, you know, it's kind of new that Members were able to put in their own priorities, but then we were encountering that the Administration, if it wasn't their priority, would just kind of sit on it. And so, I think that's why I think it was under OCS, for the Members that weren't there at that time. But it continues whether it's...it's not their priority, or short staffed, or both sides don't understand what the process is. And...yeah, I'm not sure what can be done to make it easier. I thought we had like, you know, Member Kama on the first term was working on fronting some of the money because some of our small...smaller nonprofits can't come up with the funds upfront, but even that has been kind of difficult to move through. I think you can get up to 25 percent upfront, but

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there's all these protocols and procedures to be able to qualify for that. So, I guess that's why usually the County works with the same people because they have the ability and...and know how to get the money. And when you put it to new people who really desperately need it, and they can't figure it out, then it becomes Carryover Savings. I guess that was just a statement, not a question.

CHAIR SUGIMURA: Yeah. Okay. Thank you. Member U'u-Hodgins, did you have a question?

COUNCILMEMBER U'U-HODGINS: Maybe I did before, but then it probably slipped my brain. But for right now, I guess, I'm making sure that the grantee gets paid out, and we did whatever we need to do to ensure that they're good to go.

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER U'U-HODGINS: And then I would love to see this not happen again--not just for OCS, but for really, everyone--because I think, as a few of the Members described, it's...it's frustrating. And...yeah. The...the grants are completely different, and yet, I assume that they all have to follow the same rules from Finance. So, I'm just...I'm hopeful that this...whatever we did on the other week is good to go. Thank you.

CHAIR SUGIMURA: Okay, very good. So, I have a question. So, I don't know if this is for Corp. Counsel or for Director, but can you extend a grant after it expired? Because that's the situation that we're looking at. Somebody? And...and really, what Member U'u-Hodgins is talking about for other grantees who are experiencing that. So, now can they come back and ask for their grant to be revived, or...I don't know what the word is, but can it be ex...can it be, I guess, amended after the fact that it's expired?

MS. TOSHIKIYO: Chair, I'll take a stab at that one, if Director Raatz wants to jump in and fill in the blanks. And I guess I...I'll speak from the perspective that all of the...the contracts and the grants, and--and a grant agreement is a contract--do flow through our office. I will say that it's not common practice that we are having to deal with extending the time on lapsed grants in this scenario. They do send it to our...us for our review first before they can make a determination. And ultimately, we work with the Department on whether or not an extension after the fact is warranted. We do it on a case-by-case basis. It's not an automatic, you know, grant or a denial of this extension. Some of the factors that we look at is, you know, the time frame...time that has lapsed. There are occasions where it's just like a short amount of time, or we are already in the process of doing an amendment to extend right when the...the...the term has expired. So, that could be one scenario. Were they able to complete their project? Did the...the grantee reach out and request an extension and explain what's happening? We've had scenarios where they're actually done with their project, but they need to make adjustments to their budget. And in order to amend the grant to revise their project budget, we have to do an extension, and sometimes it's after the fact, just so that we can make that final payment. So, it is on a case-by-case basis. This one, the time has lapsed pretty significantly, more than we would normally see, but it sounds like they were also continuing to do work. And that's another factor that we look at is, you know, are they

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doing work for the County? Are they doing, you know, continuing to do work? And, you know, is it in the County's interest to make them whole, to pay them for the services that they've...they've already completed? So...so, the answer is, it's on a case-by-case basis. You know, we...you know, we go through the whole, you know, analysis. We consult with each other within our office as well...like hey, you know, this one looks a little funky, let's talk about it. So, it's...it's...I...I can't give you any numbers because it's all purely anecdotal on my part, but it's...it's not common.

CHAIR SUGIMURA: Okay. So, another concern I have is...is, are we setting a precedent? So, can... . . .(timer sounds). . . can other departments look at this and say, well, if this happened, then we can do this? Or is...what is Corp. Counsel's --

MS. TOSHIKIYO: So again, Chair, if other departments are looking at it--so, I mean, we're obviously talking about this specific OCS on the agenda, but it does happen in all the departments, and could be for a variety of reasons. I will tell you that there was probably an uptick in these requests for us to review extending time on lapsed grants after the fire, just because, you know, staff and grantees too were, you know, devoted to other tasks related to the emergency. So, I...I think that it's...it's gone back down. But it...we would follow the same process of looking at it on a case-by-case basis whether or not an extension is warranted. And we would work with the departments --

CHAIR SUGIMURA: Okay.

MS. TOSHIKIYO: -- on that.

CHAIR SUGIMURA: All right. So, in this case, I just want to again say, as I started out with, is that I want to get this Sust'ainable Moloka'i paid, right? But because of these pukas that was un...uncovered--when this was being discussed at Council, when we passed first reading, I was getting a text saying, wait, they didn't get paid yet, you know, and there's a problem. So, I wanted to bring this up so that we could smooth this out, make sure that they do get paid. They did do their final report, April of '24, of which is going to be presented at KA'Ā on Thursday. I did notify, by text, Member Rawlins-Fernandez just what we were doing today so she didn't think that we're trying to, you know, stop the contract, or whatever. It...it really is trying to figure out how we can do this better, I guess, by learning what actions were taken. So, anybody have any more questions? Oh, did...one more thing. Do we have to amend the scope of work because of the 25,000...I mean, \$50,000--oh, not you, I guess, it would be Director. Do we have to amend the scope because of the \$50,000 increase of funding?

MR. RAATZ: Thank you, Chair. Yes. That was part of Chair Lee's amendment to the contract on June 25th, 2024, extending the date, and also modifying the scope.

CHAIR SUGIMURA: Oh, the scope was modified?

MR. RAATZ: Yes. Thank you.

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CHAIR SUGIMURA: Oh, okay. All right. So, anything else, Members? All right. This...I'm going to defer this in case we, you know, can learn more from it.

COUNCILMEMBERS: No objections.

ACTION: DEFER pending further discussion.

CHAIR SUGIMURA: And then...again, this will be taken up on the...on Thursday's agenda so we can learn outcomes of their final report. And thank you very much for doing that. And so, at this time, Members, this meeting is now adjourned. . . .*(gavel)*. . .

ADJOURN: 11:26 a.m.

bfed:min:250819:th

Transcribed by: Tricia Higa

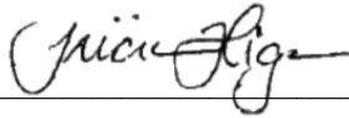
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CERTIFICATION

I, Tricia Higa, hereby certify that pages 1 through 50 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 6th day of October 2025, in Mililani, Hawai'i



Tricia Higa