

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

MINUTES

February 26, 2024

**Online Only via Teams
Council Chamber, 8th Floor**

CONVENE: 9:09 a.m.

PRESENT: Councilmember Yuki Lei K. Sugimura, Chair
Councilmember Tasha Kama, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member (Out 2:57 p.m.)
Councilmember Alice L. Lee, Member
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member
Councilmember Nohelani U'u-Hodgins, Member

STAFF: James Krueger, Senior Committee Analyst
Kasie Apo Takayama, Senior Committee Analyst (back up)
Carla Nakata, Legislative Attorney
Richard Mitchell, Legislative Attorney
Yvette Bouthillier, Senior Committee Secretary
Jennifer Yamashita, Committee Secretary
Lenora Dineen, Council Services Assistant Clerk

Additional staff

Executive Assistants for Councilmember Tom Cook:

Jared Agtunong
Stacy Takahashi

Executive Assistants for Councilmember Gabe Johnson:

Kate Griffiths
Axel Beers

Executive Assistants for Councilmember Tasha Kama:

Davideane Kama-Sickels
Evan Dust

Executive Assistant for Councilmember Alice L. Lee:

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

February 26, 2024

Michele McLean

Executive Assistants for Councilmember Keani N.W. Rawlins-Fernandez:
Sarah Sexton
Haunani Madela

Executive Assistants for Councilmember Shane M. Sinenci:
Dawn Lono
Gina Young

Executive Assistant for Councilmember Yuki Lei K. Sugimura:
Jocelyn Moniz

Executive Assistant for Councilmember Nohelani U'u-Hodgins:
Laura McDowell

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
Jade Rojas-Letisi, Council Aide, Makawao-Ha'ikū-Paia Residency Area Office

ADMIN.: Lesley Milner, Interim Budget Director, Office of the Mayor (BFED-81, -82, 21(17) and 21(16)).
Lori Ann Y. Tsuhako, Director, Department of Housing and Human Concerns (BFED-81, -82, and -21(17))
Keanu Lau Hee, Deputy Director, Department of Management (BFED-21(16) and -21(17))
Wendy Taomoto, Deputy Director, Department of Public Works (BFED-21(17))
Amos Lonokailua-Hewett, Administrator, Maui County Emergency Agency (BFED-21(16))
Maria Zielinski, Interim Director, Department of Finance (BFED-81 and -21(16))
Keoki Santos, Lieutenant, Department of Police (BFED-21(16))
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel
Caleb Rowe, Deputy Corporation Counsel, Department of the Corporation Counsel (BFED-21(16))

OTHERS: Dianna O'Connor (BFED-81)
Mariah Espaniola (BFED-81 and -82)
Sherry Peterson (BFED-81)
Jason Economou (BFED-81 and -82)
Kai Nishiki (BFED-81, -82 and 21(17))

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

February 26, 2024

Jacee Law (BFED-81)
Sterling Higa (BFED-81 and -82)
Stephen Kealoha, Catholic Charities (BFED-81)
Mason Williams, Catholic Charities (BFED-81)
Thelma Akita-Kealoha, Catholic Charities (BFED-81)

Other Resources

Connie Yu-Pampalone, Asset Manager, Catholic Charities Housing
Development Corporation (BFED-81)
Jeffrey Ueoka, Mancini, Welch & Geiger LLP (BFED-82)
Nicholas Carroll, Council for Native Hawaiian Advancement (BFED-21(17))

PRESS: Akaku: Maui Community Television, Inc.

CHAIR SUGIMURA: . . .*(gavel)*. . . Good morning, everybody. Welcome to the Budget, Finance, and Economic Development Committee. I want to thank all the Members who are present. This is an off-meeting week, actually, and you have made the effort to come to this meeting. It should have been a downtime for you to do your own Committee work...community work. So, I just wanted to express my special thanks to all of you. And before we start this meeting, it is now 9:10 a.m. on February 26th. I wanted to just acknowledge that we...before we came to this meeting, we had a special remembrance out front of the County building. It was ten years ago today that all of us may remember...or probably remember the dreadful plane crash on Lānaʻi. And it took the lives of Tremaine Balberdi and Kathleen Kern, as well as some of the other...three other County employees that were injured. And it took the life of the pilot. But it was a very nice service out front, so thank you, everyone who coordinated it. And it was nice hearing from the family...the Balberdi family. So, thank you. And there were five Planning Directors out there, you know, to also remember, as well as many, many employees. So, this morning we have our meeting, and I'd like to welcome everybody. This meeting will be conducted online in accordance with the Sunshine Law. And as a reminder, if you're not here in the Chambers when your name is called, please do let us know by name who, if anyone, is in the room with you. And...and minors do not need to be identified. So, at this time, I'd like to welcome Vice Chair for this Committee, Member Kama. Good morning.

VICE-CHAIR KAMA: Good morning, and aloha kakahiaka, and susadei.

CHAIR SUGIMURA: Susadei. And here, we have Chair Lee.

COUNCILMEMBER LEE: Susadei, Chair Sugimura. And that is from...a greeting from Cambodia.

CHAIR SUGIMURA: Susadei. Member Paltin, susadei.

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

February 26, 2024

COUNCILMEMBER PALTIN: Aloha kakahiaka kākou, and susadei, and half a day.

CHAIR SUGIMURA: . . .*(laughing)*. . . Didn't we have--from Lānaʻi, I think it looks like, we have Member Johnson.

COUNCILMEMBER JOHNSON: Aloha, Chair, Councilmembers, Committee Members. Susadei. There's no testifiers at the Lānaʻi District Office. I'm alone in my workspace. And about this morning's meeting, I'm sorry I couldn't make it, but I was there that night in the Planning meetings, and, you know, I just--it was...it was a sad time, and it was a sad, tragic event. And it affected a lot of folks on different islands. And I just want to give them my thoughts and prayers. We'll never forget the--that time. And those folks that flew to Lānaʻi to help us with our planning...our...our community plan. It...it was a tragic loss. Thank you. Thank you, Chair.

CHAIR SUGIMURA: Thank you, Member Johnson, for that. And I just want you to know that in the remembrance this morning, it was shared that there was--after sometime there--the Planning Department and everybody went to Lānaʻi, and they appreciated the comments that were shared from the Lānaʻi community on the important work that was being done and, you know, for the loss of these employees. So, thank you very much. Next, we have Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka, Chair. Aloha kakahiaka kākou, my Molokaʻi nui ʻAhina. I'm at the Molokaʻi District Office alone on my side of the office, and we have no testifiers currently here. And mahalo, Chair, for bringing the remembrance to the beginning of this meeting as well.

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

COUNCILMEMBER COOK: Aloha and susadei, Chair.

CHAIR SUGIMURA: Susadei. Member Rawlins-Fernandez. I'm sorry. Member Uʻu-Hodgins.

COUNCILMEMBER UʻU-HODGINS: Good morning, everyone.

CHAIR SUGIMURA: Good morning. Member Sinenci? Is he here?

COUNCILMEMBER SINENCI: Yeah. Aloha kakahiaka, Chair, and...and susadei. And also, our thoughts and prayers go out to the memory of the...the ones we lost. I'm here...I'm at home here by myself. I was at the...the Hāna District Office, but my computer couldn't connect, so I'm here at home, Chair.

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

February 26, 2024

CHAIR SUGIMURA: Oh, okay. Well, thank you very much. So, you...we can't see a video of you? I don't see. So, you're doing it by phone? Thank you very much, Member Sinenci. And from the Office of the Mayor, we'll have Lesley Milner, Budget Specialist. From the Department of Housing and Human Concerns, Lori Tsuhako; Department of Management, Keanu Lau Hee, Deputy Managing Director, Office of Recovery; Maui County Emergency Management Agency, Amos Lonokailu...kailua-Hewett, Administrator. And I think he's standing by and will testify when the item comes up. Department of Police Keoki Santos, Police Lieutenant; Keola Tom, Assistant Chief. Department of Finance Maria Zielinski is Acting Director, everybody. That's new. I didn't see an announcement, but anyway...Department of Corporation Counsel: Kristina Toshikiyo, Deputy Corporation Counsel. Other resources: from Catholic Charities Housing, Development Corporation for BF-81 [sic] is Rob Van Tassell, CEO; Connie Yap...Pampalone...Pampalone [sic]; and Jeff Ueoka, Mancini, Webb & Geiger [sic]; and David Michael, Pacific Development for BFED-81. Members, there if no...if there are no objections, I'd like to designate them as...these individuals as resource for the items under Rule 18(A).

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Thank you. Thank you very much. Committee Staff, thank you very much for working hard. Yvette Bouthillier, I know she works on weekends. Appreciate all your hard work and communication with my Staff. James Krueger and Kasie Apo, same to you. Thank you very much nonstop. Carla Nakata, Legislative Attorney; Lei Dineen, Council Services Assistant Clerk. Thank you, Members, for attending today's meeting. And I think we're even going to have--do we have Jennifer here? Yeah. Yeah. Yamashita. Thank you very much, Jennifer. She is the brand-new secretary in training. So, thank you very much, everybody. And today, we have four items on our agenda. And the items that we have--one moment--is BFED-81, Bill 34 (2024), Amending the Fiscal Year '24 Budget: Appendix A, Part II, Affordable Housing Fund for Hale Pili., Pilina. And that is Catholic Charities. BFED-82, Bill 35, Amending the Fiscal Year 2024 Budget: Appendix A, Part II, Affordable Housing Fund for Aikanaha. And BFED-21(17), discussion of Bill 39 (2024), Amending Fiscal Year '24 Budget Revenues and Department of Management, Office of Recovery (Funding for Approximately 50 Accessory Dwelling Units to Provide Interim Housing Solutions to Survivors of the August 8th, '23, Wildfires is Currently...that are Currently in in Non-Congregate Shelters. And the last item is BFED-21(16), Discussion of Bill 38 (2024), Amending Fiscal Year '24 Budget: Revenues and Emergency Management Agency Funding for Professional Services for Security Personnel and Equipment for Restricted Areas in West Maui. This a 12.5 appropriation. Please look on the last page of the agenda for information on meeting connectivity. And we have testifiers, correct? Yeah. Okay. So, testifiers waiting to provide testimony should sign up at the lobby, join the online meeting via Teams link, or call in the phone number noted on today's agenda. Written testimony is

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

February 26, 2024

encouraged and can be submitted via the comment link at mauicounty.us/agendas as well. Under the Sunshine Law, the Chair will recognize oral testimony for agenda at the beginning of the item, as well as after--when the item is called up. For individual...individuals wishing to testify via Teams, please raise your hand--it's just something new--by clicking on the raise-your-hand button. For those calling in, please follow the prompts via phone. Staff will add names to the testifier list in the order testifiers sign up or raise their hands. For those on...on Teams, Staff will lower your hand. Once your hand is added, Staff will then call your name you're logged in under, and the--or the last four digits of the phone number, or when it's in your...or when it's your time to testify. At this time, Staff will also enable your microphone and videos for you. If you wish to testify anonymously, please notify Staff. Otherwise, please state your name for the record at the beginning of your testimony. Oral testimony is limited to three minutes per item, and if you're still testifying beyond the time, I'll kindly ask you to complete your testimony. You'll be given another 30 seconds. Once you're done testifying, and if you do not wish to testify, you can also view the meeting on *Akakū* Channel 53, Facebook Live, or mauicounty.us/agendas. We will do our best to take each person up in an orderly fashion. And I also want to just mention at this point that if you have questions for the testifiers, you will be given three minutes if you so choose. We'll now call on testifiers wishing to testify at the beginning of the meeting. And Staff, can you please call up the testifiers?

MS. APO-TAKAYAMA: Chair, the first testifier is Dianna O'Connor.

CHAIR SUGIMURA: Dianne O'Connor?

MS. APO-TAKAYAMA: Dianna, you are unmuted on our end. If you can unmute yourself on your end.

. . .BEGIN PUBLIC TESTIMONY. . .

MS. O'CONNOR: Good morning. I'm Dianna O'Connor. I currently work for Catholic Charities. I'm a case manager overseeing emergency relief, and I also work with the homeless and people suffering from mental illness. I've come from Mental Health Kōkua and also Aloha House, where I've had the hands-on experience dealing with these people coming from addiction, coming from--or dealing with different mental health issues. As doing case management, we've come to the point where we're unable to assist these people to complete their...their treatments and everything else that they need due to homelessness. As soon as they come out of treatment, they...they go right back to the streets where they came from. Everything becomes a vicious cycle. And they just--they're...they're not going to make it. They don't make it. I mean, it's been a revolving door. It's...it's been a burden on, you know, the mental health issues. It's...it's been overwhelming for all of us. I am currently doing emergency relief housing with

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

February 26, 2024

Catholic Charities, and I have absolutely nowhere to put my clients. I've got families, I've got individuals who are so desperate for housing, and it's...it's been impossible. I've been working with Family Life Center on...with their housing, and we're failing them. I...I just...I would encourage the Council to support the conditional language for the Hale Pilina that's being proposed. I'm completed.

CHAIR SUGIMURA: Okay. Anybody have questions for this testifier? Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. O'Connor, for your testimony and your service to the community. I'm wondering if any of the homeless that you have worked with--are any of them in Lahaina?

MS. O'CONNOR: We have...I...currently on my caseload, I have a couple from Lahaina. But the majority are within Central Maui, Kihei area. The...the people that we've dealt with from Lahaina want to stay on the West side. They don't want to, you know, come to Central...Central Maui.

COUNCILMEMBER PALTIN: So, you don't go out to the homeless that are all along the beaches from the pali all the way up through Kapalua?

MS. O'CONNOR: I personally do not go out to that area. I focus on Central Maui and Kihei.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Any other questions, Members? Seeing none. Thank you very much for testifying. Next testifier, please.

MR. KRUEGER: Chair, the next person that's signed up to testify at the beginning...beginning of the meeting is Mariah Espaniola.

CHAIR SUGIMURA: Ms. Espaniola?

MR. KRUEGER: Mariah Espaniola, you've been unmuted on our end.

MS. ESPANIOLA: Aloha. My name is Maria Espaniola. I was a previously HUD housing counselor for Maui County. I currently am a disaster case manager. And I am in support of the housing...in support of Bill 34 or Hale Pilina. The reason for that being is I've seen a need for affordable housing here in Maui County and Maui alone. As a previously experienced HUD housing counselor, I've seen the detrimental effects of not having adequate affordable housing options. Now that we are in post-pandemic, as a disaster case manager, I've seen the effects of not having affordable housing. And it's not to say that West Maui isn't a need; however, the option for affordable housing is. I do understand the need for affordable housing being situated here in Kahului. At the same time, I do feel the

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

February 26, 2024

need that the priority should go to West Maui and Kula survivors. And the fact of the matter is coming February 2025, all of these survivors that currently have housing supported through FEMA, Red Cross, GEM, CNHA, these options will end come February 2025, and if our survivors don't have access to affordable housing, we now push them out to the streets to become homeless. I've seen our local people fight day in...day in and day out to find housing. However, if they do not have the option for affordable housing, we now are pushing them to become homeless. I am a born and raised native from Moloka'i, currently call Maui home now, and I do not want to see our local people pushed to the streets. Yes, it isn't in West Maui like we anticipated or we hoped. However, if the priority is given to West Maui or Kula survivors, there is access to a faster route for transportation to and from work if they do have housing here in Kahului. Again, I am in support of this bill for affordable housing here in Maui. I do also want to add, if housing is a priority for West Maui, where is the infrastructure need to help them prevent fires from destroying the next affordable housing project on the West Maui? That is my support. That is my kuleana to share, and I thank you all for your time.

CHAIR SUGIMURA: Thank you very much. Anybody have questions? Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Espaniola, for your testimony and service to our community. I just wanted to clarify what you were saying about the access to rapid transit to West Maui. When was the last time you drove in and out of West Maui during working and school hours?

MS. ESPANIOLA: I actually go down there often. I go down there for work to support my DCM workers. I also go down there in my free time to visit 'ohana. I have a lot of 'ohana and friends, so I do travel there often. I know there is a need to alleviate traffic. If there is any other public hearings for transportation --

COUNCILMEMBER PALTIN: . . .*(inaudible)*. . .

MS. ESPANIOLA: I do feel the need there is some solutions.

COUNCILMEMBER PALTIN: There is rapid transportation in and out of West Maui. If you're coming in to West Maui at eight o'clock or leaving at 4:30, there is no rapid transportation because the line is backed up from the pali, you know? It's not--I'm just clarifying how you say it's rapid because it takes, like, two hours.

MS. ESPANIOLA: Necessarily, it does. It...it definitely does. But what I'm saying is if the housing is built where originally planned for Hale Pilina, there is access for them to hit the five mile from King's Cathedral straight to Lahaina so they wouldn't have to drive through Wailuku side. That is what I'm putting for rapid response for travel time. It does alleviate time, and I've done that route many times. I do understand there is the traffic and a high trafficking times for school and work. If there is a solution for that--I do feel that there should be an express

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

February 26, 2024

lane for locals, especially that they know where they need to go versus tourist lane.

COUNCILMEMBER PALTIN: Thank you. Or we could build the housing in West Maui.

CHAIR SUGIMURA: Thank you. Thank you very much.

MS. ESPANIOLA: Thank you.

CHAIR SUGIMURA: Any...anybody have any questions for the testifier? I see none. Miss--and Member Sinen...,--oh, there you are on the video. Now I can see you. Okay. So, next testifier?

MS. APO-TAKAYAMA: Chair, the next testifier is Sherry Peterson.

CHAIR SUGIMURA: Ms. Peterson?

MS. PETERSON: Okay. Can you hear me?

CHAIR SUGIMURA: Yes.

MS. PETERSON: Good morning, and thank you for allowing me here to testify this morning. A little bit about...background about myself is I...I'm a new person on Maui. I came on September 4th because I saw a need for people to understand what FEMA was and with their appeals. And so, I began volunteering doing FEMA appeals and helping people with that aspect of the disaster, which quickly grew into helping with insurance, and...and then disaster case management. And my most current job is as a disaster case management supervisor, helping set up the disaster case management team. And I'm going to be transitioning over to working for United Policyholders to help those who's...who are having insurance issues. So, both as a...as a newcomer looking for housing myself, which is not a popular thing to advertise, and...and working with survivors, I am acutely aware of the housing crisis here on Maui that has been caused by the fires, and also by the...by the secondary impact of families losing housing all over the island because landlords are refusing to--well, some of them are just kicking...have been kicking people out. Some are not renewing leases, and...and it's very, very unfortunate. And I met with a number of people who are in that situation and have been trying to help them find housing. So, my sympathies are essentially with the West side. I understand that that is the most critical need for housing. The last number that I heard was that there's still 5,000 people that are sheltered and are...and they're trying to transition into longer-term temporary housing, which as Mariah indicated, is only going to be in...in the worst-case scenario, February 2025. In the best-case scenario, they can get extensions, and that would increase the time to February 2006 [sic]. What I'm...what--and...and I have been thinking about this project and...and what it

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

February 26, 2024

will provide for the...for the entire island. I see a number of families moving to Kahului. I see a number of families moving to Kula. In fact, my neighbor is a Lahaina fire survivor. But I see, primarily, a lot of people wanting to stay in West Maui, and actually, because of their financial circumstances, having to stay in . . . *(timer sounds)* . . . West Maui because they can't afford to travel back and forth. And they're tied to the tourist industry over there in providing...providing the...cleaning the...everything from cleaning the rooms, to serving the meals, to cook...to cleaning the dishes, et cetera, et cetera. So --

CHAIR SUGIMURA: 30 seconds.

MS. PETERSON: -- I've met with...I've met with a number of families. I want to say that I support House Bill 34 because even though it does not serve, primarily, the West side, the West side residents can benefit from it. It's 178 family units. It will be affordable housing. This--the housing situation is an island-wide crisis. . . . *(timer sounds)* . . . And I don't think this is an either-or proposition. I think that we could do this now, and then when the West side has identified a place--or, you know, start something for the West side now. But I...I don't see this as an either-or proposition; I see this as a win-win for everybody because there are families from the West side that could benefit from this.

CHAIR SUGIMURA: Thank you. I think you're probably talking about the two bills that we have before us, which are both housing bills. Members, do you have any questions --

MS. PETERSON: Yes.

CHAIR SUGIMURA: Yeah. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Peterson, for your testimony and your service to our community. I just wanted to clarify, you...you said you do see that many people can't afford to leave the West side. We have people living in tents up and down the beaches currently. And if there was a West Maui project that came in fourth place for this money, that we should give it to these centrally located affordable housing projects?

MS. PETERSON: I am not...I wasn't aware of a project coming in number four to begin with. And I know that there's--what I know is that there's a need island-wide. There are people in Kula that have lost housing. There are people in Lahaina that have lost housing. And if there was a way to do both, I...I would be in support of that. I'm in support of any housing that you can provide the people of Lahaina that is affordable.

COUNCILMEMBER PALTIN: Thank you.

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

February 26, 2024

MS. PETERSON: And --

COUNCILMEMBER PALTIN: I just was clarifying because there is...there is a proposal for an affordable housing project in Lahaina, but these three central housing projects were prioritized for the 24 million. So, I just wanted to clarify, you know, some people may be testifying with only a portion of the information. If there was a fourth project, a...a project that placed fourth place and didn't get any money, and the top three projects all got money, then why is the need of the 4,200 households that were displaced by the fire not being prioritized? I know there's been an island-wide need, but overnight, there was a 4,200 need, and that project placed fourth for housing...affordable housing in West Maui. So, I just don't understand --

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER PALTIN: -- what's...what's everyone testifying --

CHAIR SUGIMURA: This isn't --

COUNCILMEMBER PALTIN: -- about. Thank you.

CHAIR SUGIMURA: This is not deliberations, but I understand what you're saying. Any...anybody else have questions for the testifier? Thank you very much. Any more testifiers?

MS. APO-TAKAYAMA: Chair, the next testifier is Jason Economou.

CHAIR SUGIMURA: Mr. Economou.

. . .(silence). . .

MS. APO-TAKAYAMA: Jason, you're unmuted on our end. If you can unmute on your end, please.

. . .(silence). . .

CHAIR SUGIMURA: Mr. Economou? Shall we go to the next testifier and come back?

MS. APO-TAKAYAMA: Chair, at this time, Staff has not received any other requests for testimony.

MR. ECONOMOU: Hi.

CHAIR SUGIMURA: Oh, okay. We can hear you now.

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

February 26, 2024

MR. ECONOMOU: Sorry about that. Yeah, I was...I was unable to unmute on my end.

CHAIR SUGIMURA: Okay.

MR. ECONOMOU: I hope this...this works now, if you can hear me and see me. Good morning --

CHAIR SUGIMURA: Yes.

MR. ECONOMOU: -- everyone. My name is Jason Economou. I am a local attorney and consultant. And as...as some of you read in the paper, I was part of that...that secret panel that wasn't really all that secret that graded the Affordable Housing Fund projects. And...and I just wanted to...to provide testimony this morning saying that I...I absolutely agree that...that the West side should be a major priority. But I also want to explain that as one of the scorers, I've...I've been part of this scoring and...and review panel for several years now, and there is a scoring rubric that's used. And...and the rubric doesn't really take into account the geographical location, so much as...as the various other aspects of it. Community need is a part of it, but the community need aspect of it is really an overall community need. It...it doesn't break it down into the various community areas. The...the applicant is...is a feature of it. Only certain aspects of who the applicant is, though. So, it doesn't take into account who might be lobbying for the project, whether anybody...you know, anybody's background, so much as their skill level and their experience. And...and I can tell you that...that the West Maui project scored very high with skill level and experience. But where that project kind of fell short in the scoring rubric was really with the financing. We...we were given about a week to go over a large volume of documentation dealing with many applications. There were--1, 2, 3, 4, 5, 6, 7, 8--9 applications for the Affordable Housing Fund. All of these applications were worthy projects. Several of them were focused in West Maui. One of them was...was a wildfire recovery community land trust. That's a worthy project to me, but there just wasn't enough money to fund all of that. Also, it wasn't in the right...right phase of being actionable. So, part of it is whether a project can be acted upon quickly or not. Pulelehua, the...the West Maui project, they had three separate applications, many millions of dollars each. And where they really kind of fell short was with the financing, and...and especially when it comes to the infrastructure aspect of it and the...the various budget and funding sources. The--you know, where...where else? Yeah. Leveraging County funds compared to other funds. There's a rubric. And...and I am...I'm happy that...that this Council and that the people of Maui are finally asking questions about how Affordable Housing Fund dollars are...are spent and attributed. But to pretend that this was, like, a secret, some guarded secret is...is completely wrong. The County asked volunteers to...to do a civic service, and we did it based on...on the scoring rubric that was given to us. We were asked to put aside our personal individual feelings and follow a rubric that the County has used for years,

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

February 26, 2024

that...that we've continually given feedback to try and improve upon for years. And it's sort of disconcerting . . . *(timer sounds)*. . . that...that people only seem to care now. Yeah. This...this has been a major issue. And it's even more disconcerting that folks want to sacrifice other affordable housing projects that might be more shovel ready and might be...be better sorted out overall just because they...they feel offended that...that certain decisions weren't made properly. Yeah. Thank you for your time, though. I appreciate that.

CHAIR SUGIMURA: Thank you, Mr. Economou. Mr. Sinenci--Member Sinenci has a question for you.

COUNCILMEMBER SINENCI: Thank you, Chair. And mahalo, Jason, for your testimony. You mentioned the finances. Can you explain, expound on the finances?

MR. ECONOMOU: So...so, I haven't done significant research for...for today. I...I put in a lot of time back in December, and now I've been publicly criticized for that work that I've done. So, if...if you want me to expound on the research--or on the finances, you can...you can go ahead and ask the...the County, you guys, for my scoring application sheet, or I could send that to you, or you can read through the hundreds of pages of affordable fund...housing fund applications yourself to...to understand how they're not seeking as much funding from other sources as they are for the County and how a lot of the funding that's being sought will go towards infrastructure that serves market-rate housing and not just affordable housing. So...so, those are a couple of aspects of it. And I'll tell you, some of the...the Pulelehua applications--they had three applications. Some of them scored very well, the ones that were serving exclusively affordable houses. But...but some of them were not serving exclusively affordable houses, so that's really where it gets into...into play here.

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

CHAIR SUGIMURA: Thank you very much. Anybody else have questions. Member Paltin, then Member Rawlins-Fernandez.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Economou, for your testimony and your service. I just wanted to clarify on the secret part. It was--you said that you thought it wasn't a secret group. I just wanted to clarify because...I said it was a secret group because we weren't being given the information despite asking for it for several times. That's the clarification I wanted to give to you. Also, it was asked for...for--what you just said, the scoring things, and we haven't received that as well. But I just was wondering, I wanted to clarify. When was the last time you've driven to the Pulelehua site?

MR. ECONOMOU: Oh, it's been some time. Yeah.

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

February 26, 2024

COUNCILMEMBER PALTIN: Okay. Because dirt is being moved every day on the Pulelehua site.

MR. ECONOMOU: I...I think there's a lot that goes into housing development beyond just the movement of dirt. I...I wasn't asked to grade based on going out to Pulelehua --

CHAIR SUGIMURA: Yeah.

MR. ECONOMOU: -- and seeing the movement of dirt.

CHAIR SUGIMURA: Okay.

MR. ECONOMOU: I was asked to --

CHAIR SUGIMURA: I'm going to --

MR. ECONOMOU: -- grade based on a written application that was submitted by the developer. So, if the developer wanted --

CHAIR SUGIMURA: So --

MR. ECONOMOU: -- more information shared, they should have shared that.

CHAIR SUGIMURA: I'm going to stop this discussion right now. This is not on the agenda specifically. And any other questions for Mr. Economou based upon the items Hale Pilina or on Aikanaha? Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Aloha, Mr. Economou. Mahalo for your testimony this morning. So, to clarify, you said that the rubric that was used to score the projects was like any other year as if there wasn't a fire that created a need for a specific area?

MR. ECONOMOU: The fire wasn't referenced in the rubric, so yes. The scoring rubric that was sent to us was a similar document as it was for any other year, and there was no specification made within that scoring document that an area was impacted by fire or not. I can say that they wanted to put an emphasis on shovel-ready projects, so the projects that did get emphasized were the ones that were closer to construction than other ones, ostensibly. So, that that difference was there. However, I was asked to follow a rubric. Not my opinion, not whether --

COUNCILMEMBER RAWLINS-FERNANDEZ: Um-hum.

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

February 26, 2024

MR. ECONOMOU: -- I have a pecuniary interest, not whether --

COUNCILMEMBER RAWLINS-FERNANDEZ: Um-hum.

MR. ECONOMOU: -- one of my friends or staff members is lobbying for a certain project.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Economou.

MR. ECONOMOU: I was asked to follow a written rubric, and that's what I followed.
So, thank you for your emotional appeal. I understand that several thousand --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Economou.

MR. ECONOMOU: -- people are homeless --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Economou.

MR. ECONOMOU: -- and that's why I'm advocating --

COUNCILMEMBER RAWLINS-FERNANDEZ: You answered my question.

MR. ECONOMOU: -- for housing projects --

COUNCILMEMBER RAWLINS-FERNANDEZ: You answered my question.

MR. ECONOMOU: -- to be built, as opposed to --

CHAIR SUGIMURA: Okay, that's enough.

MR. ECONOMOU: -- opposing --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mr. Economou.

MR. ECONOMOU: -- projects because my . . . *(inaudible)*. . . getting --

COUNCILMEMBER RAWLINS-FERNANDEZ: You answered my question.

CHAIR SUGIMURA: Thank you very much. Ms. Rawlins-Fernandez, do you have any more questions?

COUNCILMEMBER RAWLINS-FERNANDEZ: I do. So, in your testimony, Mr. Economou, you said that you have been serving on this scoring committee for a few years. I...I thought it was my understanding that you moved here, like, five years ago or so. So, you were --

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

February 26, 2024

MR. ECONOMOU: Seven.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- given the opportunity to be on this...seven years. So, you were given this opportunity to be on this committee to score these housing projects only after a few years of living here like you are an expert while you were the Government Affairs Director of the Realtors Association of Maui?

MR. ECONOMOU: Yes. They asked me, as a community member who is heavily involved in this community, to give my time and service. I am sorry if that's offensive to you. And I agree, there probably shouldn't be people who are lobbying for housing efforts, specifically if they're lobbying for specific housing production, to be working in government and pretending to be experts on stuff. You know, if...if I had a staff member --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Economou.

MR. ECONOMOU: -- that was lobbying for a specific housing project, I would probably --

CHAIR SUGIMURA: Thank you.

MR. ECONOMOU: -- want to exclude myself --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo --

MR. ECONOMOU: -- from deliberations regarding that project.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Economou.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Economou.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: And Chair, I just--you know, I...I...I know that--it's...it's obvious Mr. Economou is feeling really attacked and...and offended, and I...I...I was trying really hard not to, so --

MR. ECONOMOU: I'm proud of my public service.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- I'm sorry if I offended you. Okay.

MR. ECONOMOU: Yes, you did.

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

February 26, 2024

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Economou.

MR. ECONOMOU: Yeah. It's --

COUNCILMEMBER RAWLINS-FERNANDEZ: I did?

MR. ECONOMOU: -- offensive to...to think that somebody that's willing to give their time, and skill, and knowledge to this County is --

COUNCILMEMBER RAWLINS-FERNANDEZ: I'm --

MR. ECONOMOU: -- somehow going to be criticized --

COUNCILMEMBER RAWLINS-FERNANDEZ: So, it's not you. It's --

MR. ECONOMOU: -- because they were asked --

COUNCILMEMBER RAWLINS-FERNANDEZ: That's the County.

MR. ECONOMOU: -- to volunteer by the County.

COUNCILMEMBER RAWLINS-FERNANDEZ: But the Department should not have chosen you, who had a conflict of interest, to serve on this board. Mahalo, Chair.

MR. ECONOMOU: I have no conflict. I don't get paid by any developers.

COUNCILMEMBER RAWLINS-FERNANDEZ: You...you were the Realtors Association of Maui's lobbyist.

CHAIR SUGIMURA: Okay, Members. Members, let's --

COUNCILMEMBER RAWLINS-FERNANDEZ: That's a conflict.

CHAIR SUGIMURA: -- be courteous, let's be courteous to the testifier in the . .
.(inaudible). . .--

MR. ECONOMOU: Previously, and currently, I am an attorney and consultant --

CHAIR SUGIMURA: I'm going to call a --

MR. ECONOMOU: -- that works with various government organizations.

CHAIR SUGIMURA: -- a recess. Three minutes. . . .(gavel). . .

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

February 26, 2024

RECESS: 9:48 a.m.
RECONVENE: 9:52 a.m.

CHAIR SUGIMURA: . . .*(gavel)*. . . Welcome, everybody, back to the BFED meeting. It is now 9:52. We took a short recess. So, if we have any more testifiers, can you identify when you speak what item you are testifying on? And do we have any other people signed up for testimony?

MS. APO-TAKAYAMA: Chair, the next testifier is Kai Nishiki, and then I see an individual in the Chamber who would like to testify as well.

CHAIR SUGIMURA: Ms. Nishiki?

MS. NISHIKI: Aloha. Good morning, Chair, Committee Members.

CHAIR SUGIMURA: Good morning.

MS. NISHIKI: I'm testifying...Kai Nishiki testifying on my own behalf on items 34, 35, and 39. I wanted to start off by saying that I am a longtime and fierce housing advocate. I fully support all truly affordable rentals and for-sale projects, and have for many years. I...I want to call attention to the Comprehensive Affordable Housing Plan that the County paid so much money for. . . .*(laughing)*. . . And you know, I...I really hope that people will have this on their desk when they are making decisions. But I just want to quote from here. It says, "Today, the Affordable Housing Fund operates from the perspective of..." "...perspective of limited resources. Developers request funding at levels that are competitive for the resources available, not to meet the needs of County residents." Quote from the housing plan. It is our collective responsibility to ensure homes are affordable for all. This is another . . .*(laughing)*. . . another quote. So, please go look at that. There's a number of very important things that are in there. Why are we pitting housing projects against each other? I think it's...right now, it's...it's--there's a number of things, and I am just so exhausted and flabbergasted that...that we are pitting our community and causing further division. This is so sad. And I think it comes from, you know, leadership. And right now, the Administration has not provided full information, has not provided full transparency, has not been inclusive of the community, or even of the County Council. We have not heard details of this interim or long-term housing plan. We...we are only learning now details of the process for this affordable housing, the special...the special RFP that went out to specifically address the changing needs in our community. And, you know, a truly and sadly broken Department of Anti-Housing and no regard for human concerns. You know, like, this is what happens if you pit our community and cause division when leadership doesn't put into...into place a process that...that is fair and that does provide a level playing field and...and gear things towards what the need is that you're trying to meet. And then this is...this is...this is where we're at. So, I just want to--I said this to Rep. Jill

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

February 26, 2024

Tokuda. I have testified at the State. We are approaching the FEMA cliff. And as stated by the Managing Director, 87 percent of the . . . *(timer sounds)*. . . displaced residents --

MS. APO-TAKAYAMA: This is the time for your first item.

MS. NISHIKI: Thank you. 87 percent of the displaced folks in West Maui are renters. And I fully support all of our residents, you know, building back their houses. But these 87 percent of folks, these people have no guarantee that they'll be able to afford those rents of these brand-new places. They have no guarantee that they will even be able to rent in Lahaina. So, that is who we really need to be focused on, meeting those...meeting those needs. And if we're focusing--I mean, they said they're spending a million dollars a day right now, you know--focusing on interim needs and giving all this money to hotel corporations and short-term rentals. In West Maui, this is where all of our--a significant portion of our tax revenue comes from. If we do not support long-term housing and put those...that funding into long-term housing, then what are you setting us up for? Economic failure. Because without the foundational support of housing, there is no workforce. There is no community. If you push everyone out of West Maui onto these dangerous roads that get shut down every single...every month, something's happening. An...an accident, a fire. You...you're putting people in extreme emotional situations because their kids are on one side, their job is on another, their house is in another. Please. Please don't set our...our community up to fail. We are relying on your...your leadership for this. And if you take a drive in West Maui, houseless filling our beach parks, filling our beaches, filling the parking lots. We have pregnant women sleeping on the beach kicked out of hotels. This is a crisis. And to think that in...in this economic times when the State is saying they have no money, the County is saying they have no money. This decision is really important, how we're spending \$24 million of the Affordable Housing Fund right now in this...in this situation. So, we're in the...we're in the Economic, Development, Budget, and Finance Committee. What is fiscally responsible? To be fiscally responsible, you need to have all the information at hand before you make a decision. So, perhaps it really is a time to take a step back, ask that the Council be included in the Administration's plans. Ask that the community be included in...in what this plan is with nobody even knows what it is. So, how can you make a decision when we don't even know what the options are, what the . . . *(timer sounds)*. . . what the financial projections are, what the infrastructure availability is? Like, there's so many missing pieces to this puzzle, and we...we don't even have the scoring sheets. We don't have full information from...from all of the projects. It--I...I just...I just don't want to see further division because the only way that we can...we can truly move forward is...is if we all work together. But if some people are getting left out, how can we work together? So, I just --

CHAIR SUGIMURA: Okay. Can you --

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

February 26, 2024

MS. NISHIKI: I just ask --

CHAIR SUGIMURA: Thank you. Any other questions for our testifier? Any questions for the testifier? Okay. Oh, Member Rawlins--U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Good morning, Ms. Nishiki. That is the second time you tried to call me Member Rawlins-Fernandez.

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

COUNCILMEMBER U'U-HODGINS: I know we're the young Hawaiians on the group, but, you know, we do look different. But anyways...thank you, Ms. Nishiki. I know that earlier in the beginning of your first testimony, you said you were testifying on your behalf. But I'm wondering if you could kind of clarify that for me because the last time we had Pulelehua in front of us asking for \$55 million, you kind of acted as their consultant. So, I'm wondering if you could clarify what your relationship is to Pulelehua as they were three out of the nine applications?

MS. NISHIKI: Yeah. Our nonprofit had been asked to be a consultant in looking at, you know, certain aspects of the application process and implementing some of the County programs like prioritizing by length of residency and...and how all of that would work with the project. And so, yes. I am a consultant on the project. However, our nonprofit and me personally have advocated and met with a number of developers on Maui so that we could push forward all affordable housing projects and mostly prioritize--like you folks want to prioritize--by where the greatest need is and what projects are ready to go. And so, you know, that's...that's where we're prioritizing our support, is in West Maui for a project that is already broken ground and ready to go vertical soon, and also to address the greatest community need, which is in West Maui. You know, folks in West Maui want to stay there. That's where their jobs are. That's where their school is. That's where their family networks for childcare and elder care are. And when a project comes to the community two weeks after the fire and says, how can we change our project to serve the needs of our community, and is willing to increase the number of...of homes, and change his project to all affordable, and offer land for school and teacher housing.

COUNCILMEMBER U'U-HODGINS: Okay.

MS. NISHIKI: You know --

CHAIR SUGIMURA: Okay. Is your questions answered?

COUNCILMEMBER U'U-HODGINS: It is.

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

February 26, 2024

MS. NISHIKI: We would need to --

CHAIR SUGIMURA: Okay. Thank you. Thank you.

COUNCILMEMBER U'U-HODGINS: Thank you, Ms. Nishiki.

CHAIR SUGIMURA: Thanks.

COUNCILMEMBER U'U-HODGINS: Thank you.

CHAIR SUGIMURA: Anybody else have questions for her? Okay. Thank you. Somebody has their hand up. Are they--is that a testifier with the new system? Okay. Thank you very much, Ms. Nishiki. And next testifier, please.

MS. APO-TAKAYAMA: Chair, we can return to the individual in the Chamber, to be followed by Sterling Higa.

MR. LAW: *(Audio interference)* kākou to the Councilmembers. Aloha Akakū, everybody out there in TV Land. This is in reference to Bill 34. And a special aloha to Sunshine Kama down there. She's back in the Chamber. And I...I appreciate your channeling with the kua there. You asked me--I was--I asked you what the Hawaiian word of the day is. You asked me, what does the Lord require of thee? And that goes along with the...the Hawaiian word of the day is hana ho'ohiwahiwa, which is a celebration as to honor an individual. And I want to thank Tremaine and Kathleen for giving their lives to the County. So, Bill 34, this \$10 million is way over my pay grade. It's probably even over Mr. Cook's pay grade. But I just had a question to the wording of the bill. If somebody could explain to me what Catholic means. And I give the rest of my time to the Hawaiians.

CHAIR SUGIMURA: Anybody have questions for Mr. Law? Seeing none. Thank you very much. Next testifier, please.

MS. APO-TAKAYAMA: Chair, the next and final individual currently signed up to testify is Sterling Higa.

CHAIR SUGIMURA: Thank you.

. . .(silence). . .

CHAIR SUGIMURA: Mr. Higa? Is he--oh, there he is. Okay. Now we can see you.

MR. HIGA: Thank you, Chair. My name is Sterling Higa, and I live in Ha'ikū with my wife and our four children. I'm testifying as an individual in support of both bills 34 and 35, so please allow full time. I support Councilmember Paltin's calls for

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

February 26, 2024

transparency, and I agree with the testifier Kai Nishiki that you need to have all the information at hand before you make a decision. So, let's have transparency. Here are the facts. In October 2022, this Council passed Bill 152 to award 18 million taxpayer dollars to the convicted felon, Texan Real Estate Developer Paul Chang, for his Pulelehua project. There was no transparent process or competitive bid before the \$18 million was awarded to Chang. Chang has not delivered any of the promised housing since then, and now he's back asking for more money. A few months ago, this Council passed Resolution 23-206, urging Mayor Bissen to award 50 million taxpayer dollars more to convicted felon, Texan Real Estate Developer Paul Chang. That's \$68 million--taxpayer dollars--this Council wants to give to convicted felon, Texan Real Estate Developer Paul Chang. Now, for perspective, the average award to developers from the State Rental Housing Revolving Fund in 2023 was 15.9 million. So, giving \$68 million to one developer for one project should raise eyebrows. Now, why does this Council want to give money to Chang so badly? After all, Chang doesn't even attend these meetings in person because he doesn't live on Maui and has never developed affordable housing in Hawai'i. But he has lobbyists who attend and testify on his behalf. Some of them even work for this Council. Let's review facts. First, Councilmember Rawlins-Fernandez. Your former executive assistant, Sarah Freistat Pajimola, is now employed by the convicted felon, Texan Real Estate Developer Paul Chang. She's a lobbyist working for the supposed nonprofit organization, Maui Nui Resiliency Hui. I say supposed because the Maui Nui Resiliency Hui was originally established in Dallas, Texas, by Paul Chang. Second fact. Councilmember Johnson. Your current executive assistant, Autum Ness, is the treasurer of the supposed nonprofit organization Maui Nui Resiliency Hui. Again, I say supposed because the Maui Nui Resiliency Hui was originally established in Dallas, Texas, by Paul Chang. Third. Councilmembers Paltin, Rawlins-Fernandez, Johnson, and Sinenci have all received campaign contributions from Kai Nishiki, who just testified as an individual, even though she's a registered lobbyist representing a project that was considered by the Affordable Housing Fund and did not receive funding. Now, mind you, she's employed by the convicted...convicted felon, Texan Real Estate Developer Paul Chang, and she's a registered lobbyist, working for the supposed nonprofit organization, Maui Nui Resiliency Hui.

CHAIR SUGIMURA: Mr. Higa?

MR. HIGA: Again, I --

CHAIR SUGIMURA: Sterling?

MR. HIGA: -- say supposed because the Maui Nui--yeah?

CHAIR SUGIMURA: Oh, yeah. So, you know what, let's...let's stick to Aikanaha and Hale Pilina, if you could.

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

February 26, 2024

MR. HIGA: Oh, no. I'm getting there. I'm getting there, actually. So, a relevant issue here. I appreciate your smile, Councilmember Paltin, because judging by your expressions, you guys are just learning the facts that I mentioned. Everyone here on this Council is an honorable public servant, who would not cynically exploit a crisis to enrich themselves and their friends at the taxpayer expense, especially because that would be a violation of the Maui County Code of Ethics and would open them up to ethics investigations, impeachment, and potential criminal charges. So, let's get back to Bill 34 and 35. These projects . . .(timer sounds). .

MS. APO TAKAYAMA: Your timer for the first item.

MR. HIGA: -- aren't asking for 50 million. One is asking for 10 million, and the other is asking for 14 million. They're worthy projects that went through an actual process. Now, I support the calls for transparency, so what I would call for is this. A full investigation of how the \$18 million was awarded to convicted felon, real estate developer Paul Chang, and an investigation of any relationships between these Councilmembers, their current Staffers, and their former Staffers with that person who received the 18 million, and an investigation of how the 18 million was spent. Because I agree with Councilmember Paltin, we need full transparency about how taxpayer dollars are spent. We need to ensure that the money is going to build housing, especially for West Maui residents who direly need the housing. So, thank you for your time.

CHAIR SUGIMURA: Thank you very much. Anybody have any questions for Mr. Higa? Seeing none. Thank you very much, Sterling Higa. Next testifier.

MS. APO-TAKAYAMA: Chair, Staff has...has not received requests for testimony at this time. If anyone would like to testify, please raise your hand by clicking on the raise-your-hand button or following the prompts via phone. Last call for testimony. Three, two, one. Chair, seeing no individuals wishing to testify at the beginning of the meeting.

CHAIR SUGIMURA: Thank you. Thank you very much. Thank you. At this time, I'd like to close public testimony at the beginning of the meeting and continue receiving written testimony.

COUNCILMEMBERS: No objections.

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

**ITEM 81: BILL 34 (2024), AMENDING THE FISCAL YEAR 2024
BUDGET: APPENDIX A, PART II, AFFORDABLE
HOUSING FUND (HALE PILINA)**

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

February 26, 2024

CHAIR SUGIMURA: Thanks. So, Members, I read each item number when I opened the meeting, so I'm not going to read it again as I start. We're going to start then with BFED-81, Bill 34, which is Hale Pilina, Catholic Charities, and the request for 10 million. As you recall, we had this come up in Council, but everyone asked that it be heard in BFED because we're talking about money. The question came up during testimony, why are we talking about money in this Committee? Because it's not housing. I guess that was the implication. But we're talking about an allocation of \$10 million. And this is under Appendix A, Part II of Fiscal Year '24 Budget, by adding a new condition to the Affordable Housing Fund that sets aside up to \$10 million of grant to Catholic Charities Housing Development Corporation for the Hale Pilina Project. Assisting us today, from the Administration, we have Housing and Human Concerns Director Lori Tsuhako. She must be online. And Budget Specialist Lesley Milner, or is it going to be Maria Zielinski? You want to come down here? Do we have Lori Tsuhako also on? Yeah? Okay. Lori is online? All right. Thank you. And we also have from Catholic Charities, Rob Van Tassell, the CEO, and Connie Yu, which you heard from her--Pampalone--earlier. And I would like to have opening comments from the representatives of Catholic Charities. Is anybody here or is it all going to be online? Catholic Charities? Okay. So, you're in--Catholic Charities, would you like to say opening comments on the project? Mr. Van Tassell?

MR. KRUEGER: Chair, we see Connie on the line. Connie, you're unmuted on our end, but we can't hear you.

CHAIR SUGIMURA: Oh.

MS. YU-PAMPALONE: Oh, okay. Can you hear me now?

MR. KRUEGER: Yes, we can hear you.

MS. YU-PAMPALONE: All right. Okay. So, thank you very much for having us today to update the Committee about our proposed financing for the Hale Pilina Project that was submitted as part of the LIHTC application on the 16th of February. We would also like to take this opportunity to respond to any additional questions that you may have, or provide any additional clarification for any part of the project that wasn't made clear in the previous meetings. So, I do have an updated presentation to share with you this morning. May I go ahead and share my screen?

CHAIR SUGIMURA: Yes.

MS. YU-PAMPALONE: Okay.

CHAIR SUGIMURA: Do you have it?

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

February 26, 2024

MS. YU-PAMPALONE: Yes.

CHAIR SUGIMURA: Is it in Granicus?

MR. KRUEGER: And yes, Chair. The Members should be able to reference this in Granicus.

CHAIR SUGIMURA: Okay. Very good.

MS. YU-PAMPALONE: Okay. So, first, we do want to thank for...thank you for approving the amendment to Resolution 21-177 during the previous HLU meeting that was held on the 10th of January for the proposed improvements of...to the project, and we were able to include Resolution 24-3 in the LIHTC application, showing...showing your approval. So, here are the sources and uses proposed for the project. For the uses, total cost of the project is about \$112 million. 3.1 million is to go to land. About 90 million to go to construction of the four buildings, including on-site and off-site improvements. About \$12 million to go into soft costs, plus a 5 percent contingencies. We also have a construction loan interest of about 3.4 million and a developer...developer fee of \$3 million. And the sources proposed to meet these expenses, are during construction periods, what we call the interim sources. It's going to be summarized below as Sponsor equity of about \$100,000. We are asking our investor to put down...to put down 10 percent of the total LIHTC equity of five...of about \$5 million towards the beginning of the project. We will also be asking for the HulaMae Multi-Family Tax Exempt Bond from the State of Hawai'i for almost 60 million. The Rental Housing Revolving Fund, once again, from the State of Hawai'i for 33 million, and the Maui County Affordable Housing Fund of \$10,660,000. The \$660,000 was awarded in 2022. And we were fortunate and was very grateful to receive a notice of award of ten...to be funded up to \$10 million on the 16th of January due to a...due to a result of the competitive RFP process. We will also be developing some of the costs, including our developer fee, for a total of 3.2 million. So, our permanent sources for the entire project is going to be sponsor equity of almost \$438,000, a total LIHTC equity of about 50.5 million, a permanent loan for the project for 11,270,000, the total Rental Housing Revolving Fund for the State of Hawai'i to 39 million, and the...and then, of course, the Maui County Affordable Housing Fund of 10,660,000. We believe we are in a good position to move forward this year, as we've worked closely with our GC and the project team to be reasonable on our cost estimate in that...in the LIHTC application with the prospect of--and we...we took careful measures to include any prospect of rising inflation and any increases in labor and material as the project is to begin to really explore value engineering opportunities to get this project built as effectively, efficiently, and timely. As the developer-owner representative on the project team, one of my responsibilities is to continue to look for opportunities to apply for grants, funds, and even loans to bring more capital into the project to

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

February 26, 2024

further lessen the financial burden that we could possibly put on the project in the long term. So, by doing so we can easily ask for...we can keep the rents affordable for the long time and to be able to maintain the project with a healthy cash flow for many years to come. So, this is the milestone chart just to show you the status of the project right now. So, our...so, our grading and related permits were submitted in December...in December of 2023. We're currently in the second round of review. Our building permits were actually submitted on the 9th of February. We were lucky to have the building permit number assigned to each building on the 20th of February. We did go ahead and submit a building permit for each building because we do plan on staggering the schedule of the delivery of the four buildings. So, we are planning on getting each building completed at any given...at a given time to be able to get the tenants moved in with the TCO and be able to stagger the schedule to get the project occupied as...as quickly as possible. So, we do anticipate to start the building...to start the first building in April and the last building in September of 2025, to complete in June of 2024 for the first building and October of 2026 for the last building. So, it's going to take about 13 to 14 months for the buildings to be constructed, and then about two years to get the entire project completed. I also included a slide to show the 2023 Maui County income and rent limits, but I want to clarify that Hale Pilina is 100 percent affordable housing project. The highest AMI that can be funded by LIHTC equity is 60 percent AMI. Workforce housing projects that Councilmember Paltin was asking in our last meeting, we usually target 80 percent AMI and above. You might have been able to support a many projects that have a mixture of low-income housing units, workforce housing units, or even market units all within the same project. Each of the funding programs can only support the AMI that were...that were only allowed by law. So, for affordable housing projects, the...the highest AMI that we could provide is 60 percent AMI. You can also see the Hale Pilina rent schedule without utilities in comparisons to the Maui County rent limits for the 2023 amounts for the County. So, this concludes my presentation today, and we hope by the end of this meeting that we could further solidify your support for Hale Pilina, as it is really important and imperative in the overall evaluation of our application with the State...with the State of Hawai'i. So, I thank you very much for your time and the opportunity for me to speak to you today.

CHAIR SUGIMURA: Thank you. You will be here when we go through deliberations. So, if members have questions on this presentation, if you don't mind, we can take it at that time. Next?

MS. YU-PAMPALONE: Sure.

CHAIR SUGIMURA: Thank you. Anybody else from Catholic Charities or what was that it? Was Mr. Van Tassell going to also testify? No? Okay. Anybody else? So, does the Administration have any comments from housing? Lori Tsuhako? Is--who's here from Administration?

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

February 26, 2024

MR. KRUEGER: Chair, yes. We see Director Tsuhako on the line. She's unmuted on our end.

CHAIR SUGIMURA: Okay.

MR. KRUEGER: Additionally, if it's okay, Ms. Yu-Pampalone, would you be able to end your screen share presentation?

MS. YU-PAMPALONE: Sure. Oh, so sorry. Oh.

MR. KRUEGER: Oh, it's just the stop-sharing button, next to the leave.

MS. YU-PAMPALONE: Yeah. Oh, sorry about that.

UNIDENTIFIED SPEAKER: Thank you.

MS. YU-PAMPALONE: . . . *(laughing)*. . . Yes. Okay.

CHAIR SUGIMURA: Thank you. Next, we have Ms. Tsuhako.

MR. KRUEGER: Chair, perhaps Director Tsuhako is having some technical difficulties at this time. She is unmuted on our end. Oh, we're going to try something real quick to see if that might help.

COUNCILMEMBER PALTIN: Chair, I had a point of information, quick question while we're waiting for --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: -- Director Tsuhako.

CHAIR SUGIMURA: Please.

COUNCILMEMBER PALTIN: In the slide show on Granicus, the slide includes utilities, and I thought the slide that Ms. Yu-Pampalone provided was without utilities. And if the slide that she presented to us is different from the slide deck that is in Granicus, if we can request her slide deck to be sent as well.

CHAIR SUGIMURA: Okay. Okay. So, Ms. Yu-Pampalone, did you get that request?

MS. YU-PAMPALONE: Yes. Yes.

CHAIR SUGIMURA: So, update it. Update your presentation, I guess. Is Lori on? Oh, okay.

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

February 26, 2024

MS. TSUHAKE: Hi. I am.

CHAIR SUGIMURA: I see...I see you, Lori.

MS. TSUHAKE: Good morning.

CHAIR SUGIMURA: Okay.

MS. TSUHAKE: Good morning.

CHAIR SUGIMURA: Go ahead, Lori. Sorry.

MS. TSUHAKE: Good morning, Madam Chair.

CHAIR SUGIMURA: Director Tsuhako.

MS. TSUHAKE: Thank you. And I apologize...I apologize for the technical problems that delayed my appearance.

CHAIR SUGIMURA: Oh, no problem.

MS. TSUHAKE: Thank you for having me. Thank you for hearing these items on today's calendar. Department is in strong support for the allocation of \$10 million to Hale Pilina. I think Ms. Yu-Pampalone gave a very concise overview of the...the stacking deck that the developer is using to finance this project. It will provide 178 affordable units for our community. Much needed. And we feel like the project, as described by Catholic Charities, will be able to be shovel ready toward the end of this calendar year. And as soon...and the sooner we get started on that development project, the sooner those units will be available for people in the community, so the Department stands in strong support of the budget amendment that would allocate these funds to Catholic Charities for Hale Pilina. Thank you, Madam Chair.

CHAIR SUGIMURA: Thank you very much. And anybody else...any have questions for Ms. Tsuhako? I see none. Okay. You'll be...you'll be here when we do deliberations. Anybody else? How about from the Budget Office? Are you here, Finance Budget Maria? You have dual hats now.

MS. ZIELINSKI: ...*(laughing)*... Thank you, Chair. Just to explain, the Deputy Finance Director is out of the Country, so I'm Interim Finance Director. And Ms. Milner is now Interim Budget Director.

CHAIR SUGIMURA: Okay.

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

February 26, 2024

MS. ZIELINSKI: If that doesn't confuse you. . . .*(laughing)*. . .

CHAIR SUGIMURA: So, how long are you Interim Finance Director?

MS. ZIELINSKI: Well, I understand he's...he'll return in two weeks, so I would assume that's the...the time...time frame.

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: Yeah.

CHAIR SUGIMURA: And in the meantime, if you're third in line, if anything happens --

MS. ZIELINSKI: . . .*(laughing)*. . . Yes.

CHAIR SUGIMURA: -- you're also the Mayor, right?

MS. ZIELINSKI: . . .*(laughing)*. . .

CHAIR SUGIMURA: . . .*(laughing)*. . . Okay. So, does the Budget Office have any comments?

COUNCILMEMBER PALTIN: Oh, Chair, can she repeat what she just said?

CHAIR SUGIMURA: Oh, you mean, Ms. Zielinski? Okay. Please explain to us your positions, please.

MS. ZIELINSKI: Yes. Thank you. Chair. Yeah. Councilmember, the Deputy Finance Director is out of the Country as of Friday evening, so I am the now Interim Finance Director. And because I'm in that position, Ms. Milner is now the Interim Budget Director.

COUNCILMEMBER PALTIN: Okay. So Mr. Tesoro returns in two weeks?

MS. ZIELINSKI: In two weeks.

COUNCILMEMBER PALTIN: Okay. Got it. Thank you.

MS. ZIELINSKI: Thank you.

CHAIR SUGIMURA: Okay. Then you go back to being Budget Director?

MS. ZIELINSKI: That's the presumption. . . .*(laughing)*. . .

CHAIR SUGIMURA: Okay. Thank you. Does the Budget Office have any comments

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

February 26, 2024

regarding Bill 34?

MS. MILNER: Thank you, Chair. No, we have nothing to add at this time.

CHAIR SUGIMURA: Okay. Very good. So, Members, do you have any--we have to take testimony again, right? Any...are there any other testifiers on this item?

MS. APO-TAKAYAMA: Chair, the first testifier is Stephen Kealoha from Catholic Charities, to be followed by Mason Williams.

. . .OPEN PUBLIC TESTIMONY BFED-81. . .

MR. KEALOHA: . . .*(inaudible)*. . . I live also in Pukalani, so I'm a member of this community. I speak in support of Bill 34 for the funding of Hale Pilina Project, and I'll give you my reasons why. I think you're going to hear, you know, repetitive remarks. However, it's important enough for me to repeat them because that's the way I feel about the whole project. So, first, the need for affordable housing is a county-wide issue of extreme importance. The need is not specific to just certain areas of this island or county. When Catholic Charities Hawai'i developed Kahului Lani affordable rental units for our kūpuna, there were over 400 applicants for each of the two phases, totaling 165 units from residents throughout this county. Second, as a nonprofit developer, our goal is to keep housing affordable, as we don't develop with profit in mind. The affordability period for this project is 61 years. Hale Pilina will provide 178 family units at or below 60 percent of AMI. Third, Catholic Charities Hawai'i's Housing Development Corporation is requesting \$10 million from the county, which is just 10 percent of the total cost, but very necessary to move forward soon to receive the benefit of more housing in a timely manner. We cannot afford to pass up on this opportunity for worthy projects that are nearly ready to go as this little project, which is expected to start construction by the end of 2024. The initiative to get housing built quickly for all families of Maui is undeniable. Lastly, Hale Pilina ranked first among affordable housing projects that were evaluated by the committee designed for this purpose under the direction of the Department of Housing and Human Concerns. As previously explained by the Director, I personally believe that this review that spelled out valid criteria for ranking was fair and comprehensive. Mahalo for your time, and I hope you will vote in favor of this proposal. Thank you very much.

CHAIR SUGIMURA: Thank you. Anybody have any questions for the testifier? I noticed that you mentioned that you live in Pukalani and --

MR. KEALOHA: Yes.

CHAIR SUGIMURA: -- to show your residency, but I also want to acknowledge that you were also the Maui County Older American awardee --

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

February 26, 2024

MR. KEALOHA: Oh.

CHAIR SUGIMURA: -- from last year. So, we know you've been giving your life and, you know, your heart and soul to this community. Thank you very much, Mr. Kealoha.

MR. KEALOHA: Yeah. Thank you very much. Um-hum.

CHAIR SUGIMURA: Thank you. Yeah. Any other questions? Okay. Seeing none. Thank you very much, Mr. Kealoha.

MS. APO-TAKAYAMA: Chair, the next individual to testify is Mason Williams on behalf of Catholic Charities, to be followed by Thelma Akita-Kealoha.

MR. WILLIAMS: Aloha and good morning. Good morning, Chair Sugimura and Councilmembers. I'm Mason Williams, and I'm a member of Catholic Charities' leadership counsel here in Maui. And we all know, we've been talking about it all morning, that housing is the biggest issue in Maui, only made worse by the...the tragic fires in both Lahaina and in Kula. What was a problem is now a crisis, and affordable housing for families is our number 1 priority. We have to find housing for our families. Catholic Charities has a proven track record of building, managing, and maintaining affordable housing. You heard that we've recently completed Kahului Lani, the two towers there. It's fully occupied. And as you probably guessed, we have a long waiting list. So, it's...it was a well needed--and...and thank you for your support of that. Hale Palani [sic] is...is \$100 million project, and it will provide affordable housing for 178 affordable family units. The land has been purchased, the architectural drawings are done, and we expect to start construction by the end of the year. This is a shovel-ready project that will bring housing to...to Maui now, which is desperately needed. We're requesting up to \$10 million to get this project done. And as you've heard before, this was ranked the number 1 project by the County for this year. We want to...I want to thank you. Mahalo for your past support of. . .(inaudible). . . Maui, and I want to ask for your support of this...this exciting new project. And I want to say mahalo for making a difference for--in people's lives here in...in...in Maui, because that's what you're doing by supporting this project. I appreciate your time today. Aloha and mahalo.

CHAIR SUGIMURA: Anybody have any questions for testifier? See none. Thank you very much.

MR. WILLIAMS: Thank you, Chair.

CHAIR SUGIMURA: Appreciate it. Next, we have Thelma Kealoha.

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

February 26, 2024

MS. AKITA-KEALOHA: I'm very short. Good morning. Aloha. Thank you, Madam Chair, Committee Members, for allowing us to come forward and to speak. I am Thelma Akita-Kealoha from Catholic Charities Hawai'i, and I am asking you for support of Bill 34. So, I wanted to say that before our fires, we already were in a housing crisis. Since the fires, it's only gotten way worse. So, housing is really hard to find and rents have skyrocketed, and that's because of the assistance that has come in. And, you know, we are really grateful for the assistance that's come in, but it's created people to pay unaffordable rents. We also heard that--sorry. We also heard that this has also created a secondary crisis because landlords are not renewing leases, and landlords are asking tenants to leave. So, there's a bunch of people who are scrambling for housing, and there's no housing to be found. You know, we work with survivors, as you've heard. Some of them have moved to Kahului, some of them have moved to South Maui. Some of them are in Wailuku, Upcountry, you know? So, our survivors are everywhere, and we want to be able to have them apply for this housing as well. This is a low-income housing project. So, I--you already heard, you know, the reasons to support this. I...I know that you have a really difficult job. Housing is really important for the island. And I'm not saying one priority over the other is, you know--it's all important. And I empathize, and I feel for our survivors as well. And as you know, Catholic Charities is providing assistance to the survivors and trying to do what they can to help them financially and to gain housing. We've already paid 2 million, I believe, in rental deposits...security...you know security rental deposits, past-due rent, security utility deposits, for these survivors. So, again, asking for your support for Bill 34. Thank you.

CHAIR SUGIMURA: Thank you. Anybody have questions for Ms. Kealoha? Seeing none. Oh, Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Kealoha, for your testimony and your service to the community. I just wanted to clarify what you said versus what some of the other testifiers said, that the survivors would be invited to apply for your project. I thought somebody previously had said that they would be given priority; is that not the case?

MS. AKITA-KEALOHA: You know, we were discussing that. Rob was discussing that, and he was saying that, you know, legally, we have to open it up to everybody. But maybe there's ways that we can let people know, survivors know, ahead of time that these units are going to be available. And there are certain ways that we can give out the applications as well. And as long as that's an open thing, and, you know, people are aware, and we're not breaking the law, that's what we can do and that's what we want to do.

COUNCILMEMBER PALTIN: So, just to clarify, survivors don't get any preference? Legally, it will be open to everybody, countywide, nationwide?

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

February 26, 2024

MS. AKITA-KEALOHA: Well, we want to...we want to have some control over that. But legally, we can't say that that's what we want. Also, you know, I know that there's been projects in the past that the County has funded. EAH is a perfect example that's been able to designate County funds for specific things. And we're looking into that to see if that would qualify also, because you're right. It is...you know, it is a need. And --

COUNCILMEMBER PALTIN: Will you keep us updated on the progress of that?

MS. AKITA-KEALOHA: I certainly...I certainly will.

COUNCILMEMBER PALTIN: Thank you.

MS. AKITA-KEALOHA: You're welcome.

CHAIR SUGIMURA: Any other questions for Ms. Kealoha? Seeing none. Thank you. Thank you very much.

MS. AKITA-KEALOHA: Thank you.

CHAIR SUGIMURA: Staff, can you send a letter regarding that to the Catholic Charities? Ms. Paltin's question. Just to keep us posted on what's happening. I know it's a concern of the Council. Okay. Any other testifiers on this item?

MS. APO-TAKAYAMA: Chair, Staff has not received any further requests for testimony. At this time, if anyone would like to testify on this item, please raise your hand by clicking on the raise-your-hand button or following the prompts via phone. Last call for testimony. Three, two, one. Chair, seeing no individuals wishing to testify.

CHAIR SUGIMURA: Okay. I'm going to close public testimony and we can receive written testimony on this item with Members.

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Thank you.

. . .CLOSE PUBLIC TESTIMONY BFED-81 . . .

CHAIR SUGIMURA: So, before we start going into deliberations, I want you to know that I've already asked Staff to ask Housing and Human Concerns if they could send to us the matrix, as it was called, in terms of rating for the housing projects that the Department did, which brought us the...the top two, I guess, or top three projects that's below this...before this Committee to be discussed. So, we're going to receive that at some point. Okay. And if we did want more, it would be--I

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

February 26, 2024

guess there's so many sheets that they wouldn't be able to send it to us before we make this decision, but they're going to be sending information to us. Ms. Paltin.

COUNCILMEMBER PALTIN: And just in case, because in the previous Committee, under Member Kama, we also did ask for the scoring sheets as well.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: So, if you get them before she gets them, let's get them all together.

CHAIR SUGIMURA: . . .*(laughing)*. . . Okay. So, do you know when that scoring sheets were going to --

COUNCILMEMBER SINENCI: Chair?

CHAIR SUGIMURA: -- come to us? Oh, Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. We also asked during the HLU Committee for maybe a ruling on the Board of Ethics, if...if some of these volunteers had any conflicts. And I know that Corporation Counsel did say that they...the volunteers didn't have to go through to do a financial disclosure. But hearing that some of the...the volunteers were on...on this board when they were in positions that might have been a conflict, I would also request that too, Chair. Thank you.

CHAIR SUGIMURA: Okay. So Corp. Counsel, are you on? Ms. Toshikiyo, did you hear the question?

MS. TOSHIKIYO: Yes, Chair. I'm here.

CHAIR SUGIMURA: Okay. Can you --

MS. TOSHIKIYO: I did. I did, and I'll...I can follow up with--I believe Mr. Hopper was staffing the HLU Committee, as well as the deputy that's staffs the Board of Ethics.

CHAIR SUGIMURA: Okay. So--and the--I guess the standing of...of this review committee versus a board, and this question about Board of Ethics and financial disclosure, if you could let us know. Okay. Anybody else have any questions for Corp. Counsel? See none. All right. Anybody have questions for any of the resources?

COUNCILMEMBER PALTIN: Oh, I just was wondering if--the updated slide deck, if they

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

February 26, 2024

were going to email that to us in real time --

CHAIR SUGIMURA: Okay. Catholic Charities.

COUNCILMEMBER PALTIN: -- or later on.

CHAIR SUGIMURA: Catholic Charities, can you send us the most current --

MS. YU-PAMPALONE: Yeah. I...I did already send it --

CHAIR SUGIMURA: Okay.

MS. YU-PAMPALONE: -- Friday, and the most updated copy this morning. I can go and send it to another Member if I need to right now.

CHAIR SUGIMURA: Did we...did we get it?

COUNCILMEMBER PALTIN: If you can.

CHAIR SUGIMURA: Did the Committee get it?

MS. YU-PAMPALONE: Yes. Yeah.

COUNCILMEMBER PALTIN: tamara.paltin@mauicounty.us. Thank you.

MS. YU-PAMPALONE: Oh, okay. . . .*(laughing)*. . . Okay.

MR. KRUEGER: Chair, Staff is in receipt of a presentation from Catholic Charities at 8:10 a.m.

MS. YU-PAMPALONE: Yes.

MR. KRUEGER: Is this...is that the most current one?

CHAIR SUGIMURA: Okay.

MS. YU-PAMPALONE: That's correct. Yes.

MR. KRUEGER: Thank you.

CHAIR SUGIMURA: Chair Lee.

COUNCILMEMBER LEE: I have a question on the same thing, but I didn't want to wait to go...for the paperwork to come. Why wouldn't the utilities be included in the rent?

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

February 26, 2024

CHAIR SUGIMURA: Okay.

MS. YU-PAMPALONE: Yes. So, there's--yeah. So, the...the HUD publishes the income and rent limits every year. It's the maximum amount of rent for that particular AMI that can be charged to a tenant. Normally, we have to back out the utility allowance from the maximum rent to...to assess the rent to the tenants, and the tenants would be independently paying for utilities on their own. So, for one bedroom on Hale Pilina, I think we backed out about \$152 for utilities, and for two bedroom, about \$290 for utilities. These utility allowance amount came from the Section 8 office for Maui County in a utility allowance schedule. So, it's not...there's nothing that we came up with. We actually went for a published schedule that was --

COUNCILMEMBER LEE: Okay.

MS. YU-PAMPALONE: -- provided by the County.

COUNCILMEMBER LEE: Thank you.

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER LEE: So, now the, the utilities are just electric?

MS. YU-PAMPALONE: Electricity. We could include water, sewer, landscaping, and trash services. So, the tenants are really looking at electricity charges only on their own.

COUNCILMEMBER LEE: Okay. So, this is divided amongst all the tenants? Because I'm sure not everybody has individual meter, right?

MS. YU-PAMPALONE: No. Everybody is going to have their individual meter. Yes.

COUNCILMEMBER LEE: Oh, they are?

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER LEE: Oh, okay.

MS. YU-PAMPALONE: Um-hum.

COUNCILMEMBER LEE: All right. Thank you.

CHAIR SUGIMURA: Three minutes total. Are you...are you done?

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

February 26, 2024

COUNCILMEMBER LEE: I'm done.

CHAIR SUGIMURA: Okay. Anybody else have any questions? Okay. Member Paltin, then we'll go to Member Kama.

COUNCILMEMBER PALTIN: Sorry, I...I just wanted to slow that conversation down and make sure that I understood what was said --

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER PALTIN: -- because I was waiting for the numbers, but since Chair Lee is jumping right in. So, just to clarify what you told her, that the water, sewer, landscaping is not part of the utilities?

MS. YU-PAMPALONE: Correct. They are included in the rent.

COUNCILMEMBER PALTIN: Okay. And the --

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER PALTIN: -- electric is the only utility. And for, like, a one bedroom, they could charge up to 152 or 209. But if people were to use more than 152 electric, then it's covered under the rent?

MS. YU-PAMPALONE: That's not--so, they will...they will pay more because of it. But for us to set the rents, the utility allowance is backed out of that maximum rent that I could charge. . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: So, they...they pay however much electricity they use --

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER PALTIN: -- but this is --

MS. YU-PAMPALONE: Correct.

COUNCILMEMBER PALTIN: -- just the formula to max out your rent, basically?

MS. YU-PAMPALONE: Correct. Yes.

COUNCILMEMBER PALTIN: Okay. Okay. And each unit has its own electric meter through HECO?

MS. YU-PAMPALONE: That's correct. Yes.

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

February 26, 2024

COUNCILMEMBER PALTIN: And then --

MS. YU-PAMPALONE: That's correct.

COUNCILMEMBER PALTIN: Shucks, we went over so many projects. You folks were going to include PV or solar, right?

MS. YU-PAMPALONE: Rooftop PV. Correct. Yes.

COUNCILMEMBER PALTIN: And then so how does that savings factor in? Is it not for the individual units, it's for the common areas or something like that?

MS. YU-PAMPALONE: Yeah. Yeah. Since the project was--it's in our fifth year, so the project is kind of...was approved by the Council in a certain design. So, we can only do rooftop PV. In order for me to be able to benefit the units per se, I need to have batteries to be built in with the property. I needed to...I needed to--and then for--we're also shooting for LEED Gold standard for the project to be able to measure that amount of electricity being generated by the...by solar and being able to disseminate it throughout 178 units. It's quite a bit of work to be done. So, we decided to use the PV power to only power up the...the common areas, the offices, the multi-purpose buildings, the laundry rooms, especially. So...you know, so that will reduce the common area cost to the project. So, and...and...really...and...and directly, the less that we use in the common areas, the less likely that I'm going to have to charge additional rents to support the operation of the day-to-day. So, there is--they do tie hand-to-hand. Yes.

COUNCILMEMBER PALTIN: Has it been calculated what that estimated cost of that common area electricity is and what the generation is, and is it equal or above? And then if it's above, does it go back to the utility as a bonus for them, or how does the --

MS. YU-PAMPALONE: The--yes. Correct. So, the...if there's excess power being generated by the property, it will tie to the HECO grid. So, we're...we're actually supplying power for the general community. We do get a small percentage in return as...as a discount to the...to the...to the rent to the...to our power bills, but there are some benefits to the County that we tie...we are tying to the grid itself. Yes.

COUNCILMEMBER PALTIN: Yes. And then . . . *(timer sounds)*. . . oh. Next time.

CHAIR SUGIMURA: Okay. Next round. Vice-Chair Kama.

VICE-CHAIR KAMA: Thank you, Chair. So, I just wanted to finish off with where Member Paltin was going. So, is there a benefit that actually goes back to the renters themselves?

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

February 26, 2024

MS. YU-PAMPALONE: For the solar power?

VICE-CHAIR KAMA: Yes. Yes.

MS. YU-PAMPALONE: Okay. Yeah. So, the solar power will be supplying power for the common area, offices, multi-purpose building, and all of our equipments that are required cooling. So, overall, it's maintaining the amount of--HECO that we have to be paying because we are using solar power to maintain the general areas of the project. It will not benefit the...the units per se, because we're kind of--I don't want to say stuck, but we are approved for that particular design that we have to stick to. Yes.

VICE-CHAIR KAMA: And will the project provide Wi-Fi for the residents?

MS. YU-PAMPALONE: Yes.

VICE-CHAIR KAMA: Okay.

MS. YU-PAMPALONE: Oh, the--only in the common areas, only.

VICE-CHAIR KAMA: Okay. So, if --

MS. YU-PAMPALONE: So, they can take their computers to the multi-purpose building. We will have cable, internet, and free Wi-Fi for the tenants to use. In their individual units, they are responsible for Wi-Fi, cable, internet for their unit usage. And we will be contacting Hawaiian Tel and Spectrum to be able to provide a choice to the tenant to use so they can choose where...whichever provider that they choose to...to get that service from.

VICE-CHAIR KAMA: What would the capacity of your community center be?

MS. YU-PAMPALONE: So, we're going to have two community buildings. And two of the buildings, each of them are 726 square feet, and the other one is 844. So they're quite large.

VICE-CHAIR KAMA: Yeah. Because my thought is that if people couldn't afford Wi-Fi in their own residences, that they'd probably send their kids to, like, a community center so that they could do homework.

MS. YU-PAMPALONE: Right.

VICE-CHAIR KAMA: Okay. Well, thank you.

MS. YU-PAMPALONE: Yeah. For sure.

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

February 26, 2024

VICE-CHAIR KAMA: Thank you, Chair.

CHAIR SUGIMURA: Very good. And I guess, Chair Lee, you're done with first round. Next, we have Member Rawlins-Fernandez. I don't see her. Okay. Next, we have Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Thank you, everybody, for your...your presentations. Ms. Pampalone, I really appreciate the...the LEED certification Gold standard is my understanding. That's great.

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER JOHNSON: We should be--I...I...I've recently even been hearing that the LEED certification is actually outdated. You can even get higher level of...of energy conservation, which is great. I'm glad to see that we're doing things in that regards. So, when you look at the AMIs, the--sorry, I have chickens. Pardon me. They're really loud. But if you look at the AMIs, it's very low AMIs, right? And folks like that, they're--in...in the low-income categories, many of them are on fixed incomes, and on SSI checks, and, like, that nature. So, it leads me to believe or it leads me to kind of ask about the ideas of, are you putting in...you know, of course you have the...you know, certain laws allow you to do...or make...make you do the Americans-with-Disabilities-type of fixtures. But is it standard, or do you have, like, this unit's ADA compliant and, you know, like second floor units are not, you know, those types of things? So, can you get...can you explain a little bit how robust is the ADA fixtures and things like that?

MS. YU-PAMPALONE: Well, actually, the entire property is using energy --

COUNCILMEMBER JOHNSON: Great.

MS. YU-PAMPALONE: -- efficient fixtures that--yeah. That applies to water usage, you know, toiletries, bathroom, kitchens. So, even our appliances are...are Energy Star appliances. The...the...the Gold standard actually requires quite a bit of compliance work that we need to do. We can easily go for the Platinum, but that's going to cost the project even more so to hit...hit that particular level. But for the Gold standard, those are bare minimum requirements that we do need to meet.

COUNCILMEMBER JOHNSON: Okay. And what about, you know, making the units very ADA compliant, you know, Americans with Disabilities Act.

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER JOHNSON: Is that...so, are some units ADA compliant and others are not? Can you get into the details of that?

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

February 26, 2024

MS. YU-PAMPALONE: Yeah. So, there are 13 units that are ADA units per se.

COUNCILMEMBER JOHNSON: 13?

MS. YU-PAMPALONE: Correct. The rest of the properties, about 166 units, are adaptable units.

COUNCILMEMBER JOHNSON: Okay.

MS. YU-PAMPALONE: So, the tenants don't necessarily have to move to an ADA unit if it's not required to have to do so. We can easily do accommodations, adaptations for the tenants to be able to stay in the same unit and still be able to function.

COUNCILMEMBER JOHNSON: Okay. Thank you so much. Thank you, Chair.

MS. YU-PAMPALONE: Thank you.

COUNCILMEMBER JOHNSON: No further questions at this time.

CHAIR SUGIMURA: Okay. Thank you very much. Next, we have Member Cook, and then Member U'u-Hodgins.

COUNCILMEMBER COOK: Thank you, Chair. My questions about the start date and move-in date were answered during the presentation.

MS. YU-PAMPALONE: Yes.

CHAIR SUGIMURA: Okay. So, you're fine?

MS. YU-PAMPALONE: Okay.

CHAIR SUGIMURA: Member U'u-Hodgins, then Member Rawlins-Fernandez after.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. I really don't have too much questions, other than to remind everybody today, including this project, that they need to submit certified payroll, and they need to also pay prevailing wage. Thank you.

CHAIR SUGIMURA: Yes. A must, right, if you have government --

MS. YU-PAMPALONE: Yes.

CHAIR SUGIMURA: -- funding.

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

February 26, 2024

MS. YU-PAMPALONE: Yes.

CHAIR SUGIMURA: Thank you. . . .*(timer sounds)*. . . Thank you. Next, we have Member Rawlins-Fernandez, then Member Sinenci.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Quick question for you. On your list, when you call Councilmembers, am I before Member Johnson? Because usually I'm after Member Johnson. So, I was trying to time it so that I wouldn't get called on --

CHAIR SUGIMURA: Missed it.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- while I stepped away real fast.

CHAIR SUGIMURA: I was trying to trick you. Just kidding. I was just trying to go down the line. Sorry. Okay. Go ahead.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, so what was the answer? So, I...I am?

CHAIR SUGIMURA: So --

COUNCILMEMBER RAWLINS-FERNANDEZ: On your list, I...I go after Member Johnson? I mean--I'm sorry. I go after --

CHAIR SUGIMURA: Actually, I'm trying to --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- Member Paltin and before Member Johnson?

CHAIR SUGIMURA: Actually, I was just trying to go down the...the way you were sitting in the Chambers.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, yeah. I...I sit --

CHAIR SUGIMURA: And I think I missed it.

COUNCILMEMBER RAWLINS-FERNANDEZ: I--it's Member Paltin, then Member Johnson.

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

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

CHAIR SUGIMURA: Sure, we'll make that gold star.

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

February 26, 2024

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, anyway... . . .*(laughing)*. . . Mahalo. I don't really have any additional questions. I appreciate the questions that my colleagues have asked. Really, Chair, the questions that we had when we were at Council and the reason these two items were sent to Committee is because of the process. I...you know, I...I think that the...the...both projects are great. I'm...I'm really happy to get the additional information that we're getting in Committee, you know, for the public. But, you know, at the higher level, it...it's more about the process that was flawed by the Department of Housing and Human Concerns, and that's where a lot of my questions lie. And so, it is involving these two projects on the agenda, and that's where my questions are. Mahalo, Chair.

CHAIR SUGIMURA: Okay. Thank you. So we will get the matrix as was requested, and the scoring sheets eventually, if they haven't already come from the Department. Next, we have Mr. Sinenci. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. And yeah, I don't have any questions. And again, mine's just about the process. Maybe for Director. If we're going to be receiving the scoring rubric, I just wanted to see or ask why the Lahaina fires weren't part--prioritized as part of the scoring rubric. But that's all, Chair.

CHAIR SUGIMURA: Okay. Okay. Members, anybody else have any questions? Member Paltin, you said you had another question, right?

COUNCILMEMBER PALTIN: Yeah. I just wanted to verify with Ms. Yu-Pampalone because I asked the testifier, but she seems like the...the person that has the answers. There's nothing in writing and no way legally to give preference to wildfire survivors?

MS. YU-PAMPALONE: Yeah. So, not at this time. But I think I spoke to you after the last HLU meeting. This is something that I could--with my experience--to be able to help with the Council to come up with a priority wait-list policy for not just Hale Pilina, but for all the projects that are going to be in the pipeline to be built in the Legislature in the next five years. It's not just given priority at the move in; you can easily give priorities at the move out. Let's just say we have a tenant living in Hale Pilina for...for three years, and there is an opportunity to move back to the West side. Okay. You can easily require all of our projects that are being built at this time to give those tenants the priority to move out. If they're in a lease right now, normally you have...you...if you're in a year lease and you're stuck with that lease, you're not allowed to break the lease. But I can easily...we can easily put a priority in place at the move out so that there is a property that's going to be...that's calling our tenants to go back to West Maui, they will be receiving priority there. So, you can do it --

CHAIR SUGIMURA: Oh, great.

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

February 26, 2024

MS. YU-PAMPALONE: You can do it both ways. Move in...you know, priority at the move in, and priority at the move out. I will be...I would --

COUNCILMEMBER PALTIN: I'm...I'm not clear on the priority move out. If we can dive in a little on that. So, you're saying if they have a one-year lease and --

MS. YU-PAMPALONE: Right. . . (inaudible). . . Hale Pilina. Um-hum.

COUNCILMEMBER PALTIN: -- any...any rental comes available in West Maui, whether it's a project, or a house, or whatever, there would be no penalty to break the lease?

MS. YU-PAMPALONE: Correct. Right.

COUNCILMEMBER PALTIN: What is the usual penalty?

MS. YU-PAMPALONE: That should come from the County. That should come from the State to impose it on all the projects that are going to be built in the next five years, let's just say, until West Maui is ready to go.

COUNCILMEMBER PALTIN: . . . (inaudible). . . penalty for breaking the lease?

MS. YU-PAMPALONE: Correct. You can easily impose that on everyone. I'm not going to ask for favoritism for Hale Pilina, but you can easily do that on all the projects that are in the pipeline.

COUNCILMEMBER PALTIN: Yeah. I'm...I'm just trying to clarify what is the...the --

MS. YU-PAMPALONE: Yes.

COUNCILMEMBER PALTIN: -- general penalty when a lease is broken before its deadline?

MS. YU-PAMPALONE: Sure. Yeah. Normally, you will have to pay rent until that unit is reoccupied. That's usually the penalty. Right.

COUNCILMEMBER PALTIN: Wow. Okay.

MS. YU-PAMPALONE: And then the landlord can easily say no, right? If they don't occupy it, you're going to end up having to pay for it.

COUNCILMEMBER PALTIN: Okay. And then my other question was about the washers and dryers. Is it, like, operated coin, or would it be free since the electricity is solar up until, like, it gets to the reimbursement level? Like, since water and

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

February 26, 2024

sewer is covered by the rent, like, is it --

MS. YU-PAMPALONE: Yeah. In the --

COUNCILMEMBER PALTIN: -- free washer and dryers or is it coin operated?

MS. YU-PAMPALONE: It's...it's...well, it's--yeah. It's not a free washer and dryer. It is...it's not coin operated, but it's through a card type, where you swipe a card, and then you can kind of--your...your--it could...it . . .*(timer sounds)*. . . would be deducted from that, from the card that you receive. The hot water for the laundry rooms are actually powered by solar hot water, right, so that overall, it...it reduces the energy consumption for the project. It might not make the tenants feel that I'm benefiting from the solar hot water, but they are going to see it when I'm not going to, you know, increase rent because, oh, my God, electricity are going...being...are being so high where rents have to go up in order to meet the expenses. So, that's how they're going to see that benefit. And we probably have to do a better job communicating how the...how the properties and the tenants are benefiting from the features that we're building into these...into...into the project itself.

CHAIR SUGIMURA: Okay. Very good.

COUNCILMEMBER PALTIN: Thank you. My time is up.

CHAIR SUGIMURA: Very good. Thank you for helping us with this move in and move out aspect --

MS. YU-PAMPALONE: Yes.

CHAIR SUGIMURA: -- for West Maui and staff. So, we should get that--this is something that you're going to put in your lease, so it's not necessarily part of this --

MS. YU-PAMPALONE: Correct.

CHAIR SUGIMURA: -- agreement, right?

MS. YU-PAMPALONE: Yes.

CHAIR SUGIMURA: But you're willing to do that?

MS. YU-PAMPALONE: Correct.

CHAIR SUGIMURA: So --

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

February 26, 2024

MS. YU-PAMPALONE: I'm willing to...to...to be...to work with you guys on this. I have 20 years of property management experience before coming on board with Catholic Charities. Yeah. For sure. And I'm also a broker. Yes.

CHAIR SUGIMURA: Okay. Okay. So, we can send a letter to Catholic Charities, and maybe they can help us so that we can get this in for future projects also.

MS. YU-PAMPALONE: Yes.

CHAIR SUGIMURA: Thank you very much.

MS. YU-PAMPALONE: Yeah.

CHAIR SUGIMURA: Ms. Rawlins-Fernandez. Member Rawlins-Fernandez, you have a question?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. So, what I was hearing from Ms. Yu-Pampalone was that she...she's saying that she can help us, like, generally speaking. But can we ask about, you know, whoever has the authority for this specific project, if that exemption to breaking the lease early, if their fire survivor is going to apply to this project?

MS. YU-PAMPALONE: We can definitely look into it, and we can--just like Council Chair--to incorporate that into the lease.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. YU-PAMPALONE: Um-hum.

CHAIR SUGIMURA: Does that answer your question, Ms. Rawlins-Fernandez? Because I think that's what... that's the document--right?--the legal document that will determine this.

MS. YU-PAMPALONE: Correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes. So, it's going to be each individual lease 'cause. . .is Catholic Charities the--who's --

MS. YU-PAMPALONE: So, we...we haven't --

COUNCILMEMBER RAWLINS-FERNANDEZ: Who's managing?

MS. YU-PAMPALONE: EAH Housing.

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

February 26, 2024

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, EAH.

MS. YU-PAMPALONE: So, EAH will be our property manager. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay.

CHAIR SUGIMURA: Okay?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

CHAIR SUGIMURA: Good. That sounds like it solves our problem. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Just a question for Ms. Pampalone. You mentioned that you're continually looking for funding for the project, and I do see that the wording in this ordinance is up to \$10 million. Should...should Catholic Charities receive more funding towards this, would...would you put that back into the affordable housing?

MS. YU-PAMPALONE: Correct.

COUNCILMEMBER SINENCI: Okay.

MS. YU-PAMPALONE: Yes. For sure. Yes. It's up to.

COUNCILMEMBER SINENCI: Thank you. Thank you.

CHAIR SUGIMURA: Thank you. Members, anybody have any more questions? Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I just wanted to correct something that was stated after my questions because it mischaracterized what I said. So...so, the answer to my question didn't, like, solve the problem that I have. The problem that I have is the process with how Affordable Housing Fund was allocated and...and without any consideration for this particular year in accommodating those in West Maui. So, that's....that's...that's my problem. And the answer to my question didn't solve that. So, I just wanted to clear that.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR SUGIMURA: Yes. Yeah. All right. Members, any other further questions for any of the resources? Okay. Seeing none. So, at this time--what is--did we receive the matrix?

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

February 26, 2024

MR. KRUEGER: Chair, Staff has not received anything yet.

CHAIR SUGIMURA: Okay. So, Members, it sounds like that is an item that maybe we can take up for future and longer discussion as it would impact all decisions, I guess, regarding housing in the future, and maybe create a clearer understanding of who the members are or whatever housing used to figure out what the criteria is that created the matrix, and, you know, we can look at it more in detail. So, in this case, I'd like to make a recommendation to approve this project passage on first reading on Bill 34, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR '24 [sic] BUDGET FOR THE COUNTY OF MAUI, APPENDIX A. PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR '24 [sic], AFFORDABLE HOUSING FUND, HALE PILINA," and incorporating any non-substantive revisions.

VICE-CHAIR KAMA: So moved.

COUNCILMEMBER COOK: Second.

CHAIR SUGIMURA: Thank you. Thank you. So, made by Member--Vice-Chair Kama, and seconded by--was it Member Cook? Okay. Any discussion, Member...Members?

UNIDENTIFIED SPEAKER: Nope.

CHAIR SUGIMURA: So, I see Member Rawlins-Fernandez, I see Member Paltin, and Sinenci.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. As I stated at the Council meeting when we had this item referred to Committee, I...I would prefer not to vote on this right now. We don't have all the information. And while I am supportive of this project--I think it's a good project--I...I don't know what echo is coming from, but I don't know if--Chair, if maybe you turned your mic off. It would kind of reduce the echo.

CHAIR SUGIMURA: I don't hear an echo.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, at this time I can...we can either, like, not vote on this or I'm going to not vote. I'm going to vote no. But I do support this project. Mahalo, Chair.

CHAIR SUGIMURA: Okay. Thanks for that discussion. Any other Members? Next, is Member Paltin and Member Sinenci.

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

February 26, 2024

... (silence) ...

COUNCILMEMBER PALTIN: So, I think this is a good project. I realize that there's LIHTC monies that are being going for with this project, the next project with Pulelehua, all of those are applying for LIHTC funding. And I guess, you know, the part that I can't...I can't comprehend or move beyond is that...the part that I can't...I can't wrap my head around is that for decades, over half a century, West Maui has supported this County financially. We brought in money to support the County projects in other areas. We brought in money to support the State. Decades. But the people in power at that time did not invest in our infrastructure, and the whole town burned down, you know? We lost Ka Hale A Ke Ola. We lost Lahaina Surf. We lost David Malo. We lost Front Street apartments. We lost Hale Mahaolu Eono with many lives in there, not just the buildings. We lost Kaiāulu o Kupuohi. We lost Lahaina Crossroads. We lost Komohana Hale. And those won't be built back in two years. If people are saying the FEMA cliff is February 2025, and 87 percent of our community was renters, and if the State and County doesn't want to pivot from tourism, and if the community wants the ash debris in Kahului, it's likely to be a five-hour commute to work in West Maui. So, I...I like this project. But if we have limited funds, I can't...I can't give this project an edge over a project in West Maui that could satisfy 800 rental units or 700 rental units. The...the FEMA ineligible project that we're presenting on tomorrow night, it's temporary for five years, 450 modular units. Where are those people going at the end of five years? I don't know how often folks drive to the West side. Drive in at 8 o'clock, leave at 4 o'clock; see what it feels like. Go to our beach parks. The whole pathway is lined with tents. So, at this time, as it is right now, I can't...I can't vote for this project because it's, like, I live in West Maui, and I don't see anyone else standing up for West Maui in this moment after the decades that we supported this County. And...and that's the sentiment from the people that want to stay in West Maui. It's...it's not just a 40-mile drive; it's like a treacherous, triple-the-amount-of-time-it-should-take 40-mile drive with people who have had their vehicles burned up, who've been separated and couldn't find their families for days, that went to...through a major, major trauma. And...and to hear from a volunteer that there was no...no allowance given for geographic community need, it's like a shot through my heart. Thank you, Chair.

CHAIR SUGIMURA: Thank you, Ms. Paltin. Member Sinenci.

COUNCILMEMBER SINENCI: Mahalo, Chair. I, too, supported this project in January, and...and I appreciate all of the testifiers that continue to support it. However, that is--for me, that...that is not the question. But that is not where we need...well, the dire need is. And although I...Chair, I appreciate the political spin from our little hammers, it's not...this...it's...that's not the issue that we're faced with. The issue, as Legislatures, we are being highly urged to create more housing in Lahaina due to the...the FEMA, upcoming FEMA deadlines, and...and

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

February 26, 2024

also the State contributions. The Lahaina housing projects will meet, you know, this need, including Pulelehua, upwards of 7, 800 units. I do anticipate in our next budget from...from our real...real property taxes, we'll get another tranche into the Affordable Housing Funds. So, if we could, you know--anticipating another tranche next year--and I understand that our entire budget will be, you know, focused on...on this, but I...I'm not sure I'm going to...again, vote yet, Chair. Thank you.

CHAIR SUGIMURA: Thank you very much, Member Sinenci. Next we have Member Johnson, then Chair Lee.

COUNCILMEMBER JOHNSON: Thank you, Chair. First off, I support the project, as...as you know, we need...we need housing in...in all areas of the island. I really appreciate the discussion my Councilmembers have mentioned about prioritizing West Maui. You know, we have been...we're...we're setting it up where...where the...the--I think we're talking about the wrong thing. The thing that we need to remember is what one of our testifiers said is that we cannot act from a position of scarcity. We have the funds to...to do the yes, and. Yes, we need housing in West Maui. Yes, we need housing in Central Maui. We need housing in every district. Affordable housing. Truly affordable housing. So, remember, Members, we wrote that bill and it passed that you can...you can go to the bond, get the bond money, and pay off that bond money with the Affordable Housing Fund. Instead, we're not doing that, we're just giving chunks of Affordable Housing Funds out to...out to developers. But that eventually is going to draw down that pot way faster than if the Administration would bond the money and then pay off that bond with a little bit of the Affordable Housing Fund. You could stretch it. So, there's tools in our toolbox. There's a mechanism that we could fund West Maui projects, and Central Maui projects, and Lānaʻi projects, and all the projects that are so needed in our community. I don't agree with the process, what some of the Members have mentioned. We should be prioritizing West Maui. The...the...the...the rubrics should have...the matrix should have reflected that it's time to pivot. And it's...and I haven't seen them. Of course, no one in...in the Council have seen...has saw them, I--my understanding. But the fact that...that it's not a priority, that just doesn't make sense to me. But I also don't think we should just say once the...once the million dollars are out of the Affordable Housing Fund is, then that's all we can do. We're done. No, that's not true. That's totally not true. Use the bond money, use the Affordable Housing Fund to pay off the bonds, and you can stretch it. That's...that's what I think we should be doing. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much, Member Johnson. Chair Lee.

COUNCILMEMBER LEE: Thank you. I know this is a tough one, but I am voting in favor of the project. I think I also support strongly...I strongly support Pulelehua, and I believe that we can address that problem--well, not problem, but that

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

February 26, 2024

project in the upcoming budget, which is, like, three months away. So, for now, this one's ready to go. And I think because it's addressing folks at the very low end, I think this is very much needed. And it can also support folks from West Maui. So, as...I just want to remind everybody that our resources and our funding is going to be very limited this upcoming budget. And we have many, many, many expenses to consider, you know, like close to \$5 billion for the recovery. So, we have to be very cautious. And for now, I think we can support this project and Pulelehua in the next few months. Thank you.

CHAIR SUGIMURA: Thank you. Anybody else have any comments for this before we vote? Okay. I will...I will let you know that I support this project as I see the needs. And I...I really appreciate the input that we got from Catholic Charities on helping us figure out the move in, move out, and...and what can be done as I...I can tell you have property management expertise, as well as probably you understand the laws that are binding and we hear about. So, Members, at this time then, I'm going to do a roll-call vote. If you could, thank you.

MS. APO TAKAYAMA: Chair, proceeding with roll-call vote. Councilmember Tom Cook.

COUNCILMEMBER COOK: Aye.

MS. APO TAKAYAMA: Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Aye.

MS. APO TAKAYAMA: Council Chair Alice Lee.

COUNCILMEMBER LEE: Aye.

MS. APO TAKAYAMA: Councilmember Tamara Paltin.

COUNCILMEMBER PALTIN: No.

MS. APO TAKAYAMA: Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: No.

MS. APO TAKAYAMA: Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: No.

MS. APO TAKAYAMA: Councilmember Nohelani U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Aye.

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

February 26, 2024

MS. APO TAKAYAMA: Committee Vice-Chair Tasha Kama.

VICE-CHAIR KAMA: Yes.

MS. APO-TAKAYAMA: Committee Chair Yuki Lei Sugimura.

CHAIR SUGIMURA: Yes.

MS. APO TAKAYAMA: Chair, that's six "ayes," three "noes," motion carries.

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

NOES: **Councilmembers Paltin, Rawlins-Fernandez, and Sinenci.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Bill 34 (2024)
 by C.R.

CHAIR SUGIMURA: Thank you. Thank you, Members, very much. Great discussion, and we all are passionate and...and understand the seriousness of these decisions.

ITEM 21(17): DISCUSSION OF BILL 39 (2024), AMENDING FISCAL YEAR 2024 BUDGET: REVENUES AND DEPARTMENT OF MANAGEMENT, OFFICE OF RECOVERY (FUNDING FOR APPROXIMATELY 50 ACCESSORY DWELLING UNITS TO PROVIDE INTERIM HOUSING SOLUTIONS TO SURVIVORS OF THE AUGUST 8, 2023, WILDFIRES CURRENTLY IN NON-CONGREGATE SHELTERS) (Rule 7(B))

CHAIR SUGIMURA: You know, I'm going to ask--we got word that CNHA has to leave and cannot wait longer. So, I'm going to take CNHA--well, that's not CNHA. I'm going to take Bill 38 next, which is--I'm sorry. Bill 39 next. So, 39 is the \$8 million for housing fund. And I hope that we have all expressed our

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

February 26, 2024

understanding and passion to get this done. And Bill 39 then, Members, we have Keanu Lau Hee from the Office of Recovery here, and she will then let us know what the Department has to say. I see Wendy Taomoto also, who is the housing czar for...for finding housing for those that are in...in hotels. And at this time, can we have opening statement? This is actually the second item, which I'm taking up now. Not on the agenda, was on third. So, Bill 39 amends the Fiscal Year '24 Budget to recognize \$8 million in carryover savings from the general fund, and to appropriate it for the Office of Recovery to be used to purchase dwellings and to provide interim housing for those affected by the August wildfires who are currently in non-congregate shelters. And just as a reminder, we passed this on first reading at Chair Lee's meeting, and this, today, is for discussion so that we can pass it on second and final reading at the next Council meeting. Deputy Director Keanu Lau Hee, please proceed.

MS. LAU HEE: Thank you, Chair. Thanks for taking up this matter. I previously testified on this matter, and since that time, we have had continued discussions with our nonprofit housing partner, the Council for Native Hawaiian Advancement, or CNHA. So, in collaboration with CNHA, we recommend the transmitted language be broadened. The primary goal is to facilitate affordable and dignified housing for residents displaced by wildfires. Restricting the language solely to accessory dwelling units, or ADUs, could limit the efficacy of the funds, particularly in an environment that continues to undergo changes. The Administration is recommending funds be made available for the construction of both temporary and permanent dwelling units. I do have Wendy Taomoto here, the Deputy Director of Public Works, who--she's been--this is actually her project, and I'm just giving remarks on it. And then as a resource, we have Nick Carroll from the Council of Native Hawaiian Advancement for any questions on our proposed amendment.

CHAIR SUGIMURA: Okay. So, let's hear from Nick Carroll because he's the one that has to leave. So, before he leaves, we would like to hear from CNHA.

MR. CARROLL: Aloha, Chair. Can you hear me?

CHAIR SUGIMURA: Oh, yes. Now we can hear you.

MR. CARROLL: Okay. So, thank...thank you for--you know, I'm...I'm sorry, I got to leave by noon, so I got a little bit of time. But, anyways...Chair and Members, mahalo for the opportunity to provide comments on this bill. You know, the...the Council for Native Hawaiian Advancement has been on the ground to support displaced families secure interim and dignified housing. And as we continue towards the future, it is evident that the current inventory does not support the current need. Therefore, we support the...the plan to build temporary and permanent housing projects on Maui. You know, also anticipating the ending of the FEMA direct lease, which is projected to terminate in February 2026, and the

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

February 26, 2024

continued temporary housing assistance that's terminating in February 2025. And also for those who are, you know, ineligible for FEMA assistance altogether, it's worthy to be proactive about these kinds of discussions. However, I do recommend that the language in the bill be revised to make the funds available for construction of both the temporary and permanent dwelling units. Reiterating what Keanu said, restricting the language solely to ADUs could limit the efficiency of the funds, and particularly in this environment that just continues to change. But I'm available for questions. Mahalo.

CHAIR SUGIMURA: Thank you very much, Mr. Carroll. Members, please allow me to have him be a resource.

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Thank you very much. Okay. Any--Budget Office, do you have any comments for this?

MS. MILNER: Thank you, Chair. I just wanted to draw the Council's attention to County Communication 24-7, which is posted on Wednesday's Council agenda. This is a proposed amendment that's been requested by the Administration to add conditional language specifying that these funds are for CNHA now that we've had more discussions and they have agreed that they will facilitate this project.

CHAIR SUGIMURA: Okay. And your...your--what you submitted, what you're talking about is...is...it just says for CNHA to house displaced wildfire survivors. So, that will include...be broad enough to allow the amendment that you want to make, right, Keanu? Okay. Members, anybody have any question for the resources? If not, I'll open it up for public testimony.

MS. APO-TAKAYAMA: Chair, sorry, just...the Staff is distributing the --

CHAIR SUGIMURA: Oh.

MS. APO-TAKAYAMA: -- County Communication referenced by the Budget Office.

CHAIR SUGIMURA: Okay. Very good. Thank you. Okay. I got it. Yeah. So, this is a letter dated February 21st, 2024, and it's on Council Chair agenda for Wednesday. But it's talking about amendment to Bill 39 (2024), Revenues and Department of Management, Office of Recovery, and it's talking about the adding of CNHA, as well as this for dwelling units. Okay. So, no other public testimony? Or do we have --

MS. APO-TAKAYAMA: Chair, Staff has not received requests for testimony at this time. If anyone would like to testify, please raise your hand by clicking on the raise-your-hand button or following the prompts via phone. Last call for

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

February 26, 2024

testimony. Three, two, one. Chair, seeing no individuals wishing to testify.

CHAIR SUGIMURA: Okay. Chair Lee, you have questions?

COUNCILMEMBER LEE: Yeah. For Nick, since he has to leave. So, Nick, how are you going to --

MS. APO-TAKAYAMA: Chair, I'm sorry. Can we close testimony on this item?

CHAIR SUGIMURA: Oh, I'm sorry. Can we close --

MS. APO-TAKAYAMA: Thank you.

CHAIR SUGIMURA: -- close public testimony and receive written?

COUNCILMEMBERS: No objections.

. . .CLOSE PUBLIC TESTIMONY BFED-21(17) . . .

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER LEE: Hi, Nick. So, how do you plan to market these units to the folks in West Maui?

MR. CARROLL: Yeah. No, that's a good question. When...when we do get the units available, it's going to be managed by a professional property management firm located on Maui. However, we do have our helpingmaui.org website that does collect information from those who have been impacted by the fires. So, we will be working, you know, simultaneously, collaborating with the property management firm to identify those who are...who are impacted by the fires when the units become available.

COUNCILMEMBER LEE: Okay. My understanding is that you've already helped 5 to 700 residents from Lahaina. Is that correct?

MR. CARROLL: Correct. Correct. So, there's a couple of different programs that we've been administering so far. One is the Host Housing Support Program. That's more for impromptu situations, where if a household has an available bedroom or, you know, a living room, or living space that they could allow for a displaced family to live in, we would give a stipend to the host. The other program that we are administering right now is the Kāko'o Housing--excuse me--Kāko'o Maui Housing Program, which that is paying to...where CNHA is leasing out units and placing those who are both FEMA ineligible and those who are eligible into units that we've secured for 12-month terms.

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

February 26, 2024

COUNCILMEMBER LEE: Thank you.

CHAIR SUGIMURA: Thank you very much. Anybody else have any questions for Mr. Carroll or any--Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Carroll, for being a resource and your service to Maui. I guess my main questions are, in the original presentation, that this 8 million would satisfy 50 units. Is that still the plan?

MR. CARROLL: You know, I...I...when I read the bill, it did say that they were projecting for the 8 million to--for 50 units. I think it was an average of \$160,000 per unit. However, I just want to remain...or keep in mind of the...of allowing for that flexibility because, you know, depending on where we do build, it...it may require for more infrastructure and more site work. So, just...just allowing for the bill to have some form of flexibility will allow for those kinds of...of...of changes to be...to be made, you know, allowing us to pivot as...as the projects come available.

COUNCILMEMBER PALTIN: And you folks, your entity CNHA would assist homeowners or property owners through the either temporary or permanent permitting process?

MR. CARROLL: Ideally so. Depending on what this money is used--or if...if it's where CNHA is building the projects where we were leasing the lands, then we would be the ones who's going through the...that temporary permitting process. However, if the funds is used towards those who are, you know, homeowners, I guess, that...that would be submitting, then we would work through with the County and with other, you know, people with experience to be able to go process the temporary building permits.

COUNCILMEMBER PALTIN: And then would you be willing to share with us the selection criteria? If it is 50, or less, or more units, what the selection criteria...if there's more than 50, or less, or more applicants?

MR. CARROLL: So, you're--or like the eligibility of going into the units?

COUNCILMEMBER PALTIN: The survivors going into the units. Yeah.

MR. CARROLL: Yeah. It's going to be a little bit broad right now. I...it...it...so, you do have to be impacted by the fires, that your...your residency was either damaged or destroyed by the fires. I don't want to restrict it any more than that right now.

COUNCILMEMBER PALTIN: I was wondering about, like --

MR. CARROLL: Just because --

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

February 26, 2024

COUNCILMEMBER PALTIN: -- say, there's some folks whose residency wasn't necessarily destroyed. Maybe it was damaged and fixable, but they were renters, and their landlords have --

MR. CARROLL: Yeah.

COUNCILMEMBER PALTIN: -- since moved them out of that area. Is--are those people, as well, eligible?

MR. CARROLL: Is that those who are like, secondarily impacted that was not in the burn zone or in the burn zone?

COUNCILMEMBER PALTIN: There's some even within the burn zone that the house that they were renting is still standing I've heard of and their landlord is removing them or asking them to get all their things out because they would like to make more money.

MR. CARROLL: I see what you're saying. Yeah. I would say that we would try to keep it where those could be supported as well. I...I also want to just make mention as well that we do want to prioritize those who are living in the...in the non-congregate shelters right now. You know, depending on when we could build these projects, I'm hoping that we could start soon. But if...if there's a date of termination for the non-NCS's, we want to be mindful of those who are staying in the hotels, especially those who are not eligible for, like, the direct lease assistance, right?

COUNCILMEMBER PALTIN: Right.

MR. CARROLL: Whether they're just FEMA ineligible completely, or if they're receiving that CTHA --

COUNCILMEMBER PALTIN: . . .*(inaudible)*. . . Yeah.

MR. CARROLL: But they cannot just pay for the rent just because the rents that are being charged right now is just really high.

COUNCILMEMBER PALTIN: And --

MR. CARROLL: So, I do want to prioritize those NCS. Go ahead.

COUNCILMEMBER PALTIN: Yeah. Whenever you do decide or develop the criteria, if you could just share it with us.

MR. CARROLL: Yeah. Absolutely.

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

February 26, 2024

COUNCILMEMBER PALTIN: The other question I had was I read in Civil Beat about the 'Ohana Hope Village and their challenges, but they do have these ADU units. I was wondering if you had made any efforts to reach out to Family Life Center. If they're not able to...to create the infrastructure for that 'Ohana Hope Village, and you meet...you blow through your 8 million in great ways and great successes, if they already have those 160 square foot units, if they would allow you to place them and place survivors in them in individual lot setups so that, you know, we're not waiting another ten years for water, sewer and fire suppression in Kahului, where most of the fire survivors I know said they didn't want to live on that lot.

CHAIR SUGIMURA: So, if I could, I just went to a site visit there. So, as of Friday, what we learned was 88 units...88 units. And that it's...it's not part of the County system, but water was secured through the help of A&B, King's Cathedral, Department of Transportation, Department of Water Supply. So, some of the things that was in that article got resolved and is being worked on. And I think 10 of those 88 units, it...it will be done soon, and they're expecting people to move in. They are prioritizing wildfire also. That's what my question was, and it got asked.

COUNCILMEMBER PALTIN: So, my questions is if they have units that people aren't able to use because they don't have sewer, fire suppression--like, water is just, like, one-third of the conversation. Even if they have water, they still need to have sewer, they still need to have fire suppression. And if there's units that are being just sitting out in the open and CNHA can use them, why are the units just being sitting there out in the open?

CHAIR SUGIMURA: Go ahead.

COUNCILMEMBER PALTIN: That's...that's what my question is.

CHAIR SUGIMURA: So, you want them to talk? You want them to talk to each other?

COUNCILMEMBER PALTIN: Yes.

CHAIR SUGIMURA: And I believe if you talk to Maude Cummings, I mean, she is so involved in this project. She's inspirational, just like Kūhiō and Nick Carroll. So, we'll get you guys together in case that conversation happens.

COUNCILMEMBER PALTIN: Even the other thing, the County during COVID bought, like, 50 pallet shelters or something. Who knows where those things are, but are we putting those out there too, you know? It was...I think they bought it from Milton Choy or something. So, I mean, no sense just let them sit somewhere where nobody knows about, like are those being put out there too? You know, there's the data that we receive said majority of the people are looking for one

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

February 26, 2024

bedrooms. And if we just put up, like, you know, the pallet shelters that were at the park in somebody's yard on a temporary emergency basis, that would move people out of the hotels if it's a single person and hopefully not have them more on the beach, which is getting overloaded already.

CHAIR SUGIMURA: Okay. Thank you very much. So, we can ask that question from Administration or Keanu--Deputy Director Lau Hee. I'm sorry.

MS. LAU HEE: No problem. Thanks. Yeah. So, the pallet shelters, I believe there's some that are in a container, stored. We...we...as you can imagine, we had experienced challenges just providing the wraparound services consistently with that. So, we'll certainly check with the MD--that was his pet project --

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

MS. LAU HEE: -- on, you know, if we can expand that to include structures on private property for that. You know, they're...they're pretty limited. I think they're about 100 square feet.

CHAIR SUGIMURA: It's small.

MS. LAU HEE: They have some AC, but they don't have restrooms or anything. So, it has to be, you know, in areas where infrastructure is available. But we'll certainly check with him.

CHAIR SUGIMURA: Okay. Thank you. Members, anybody else have any ques..., more questions on this? Member Rawlins-Fernandez, Member Sinenci.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Aloha, Mr. Carroll. Mahalo for being here with the Committee today. I just wanted to read the County Communication that's up for consideration on Wednesday's Council meeting. So, it says up to 8 million must be for a grant to the Council for Native Hawaiian Advancement to house displaced wildfire survivors. And does that work for you or CNHA?

MR. CARROLL: That does. That does, Councilmember. Thank you.

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

CHAIR SUGIMURA: Very good. Very good. Next, we have Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. For Deputy Lau Hee, are these funds coming out of the Affordable Housing Fund or the Office of Recovery fund?

CHAIR SUGIMURA: Deputy Director Lau Hee, or is this for Budget?

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

February 26, 2024

MS. MILNER: Chair, if you don't mind, I'll take that one. Councilmember Sinenci, we're using carryover savings for these funds. So, this is not --

COUNCILMEMBER SINENCI: Okay.

MS. MILNER: -- coming out of the Affordable Housing Fund.

COUNCILMEMBER SINENCI: Okay.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER SINENCI: Thank you. And then for Mr. Carroll, are you--being that each unit is upwards of 160,000, CNHA open to having the wording up to 8 million?

MR. CARROLL: Um...yeah, I mean that's fine. I like...I...I just wanted also, like, reiterate again is the structures alone cost one thing, but it's the site work that is kind of where you don't know until you know what property that you're working with. So, keeping that in mind, it...it is helpful to know what we have as a budget. And if that's the \$8 million, that's...that is helpful to...to have that understanding.

COUNCILMEMBER SINENCI: Thank you for those comments. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you, Member Sinenci. Anybody else have any questions? Remember, this--we are not voting on this. This is informational only. Oh, sorry, Chair Lee. It will be on your agenda for the next vote, Chair Lee.

COUNCILMEMBER LEE: Can I ask --

CHAIR SUGIMURA: Yes.

COUNCILMEMBER LEE: --Lesley a question? What's the balance in carryover savings after the 8 million?

MS. MILNER: Thank you, Chair. After the 8 million, I believe Finance sent correspondence recently to the BFED Committee on this. I don't have it directly at hand, but I do believe the balance is currently around 60 million once we take all of the carry--six, zero. Yes. After we take all of the carryover requests into account.

CHAIR SUGIMURA: Okay. Anybody else have questions on this? All right. So, Members, I'm going to defer this item. And this was...this is up for vote on Council Chair's agenda, which is Wednesday.

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

February 26, 2024

COUNCILMEMBERS: No objections.

ACTION: DEFER pending further discussion.

CHAIR SUGIMURA: Thank you very much, Ms. Lau Hee and Ms. Taomoto. Thanks for working hard on this, making this all flow through. So, appreciate it. All right. Members, next we're going to take up the Aikanaha Project, which is BFED --

COUNCILMEMBER PALTIN: Oh, you got to thank Mr. Carroll too.

CHAIR SUGIMURA: Oh, Mr. Carroll. Sorry. . . .*(laughing)*. . .

MR. CARROLL: No worries.

CHAIR SUGIMURA: And Kūhiō Lewis. Sorry.

MR. CARROLL: Mahalo, Chair, and mahalo --

CHAIR SUGIMURA: Yeah. Thank you.

MR. CARROLL: Mahalo, Chair, Members. Thank you.

CHAIR SUGIMURA: So, this is how passionate they are. Thank you very much. The housing that they did...CNHA did for Christmas, they had each one with a Christmas tree so that whoever walked in, they would have their own Christmas tree. That's how passionate they are about things that they do.

**ITEM 82: BILL 35 (2024), AMENDING THE FISCAL YEAR 2024
BUDGET: APPENDIX A, PART II, AFFORDABLE
HOUSING FUND (AIKANAH)**

CHAIR SUGIMURA: Next, we're going to take up BFED-82, Bill 35, which is Aikanaha Project. Mr. Ueoka, would you like to sit down with us here regarding this project? Or we have Housing and Human Concerns also.

MR. UEOKA: Thank...thank you, Chair. I believe we presented in HLU under 7(B). So, I noticed you guys are running short on time, so I'm available for questions.

CHAIR SUGIMURA: Oh, okay.

MR. UEOKA: Thank you.

CHAIR SUGIMURA: Okay. So, we'll...we'll ask if you could be a resource in case there's a question that comes up during discussion. Do we have to get testifiers? Oh,

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

February 26, 2024

we do. Any testifiers? Oh, we have Mr. Jasee Law on the podium.

. . .OPEN PUBLIC TESTIMONY BFED-82. . .

MR. LAW: Madam Chair, I signed up as nigger Kanaka.

CHAIR SUGIMURA: Oh, terrible. You can't participate. You stop. You can't...so, you can't participate. Don't participate. Okay. Point of order. No, you can't testify.

MR. LAW: . . .(inaudible). . .

CHAIR SUGIMURA: You're going to--well, it's my...it's my meeting. You cannot speak like that.

MR. LAW: . . .(inaudible). . .

CHAIR SUGIMURA: Okay. Next testifier.

MS. APO-TAKAYAMA: Chair, Staff has not received any further request for testimony at this time. We'll do a last call.

CHAIR SUGIMURA: Okay.

MS. APO-TAKAYAMA: Three, two, one. Chair, seeing no individuals wishing to testify.

CHAIR SUGIMURA: Okay. With your permission, I want to close public testimony and take up the next housing item, which is Bill 35.

. . .CLOSE PUBLIC TESTIMONY BFED-82 . . .

CHAIR SUGIMURA: This is now the third item that we're taking on today's agenda, and for Fiscal Year '24 budget by deleting conditions from Affordable Housing Fund, setting aside funds for Ka Hale A Ke Ola Homeless Resource Center, which you all know unfortunately burned down, Kuikahi Village Workforce Housing Project, which was 6 million that their project was not moving forward, and adding new conditions for Aikanaha Project, Phases 1 and 2. Up to 7 million would be set aside for each phase. Assisting with us, we have Administration, Lori Tsuhako, if you'd like to say anything more, as well as Ms. Milner. Ms. Tsuhako?

MS. TSUHAKE: Thank you, Madam Chair. This is...this is Lori. Thank you. Can you hear me? Can you hear me?

CHAIR SUGIMURA: Yes, we can hear you. Uh-huh.

MS. TSUHAKE: Thank you. Thank you. I'm sorry. Department stands, again, in strong

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

February 26, 2024

support of Aikanaha. We...we support funding for this project, and we look forward to having additional housing units for our residents. And these two phases, phase 1 and phase 2 of Aikanaha were...were rated second and third in our competitive process. And we needed to ask for the recapture of some of the funds, as you mentioned earlier, from previously funded allocations in order to make room for the \$14 million in aggregate that was requested in loans from the developer. So, I look forward to the County Council's support of this project. Thank you.

CHAIR SUGIMURA: Okay. So, clarifying this is a loan, this is not a grant, correct? That's what you just said.

MS. TSUHAKE: Yes. The --

CHAIR SUGIMURA: Okay.

MS. TSUHAKE: The application was for loans. Thank you.

CHAIR SUGIMURA: Thank you. Okay. Anybody have questions for Director Tsuhako? Member Cook. I'm going to...she's going to be a resource during...

COUNCILMEMBER COOK: I'll wait.

CHAIR SUGIMURA: You want to wait? Okay. Anybody else have any questions for the resources? Okay. Members, I'm going to close public testimony because we have nobody else, right?

MR. KRUEGER: Chair, that...that's correct. Yes.

CHAIR SUGIMURA: Okay.

MR. KRUEGER: No one else has signed up to testify.

CHAIR SUGIMURA: Okay. And we'll receive written testimony on this item. Now, Members, do you have any questions for any of the resources...resources? Seeing none. Oh, Member Cook. Sorry about that.

COUNCILMEMBER COOK: Thank you, Chair. My question's for the Director. How does a...say a ten-million-dollar loan get booked from the housing fund? Does it come...does it come off the top? And it's like instead of \$40 million, we have \$30 million, although the money is going to be--because the money is distributed out one time. And then how is it the payment schedule affect the housing fund?

CHAIR SUGIMURA: Director Tsuhako.

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

February 26, 2024

MS. TSUHAKE: Thank you, Madam Chair. Thank you, Member Cook. The...the terms of the loan are written into our agreement with the developer. So, some of the terms may be a little bit different, but we don't anticipate a repayment of the loan within--for example, it's not like a car loan, where you pay \$300 every month. It's--the...the repayment of these loans are going to get stretched out to possibly 20 years. So, the...the exact terms are just negotiated as we get to an agreement, but it's--I don't want to give you the impression that the repayment of that loan will come immediately after that loan is executed with the developer.

COUNCILMEMBER COOK: Thank you for that answer. I...that's not my impression. I understand that. And so, the fact that it's highly variable because it's a negotiated payback that's going to be dependent upon different terms and different projects; I'm just curious as far as when we, as a Council, review the Affordable Housing Fund now and in the future when we have some that are grants and some that are loans, how do we account for the income generated by those loans, which I assume would be replenishing the fund? Is that correct?

CHAIR SUGIMURA: Is that a Budget question?

MS. TSUHAKE: Thank you, Member Cook.

CHAIR SUGIMURA: Oh, sorry.

MS. TSUHAKE: Yeah. I...I think our Acting Budget Director can explain that, but the repayment of the loan essentially would be showing as a plus into the Affordable Housing Fund at the time that the repayments begin. So, it's...we also would show, for example, if...if a developer is not able to use all the funds that are granted as a...as a full-on grant and had to repay the...the County for funds that were given as a grant but not used, then we would recognize that addition into the Affordable Housing Fund in the same way. But I'm sure Ms. Milner can explain that in accountant's terms that I'm not able to.

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

COUNCILMEMBER COOK: Thank you.

MR. MILNER: Thank you, Chair. Thank you, Councilmember Cook. The way that would most likely be recognized is the loan repayments would be shown as revenue of section 1 of the budget. And then it would be reflected as an expense under Countywide costs as a transfer to the Affordable Housing Fund to increase that balance.

COUNCILMEMBER COOK: Thank you.

CHAIR SUGIMURA: Okay. Very good. Anybody else have any questions? Member

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

February 26, 2024

Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. My question would be for Director Tsuhako. In the last item I listed--and...and you did mention that Ka Hale A Ke Ola burned down. Lahaina Surf burned down. David Malo burned down. French Street apartments burned down. Hale Mahaolu Eono burned down. Kaiāulu o Kupuohi burned down. Lahaina Crossroads burned down. Komohana Hale burned down. Did I miss any Government subsidized projects that burned down in West Maui?

MS. TSUHAKE: Madam Chair?

CHAIR SUGIMURA: Yes, please.

MS. TSUHAKE: Thank you, Councilmember. I don't...I don't think you missed any. I think your list is exhaustive.

COUNCILMEMBER PALTIN: Okay, thank you. And then I just was wondering, in a holistic sense, what is the plan for the people that lived in those units to move to Central Maui in these units, where there's no guarantee that they would be prioritized? Is that what our overall plan is here?

CHAIR SUGIMURA: Is that a question for the developer?

COUNCILMEMBER PALTIN: No, for the Director.

CHAIR SUGIMURA: Oh.

MS. TSUHAKE: Thank you, Madam Chair. Thank you, Member Paltin. That is not my plan. I think the plan is, as we stated before, we want to develop housing units. And the more housing units we have, the more choices people have. And as you heard from the previous group of testifiers on the previous topic, there are plans in place to develop housing on the West side in...in response to the emergency. And so, this Affordable Housing Fund amendment that's asking for support for building housing in Central Maui is just one small piece of a larger puzzle, a larger process that we're using to create more units as we need in the community. Thank you.

COUNCILMEMBER PALTIN: Thank you. I mean, there was a project to do senior housing, LIHTC senior housing in West Maui asking for \$5 million. There's...there is no senior housing. The previous item was for 50 ADU units. So, I just...I can't wrap my head around this, that, you know, one-third about of the population of Hale Mahaolu Eono were trapped and passed away. The rest of the survivors feel that loss, and compounded with they have no place to live in West Maui. And...and there was an application for \$5 million to build 40 LIHTC

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

February 26, 2024

senior units. And I don't understand how that wasn't given consideration or priority over two projects which said that, you know . . . *(timer sounds)*. . . we broke our thing up into two phases, just in case we only got half what we asked for. So, there was \$5 million, \$7 million given two times to the same project, but not given for seniors in West Maui that want to live in West Maui for \$5 million? I just can't wrap my head around that.

CHAIR SUGIMURA: Thank you. Members, anybody else have any questions? Mister--Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Just following up. Director Tsuhako, so--oh, and Chair, are we voting for--both two installments of Aikanaha is...is on this ordinance? I mean--and I guess my question to Mr. Ueoka, you know, will the project require the second tranche? You know, in this phase, can you wait to our next budget to receive the second 7 million?

CHAIR SUGIMURA: Is the mic on? Okay.

MR. UEOKA: Thank you, Mr. Sinenci. We submitted our LIHTC application based on the...or the award letter, I guess, subject to Council approval. We really appreciate if we can move forward. And while it was broken up into two phases, there are a lot of efficiencies that are done by doing it in one phase, such as when the project goes out to bid with a contractor, it'll be one contract. You'll get some efficiencies there. You won't have to...they won't have to underwrite their loans twice, so there'll be a lot of efficiencies there also. So, we'd really appreciate if we could move forward with the 14 million, but we do understand the concerns. But there are...there are a lot of savings on our side by doing it in one phase. Thank you.

COUNCILMEMBER SINENCI: All right. Thank you, Mr. Ueoka. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Next, we have Vice-Chair Kama, then we have Member Johnson.

VICE-CHAIR KAMA: Thank you, Chair. So, this question is for Mr. Ueoka. Why did the project decide to take out a loan as opposed to doing a grant?

MR. UEOKA: It was requested by the Department, just as--the concept being in the long term, get some replenishment. But as Director Tsuhako stated, it's...it's really not like a car loan. You're not going to --

VICE-CHAIR KAMA: Yeah.

MR. UEOKA: -- immediately start seeing payments. It's going to be over an extended period of time. Thank you.

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

February 26, 2024

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

CHAIR SUGIMURA: Thank you. Member Johnson, then Chair Lee.

COUNCILMEMBER JOHNSON: Thank you. Thank you, Chair. This question's for Director Tsuhako. The...the 6 million for the Kuikahi project. Did that get put back into the Affordable Housing Fund?

CHAIR SUGIMURA: Director?

MS. TSUHAKE: Thank...thank you, Madam Chair. Thank you, Member Johnson. The \$6 million from Kuikahi is being, for lack of a better term, returned to the Affordable Housing Fund so that funding for Aikanaha Phase 1 and 2 can be done. And we have spoken to the developer of Kuikahi, who's agreed to allow for the...the return of the funds in exchange for being itemized in the Fiscal Year '25 Affordable Housing Fund Plan that the Department will provide to this body.

COUNCILMEMBER JOHNSON: For the same amount?

CHAIR SUGIMURA: Yes.

MS. TSUHAKE: Yes. For the same amount.

COUNCILMEMBER JOHNSON: Okay. So, that's kind of an update. Is it--and you know how it's ranked, and when you look at the Affordable Housing Fund, it's like...I think right now, it's presently number 1 to 12, all of the items that you're funding. Any other changes, any other shufflings around of those funds, Director?

MS. TSUHAKE: Member Johnson, no. The Department requested the removal of the funding that was allocated for the purchase of the Lahaina Travel Lodge because of the fire and the property was demolished, so it's not going to be purchased for Housing's use. And as we received an update from the developer of Kuikahi, they confirmed that they did not need their grant funding immediately, and they could wait until the new Fiscal Year. And so, we proceeded with the budget amendment as is before you right now.

COUNCILMEMBER JOHNSON: Thank you for that clarification. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Any other questions for the Department or the resources? Oh, I'm sorry. Chair Lee. Then I'll ask for the vote.

COUNCILMEMBER LEE: Questions for the Acting Director of Budget. Okay. So, Lesley, the 10-million-dollar loan, does that include service fees or any kind of charges? Oh, was it 14 million? Oh, I thought it was 10 million. So, I thought I heard 10

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

February 26, 2024

million. 14 million charges? So, when they repay them the 14 million, is it 14 million or is it 14,250,000 or something like that?

MS. MILNER: For that one, I'm going to have to defer to Director Tsuhako because they're the ones making the loan arrangements with --

COUNCILMEMBER LEE: Oh. Oh, I'm sorry.

MS. MILNER: Yeah.

COUNCILMEMBER LEE: Okay. Director Tsuhako. Is there a charge to --

MS. TSUHAKO: Thank you, Council Chair, for --

COUNCILMEMBER LEE: -- for servicing the...the loan --

MS. TSUHAKO: Yes, I believe that there's an interest --

COUNCILMEMBER LEE: -- or . . . *(inaudible)*. . . --

MS. TSUHAKO: There's an interest fee that's charged. And all of that, those details will be worked out once the amendment is passed. And we...we, meaning the Department sits down with Corp. Counsel and the developer to work out those terms of the loan.

COUNCILMEMBER LEE: Okay.

MS. TSUHAKO: So, I...I cannot say with certainty right now what those are, but we will do that once we are enabled.

COUNCILMEMBER LEE: Okay. And then standard procedure would be...include a lien on the property? Director.

MS. TSUHAKO: I...I believe that the...any property liens would be...for this project, would all be rental anyway. So, it wouldn't have...it wouldn't have a requirement for resale and things like that to the...for the individual tenants because it's rental. But I think for the larger project, I think the County would probably be listed as a...as a holder of a...of some kind of lien. And I'm not quite sure how the --

COUNCILMEMBER LEE: On the land.

MS. TSUHAKO: -- land would--on the...on the land itself.

COUNCILMEMBER LEE: On the land. Oh, okay.

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

February 26, 2024

MS. TSUHAKE: Yeah.

COUNCILMEMBER LEE: All right. Thank you.

CHAIR SUGIMURA: Okay. Thank you very much. Anybody else have questions? I'm going to--okay. Ms. Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. My question would be for the Director. Is there any way you can let us know who else is a Department line item in your budget proposal?

MS. TSUHAKE: Member Paltin, are you referring to Fiscal Year '25 Budget?

COUNCILMEMBER PALTIN: The one where you had previously just said that somebody is a Department line item, I was wondering who else?

MS. TSUHAKE: Ms. Milner can correct me if I'm wrong, but I believe that these two projects have also been...or may also be listed as line items on the Fiscal Year '25 Budget proposal only because we were unsure of...of their status as of today. The Mayor's proposal hasn't been issued yet. I think it will be transmitted at the end of next month. I don't personally know what that budget looks like yet, so I'm unable to say with more certainty than I just shared.

COUNCILMEMBER PALTIN: So we don't know if any allotment has been . . . *(inaudible)*. . . for West Maui as a line item?

MS. TSUHAKE: As...as I just said, Member Paltin, I have not seen the Mayor's budget proposal for Fiscal Year '25, so I'm unable to say with certainty whether it is or not.

COUNCILMEMBER PALTIN: Have you put forward anything for West Maui as a line item?

MS. TSUHAKE: No, because we haven't...the Department hasn't gone through a procurement for Fiscal Year '25 Affordable Housing Funds, partly because we don't know how much money will be in the Affordable Housing Fund. So, usually when you administer programs like this, you know how much money is...is there for procurement purposes, and then you issue a procurement so that when selections are made, you know what your cut off point is on selections. So, I do not know what--how much money will be allocated to that fund.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Thank you very much. Anybody else have any questions? Okay.

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

February 26, 2024

So, Members, at this time --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: Oh, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. My question is for Director Tsuhako. We're still waiting for the scoring rubric and all the committee information for the--how the projects were scored and decided upon it. When is that coming?

CHAIR SUGIMURA: Do we know?

MS. TSUHAKE: Thank you. Thank you --

CHAIR SUGIMURA: Oh.

MS. TSUHAKE: -- Member Rawlins-Fernandez. The information was transmitted all last week, and I...I heard that someone from the Mayor's Office was going to walk it down. But we...they had trouble transmitting it because of the email difficulties this morning, so I heard that they were going to walk it down. And Ms. Milner may know more about that than I do.

CHAIR SUGIMURA: Ms. Milner.

MS. MILNER: Thank you, Chair. Thank you, Councilmember. Yes, I can confirm with the ninth floor that that information should have been walked down to the HLU Committee earlier this morning.

CHAIR SUGIMURA: Oh, not Budget?

MS. MILNER: It was a response to a letter from HLU that was walked down this morning, so that's why it went to HLU.

CHAIR SUGIMURA: Oh, okay. Okay. So, it's there. Thank you. All right.

COUNCILMEMBER RAWLINS-FERNANDEZ: So, Chair, what item did that go under?

CHAIR SUGIMURA: Ms. Milner?

COUNCILMEMBER RAWLINS-FERNANDEZ: If Staff knows, or whoever knows.

MS. MILNER: Thank you, Chair. It was transmitted under HLU-3(13).

COUNCILMEMBER RAWLINS-FERNANDEZ: HLU-3(13)?

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

February 26, 2024

MS. MILNER: Yes.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And then Chair, I have another question for Director Tsuhako. Director, today, I...I learned that on the scoring committee, there was a lobbyist for a realtors association that participated in scoring for all these years. How...how are individuals in the community asked to be part of this scoring committee?

CHAIR SUGIMURA: Director.

MS. TSUHAKE: Thank you, Member. Mr. Economou was not a lobbyist at the time he participated in the most recent evaluation. He was a private citizen and self-employed, I believe. Over the years, we've asked many different people to participate in the scoring of these, and we take people from different industries. For example, we've had mortgage brokers. We've had bankers. We'd have people representing, like, financial aspects of...of housing. And just try to . . . *(timer sounds)*. . . put...put that together to come up with a--and had County Staff actually also participate in and come up with a committee that's balanced and fair, and not representative of one industry or another unfairly.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Director. This past year, the individual wasn't part of the realtors association, but he said that he participated for several years, which means that he was.

MS. TSUHAKE: He has participated in the past. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Mahalo, Chair.

CHAIR SUGIMURA: Okay. Thank you. No other questions? All right. Members, so at this time, I'll entertain a motion to recommend passage on first reading, Bill 35, entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR '24 *[sic]* BUDGET FOR THE COUNTY OF MAUI, APPENDIX A, PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2024, AFFORDABLE HOUSING FUND, AIKANAHA," incorporating any non-substantive revisions.

VICE-CHAIR KAMA: So moved.

COUNCILMEMBER LEE: Seconded.

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

February 26, 2024

CHAIR SUGIMURA: Thank you. Thank you. Motion made by Vice-Chair Kama, seconded by Chair Lee. Any discussion? Okay. All in--I'm going to take a roll-call vote.

COUNCILMEMBER PALTIN: I have discussion.

CHAIR SUGIMURA: Oh, you do have a discussion? Okay. Go ahead.

COUNCILMEMBER PALTIN: Chair, you and me, we went to the Ways and Means Committee. We...we met with the Lieutenant Governor several times. The State...the State doesn't have any cash to give us, and...and I believe part of it is because the revenue from West Maui is down. Our...our budget outlook doesn't look good because the revenue from West Maui that we've been relying on for decades is down. And I know I said it before, but I think it...it deserves to be said again, that for how long West Maui supported this entire county, it's super hurtful to the people of...of West Maui that higherups don't support West Maui back. About 10,000 people lost their housing in one day. Then, we lost the money for the housing for Anchor Square. And we lost Ka Hale A Ke Ola. We lost Lahaina Surf. We lost David Malo. We lost Front Street Apartments. We lost Hale Mahaolu Eono. We lost Kaiāulu o Kupuohi. We lost Lahaina Crossroads. And we lost Komohana Hale. And that's all that I know of that is Government subsidized. There's plenty that wasn't Government subsidized that also got lost. And with no comprehensive plan for the survivors to be able to get back to West Maui, I don't know how...how you expect us to continue to carry the financial load. There's still over 4,600 people in non-congregate sheltering. The State and the County is looking at FEMA to build. I don't have good confidence in FEMA building after the way FEMA and Lima Charlie is working out the direct lease. Person, after person, after person, after person has told me that there is available units being paid for and sitting empty. But the Governor's coordinator said, oh, no, they're not paying anybody until the unit gets inspected and somebody moves in. But I'm hearing from people the opposite of that. I heard from the State and Congressional delegation that FEMA is going to build housing, but I don't...I don't have good confidence in that, just the way that they're handling both their direct lease and their rental assistance program. Both of them are not being successful in this moment, and people are losing hope. I heard from a doctor recently on their ED board discussion. They...they were talking about six attempted suicides. And...and that's not something we're supposed to be talking about. If...if there are attempted suicides, we're supposed to be talking about suicide prevention. And housing in West Maui for West Maui people is that to me. Seniors are freaking out about where they're going to live, expenses involved in hiring a civil engineer or CCTV to reconnect their houses. Many, many, many people were not even homeowners, and yet here, we are reallocating \$6 million that would have gone to affordable housing in West Maui to Central Maui because we were in a crisis before. Does the previous crisis outweigh the ongoing crisis, which is of a greater magnitude? If I don't speak up

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

February 26, 2024

for West Maui, who will speak up for West Maui? Because I hear the Senate. They don't have money. I hear from you folks. You don't have the money. CNHA is the only one that been stepping up. They've been stepping up more than the County, and the State, and FEMA on housing our people, which is a form of suicide prevention. So, at this time, I need to vote no for West Maui. That there was an opportunity to fund 40 senior LIHTC units for 5 million. It could have been the 5 million that was going to West Maui for Anchor Square, but we're putting it all in Central so that people can endure a five...five-hour commute if they're lucky enough to win a place in Central Maui, which maybe they could break the lease without penalty if something comes available in West Maui. So, for me, that's too little for West Maui. After how many years we supported this county, that the higherups think so little bit of our people wanting to stay in West Maui. So, I cannot support this project.

CHAIR SUGIMURA: Okay. All right, Members. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. I will join Member Paltin's voice in speaking up for West Maui. This is an injustice, and I refuse to take part in this injustice. This is Government-created disparity, and that's so messed up. Like, I'm...I'm part of the Government, and, like, I...I...my hands are so tied, that I...I...there...there's not much more I can do besides vote no on a project that I support. I think this project is great, you know? I support Coach (*phonetic*) and all he's doing with this project. But this process is was flawed. This isn't like any other year. There should have been considerations given to West Maui for all the reasons that Member Paltin stated. The community told us that Lahaina is not Lahaina without its people, and we're pushing all of its people out. We're not giving them a place to live in West Maui, and that's not right. A fair process helps to remove politics, it helps to remove favoritism, and a fair process includes having a selection committee that is non-biased and without any conflicts. And I don't believe a fair process was done here. There's many people who are speaking up--some may be labeled conspiracy theorists--that are saying that the Government and other powers are intentionally displacing the people of Lahaina out of West Maui. And by continuing to do what is being done here, it just adds fuel to that. It provides the evidence that surely looks like that is what is happening. I checked the HLU-3(13) item, and the...the documents that we requested is not there. We...we asked for this--what, over, like, a week and a half ago at the last Council meeting? We...we...we asked the Administration to please provide this documents, and we were assured that they would be provided by the time that we meet about this so that we could be more informed and the public would have more information so that they understand how these decisions were made. And it's not there. That...that information under HLU-3(13) is not there. I don't understand why it...it took that long, and it had to be walked down this morning, and it's not even morning anymore. We started the meeting at 9, so it's been over three hours to get the documents to the Staff, and then for Staff to be able to post them while we're in this meeting so that the public would have access

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

February 26, 2024

to that information and we can all together understand how these decisions were made. But that information is not there. I...the last thing is, you know, I--even...even...even though...even despite the way that Mr. Economou behaved this morning, it...it wasn't him that I...I was disappointed by or not happy with. It was the Department. I...I don't understand how the Department is choosing folks to sit on these selection committees, these scoring committees, when they...when they had a conflict of interest. Because even if it wasn't this past year, lobbyists that have an interest in...in which projects are selected shouldn't be sitting on these scoring committees for the...for our County. So, yeah. I...I really wanted to vote yes on this project because it's a good project. And thank you, Coach, for your persistence. And mahalo, Mr. Ueoka, for being here and providing us all the information in HLU Committee. I'm going to be voting no.

CHAIR SUGIMURA: Okay. Member Kama.

VICE-CHAIR KAMA: Thank you., Chair. I just want to speak --

CHAIR SUGIMURA: I'm sorry. Member Johnson next.

VICE-CHAIR KAMA: Oh, do you want to go first?

CHAIR SUGIMURA: Member Johnson, did you have your hand up before then? Oh, sorry about that. Go ahead, Member Johnson, then Member...then Vice-Chair Kama. Thank you.

COUNCILMEMBER JOHNSON: Please, go ahead, Councilmember Kama. Feel free. Please.

VICE-CHAIR KAMA: No, I just wanted to speak on behalf of the OCS Staff of HLU, that I do know that they do work hard for this particular Committee. And the fact that they didn't get things done ASAP, as far as I'm concerned, as Chair of that Committee, that the Staff...all of our Staff work as hard as they can to try to get those Committee reports done, and try to get things uploaded to Granicus, and the issues that we have in terms of the technology that we're using too. So, Chair, I just wanted to mahalo our Staff and ask my fellow colleagues for patience. Thank you.

CHAIR SUGIMURA: Thank you. Thank you, Chair. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Another tough vote, and I think the solutions are there if we were willing to use them. Once again, you can...you can use bond money for affordable housing projects. We just had the item before this...the item before this item was talking about carryover savings being used, right? And then remember, Members, we've got the budget season coming up for us as a body. And remember, the bill we passed where we can do different

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

February 26, 2024

tax...tier taxes, right? So, you can tax parts of all categories. Agriculture, commercial, every category. Now, the high valued, we could change their tax rates versus--and the low-value units, we could change their tax rates. So, once again, the tools are in front of us to really tackle this issue. I...I agree 110 percent what Councilmember Paltin is saying is that West end needs to be a priority. The West side needs to be a priority. Of course it does. We need to have that. The tools are there for the Administration, for the Departments, and even for us, Members, come budget season. When it comes to those tax tier times, it's time to ante up and kick in for the folks who need it the most, which is right now, West Maui. So, once again, I...I'm going to support this because it goes with that idea of what I mentioned. Yes, and. Yes, we need this project, and we need West Maui projects, and we need Lānaʻi projects. We need projects across the...the County. So, just wanted to say that I'm here for supporting, but we should be able to find these funds in other parts of...other...other tools in our toolbox. Thank you, Chair.

CHAIR SUGIMURA: Thank you, Member Johnson. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. I, too, will be voting no on this motion, even though I do support and, you know, wish that I could just support the first tranche of...for our Coach's project. And...and my vote is to...you know, to let everybody know, hey, we got to prioritize Lahaina. Already, the State had mentioned that, you know, we're paying \$1,000 a unit every day. Even Rosco's said about this. So, I think we're going to--so, that's all. And like Member Johnson said, we got to exactly look at our tier tax come budget to...to make some of this money. But it's up to us. I think we...we're the ones that are going to have to do that. Okay. Thank you, Chair.

CHAIR SUGIMURA: Rosco's is too cute. All right. All right. Members, any other comments? Member Rawlins-Fernandez. Second and final.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Our Council meeting was on February 16th. It's February 26th. So, my earlier comments about the item not being uploaded to Granicus under HLU-3(13) was in no way a dig at our OCS...our OCS committee, and I love our OCS staff. My...what I said was that it's been over a week. What took the Administration so long to get it to the Committee, and putting it all on them to have to quickly upload it this morning after waiting for it to, you know, be walked over to them? So, I just wanted to make sure that that was clear for the record and for our Staff, that that was not a criticism of them, even though earlier remarks made it sound like it was. Mahalo, Chair.

CHAIR SUGIMURA: Very good. So, Members, if you look at HLU-3(13), the item is there according to our Staff, correct? Or is it --

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

February 26, 2024

MS. APO-TAKAYAMA: 3(13). Yes. We received it at 11:24 a.m., and it has now been uploaded to the file. It's number 3 in Granicus.

CHAIR SUGIMURA: For HLU-3(13).

COUNCILMEMBER RAWLINS-FERNANDEZ: I see it now.

CHAIR SUGIMURA: Okay. So, it's there . . . *(inaudible)*. . . --

COUNCILMEMBER RAWLINS-FERNANDEZ: Now I see it, but it wasn't there earlier.

CHAIR SUGIMURA: Okay. Member Cook.

COUNCILMEMBER COOK: Thank you, Chair. I'm going to be voting for this because it's a good project. We need housing. I completely empathize and support Member Paltin and the entire West side. I believe that Government has created the housing shortage over the last several years through overregulation, the land use policies, the inefficient building permit process, the tug of war about who's going to build what and where. Our island home desperately needs to take care of our people. These...these particular projects are going to take care of the people that have...have the least opportunity, and this is going to create long, long, long-term stability in their lives. It's just a start. We have the need and I believe the opportunity as a Council --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER COOK: --to create --

CHAIR SUGIMURA: Oh, sorry.

COUNCILMEMBER COOK: -- many more units. And that's our job during this budget process and moving forward, is to find the money, to support the...the economy, and build homes for our people.

CHAIR SUGIMURA: Okay. Thank you very much. Members, so at this time, I'm going to take a roll-call vote.

MS. APO-TAKAYAMA: Councilmember Tom Cook.

COUNCILMEMBER COOK: Aye.

MS. APO-TAKAYAMA: Councilmember Gabe Johnson.

COUNCILMEMBER JOHNSON: Aye.

Council of the County of Maui

February 26, 2024

MS. APO-TAKAYAMA: Council Chair Alice Lee.

COUNCILMEMBER LEE: Aye.

MS. APO-TAKAYAMA: Councilmember Tamara Paltin.

COUNCILMEMBER PALTIN: No.

MS. APO-TAKAYAMA: Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: No.

MS. APO-TAKAYAMA: Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: No.

CHAIR SUGIMURA: Councilmember Nohelani U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Yes.

MS. APO-TAKAYAMA: Committee Vice-Chair Tasha Kama.

VICE-CHAIR KAMA: Yes.

MS. APO-TAKAYAMA: Committee Chair Yuki Lei Sugimura.

CHAIR SUGIMURA: Yes.

MS. APO-TAKAYAMA: Chair, that's six "ayes," three "noes," motion carries.

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

NOES: Councilmembers Paltin, Rawlins-Fernandez, and Sinenci.

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

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

February 26, 2024

ACTION: Recommending **FIRST READING** of Bill 35 (2024)
by C.R.

CHAIR SUGIMURA: Thank you. Thank you very much, all the resources. If you look at the time, it's 12:21, and we have one more item, which is the security item for West Maui. I leave it up to you if you can stay to take it. We are...we already voted out of Council first reading, and this is a 7(B) item for information. Where do you want to go? Go. Go ahead.

COUNCILMEMBER PALTIN: Chair, I'd like to come back at 1:30 and go into executive session on that item.

CHAIR SUGIMURA: Okay. Members, what is your--okay. Member Kama.

VICE-CHAIR KAMA: I got a 12 o'clock that's in my office waiting right now.

CHAIR SUGIMURA: Oh, okay. So, you got to go. Are you guys okay coming back at 12:30?

COUNCILMEMBER U'U-HODGINS: Chair, I can stay until about 1, and then I have to pick up my kids after school, and I could come back afterwards. But I wouldn't be able to start at 1:30.

CHAIR SUGIMURA: Oh, okay.

COUNCILMEMBER PALTIN: I...I'm open to starting later if we need to.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: I just think that we need to really find out the information. And if we --

CHAIR SUGIMURA: That's the purpose.

COUNCILMEMBER PALTIN: I've been told that to get that information, we need to go into executive session. And so, I don't want to not vet it before we vote on --

CHAIR SUGIMURA: Second.

COUNCILMEMBER PALTIN: second and final reading --

CHAIR SUGIMURA: Yeah.

COUNCILMEMBER PALTIN: -- over \$12.5 million.

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

February 26, 2024

CHAIR SUGIMURA: Yeah. Member Cook.

COUNCILMEMBER COOK: I'm willing to stay and work on this. I'm not going to be able to stay after, like, 2, 2:30, but I can...I'm...I think that we could just address this now, skip lunch, and move forward would be my vote. But --

CHAIR SUGIMURA: Oh.

COUNCILMEMBER COOK: -- whatever the body decides.

CHAIR SUGIMURA: Okay. So, you're saying take it up now. Tamara Paltin. I mean --

COUNCILMEMBER PALTIN: I'm open. I mean, whatever--as long as we get it addressed is my concern.

CHAIR SUGIMURA: Okay. What does it look like from what everybody is saying? Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

CHAIR SUGIMURA: Take it up now?

COUNCILMEMBER RAWLINS-FERNANDEZ: I...I'm open to whatever, but I...I just wanted to state for the record that I'm not voting on this for second and final until we go into executive session and be able to ask our questions and have a better understanding of what is going on regarding this. And then also, so I--you know, mahalo. I did open up that HLU-3(13) scoring sheet, and there's no scores there. It's all blank, and that is not what we asked for. Mahalo, Chair.

CHAIR SUGIMURA: Oh, okay. We'll have Staff check. Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Not Staff's fault. Administration.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Administration didn't send us what we asked for.

CHAIR SUGIMURA: We got that. All right. Members, do you want to continue on that? I think we have...we lost Member Kama. Member U'u-Hodgins has to leave at some point. Do you want to just try --

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

CHAIR SUGIMURA: Okay. Corp. Counsel, are you available?

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

February 26, 2024

MS. TOSHIKIYO: Hi, Chair. I'm trying to find out--because I'm not as familiar with this contract--to see whether the Deputy who is more familiar is available. I'm texting him right now.

CHAIR SUGIMURA: Okay. Very good. So, Members, that's correct. The reason why this was passed on first reading but sent to this Committee was to talk about items that are, you know, about the contract. And we have...we have Executive Director Amos Hewett standing by to talk to us as well. I see Police out in the...in the lobby. Do you want to take this up, Members? Yeah? Can you guys stay to take this up and have a--okay. Good. Thumbs up. So, Members, I'm going to--can I take, like, a five-minute recess just to go down?

COUNCILMEMBER PALTIN: Are we returning in executive session, or are we returning in open session?

CHAIR SUGIMURA: Open, because we got to --

COUNCILMEMBER PALTIN: Oh.

CHAIR SUGIMURA: -- introduce the item and we got to begin.

COUNCILMEMBER PALTIN: Oh, okay.

CHAIR SUGIMURA: So, I haven't started it yet.

COUNCILMEMBER PALTIN: Got it.

CHAIR SUGIMURA: But I so appreciate it so we can get this moving. Chair Lee.

COUNCILMEMBER LEE (speaking away from her microphone): . . .*(inaudible)*. . .

CHAIR SUGIMURA: Oh, okay. Okay.

MS. APO-TAKAYAMA: Chair, if we do go into --

COUNCILMEMBER RAWLINS-FERNANDEZ: We can't hear you.

COUNCILMEMBER PALTIN: She said we got to get a link for those online also.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for thinking of us, Chair Lee.

CHAIR SUGIMURA: That's why she's the Chair. So, what is...what is going to be the process before we take a ten-minute break?

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

February 26, 2024

MS. APO-TAKAYAMA: So, if you do go into executive session, I have already created the room. And all the Members and necessary Staff on our end are assigned, so we would just need to know who from the Administration or outside resource persons--they'll need to be listed and their titles, and then I...I need to know their names so I can assign them to the room as well.

CHAIR SUGIMURA: Okay. Do I have to start this before we take a recess? No? Okay. So, let's take a--do you want ten or five? Five minutes? Five minutes is fine? Okay. So, we'll be back at 12:30, Members. This is a recess. Is that okay? Yeah? Okay. ...*(gavel)*. . .

RECESS: 12:26 p.m.
RECONVENE: 12:38 p.m.

CHAIR SUGIMURA: ...*(gavel)*. . . Okay, everybody. Welcome back to BFED Committee. We are taking the last item up. And thank you, everybody, for staying. We have some people who have left, and--oh, well, Member Kama had to go to a meeting, and Member U'u-Hodgins has to leave here at 1:15, but we'll try to get through as much as we can. This item, which is BFED-21(16), Discussion on Bill 38, as you know, this passed first reading at the last Council meeting, and it was requested by many of the Members to have this as a 7(B) item so that we can have more discussion to understand this contract, which is a security contract of 12.5 million in carryover savings from the general fund, and to appropriate it for the Maui Emergency Management Agency to be used for professional services, for security personnel, and equipment for the restricted areas in West Maui. As I said, this passed first reading in Council, and this item was requested so that we can have further discussion, and if need be, to go into executive session. To assist us with this item about just the management contract today, we have Deputy Managing Director--is Keanu Lau Kee going to be here? No, right? Okay. No. So, we have Emergency Management Administrator Amos Lonokailua-Hewett; Acting Director of the Finance Department, which is--Maria, are you going to come down for this also? Okay--Maria Zielinski; Police Lieutenant Keoki Santos; Budget Specialist Lesley Milner. And I'll--asking for opening comments, please, from Director Hewett. You want to do your presentation? All of you are going to get copies of his presentation, as well as it'll be on the screen.

ITEM 21(16): DISCUSSION OF BILL 38 (2024), AMENDING FISCAL YEAR 2024 BUDGET: REVENUES AND EMERGENCY MANAGEMENT AGENCY (FUNDING FOR PROFESSIONAL SERVICES FOR SECURITY PERSONNEL AND EQUIPMENT FOR RESTRICTED AREAS IN WEST MAUI) (Rule 7(B))

MR. LONOKAILUA-HEWETT: Aloha mai kākou.

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

February 26, 2024

CHAIR SUGIMURA: Aloha.

MR. LONOKAILUA-HEWETT: Yeah. So, my name is Amos Lonokailua-Hewett, the MEMA Administrator. I'd like to go over the overview of the Lahaina man traffic access-controlled services, i.e. security checkpoints. I was not part of the original process in the...regarding the checkpoints, but I am in charge of it now, and therefore, I'm going to give information to the best of my abilities what I know to be in place. So, the purpose of the Lahaina security checkpoints--and I believe this was the initial intent as well--was to ensure public safety, protect private property, facilitate infrastructure restoration efforts, and accomplish various incident management objectives. That is still our situation today, and I'll go over some data regarding how we are encountering some of these challenges and how we are dealing with it right now. Some historic data, to my knowledge, the National Guard left on 12/28/23. Gold Shield was awarded the contract in 12/23. It's important to note that the contract award was supposed to begin on 12/31/23, but Gold Shield did take over the contract on 12/28 when National Guard did leave. The coverage began with nine checkpoints. The services have expanded from 9 to 13. Ten checkpoints operate 24/7, and three checkpoints run between 6 to 6. That is debris removal security checkpoints. There are three of them, one on Fleming Road--as you can see, Fleming Road and Front Street, as well as Wahikuli. The effort there is to streamline the removal of debris to implement or to improve the way that's done and minimize any kind of conflict with --

CHAIR SUGIMURA: Director? Director, can you pause? Because what you have given us versus what you're saying is different.

MR. KRUEGER: Apologies, Chair. The issue that's occurring is that what's...what's being screen shared on Teams is significant...it...it's just there's, like, a technical glitch. There's nothing wrong with the Administrators presentation --

CHAIR SUGIMURA: Right. Right. Right.

MR. KRUEGER: -- presentation or anything; we're just working on correcting what's happening with Teams, that's all.

CHAIR SUGIMURA: Okay.

MR. KRUEGER: Apologies.

CHAIR SUGIMURA: So, he can continue then?

MR. LONOKAILUA-HEWETT: Okay.

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

February 26, 2024

CHAIR SUGIMURA: Is that --

MR. KRUEGER: Yes. He...he can continue.

CHAIR SUGIMURA: Okay. Okay.

MR. KRUEGER: Just perhaps for the Members information, the Teams lag seems to be quite significant, so we apologize for that. But there's--currently we're working on it, but there seems to be no workaround it.

CHAIR SUGIMURA: Okay. Proceed. Director, sorry to bother you.

MR. LONOKAILUA-HEWETT: Oh. So, there are 13 total checkpoints that are in operation right now. Lahaina checkpoints include two guards proposed operating 24/7, like I said, with a total of 63 personnel deployed on a daily basis. We do have 20 live video feeds operating 24/7 monitoring and recording. Currently, these are all the organizations that are working within--or as part of the staffing. The language on the original RFP did not really clarify minimum qualifications, if you will. But the effort with Gold Shield is to get 100 percent possession of the Hawai'i State employee license guard card. Logistical needs. It--the logistical needs at the beginning were quite scrambled, if you will. Initially, police and MEMA were trying to work to support the National Guard in setting up their checkpoints. Primarily, police had taken on that responsibility with MEMA supporting. Now, that entire logistical support is coming from MEMA. So, in regards to a checkpoint, those are the things that kind of fall into a checkpoint, and those represent an additional cost that's falling under MEMA. Going through the security responsibilities. You can read those bullet points. It's, you know, all the things that you would think that happens in a...in a security checkpoint. Verifying credentials, providing assistance to the public with information sharing, monitoring traffic flow, so on and so forth. The security checkpoint does attend weekly coordination meetings with partners. That is to ensure that the debris removal and all elements related to security of the burn zone are discussed, agreed upon, and acted upon. Security checkpoints do also maintain a written log that is submitted to MEMA. They do follow our plans: our reentry plan, our placarding plan, and our contractor plan, which is the same. So, that coordination takes place with MEMA and the other agencies, like I said. They also do report any observed suspicious activity or criminal activity happening within the zone to police. The coordinating element with police happens pretty seamlessly. And any kind of adjustments to coverage is organized and coordinated with myself and the entire team. So, some of the activity that happens in security, as you can imagine, there are 13 checkpoints, and each checkpoint has a different level of ability. In--on average, though, it's somewhere between 150 to 300 daily entries per checkpoint. There are 60 to 80 daily denials per checkpoint--people that are trying to enter the...the checkpoint that do not belong in the zone or do not belong in the area--in total. Sheriffs who have a

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

February 26, 2024

patrol element within the zone average 3 to 5 contacts per hour, a total of about 33 per day in the times that they work. Serious cases include gate runners--people who are bypassing the security gate and security personnel, and basically entering the zone--persons trespassing, disorderly conduct, so on and so forth. Most recently, there have been many tourists wandering through the zone via the Fleming Road or Front Street entry by the old Chart House, as well as coming from Mala. Police has responded in the zone multiple times as well. These are some of the incident types that they face: burglaries, thefts, stolen vehicles, criminal littering, assaults, and rules and order violations. So, in conclusion, the...the checkpoints do work, the checkpoints are important for various reasons, and I do support us continuing the services. Thank you.

CHAIR SUGIMURA: Okay. Very good. So, anybody have questions regarding the presentation? I will tell you that if you do decide to go into executive session, Director Hewett will not be part of executive session, okay? So, anybody have questions for him? Member Paltin.

MR. KRUEGER: Chair?

CHAIR SUGIMURA: Yes?

MR. KRUEGER: Apologies. Before questions, could we take any other opening comments and...and testimony first?

CHAIR SUGIMURA: Oh, okay. Anybody--sorry. Anybody else have any opening comments besides Director Hewett? Seeing none. Okay. Oh, yes.

COUNCILMEMBER LEE: Question for Mr. Hewett. Sorry you won't be with us, but apparently you probably know the most about the contract, right? You manage the contract?

MR. LONOKAILUA-HEWETT: I...I manage the contract now. I can answer any questions regarding the contract. I wasn't part of the original development of the first IFB that came out through Chief Oliveira...Darryl Oliveira.

COUNCILMEMBER LEE: Okay. So, how are they doing, the people that you hired?

MS. APO-TAKAYAMA: Chair, I'm sorry. Can we return to testimony before questions?

CHAIR SUGIMURA: Oh, okay.

COUNCILMEMBER LEE: Oh, I thought you finished.

CHAIR SUGIMURA: Sorry. No. Okay. We'll have public testimony. I'm sorry about that. So, we have public testimony. I will tell the testifier that if you do act up

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

February 26, 2024

like you did the first--or previously, you will not be allowed to speak.

MR. LAW: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Okay. Thank you. Any questions for the testifier? Seeing none.
Thank you. Any more...any more testifiers?

MS. APO-TAKAYAMA: Chair, Staff has not received any further requests for testimony.
I'll do a last call. Three, two, one. Chair, seeing no individuals wishing to testify.

CHAIR SUGIMURA: Okay. Members, I'm going to close public testimony and receive
and written testimony to the record with your permission.

COUNCILMEMBERS: No objections.

. . .CLOSE PUBLIC TESTIMONY BFED-21(16) . . .

CHAIR SUGIMURA: Thank you. Okay. Now we can go into deliberations. So, you can
ask --

COUNCILMEMBER LEE: Okay.

CHAIR SUGIMURA: -- your question again from Director --

COUNCILMEMBER LEE: All right.

CHAIR SUGIMURA: -- Hewett.

COUNCILMEMBER LEE: Okay. I realize you weren't there at the beginning, but I'm
just wondering how you feel the...the vendor is performing? And who is the
vendor?

MR. LONOKAILUA-HEWETT: The vendor is --

COUNCILMEMBER LEE: Oh, yeah. Gold Shield, no?

MR. LONOKAILUA-HEWETT: -- Gold Shield, and our working relationship has been
going very well.

COUNCILMEMBER LEE: Is it true that he--whoever that is--hired off-duty officers and
people related to security, or...or is it just his...his employees?

MR. LONOKAILUA-HEWETT: I believe the total force includes off-duty, emergency
service professionals, including police, sheriffs, fireman, EMS personnel, as well
as other security professionals.

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

February 26, 2024

COUNCILMEMBER LEE: Was it Oliveira who...who initiated the contract for the procurement process?

MR. LONOKAILUA-HEWETT: To my knowledge, Darryl Oliveira had initiated an IFB, invitation for bid. To my knowledge, there was one bidder that came out of that IFB. So, the decision--or what drove the decision to go into RFP, I'm not sure. I wasn't part of that process at all.

COUNCILMEMBER LEE: So you...but you're in charge of it now, overseeing it?

MR. LONOKAILUA-HEWETT: I am.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR SUGIMURA: Thank you, Chair Lee. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Administrator Lonokailua-Hewett. I was wondering if you knew on the invitation for bid how long that process was open and when it was opened?

MR. LONOKAILUA-HEWETT: I do not, but I do have that information. I can get that to you. Yeah. I don't have that off the top of my head, I apologize.

COUNCILMEMBER PALTIN: And the relationship between the County and Gold Shield Security right now, is that a--there is a contract with them right now?

MR. LONOKAILUA-HEWETT: No, there is not a contract.

COUNCILMEMBER PALTIN: And the money being paid to them right now is coming from--because we--this is the first we're approving anything, right? So, wondering if anyone knows where the money's coming from that they are being paid?

MS. MILNER: Thank you, Chair. Thank you, Councilmember. Initially, this award was done via the Emergency Fund, but after consultation with Corporation Counsel, they feel that that should no longer be the funding source, which is why we're now coming to you for this amendment.

COUNCILMEMBER PALTIN: How much has been paid out of the Emergency Fund to date?

MS. MILNER: Let me check with finance, and I'll get back to you.

COUNCILMEMBER PALTIN: Okay. And then so right at this moment, through the

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

February 26, 2024

invitation for bid process, there's no requirement for minimum standards of certification like a guard card?

MR. LONOKAILUA-HEWETT: Looking at the RFP that came after the IFB, the language was unclear. So, if--but the...the goal is to be and have 100 percent personnel guard guarded.

COUNCILMEMBER PALTIN: So then you're saying there was an IFB, and that was followed by an RFP that is separate from this process right now?

MR. LONOKAILUA-HEWETT: So, the IFB, which had one bidder to my knowledge--a decision was made to go through an RFP, which takes us into this process, and the award was given to Gold Shield.

COUNCILMEMBER PALTIN: Okay. And then is there parameters? Like you said, there's 63 people a day, 2 people check sites, 10 are 24/7. So, I'm imagining--is the 24/7, 3 shifts of 8 hours, and then is the other one 1 shift of 12--the other 3 that are--it looks like 6 to 10 o'clock? Is that --

MR. LONOKAILUA-HEWETT: It's 6 to 6.

COUNCILMEMBER PALTIN: 6 to--oh, it's 12-hour shifts? How do...how do --

MR. LONOKAILUA-HEWETT: Yeah.

COUNCILMEMBER PALTIN: So --

MR. LONOKAILUA-HEWETT: So, I believe the shifts are 12...12-hour shifts.

COUNCILMEMBER PALTIN: All of them are 12-hour shifts?

MR. LONOKAILUA-HEWETT: Yeah.

COUNCILMEMBER PALTIN: Okay. Okay. And then so...and it's...it's seven...it's five days a week? Six days a week, seven days --

MR. LONOKAILUA-HEWETT: Seven days a week.

COUNCILMEMBER PALTIN: Seven days a week? Okay. And so, I believe private entities, they can pay overtime either if it's over 8 hours a day or over 40 hours a week. For the County we pay overtime for both. Do you know if this is going to be overtime for both, overtime for over 8 hours a day, or overtime for over 40 hours a week?

MR. LONOKAILUA-HEWETT: From hearing your question correctly, I believe the...the

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

February 26, 2024

pay is related--it's a set pay per check point. So, I'm not sure what the overtime situation is and how that plays itself out, but there is no increase in cost. If there was some overtime issue, I guess...I guess the Gold Shield would avoid any kind of overtime issue. I'm not sure if I'm answering your question correctly.

COUNCILMEMBER PALTIN: Okay. And then the current RFP that we're putting out, is MEMA still responsible for the logistical needs or is that part of the RFP process? Like, why...if...if we're paying, contracting out an entity . . .*(timer sounds)*. . . to do a job, why are we paying them food and...or why are we providing them food, water, and ice when we're paying them to do a job, like...

MR. LONOKAILUA-HEWETT: So...I'm sorry. Can you repeat that question? My brain went sideways when you just said that.

COUNCILMEMBER PALTIN: I...I...I was wondering if this new contract that we're putting out --

MR. LONOKAILUA-HEWETT: Um-hum.

COUNCILMEMBER PALTIN: -- if the logistical needs are embedded in the contract that they provided, or if MEMA is still paying things like food, water, and ice to workers that we're paying to do a job. Is it because they're on a 12-hour shift, or --

MR. LONOKAILUA-HEWETT: To my knowledge, the original RFP, to my knowledge, included the MEMA managing the...the...the...the checkpoints. So, whatever--however, the checkpoints need to be run would fall under MEMA in regards to cost. Regarding food and water, I know that was communicated. I would have to check if that is--I know we haven't provided any food, so...

COUNCILMEMBER PALTIN: I guess I'm just wondering if you want to provide these logistical needs and add that to your plate, or if you just want to put it as part of the contract so that the contract bidder takes care of their own logistical needs so, it's...it's a more streamlined--like, oh, MEMA didn't give us --

MR. LONOKAILUA-HEWETT: Right.

COUNCILMEMBER PALTIN: -- fuel today, and so that's why there's no lights tonight or something like that?

MR. LONOKAILUA-HEWETT: We would like...we would love to add it to the contract, the...the...the management of all logistical needs at a checkpoint to the --

COUNCILMEMBER PALTIN: Okay. So, whenever you have that contract ready for us to look at, I'll...I look forward to it. Thank you.

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

February 26, 2024

CHAIR SUGIMURA: Thank you. Anybody else have any questions? Yes. Chair Lee, and then Member U'u-Hodgins.

COUNCILMEMBER LEE: Okay. You know the contract? Is it just in draft form?

MR. LONOKAILUA-HEWETT: You're talking about the --

COUNCILMEMBER LEE: The new contract.

MR. LONOKAILUA-HEWETT: -- the original award?

COUNCILMEMBER LEE: No, the new contract.

MR. LONOKAILUA-HEWETT: There is a RFP that's draft...in draft form.

COUNCILMEMBER LEE: Okay. I would like to make a request of you. It says here, Lahaina manned traffic access control services. Could you change that to Lahaina traffic access control services?

MR. LONOKAILUA-HEWETT: Sure.

COUNCILMEMBER LEE: Okay. Thank you very much.

MR. LONOKAILUA-HEWETT: . . .*(laughing)*. . .

COUNCILMEMBER LEE: You got my vote.

MR. LONOKAILUA-HEWETT: . . .*(laughing)*. . . That's an easy one. Thank you.

CHAIR SUGIMURA: Thank you. Who had a...who had another question? Oh, I'm sorry. Okay. Before you leave. Sorry. Go ahead.

COUNCILMEMBER U'U-HODGINS: Thank you. How long is this contract for? It doesn't say.

MR. LONOKAILUA-HEWETT: I believe the contract is to the end of this Fiscal--I guess it's related to--I...I'm guessing. I'm--well, I'm not--that's what my...to my knowledge, that's what it is.

COUNCILMEMBER U'U-HODGINS: July?

MR. LONOKAILUA-HEWETT: I would imagine...I guess, June 30th, I guess. I could be wrong. I would have to follow up.

COUNCILMEMBER U'U-HODGINS: So from now until June, they need \$12.5 million?

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

February 26, 2024

CHAIR SUGIMURA: So, maybe --

MR. LONOKAILUA-HEWETT: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Budget, please answer.

COUNCILMEMBER U'U-HODGINS: Thank you.

MS. MILNER: Thank you. I believe the 12.5 will also encompass some costs that need to be reclassified based on the previous award. So, it will cover some time prior to today.

COUNCILMEMBER U'U-HODGINS: Oh, okay.

MS. MILNER: Yeah. And it will also cover equipment and things, which we actually aren't currently paying for. It's a separate contract. So, we're going to lump that into the new RFP as well, which is why it's a slightly higher cost.

COUNCILMEMBER U'U-HODGINS: Okay. And you guys are going to provide us with the breakdown of what monies is going where?

MS. MILNER: It'll all be on one contract. The contractor will also have to provide the equipment.

COUNCILMEMBER U'U-HODGINS: Okay.

MS. MILNER: But yeah.

COUNCILMEMBER U'U-HODGINS: And then I know earlier, you were saying that there's a set pay per person for the 12 hours they were there...they are there. Can you tell me what is the hourly rate that people are getting paid?

MS. MILNER: I just want to double check with Corp. Counsel--I believe Caleb's on the line--to make sure that's information they want us to share publicly at the moment.

COUNCILMEMBER U'U-HODGINS: Okay.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER U'U-HODGINS: If not, I can hold that question for executive session if I'm still here.

CHAIR SUGIMURA: Caleb Rowe is from Corp. Counsel. Is he online?

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

February 26, 2024

MR. ROWE: Hi, I'm here. And...and --

CHAIR SUGIMURA: Oh, okay.

MR. ROWE: -- and sorry, I did miss--I--sorry. And I...I didn't hear the question.

COUNCILMEMBER U'U-HODGINS: I'm wondering if somebody could provide us the hourly rate that people are getting paid out there?

MR. ROWE: You know, I believe that's part of--I--Lesley, I'm...I'm fine with you sharing that information, because that should be part of the contract file anyway.

MS. MILNER: Okay. Thank you. Yeah. Director's pulling up the information...or Administrator's pulling up the information right now.

COUNCILMEMBER U'U-HODGINS: Thank you.

MR. LONOKAILUA-HEWETT: So, I'm--can you ask the question one more time? What...what information do you need?

COUNCILMEMBER U'U HODGINS: Absolutely. How much are people getting paid per hour?

MR. LONOKAILUA-HEWETT: The way this is outlined, it's two per checkpoint, 110 per hour.

COUNCILMEMBER U'U HODGINS: 100 --

MR. LONOKAILUA-HEWETT: Per person. Per person. Excuse me. 110 per person, per hour.

CHAIR SUGIMURA: Wow.

COUNCILMEMBER U'U HODGINS: They're getting paid . . . *(timer sounds)*. . . \$110 an hour?

MR. LONOKAILUA-HEWETT: Per person, per hour. Yeah.

COUNCILMEMBER U'U HODGINS: Per person, per hour. Okay. Thank you.

COUNCILMEMBER PALTIN: I...I just wanted to clarify that if possible, because when someone approached my husband about working it, it was \$40 an hour if you were an LEO, or you got \$50 an hour. So, I just wanted to clarify. Is it the guard that's sitting at the checkpoint gets that whole 110 per hour, or that's the cost

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

February 26, 2024

and there's a middle person? Or is it...is it the two people get the 110 per hour, or how does that work out?

CHAIR SUGIMURA: Go ahead.

MS. MILNER: Thank you, Chair. That is what the contractor is charging us per person. That is not necessarily what the guards are receiving.

COUNCILMEMBER PALTIN: And...and then just the math again. I think it said 63 people. So, if one shift is 12 hours and you got 10 24/7 shifts with two people each, that looks like 40 people. And then the three 12-hour shifts at two people each is another six people, so 46. What is the other...the other people to bring us up to 63?

MR. LONOKAILUA-HEWETT: I...I --

COUNCILMEMBER PALTIN: Because there's 17 additional.

MR. LONOKAILUA-HEWETT: I don't have that information, but I can get that breakdown for you.

COUNCILMEMBER PALTIN: Okay.

MR. LONOKAILUA-HEWETT: Yeah.

COUNCILMEMBER PALTIN: And so, the contract doesn't say what the hourly rate of the guards are because--like, not even a range of what they could get be paid, like--so, if someone's getting paid \$50 an hour and 110 is what we're paying, who is making the other \$60 an hour and what is that going towards? 60 or \$70 based on the guy that offered my husband a job that never followed through. Not that I want him to work there because, you know, the reasons.

MR. LONOKAILUA-HEWETT: I don't have that information. I can get that as well.

COUNCILMEMBER PALTIN: And just checking if we could get it before we have to vote on Wednesday.

CHAIR SUGIMURA: Oh, wow. That's soon.

MR. LONOKAILUA-HEWETT: I should have that available, but --

CHAIR SUGIMURA: Okay.

MR. LONOKAILUA-HEWETT: -- I will do my best.

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

February 26, 2024

CHAIR SUGIMURA: Okay. Thank you. Any --

COUNCILMEMBER PALTIN: Chair, did you want to me repeat for your Staff --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: -- if they want to write it down, the question we --

CHAIR SUGIMURA: Okay. They're nodding their heads.

COUNCILMEMBER PALTIN: -- we would like to?

CHAIR SUGIMURA: So, go ahead.

COUNCILMEMBER PALTIN: What roles the other 17 staff a day--if it's 63 staff a day, two person per checkpoint, 10 of the checkpoints are 24 hours a day and one...three of the checkpoints are 12 hours a day, I get 46. So, I'm wondering what the other 17 people are doing that are getting paid per day and what...what the rate is that they're paying the individual guards and what the excess is for. If it's 110 per guard and they're getting paid, like, 40 to \$50 an hour, what is the other 60 to 70 going towards? And if...if we can get a breakdown of the logistical needs and costs. And also, in terms of the contract, eventually, I hope whole neighborhoods will be cleared of debris and begin to rebuild or whatever. People will be able to go freely in and out of neighborhoods. And so, at what point--and how is the contract worded to draw down people? Like, we don't want to continue to pay for 13 checkpoints if neighborhoods are open and clear. And I don't want to just move people around just to keep paying people, you know what I mean? So, what is the wording in the contract or the process to start to not pay so much money because they're not needed? If you can word that more better than me.

CHAIR SUGIMURA: So...so, we're going to send you something written based upon what we can translate from what Member Paltin just said. Anybody else have any questions for the Director? Administration? Okay. So, we...do we have any--wait, do we have any --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: -- public testimony? Oh, did--go ahead. Member Rawlins-Fernandez. Sorry, I didn't see you there.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. It's okay. Okay. Aloha, Administrator Hewett. Mahalo for the presentation. Okay. I just wanted to get clarification on some of the responses I heard. So, the...the contract is going to cover from December 31st, 2023 to June 30th, the...the 12.5 million. So, seven months?

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

February 26, 2024

MR. LONOKAILUA-HEWETT: I might need to clarify with Corp. Counsel, but that is my knowledge. That is my understanding.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mr. Rowe?

MR. ROWE: Hi. Yes. So, my understanding is that we did have an initial contract, which is the...the terms of which, you know, the Director has been discussing. However, we are planning to do a new RFP and enter into a new contract. So, the funding, you are correct, is...is for that period of time, but it's not necessarily for one particular contract. We are trying to create a new contract or enter into a new contract, to my understanding. And that's part of what this...part of what the funding request is going to be, is to enter into the new contract.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. I didn't fully understand that, so I'm going to...I'm going to repeat to you what I think I heard, and then you correct me where I misunderstood. Okay. So, the 12.5 million will cover the contract from December 31st to June 30th of this Fiscal Year. There's going to be a new RFP, and you're going to--the Administration is going to request for more money for the new contract?

MR. ROWE: No. Sorry. Sorry. Sorry if I was unclear on that. The current contract, I believe we are --

COUNCILMEMBER RAWLINS-FERNANDEZ: Wait, there's a contract? I...I thought I just heard there was no contract.

MR. ROWE: So, the--you...you were referring to whether or not the current contract. There was a contract that was initially provided to the...to the current service provider. We are planning to do a new RFP and enter into a new contract that's going to be before the end of the Fiscal Year. So, the 12.5 million isn't just for the contract with the provider that we've been discussing, it's going to also encompass the new contract that we're planning on entering into before the end of the fiscal year.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Okay. Earlier, when the question was asked about whether there was a contract or not, the response was there was no contract. And so, Mr. Rowe, you're now saying there is a current contract?

MR. ROWE: I'm not sure what the status of whether or not there is a contract presently. I know that there was previously a contract that was...that was a result of the RFP process that was discussed, and some of the terms of those were what were discussed by Ms. Milner. But I don't know the present status. I don't know the present status of what the contract is, if it's been canceled or...or...

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

February 26, 2024

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, what...what RFP? Because I...I heard that there was an IFB that was put out. Is--I...I'm getting really confused now. I thought I had it, but I think now I...now I'm confused. So, there was an IFB, and --

CHAIR SUGIMURA: So --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and then there was...there was no contract, and then there's...there's going to...going to be an RFP that's put out that Administrator Hewett said that he would send to Member Paltin. So, there should not be a contract from the RFP if the RFP hasn't been posted and bid on yet. Am I right?

CHAIR SUGIMURA: For Administration. Budget has a response, it looks like.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Rawlins-Fernandez. So, there was an IFB and no award was made. Then there has already been an RFP, and an award was made under that RFP. I will defer to Corp. Counsel. My understanding was there was an award but not a contract, but I may not have the most recent information. Due to some things in that RFP that the Administration would like to clarify and beef up, I guess for lack of a better term, there will be another RFP issued, which is the one that Administrator Hewett has been referring to.

MR. ROWE: And...and that is correct. And I'm sorry, I did...I did say that there was a contract. I meant that there was an award done under the...the earlier RFP, I didn't mean that there was a contract. That was a poor choice of words on my part, and I apologize.

COUNCILMEMBER RAWLINS-FERNANDEZ: No worries, Mr. Rowe. I'm just...I'm just trying to follow along as...as best as I can, so I appreciate everyone's patience in us, you know, figuring out the correct words and terminology so that the public understands what we're talking about. We need to understand what we're talking about before they...so that they can understand what we're talking about. All right. So, just for the timeline. So, there is an IFB that was put out. And I had to look this up, what are...difference between IFB and RFP. And the IFB evaluates proposals largely based on prices, and then RFPs consider price, as well as details of the bidding organization, operational plan, staff experience, education timeline, estimates, and more. So, it's more holistic. So, the IFB...IFB went out, and, like, something happened. And then there was an RFP, and then there was an award, and now there's going to be another RFP that's going to be issued. Do I have it correct now?

CHAIR SUGIMURA: Ms. Milner.

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

February 26, 2024

MS. MILNER: Thank you, Chair. Yes, Councilmember, that is correct.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. All right. So, now, my question is, for payment of the IFB and RFP, how much of that will come out of the 12.5 million? And then for the RFP that's going to go out--I'm hearing soon--that will last beyond the fiscal year of June 30th, 2024, or will that go beyond our Fiscal Year?

CHAIR SUGIMURA: Ms. Milner.

MS. MILNER: Thank you, Chair, for the RFP I believe the intention is that the work will continue into the next Fiscal Year, we're asking for the 12.5 now, and additional funds for--the work we anticipate continuing past June 30th will be included in the FY '25 budget. I've reached out to Finance to get the previous amounts, and I will get that to you all as soon as I have them.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, when--mahalo, Ms. Milner. So, when you say the work will go beyond June 30th of this year, will the 12.5 million also go beyond the 12...the June 30th of this year? And then you're also asking for additional funding in this budget session for FY '25?

MS. MILNER: Thank you, Chair. Thank you, Councilmember. The 12.5 is the amount that we believe we need to get through the end of this Fiscal Year. So, that funding will not continue past June 30th.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, mahalo. Now I think I have it clear. So, the 12.5 is going to pay for...from December 31st to June 30th, which is seven months. So, seven months of work for \$12.5 million.

MS. MILNER: Thank you, Chair. Yes, Councilmember.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo for that clarification. Wow. So, the RFP did not go out. When do you plan to post the RFP and how long will it be posted this time?

MS. MILNER: Thank you, Chair. Councilmember, the RFP will be posted as soon as possible after the funding is approved. And I will confirm--we're working with Management on this; I will confirm how long they intend to post it.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. Will you have that information before second reading? I think that's Wednesday, second reading.

MS. MILNER: I'm hoping to have it for you by the end of this meeting.

COUNCILMEMBER RAWLINS-FERNANDEZ: That's great. Okay. Thank you. And then

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

February 26, 2024

how will it be publicized?

MS. MILNER: Sorry, if I could--how will the RFP be publicized?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes.

MS. MILNER: Okay. Sorry. It will be publicized as any of our RFP are. I believe we've also had some discussion about reaching out to contractors who we know specialize in this to let them know that the RFP is being posted. And we will reach out to --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. MILNER: -- a multitude of contractors to make sure that everyone who might qualify is notified.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. And then my last question for this round, Chair. Where is Gold Shield Security based out of, and do...do they...do they--have they done any projects in Maui County?

MR. LONOKAILUA-HEWETT: I would have to find out how many projects, or if any at all, are done in Maui County. I believe that they are based out of Hawai'i, for sure. I'm not sure if it's from O'ahu or...or...or Maui. I can find out that for you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Administrator Hewett. Mahalo, Chair.

CHAIR SUGIMURA: Thank you very much. Member...did Member Johnson have a question? No? Oh, Member Sinenci. Okay. Member Sinenci. I don't see him. Oh, there you are.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah. I was just wondering and just following up on--a lot of my questions were already answered. Thank you, Member Rawlins-Fernandez. Did the original RFP...did you mention that that was under the emergency proclamation?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Sinenci. Yes, that was posted, um...to use Emergency Funds under the emergency proclamation.

COUNCILMEMBER SINENCI: Okay. All right. Just that clarification. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Anybody else have questions? Okay. So --

COUNCILMEMBER PALTIN: I got.

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

February 26, 2024

CHAIR SUGIMURA: Oh, you do? Okay. Go ahead. Member Paltin.

COUNCILMEMBER PALTIN: I was wondering, in the most recent RFP, that insurance for whatever security company is a requirement that they are insured?

CHAIR SUGIMURA: Is that a question for Corp. Counsel?

COUNCILMEMBER PALTIN: Whoever has the answer. Who wrote --

MS. MILNER: Can we just--sorry, are you talking about the RFP that that was issued previously or the one that's going to be issued --

COUNCILMEMBER PALTIN: The one that's going to be issued.

MS. MILNER: The one that's going to be issued. Do you know? Yeah, there's language requiring insurance in that RFP.

COUNCILMEMBER PALTIN: Okay. And then it seems the --

MR. ROWE: And--oh.

COUNCILMEMBER PALTIN: Oh, go ahead.

MR. ROWE: Oh, I was just going to say, generally when we do do an RFP, we cite back to the County's general terms and conditions that are attached to any contract, and our general terms, and conditions, and our contracts all require insurance.

COUNCILMEMBER PALTIN: Nice. Okay. And then the other question I had, so the first RFP that followed the IFB that was awarded--this might be a question for Corp. Counsel--if there was no time frame to that RFP award, is that how we're ending--like, I...I guess I don't understand. If there was an RFP awarded, but now we're doing an RFP for a contract, how much money was awarded in the first RFP, and how are we ending that award? Like, we didn't award 12.5--what...what was the mechanism that we awarded the money in the first RFP that we're sufficiently able to end that first RFP award and now issue an RFP for a contract without getting sued? I--even though you can be sued for any reason at any time by any person, but I mean--without...with merit or without merit.

MR. ROWE: So, as to the...the question regarding the term of the contract and--or the...of the award --

COUNCILMEMBER PALTIN: The award.

MR. ROWE: -- and ending the award and entering into the new RFP, I would prefer to

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

February 26, 2024

discuss that in executive session if...if the...if...if you would like an answer to that question for...for a variety of reasons. However, I believe Ms. Milner can answer questions regarding, you know, the...the way that it's funded, the way that it was written to be paid out.

CHAIR SUGIMURA: Ms. Milner?

MS. MILNER: Thank you, Chair. As discussed, when the initial award was--the additional RFP/award were issued. The intent was to use the Emergency Fund under the emergency proclamation to pay for that. But having further discussions with Corporation Counsel, it's been determined that is not the funding route we would like to continue. And so, that is why we are moving to the general fund.

COUNCILMEMBER PALTIN: Okay. I...I think I would like to go into executive session to find out how we get out from the first award and...and move into a real process, like a standard process of RFP contract going to us for money, if that's all right with the Members.

CHAIR SUGIMURA: Okay. Anybody else have any questions in open session? All right. So, at this time then, if you don't have any additional questions or comments for Corporation Counsel or any of the resources in open session, before we consider entering an executive session, entertain...the Chair will entertain a motion to convene an executive meeting in accordance with Section 92-5(a)(4), Hawai'i Revised Statutes, to consult with legal counsel on questions and issues pertaining to the powers, duties, privileges, immunities, and liabilities of the County of Maui, the Council and the Committee. And Section 52-5(a)(6), Hawai'i Revised Statutes, to consider sensitive matters related to public safety or security. I need a motion.

COUNCILMEMBER COOK: So moved.

COUNCILMEMBER U'U HODGINS: Second.

CHAIR SUGIMURA: Oh, so moved? Thanks. Motion made by Member Cook, seconded by Member U'u-Hodgins. So, at this time, can I do a voice vote? All in favor, say "aye."

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: How many people? One, two, three, four, five, six, seven, eight. So, who's missing is Member Kama and...and--oh, Nohe's here, so...you can stay? Oh, okay. Okay. So--okay. Thank you. Eight "ayes," and one excused, motion carries.

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

February 26, 2024

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Vice-Chair Kama.**

MOTION CARRIED.

ACTION: **APPROVE; RECESS open meeting and CONVENE executive meeting.**

CHAIR SUGIMURA: So, at this time then, I'm going to...I'm going to now go into executive session. So, I'm going to call a five-minute recess, and then we'll reconvene and --

MS. NAKATA: Excuse me, Chair?

CHAIR SUGIMURA: Oh, yes?

MS. NAKATA: Could you please announce who will be present in the executive meeting --

CHAIR SUGIMURA: Oh, okay.

MS. NAKATA: -- and their titles?

CHAIR SUGIMURA: All right. So, the following personnel will be attending the executive session meeting. Myself, Chair Yuki Lei Sugimura; Vice-Chair Kama is excused, she's not back yet; Member Cook; Member Johnson; Chair Lee; Member Rawlins-Fernandez; Member Tamara Paltin; Member Sinenci; and Member Nohe U‘u-Hodgins. Thank you for adjusting your time, Member Hodgins...U‘u-Hodgins. Office of Corporation Counsel. We have Carla Nakata, Legislative Attorney; also Richard Mitchell; Yvette Bouthillier, and--Committee...Senior Committee Secretary; as well as Jennifer Yamashita, OCS Secretary. And Corp. Counsel, can you please state who's going to be in this meeting?

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

February 26, 2024

MR. ROWE: Hi, this is Caleb. I'll be there.

CHAIR SUGIMURA: Okay. Caleb Rowe.

MS. TOSHIKIYO: Yes, Chair. And...and I will also be there.

MR. ROWE: And I believe that Kristina will be there as well. Yeah.

CHAIR SUGIMURA: Okay. Both? Yamashita --

MS. TOSHIKIYO: No.

CHAIR SUGIMURA: Toshikiyo. Sorry.

MS. APO-TAKAYAMA: Chair, I'm sorry. Just for the record, that's Deputy Corporation Counsel Caleb Rowe, Deputy Corporation Counsel Kristina Toshikiyo. And then just to correct the record, Office of Counsel Services Staff, earlier.

CHAIR SUGIMURA: Okay. All right. So, are we all set? And now we're going to recess. How...how many minutes do we need for recess? Five minutes? Okay. So, 12:29--or 1:29. Sorry. 1:29, we'll get back. Or 1:30. How about it? Okay. . .
(gavel). . .

RECESS:	1:29 p.m.
RECONVENE:	2:32 p.m.

CHAIR SUGIMURA: . . .(gavel). . . Welcome, everybody, back to the Budget, Finance, Economic Development Committee. We will reconvene. And it is now 2:32 p.m. in open session. We've just completed our executive session...executive session on BFED-21(16). And Carla, do you have any kind of summary on--in accordance with Act 19 (2023)?

MS. NAKATA: I think --

CHAIR SUGIMURA: Or is it which--oh.

MS. NAKATA: Oh, thank you, Madam Chair. In accordance with Act 92, your Committee met in executive meeting to discuss questions and issues pertaining to powers, duties, privileges, immunities, and liabilities of the County, the Council, and it's Committee, as well as public safety and security matters relating to Bill 38 as it relates to a request for funding for professional services, for security personnel, and equipment for restricted areas in West Maui.

CHAIR SUGIMURA: Okay. Thank you. So, welcome back, Member--Vice-Chair Kama. Yeah.

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

February 26, 2024

MR. MITCHELL: Chair...Chair Sugimura?

CHAIR SUGIMURA: Yes?

MR. MITCHELL: I...I don't believe Ms. Nakata was finished with her --

CHAIR SUGIMURA: Oh, sorry.

MR. MITCHELL: -- disclosure. She was going to itemize --

CHAIR SUGIMURA: Go ahead.

MR. MITCHELL: -- some of the topics that were discussed in exec session that might be better suited for open session.

CHAIR SUGIMURA: Okay. Please do.

MS. NAKATA: Thank you, Chair. So, the Committee did have a fairly extensive discussion in executive meeting, and there were some topics that were touched upon that might be more appropriately covered in the open meeting. One of those included the contracting by purchase order process that was entered into, when it was entered...when the purchase order was entered into, what the terms of the PO were, how much has been spent to date. Those might be questions more appropriately directed to the Budget Director in open session. In addition, your Committee touched upon a new RFP to better suit the County's needs. Continuity of Administration, following the Mayor and the Managing Director, particularly in the absence of the Deputy Director of Finance. Issues with the contracts. What is needed in the contract--excuse me What is included in a contract file such as the purchase orders, and whether the inclusion of the purchase orders, which are subject to UIPA, result in a question of fairness with respect to the RFP process? Finally, there was also an issue about the drawing down of the workforce under the new RFP and whether it's properties are cleared. The contract entered into under new RFP could be modified to scale down the workforce. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you very much. So, those are the items that--thank you for bringing that up. So, do we have any comments back? Find--Budget Office, can you please answer those questions related to the --

MS. MILNER: Chair, I can address some of the questions.

CHAIR SUGIMURA: -- PO?

MS. MILNER: We...I have a request to the Finance Director. She's working on some of

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

February 26, 2024

the details about the PO, as that went through the Department of Finance. But as for the funding, out of the Emergency Fund, 586,000 has been paid to date. We also paid an additional approximately 850,000 for services. We're continuing to accrue costs, as we want the security continue. We've found funding for subsequent payments, but our intention is that we will replace those funds once these funds are approved, if they are approved by the Council.

CHAIR SUGIMURA: Wait, are you saying that that's how much was paid out for this contract, or are you just saying in general?

MS. MILNER: That's what been...what has been paid just for security to date.

CHAIR SUGIMURA: Oh, only security?

MS. MILNER: Yes.

CHAIR SUGIMURA: So, that 586,000 paid to date. And 850,000, what was that?

MS. MILNER: That was--so, 586 was out of the Emergency Fund. 850 was a payment that was made after Corporation Counsel advised us to no longer use the Emergency Fund. So, that did not come out of the Emergency Fund, but we intend to reallocate these funds to--that was--the Police Department agreed to assist, and we will reallocate these funds to them and make them whole if they are approved.

CHAIR SUGIMURA: So 850,000 is owed to the Police Department?

MS. MILNER: Yes, Chair.

CHAIR SUGIMURA: And which will then erase the 586,000 that was taken out from the Emergency Fund?

MS. MILNER: No, that will remain as an expense on the Emergency Fund.

CHAIR SUGIMURA: Oh, it's still an expense?

MS. MILNER: Um-hum.

CHAIR SUGIMURA: All for the security contract?

MS. MILNER: Yes.

CHAIR SUGIMURA: Okay. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. So, just to clarify, from December 28,

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

February 26, 2024

2023, the National Guard left. We have paid out to date 1,436,000 for Gold Shield for the work that they've done?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. And that's what we paid to date. We do have another payment coming for work that has already occurred.

COUNCILMEMBER PALTIN: And that 1,436,000, some of which...I guess 850,000, which came from the police. That includes the lights? It does not include the lights. The lights money came from MEMA?

MS. MILNER: There's a separate agreement right now for the lights. I...I can't remember which company we're using to provide those, but we have a separate agreement with them that went through a different process. And we're hoping to--I believe MEMA is planning to put those things together into the next RFP so that it all comes from one source.

COUNCILMEMBER PALTIN: So, the logistical support, do we know how much we've paid for that to date and where that money's come from?

MS. MILNER: I will confirm that and get right back to you.

COUNCILMEMBER PALTIN: Okay. And then we still don't know about those extra 17 people per day yet?

MS. MILNER: The Administrator's checking on that, and we'll have that information to you prior to Wednesday's meeting.

COUNCILMEMBER PALTIN: Okay. All right. And then so, the purchase order and the RFP process, I think that Ms. Nakata referenced that we went to in executive session, but they said was more open-session questions. I think the question was, so an RFP was put out, there was only one bidder on the RFP, and we decided to pay them out by purchase order from the Emergency Fund. So, I guess, how was it decided that they would invoice us? And shucks, I'm getting confused on what we're allowed to talk about and what we're not allowed to talk about at this moment. But I guess in the purchase order procedure, is there a procedure in how that gets paid without people come banging with security guards looking for their money from secretaries that don't have authorization to write that money? Like, what is the...what is the procedure to get paid through a purchase order?

MS. MILNER: So, generally, when a purchase order is issued, the source of funds has already been included in the budget. The Emergency Fund is kind of a special exception to that sometimes. So, the invoicing doesn't begin until that funding source has already been approved. So, we're doing this a little backwards,

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

February 26, 2024

unfortunately, because of what happened with the need to change where the funding was coming from.

COUNCILMEMBER PALTIN: When...at what point did we know that National Guard was leaving on December 28th?

CHAIR SUGIMURA: Is that a MEMA question, or --

MS. MILNER: Yeah, that may be. Yeah. I'll see what I can find out, though.

COUNCILMEMBER PALTIN: Okay. So, even if we're doing the...the purchase order out of order, does anyone who gets awarded a contract through a purchase order know that--like, the invoice, and then they wait for the County to cut them a check? Is that common knowledge, or do you bring your security to the building to collect money, like goons?

MS. MILNER: My understanding is that it's generally knowledge...general knowledge that you issue a--or if you issue an invoice, then the County issues payment. You don't expect payment immediately on delivery of the invoice.

COUNCILMEMBER PALTIN: Got it. Thanks.

CHAIR SUGIMURA: The other question that the members had was--well, I don't know who should answer this--about the workforce. So, the concern is that--I guess the words that were used was the new RFP would draw down upon the workforce. So, how does that transition happen? Is that you or is that MEMA?

MS. MILNER: Chair, I've been in some conversations about that. And if I understand the question correctly, it's as neighborhoods are cleared in blocks, we would need less people because we would remove the security checkpoints at those areas. And I do believe it's MEMA's intention as part of this contract to include that language, that we would draw down the amount of personnel that's needed --

CHAIR SUGIMURA: As needed.

MS. MILNER: -- once full neighborhoods are cleared. Right now, I believe the process is happening sort of piecemeal, so we're not clearing them a neighborhood at a time. But going forward, based on the conversations I've been involved with, yes, I believe that drawdown is expected as part of the process.

CHAIR SUGIMURA: Okay. Great. It'll be in the contract. So, this is a Chair Lee question and mentioned by Ms. Nakata, but this is--the authorization. Who's in charge, right? Now we have a Acting Director of Finance for the Mayor, and then next in line would be the Managing Director. We have an Acting Director of Finance for two weeks because the Deputy Director is going to come back in two

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

February 26, 2024

weeks. But if there was an emergency, who is next in line? By Charter, it's the Finance Director. Is an Acting Director the person or is this something we should ask Corp. Counsel?

MS. MILNER: Thank you, Chair. I'd be happy to defer to Corp. Counsel, but it is indeed my understanding that an Acting Director can fill that role if neither the mayor or the Managing Director are available. But I will defer to Corp. Counsel for the official answer.

CHAIR SUGIMURA: Okay. So, Ms. Toshikiyo or Mr. Caleb Rowe, do you have an answer for that?

COUNCILMEMBER PALTIN: Chair, to add on to your question, would the Deputy Director, Acting Director of Finance take precedence over the Deputy Director, Acting Director of Department of Management? Like --

CHAIR SUGIMURA: Oh.

COUNCILMEMBER PALTIN: -- you know, if we go from Mayor, to Managing Director, to --

CHAIR SUGIMURA: Finance.

COUNCILMEMBER PALTIN: -- Deputy Director of Finance? Or Mayor, to Managing Director, to Deputy Director of Management, then Deputy Director of Finance --

CHAIR SUGIMURA: It's so confusing.

COUNCILMEMBER PALTIN: -- would be my question to add on to your question.

CHAIR SUGIMURA: Okay. So, Ms. Toshikiyo.

MS. TOSHIKIYO: Yes, Chair. That's a good question. The Charter states that it goes from the--and I'm looking at Section 7-6, Vacancy in Office. Let's see if there's a vacancy, it would typically go from the Mayor, to the Managing Director, to the Finance Director. And as was mentioned, that the Deputies then would be able to act in the absence of the Director, and that's part of their roles. But in terms of that precedence between Managing Director...Deputy Managing Director and the Finance Director, I'm not sure at what point--the Deputy Managing Director, whether or not they take precedence over the Finance Director because I think that the Charter states that it would be Managing Director to Finance Director. But if neither are available, I'm not sure which Deputies would take precedence. I'd have to think about that a little bit more.

CHAIR SUGIMURA: That's kind of interesting, right? I think at the opening of session,

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

February 26, 2024

there were all these department heads there, and I was like, oh, who's running the County? Maybe you don't have to be present. Or maybe you should. Okay. So, you'll let us know what that answer is. Sounds like you need to digest the Charter. This is kind of interesting situations we're in. Members, do you have any other questions? Go ahead.

MS. MILNER: Thank you, Chair. Just to circle back to our conversation on the equipment, and lights, and things like that. Those are apparently being sourced from multiple vendors, but the total cost per month is 150 to 200,000.

CHAIR SUGIMURA: Wow. Thank you. All right.

COUNCILMEMBER PALTIN: And did--sorry. Did you know where that money is coming from?

MS. MILNER: I believe that one is coming out of MEMA.

COUNCILMEMBER PALTIN: MEMA?

MS. MILNER: Yeah.

COUNCILMEMBER PALTIN: Okay.

CHAIR SUGIMURA: Okay. So, basically, by doing this \$12.5 million, we're going to be paying back whatever we owe to the police department and the Emergency Fund doesn't necessarily get replenished. But how much is going to the police? How much are they anticipating? Oh, 850? 850,000.

MS. MILNER: Approximately, Chair. Yes.

CHAIR SUGIMURA: Oh, okay. All right. All right. Members, any other questions? Oh, you do have one, Member U'u-Hodgins, and Mister--Member Cook.

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. So, how much money are we going to assume if \$1.4 million was paid for this old contract? How much can we assume will be paid, and when will it potentially end? There's some reverb, though. It's kind of loud.

MS. MILNER: Thank you, Chair. Thank you, Councilmember. Well, part of that will depend on the responses to the RFP. You know, these are the funds we're allocating right now that we anticipate will get us through the end of this Fiscal Year. But part of it will depend--you know, this is kind of our best guess based on the equipment numbers and the security numbers that we have right now. So, part of it is going to depend on the responses we get to the RFP.

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

February 26, 2024

COUNCILMEMBER U'U-HODGINS: Okay. Okay. And is the reason why the math not 100 percent kind of adding up to how much the monthly lighting is going to cost with how much people are getting paid per day, per hour is because they're going to start, like, trickling down on the amount of employees?

MS. MILNER: Thank you, Chair. Sorry, if I can just clarify. Are you saying, like, when you take what we paid to date and try and take it out to a monthly rate through the end of the fiscal year, why is it not quite adding up directly?

COUNCILMEMBER U'U-HODGINS: Yeah.

MS. MILNER: Okay.

MS. TOSHIKIYO: Well, it's...with 63 people at \$110 an hour is what we're paying the contractor, that's \$166,000 a day, which is \$1.164 million a week. And if we're going to divide that by \$12 million, and we're going to include a \$200,000 lighting and other things we need per month, that's definitely--doesn't last us until June.

MS. MILNER: Thank you, Chair. So, part of the way the estimate of this 12.5 was arrived at is we tried to estimate based on the submission that we had for the previous RFP, and then trying to add in what the equipment costs would add to that through the end of the fiscal year. So, I don't know that it's going to be a direct month-to-month correlation, but that's how we arrived at that 12.5.

COUNCILMEMBER U'U-HODGINS: Okay. I don't think I understand that, but okay. All right. That's okay. That's not your fault.

CHAIR SUGIMURA: So --

COUNCILMEMBER LEE: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: Her interview got cancelled. Chair Lee's back.

CHAIR SUGIMURA: All right. So, Members, at this point then, Chair Lee came back and we're ready to defer this item. Oh, just kidding. Yes.

COUNCILMEMBER PALTIN: Member Sinenci and Member Cook, I think, were before me, and then --

CHAIR SUGIMURA: Oh, sorry about that.

COUNCILMEMBER PALTIN: -- Member Rawlins-Fernandez.

CHAIR SUGIMURA: Sorry about that. Member Cook, Member Sinenci, then Member Rawlins-Fernandez.

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

February 26, 2024

COUNCILMEMBER COOK: My questions have been answered to the best of everyone's ability. Thank you. I'm done.

CHAIR SUGIMURA: Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. My question during executive session, you said I could ask on open session. So, is this the only option? Ms. Milner, should the Council not approve this, would this then come out...the funding come out in the Mayor's budget in March?

MS. MILNER: Thank you, Chair. Thank you, Councilmember. Additional funding for Fiscal Year '25 will be included in the Mayor's budget in March. If the Council doesn't approve this now, we're going to have to figure out how to allocate--or move funds out of what's currently allocated to other things in order to cover these costs so that security services can continue.

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

CHAIR SUGIMURA: Okay. Thank you. Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Did the draft RFP get sent to the Councilmembers yet? I don't...I don't see it in my inbox, so maybe if it was transmitted a different way?

MS. MILNER: Thank you, Chair. Thank you, Councilmember. I don't believe it's been transmitted yet. I believe the Administrator was going to transmit that along with the additional information that was requested. If you'd like it before, I could certainly contact him and ask him to transmit it before that's together.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. Mahalo, Ms. Milner. I...I thought we were going to get it before the end of this meeting, that...that's--I was following up with that. I...I...I would like to get it as soon as possible. And then if we...if the Councilmembers did have feedback, should we provide that feedback to Corporation Counsel, or--like, what...what would be the preferred process in providing feedback on the draft RFP?

MS. MILNER: Thank you, Chair. Thank you, Councilmember. I think the best way to do that would probably be to send any comments you have on it to the administrator of MEMA and copy the Managing Director so they can take that into consideration.

CHAIR SUGIMURA: Okay.

MS. MILNER: Oh, Chair, and if I may. To respond to a question that was asked earlier,

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

February 26, 2024

the minimum requirement for posting an RFP is 30 days, and it is not our intent to seek an exception. We will be posting for the required amount of time.

CHAIR SUGIMURA: Okay. Great.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Ms. Milner.

CHAIR SUGIMURA: Okay. Thank you. Member Paltin.

COUNCILMEMBER PALTIN: Thank you. That's good information to know. So, if we post it, say, like, the end of February, beginning of March, then this will actually be for April, May, June, and then back costs. And then you said, like, to the security company, we've spent 586,000 from the Emergency Fund, 850,000 from the police, which brings us to 1.436 million. Additional 150 to 200,000 for the lights and the logistical support, so that brings us to 1,636,000. Is that...that's from December 28th. Do we know up until when we've paid what...what the breakdown on that is? December 28th to January 31st, or --

MS. MILNER: I believe our next invoice is going to be for the last two weeks.

COUNCILMEMBER PALTIN: Oh, you get invoiced every two weeks?

MS. MILNER: Yes.

COUNCILMEMBER PALTIN: Okay.

MS. MILNER: So, I believe we paid through...definitely through the end of January, but I believe through mid-February. But I can confirm that.

COUNCILMEMBER PALTIN: Mid-February. Okay. So, we get invoiced every two weeks from the security company. And the logistical support might be on a different invoice basis, but it's coming from MEMA and they're taking care of that logistical support. And in the new RFP, it'll be a package deal?

MS. MILNER: Thank you, Chair, and thank you, Councilmember. I am confirming with MEMA. I was under the impression that the equipment was coming out of MEMA's budget, but we're confirming that, so I don't want to give you inaccurate information. But yes, it'll be a package deal in the new RFP, where everything is under that contract so that we won't have these multiple invoices --

COUNCILMEMBER PALTIN: Good.

MS. MILNER: -- for the same work.

COUNCILMEMBER PALTIN: And so, it would be on--like, if a security company

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

February 26, 2024

responds to the RFP, they would be coordinating their logistical support. If...if a light company responds to the RFP, they would be coordinating the security support and so on and so forth?

MS. MILNER: Thank you, Chair. Yes, Councilmember Paltin. That's correct.

COUNCILMEMBER PALTIN: Okay. And then the entity that would ensure that the winning bidder meets the qualifications necessary, whether it's insurance, guard card, or having done this before in a way that's not goonish, who would be the ones that ensure that they meet those qualifications?

MS. MILNER: Thank you, Chair. Thank you, Councilmember. MEMA will be overseeing the contract, and I believe they will work with Corporation Counsel on things like the insurance coverage to make sure that it's appropriate.

COUNCILMEMBER PALTIN: So what role does Finance play in that whole thing?

MS. MILNER: Finance --

COUNCILMEMBER PALTIN: They just cut the check?

MS. MILNER: -- will approve, you know, any invoices and purchase orders that come through and things like that.

COUNCILMEMBER PALTIN: Okay. So, who tells them to approve it? Is it Corp. Counsel and MEMA, or they just receive the invoice and they pay it?

MS. MILNER: So, I believe when they come through, we have an approval process that it needs to go through to ensure the funding is available, to ensure the work is good, things like that. So, MEMA would have to sign off on it. I think Budget Office has to sign off on it, if I remember correctly. So, there's a process it has to go through when it's coming out of the Department funds.

COUNCILMEMBER PALTIN: And that process has been followed to date?

MS. MILNER: For the POs, I believe yes, it has been followed.

COUNCILMEMBER PALTIN: Thank you.

CHAIR SUGIMURA: Okay. Very good. Chair Lee, you have questions?

COUNCILMEMBER JOHNSON: Chair, I'm...I'm sorry. I have to leave the meeting, Chair.

CHAIR SUGIMURA: Oh, okay.

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

February 26, 2024

COUNCILMEMBER JOHNSON: Sorry. Bye. Thanks.

CHAIR SUGIMURA: Oh, thank you, Member Johnson. Thank you...thank you for being here all day. Not even a break. Who has a question now? Member Paltin didn't. I think we're done. Oh, Chair Lee, you have a question? You don't. Okay. So, at this time, Members, if there's no other questions--the purpose of this was to discuss this because this is already past first reading and is...and before your Committee for second and final. And we will then defer this item with your approval.

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: No objections. Okay. Oh, yes. Ms. Milner.

MS. MILNER: Sorry, Chair, I did misspeak. Budget does not sign off on the POs; that goes through Finance and the Department. I just wanted to clarify for the record.

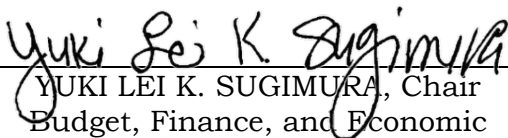
CHAIR SUGIMURA: Oh, okay.

MS. MILNER: My apologies.

CHAIR SUGIMURA: Okay. Thank you. So, at this point, it is 2:58 and meeting is now adjourned. Thank you very much for all the--I don't think we expected to be here this long, but thank you, all of you who adjusted your schedules. I think I owe you lunch one day. Yeah? Okay. Well, yeah, during Budget, but--okay. Meeting is now adjourned. . . .*(gavel)*. . .

ADJOURN: 2:58 p.m.

APPROVED:


YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic

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

February 26, 2024

Development Committee

bfed:min:240226:

Transcribed by: Logan Tsuji

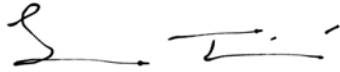
BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE MINUTES
Council of the County of Maui

February 26, 2024

CERTIFICATION

I, Logan Tsuji, hereby certify that pages 1 through 113 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 9th day of March 2024, in Wailuku, Hawaii



Logan Tsuji