

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

**MINUTES**

**May 15, 2025**

**Online Only via Teams**

**CONVENE:** 9:02 a.m.

**PRESENT:** Councilmember Yuki Lei K. Sugimura, Chair  
Councilmember Tom Cook, Member  
Councilmember Alice L. Lee, Member  
Councilmember Tamara Paltin, Member  
Councilmember Keani N.W. Rawlins-Fernandez, Member (left at 10:15 a.m.)  
Councilmember Shane M. Sinenci, Member  
Councilmember Nohelani U'u-Hodgins, Member

**EXCUSED:** Councilmember Tasha Kama, Vice-Chair  
Councilmember Gabe Johnson, Member

**STAFF:** Kirsten Szabo, Legislative Analyst  
Pauline Martins, Senior Committee Secretary  
James Krueger, Senior Legislative Analyst  
Richelle Kawasaki, Deputy Director, Office of Council Services  
Lenora Dinneen, Council Services Assistant Clerk  
Ryan Martins, Council Ambassador

Residency Area Office (RAO):

Mavis Oliveira-Medeiros, Council Aide, East Maui Residency Area Office  
Roxanne Morita, Council Aide, Lānaʻi Residency Area Office  
Zhantell Lindo, Council Aide, Molokaʻi Residency Area Office  
Bill Snipes, Council Aide, South Maui Residency Area Office  
Clyde “Buddy” Almeida, Council Aide, Makawao-Haʻikū-Pāʻia Residency Area Office

**ADMIN.:** Lesley Milner, Budget Director, Office of the Mayor  
Maria Zielinski, Deputy Director, Department of Finance  
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel  
Caleb Rowe, Deputy Corporation Counsel, Department of the Corporation Counsel  
Kristie Wrigglesworth, Deputy Corporation Counsel, Department of the Corporation Counsel  
Daniel Shupack, County Capital Improvement Program Coordinator, Department of Management  
Patience Kahula, Community Development Block Grant - Disaster Recovery (CDBG-DR) Programs Chief, Office of the Mayor  
Guy Hironaka, Real Property Management Specialist, Department of Finance

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Jordan Hart, Executive Assistant, Office of Recovery, Department of Management  
Marcy Martin, Director, Department of Finance  
Tiare Horner, Budget Specialist, Office of the Mayor  
Emily Bartow, Secretary, Office of the Mayor

**OTHERS:** Jasee Law  
The Royal House of Hawai'i  
Others (11)

**PRESS:** *Akakū: Maui Community Television, Inc.*  
*Chelsea Davis, Hawaii News Now*

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CHAIR SUGIMURA: . . .*(gavel)*. . . Good morning, everybody. Welcome to the Budget, Finance, Economic Development Committee. Today is February [sic] the 15th, it is now 9:02 a.m. Welcome. My name is Yuki Lei Sugimura. I'm the Chair of this Committee, and I'd like to take this opportunity to welcome the Members of this Committee. If you're not in the Chambers, please identify if there are adults with you, and minors do not need to be identified. Vice-Chair Kama is excused. Member...oh, Chair Lee. Good morning.

COUNCILMEMBER LEE: Good morning...good morning. If you're in Samoa, you would say, talofa. But talofa is short for si o ta alofa atu, which means I am happy and delighted to give you my love.

CHAIR SUGIMURA: Oh.

COUNCILMEMBER LEE: Most of the time. Thank you.

CHAIR SUGIMURA: . . .*(laughing)*. . . And that was the truth, right? Talofa atu, did you say?

COUNCILMEMBER LEE: Yes. That was the truth most of the time.

CHAIR SUGIMURA: Okay. Member Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka, and talofa lava kākou.

CHAIR SUGIMURA: Okay. Good morning. Next, we have--Gabe Johnson is excused--Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka kākou, mai Moloka'i nui a Hina. I'm at my private residence alone here, and there are currently no testifiers at the Moloka'i District Office. And I...I...okay. Talofa atu, but I don't know if like in...in Samoan, if...in Hawaiian, there's oe, which is one; there's olua, which is two; and there's oko, which is all of you?

CHAIR SUGIMURA: Oh.

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COUNCILMEMBER RAWLINS-FERNANDEZ: And so --

COUNCILMEMBER LEE: It's everyone.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- oko...oko, most of the time. . . .*(laughing)*. . .

CHAIR SUGIMURA: All right.

COUNCILMEMBER LEE: Chair, I forgot to say that I'm home alone at my workspace.

CHAIR SUGIMURA: Okay. Member Cook, good morning.

COUNCILMEMBER COOK: Aloha. Good morning. Talofa atu to you --

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

COUNCILMEMBER COOK: -- and every...and everybody else. There's nobody in the Kihei Regional Office, but Bill's on standby. Aloha.

CHAIR SUGIMURA: Very good. Member U'u-Hodgins.

COUNCILMEMBER U'U-HODGINS: Good morning, everyone. Talofa.

CHAIR SUGIMURA: Talofa. Member Sinenci.

COUNCILMEMBER SINENCI: Aloha, Chair, and talofa atu ato (*phonetic*), here at my Hāna...well, my Kahului office, and by myself, and no testifiers in Hāna, Chair.

CHAIR SUGIMURA: Okay. Good morning, everybody, welcome. From the Department of Management, we are not having Josiah Nishita because they're having the hiring fair at Queen Ka'ahumanu. I think he's there. So, we'll...he'll let me know who's going to be the fill-in for him. Department of Finance, I see Deputy Director Maria Zielinski here, thank you, welcome. Office of the Mayor, Lesley Milner, Budget Director. Corporation Counsel, Kristina Toshikiyo. And of course, Committee Staff...thank you, Lei Dinneen, Peter Hanano, Chris...Kirsten Szabo, James Krueger, and Pauline Martins. Thank you very much for your hard work to get us here. Please see the last page of the agenda for information on meeting connectivity. Thank you, Members, for attending today's BFED meeting. We have four items on the agenda, which is Bill 58 (2025), Amending the Fiscal Year '25 Budget: Estimated Revenues; Department of Finance, Countywide Costs, Reimbursement to the General Fund for Projects Disqualified From Tax-Exempt Bond Issuance, (BFED-39). Bill 18, CD1 (2025), Establishing Section 2.56.080, Maui County Code, to Establish the Pay Scale for the Board of Ethics, (BFED-25). Bill 63, Bill 64, and Resolution 25-107, Amending Fiscal Year Budget Estimated Revenues; Capital Improvement Projects and Appendix C, Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Bond Fund, Acquisition of 105 North Market Street Building and Properties for (BFED-40).

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And last, we have a 7(B) item, which is Property Acquisition in West Maui, which is BFED-20(8).

**. . . BEGIN PUBLIC TESTIMONY . . .**

CHAIR SUGIMURA: Do we have any testifiers? I don't see anybody. No. You want to do a call out?

MR. KRUEGER: Chair, this is our last call for individuals wishing to testify at the beginning of the meeting. If there is anybody online or in the Chamber who would like to testify on any item on the agenda at the beginning of the meeting, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown...three, two, one. Chair, no one has indicated that they'd like to testify at this time.

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

**ITEM 39: BILL 58 (2025), AMENDING THE FISCAL YEAR 2025 BUDGET: ESTIMATED REVENUES; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS, REIMBURSEMENT TO THE GENERAL FUND FOR PROJECTS DISQUALIFIED FROM TAX-EXEMPT BOND ISSUANCE**

CHAIR SUGIMURA: Thank you, Mr. Krueger. So, we're going to take up the first item on the agenda, which is Bill 58. And Members, the first item, which...which amends Fiscal Year '25 Budget to recognize 5,790,476 in Carryover/Savings from the General Fund, and appropriate it for a new Countywide cost line item entitled "Reimbursement to the General Fund for the Projects Disqualified from Tax-Exempt Bond Issuance." There are eight projects, and no longer...which no longer qualify for the tax-exempt bond issuance. The project names and amount breakdowns are listed in the Budget Director's correspondence dated April 25, 2025. And assisting us today is...we have Budget Deputy Director, which is Maria Zielinski, as well as...sorry, Finance Deputy Director Maria Zielinski and Budget Director, Ms. Milner. I'd like to ask for opening comments from Department of Finance.

MS. ZIELINSKI: Thank you, Chair. We are seeking utilization of Carryover/Savings of 5,790,476 to utilize for CIP that was initially earmarked for bond funding. The reason why is that it is actually...will not qualify for tax-exempt status. So, we're looking to just use cash, or Carryover/Savings, if you will, to cover those. Admittedly, we could do a taxable bond issuance, but that becomes expensive, potentially a separate CUSIP number. It really doesn't make sense, from a financial standpoint, to do that. So, we are looking to just utilize the cash. I should mention that the reason why--as...as you may recall, our last bond issuance was in, I believe, September of 2022. And because of lots of factors...including, of course, the fire...the bond issuance was put off. Once we had the fire--and just to kind of...you know, kind of review this, we had...we had

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issues of legal...the legal issue, the settlement, there were lots of...lots of, you know, out-factors that had to be considered. And because we wanted it...when we go to bonds, we want to have everything as clean and as settled as possible. It made sense to hold off until we had better information regarding, you know, with the settlement...the legal settlement, and that sort of thing. Initially, I should mention, I believe the previous Administration was looking at--and then, of course, it...it...it went into the next Administration--they were looking at around early 2023--I'm sorry, early 2024--but as you know, with the fire, that got delayed. And then we really just delayed it because of all the uncertainty. We knew that if we held off--or if we...we didn't hold off, and there was all that uncertainty, it could affect our rating with our rating agency. So, it made sense to get those things settled and resolved, which we believe we...we have done. As a result of that though, we have \$5.790 million....\$5.7 million of...of CIP that is not going to qualify for tax-exempt. I should mention that on the list, the schedule that does total up to 5,790,476, we did actually include CIP that is actually...will become taxable as of July 16th of this year because we're making the assumption that we're going to be issuing bonds in August, or September. I think that's probably a reasonable consideration. We're...we're very much into...involved with...with meeting with bond counsel, and with our municipal advisor. We also were hopeful, and it looks like so far--let me knock on some wood here--that the tax-exempt issue with the Feds, it looks like...on the...the most recent budget bill, it looks like they're not touching the tax-exempt part for...for municipal bonds. Now, naturally, we know with the Feds, anything can change, you know, things change within a minute at Washington D.C. But right now, everybody's kind of...has a collective, you know, sigh of relief that it looks like it will be tax-exempt. So, there were lots of good reasons to really kind of wait. But I should mention that July 15th actually is--16th, I should say--is...represents \$3-1/2 million...3,514,248, basically. So, the number...the 5 million 7 [sic] would actually be less, but we're assuming we're not going to go to bonds until August or September, so we're including that. So, this is all-inclusive. We believe that everything else will be covered. Should mention to you, with regard to the taxable CIP, that it is consistent with our General Budget Provisions, and that's General Budget Provision 18. And it basically...just so you know, it is addressing arbitrage. It doesn't say it specifically, but the whole purpose with Federal Government, Internal Revenue Service, is that they don't want you to issue bonds at a low interest rate, and then you invest them and make more money--that's arbitrage, right? They're okay up to a certain point, so we need to stick within that range. So, with our...with the...our General Budget Provision, we do have...there are certain specifications. Like you need to have a certain percentage of your CIP done within, say, 6 months, then another amount done within 12 months, and so on, so that...they'll allow that. And that's where bond counsel comes in and reviews all of this. Once we go to bond counsel, we...and we do our...I should say our bond issuance, they will review all the CIP that we have listed that we're going to be doing. We don't have a total number yet--excuse me--we're still working on that, but they will review everything to make sure there's no issues with regard to tax-exempt status. Thank you, Chair.

MS. MILNER: Thank you, Chair. I think Deputy Director covered it. I will just add that we did come up with this list after meeting with bond counsel and reviewing our tentative list. They agree that these are the projects that would become taxable, and that the

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best course of action to ensure we don't have to do two separate issuances is to reimburse ourselves for these. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you very much. I will then ask for any more testifiers, anybody signed up.

**. . . OPEN PUBLIC TESTIMONY FOR ITEM 39 . . .**

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

CHAIR SUGIMURA: Okay. Very good. So, at this time then. I would like to close public testimony and receive any written testimony with your approval, Members. Thank you.

COUNCILMEMBER LEE: No objections.

**. . . CLOSE PUBLIC TESTIMONY FOR ITEM 39 . . .**

CHAIR SUGIMURA: Thank you. Anyone have questions? I see Chair Lee, you have your hand up.

COUNCILMEMBER LEE: Yes, I have questions. I am...this is for the Deputy Finance Director. I'm kind of surprised that you're coming so late in the fiscal year to be, and using, you know, so much Carryover/Savings. How...how much Carryover/Savings do we have left after this expenditure?

CHAIR SUGIMURA: Director.

MS. ZIELINSKI: Thank you, Chair. I'm actually going to punt to our Budget Director. Because my thinking is, we probably...I'll let her speak.

MS. MILNER: Thank you, Chair. Thank you, Chair Lee. We will have no Carryover/Savings left after this. All of the remaining Carryover/Savings has been recognized in the Fiscal Year '26 Budget. We did discuss this earlier, that we were going to be coming in for an amendment related to the taxable bonds, but as we've been in budget session, it felt most appropriate to wait, and submit it when we did. Thank you, Chair.

COUNCILMEMBER LEE: Okay. We did receive a report recently, as of like April 1st...March...so last month? There were approximately 18 projects in FY '25, and only about four were encumbered. And if you total all the projects, it...it was in the neighborhood of \$92 million. So, there's a lot of projects that did not go forward. Are...are these some of the projects?

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CHAIR SUGIMURA: Deputy Director?

MS. ZIELINSKI: Thank you, Chair. No. We've actually been working with--and he's on...he's on...online as well--Dan Shupack, who is very familiar, and has worked with all of the Departments to better understand where the...where the...the status is of each of the CIPs. So, that schedule--and I...I'm not looking at it right now, so I'm not really quite sure--but the 92 million that you mentioned, he did actually go to every Department to determine what would potentially be taken...be finished or completed within the period that we need to be tax-exempt. And as a result, those are the items that we're actually going to be earmarking for part of our bond issuance. But that is not part of this. The schedule that we have--and I think it was shared...I think that this was shared with the Council or BFED--the 5,790,000 are the only items that are included with regard to being not...not tax-exempt. The schedule you may be looking at does not...does not include these. Thank you, Chair.

COUNCILMEMBER LEE: Okay. I was just pointing out how many projects are not going forward. Oh, okay. Thank you very much.

CHAIR SUGIMURA: Thank you. I will just then go to Member Paltin. Three minutes.

COUNCILMEMBER PALTIN: Thank you, Chair. All of these projects on the list from the Director, they're...they've been completed or purchased at; is that correct?

MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Yes.

MS. ZIELINSKI: I'm actually going to punt to Dan Shupack, who I believe is on the...online. He would know the status of each. I don't want to misspeak.

COUNCILMEMBER PALTIN: And then while we're waiting for him, also, that they're not tax-exempt. Was it that Director Milner said that it would be kind of like double-dipping or something is the reason it wouldn't be tax-exempt?

MS. ZIELINSKI: No, it's really kind of what I mentioned before, is that we took the money--the proceeds from--or rather, I should say, we've...we've paid for these items already with cash, right? And they're earmarked in the budget to be bond-funded. But the expectation to qualify to be tax-exempt in a bond funding is that you have to complete it within a certain period of time, and that's our...our Section 18 of our General Budget Provision, and also consistent with Internal Revenue Code. So, that's really the reason why. It's not double-dipping. It's just...they want to make sure you're not taking the money--and you're...you're going to take that money, and you're not going to use it right away and you're basically going to make money off of it--the arbitrage issue. But that's really where it comes down...it's just the timing, and we have to stick to that...that time frame. And this is where the bond counsel --

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COUNCILMEMBER PALTIN: So...

MS. ZIELINSKI: -- hold our feet to it.

COUNCILMEMBER PALTIN: So, we expected to finish it, or procure it, faster than we actually did, is the reason?

MS. ZIELINSKI: That would be my presumption. And again, as I...I said, Mr. Shupack would probably be able to address that better.

COUNCILMEMBER PALTIN: But I do know that residents are complaining about the Kahana Nui Bridge replacement, like why such a small bridge took over two years. So, that does make sense. Go ahead, Ms. Milner.

CHAIR SUGIMURA: Oh, is Mr. Shupack on? Wait, is he on?

MR. SHUPACK: Hi. Yes, I...I...Chair?

CHAIR SUGIMURA: Yes.

MR. SHUPACK: Chair Sugimura, and Members of Council. Yes. Just to add to what's been said, yeah, these projects all have been completed, expended. I believe that...that the reason for them...the taxable status, by and large, is that their in-service dates were...were greater than 18 months prior to July 16th. So, by the time we issue the bonds, that...that...that...they're no longer tax-exempt status. So, yeah, that's...that's...that's the...basically the short answer.

COUNCILMEMBER PALTIN: So...so, to clarify, like we thought they would be finished before July 16th, and that's why we put them in the . . . *(timer sounds)*. . . nontaxable category, and then it took us longer than 18 months to finish.

CHAIR SUGIMURA: Ms. Milner.

MR. SHUPACK: Yeah. They issued...they issued a bond. And, you know, then it goes back to, you know, us having...kind of holding off on issuing the bond until this year because of all the...the factors that --

COUNCILMEMBER PALTIN: Oh, to issue the bond --

MR. SHUPACK: -- that interrupted the...

COUNCILMEMBER PALTIN: -- not to finish it. Thank you. Okay. Oh, go ahead, Ms. Milner was that what you were going to say?

CHAIR SUGIMURA: Ms. Milner.

MS. MILNER: Yeah. . . . *(inaudible)*. . . That's more about the delay...

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COUNCILMEMBER PALTIN: I cannot hear.

MS. MILNER: I hit the wrong button. It's the delay in the project completion date--not the delay in the project completion date, it's the bond issuance date that we're working toward.

COUNCILMEMBER PALTIN: Oh, okay. Got that. And then...so, we already paid in cash expecting that we were going to float the bond. And then since we didn't float the bond within that 18-month period, we have to continue to pay in cash. But we already appropriated that cash to other stuff, that's why we got to utilize Carryover/Savings from this fiscal year?

MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Deputy Director.

MS. ZIELINSKI: Yeah. Councilmember, yeah. It would be really that we technically could bond, but it would be a taxable bond--that's what I kind of mentioned earlier--and we don't want to do that. It become...issuing bonds is expensive, so it made no sense to do that. It...it's...it makes...from a financial standpoint, makes more sense to just --

COUNCILMEMBER PALTIN: Yeah.

MS. ZIELINSKI: -- utilize the cash, yeah.

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: Thanks.

COUNCILMEMBER PALTIN: Yeah. But we already...we already did utilize the cash, is what they are saying.

MS. ZIELINSKI: Yes.

COUNCILMEMBER PALTIN: You already utilized the cash, and then you also appropriated it for something else. So, now we're using Carryover/Savings to cover that gap.

MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Yes.

MS. ZIELINSKI: Well, that's... . . .(timer sounds). . . right now. It's just showing up on our report as a...a...a loan, a disbursement...a loan. So, it's not...it's not being reflected anywhere. This is kind of...asking to utilize Carryover makes it official, if you will. To say...because up until this point, we're saying okay we're going to bond, we're going to bond, we're going to bond. But now we know we're not going to bond, so we're saying

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okay, we need to use Carryover. Because otherwise, we have...yeah, you're absolutely right. We've used cash, but it's kind of in this, you know, thing that we're just saying it's a receivable, and we'll pay it back. But that in this case, we're saying, we've got...we...we'll be using Carryover/Savings...we're...we're asking to use Carryover/Savings.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER PALTIN: From this fiscal year?

MS. ZIELINSKI: Yes.

CHAIR SUGIMURA: Okay. So, next, we have Member Rawlins-Fernandez. Can you...can you do the buzzer? I think they can't hear. Three minutes.

COUNCILMEMBER RAWLINS-FERNANDEZ: I heard it.

CHAIR SUGIMURA: Oh, you did? Oh, okay. Go ahead, Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. It's fine. Member Paltin asked all her questions within the time before the timer went off. Oh, at least the timer that I heard.

CHAIR SUGIMURA: Yeah. I think it went off twice, but...

COUNCILMEMBER PALTIN: Oh. We only heard it once.

COUNCILMEMBER RAWLINS-FERNANDEZ: Twice? Oh, okay. We only heard it once.

UNIDENTIFIED SPEAKER: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Aloha, Director, Deputy Director. Mahalo for being with us. I just have the...one follow-up question. So, the Carryover/Savings is being recognized in FY '25, this current fiscal year. What...what projects are either...or what happened to those items in which the projects being recognized for Carryover/Savings to fund these...these projects in cash? Do you have that information on which projects there...they are that are not...like whether it's going to...those projects are instead going to be bonded, or if those are just going to be held off until FY '26, or something?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Rawlins-Fernandez. So, this is part of our unassigned fund balance as the result of the ACFR for Fiscal Year 2024. So, it's not specific projects that we're not completing in order to fund these projects with cash. It's part of what we use to calculate the Carryover/Savings for Fiscal Year '26. We just held this back because we knew it was coming.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Budget Director. Mahalo, Chair.

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

COUNCILMEMBER COOK: Thank you, Chair. Thank you both for being here today. What's the percent difference--and it must vary--between a taxable bond and a nontaxable bond? You're saying that a bond that once you lose tax-free status, it becomes more expensive. I'm curious as to how much.

MS. ZIELINSKI: Chair?

CHAIR SUGIMURA: Yes.

MS. ZIELINSKI: Yeah. As you say, it does vary. I'm kind of winging it here. I didn't look to see more recently, but I would say about maybe 20 basis points or so, something like that. So, it might be maybe we can issue bonds right now with--and again, I'm just making this up--for, you know, just an example, 4.2 percent, and it might be 4.4 percent if it were taxable. So, there is...there is an additional cost involved. And as I say, it's not just the cost of the interest, which is, you know, something we want to consider, but it's actually just issuing a separate bond that...with a separate CUSIP number. And, you know, when you get attorneys involved, and you get this one, and that one, and they have to do everything--the announcements, and the operating...rather, the offering statement--it just becomes a much more expensive, you know, issue.

COUNCILMEMBER COOK: No. Thank you for that answer --

MS. ZIELINSKI: Yeah.

COUNCILMEMBER COOK: -- because you clarified it as more...it's multifaceted.

MS. ZIELINSKI: It is.

COUNCILMEMBER COOK: It isn't just the insurance, or it isn't just the percentage. It's the duplication of a whole bunch of other stuff.

MS. ZIELINSKI: And...and I think, Councilmember, if it were something...if this number was something like 40 million--you know, hopefully it's not--but if it were 40 million, we might actually have had to have considered something like that. But it's...it's...it's a small enough number--I'm not discounting that 5.7 is not a big number, it is--but it's enough that it's...it's something that from a liquidity standpoint we could handle. And certainly, we...we communicated with Budget beforehand, so they were aware it was coming down the pipe.

COUNCILMEMBER COOK: Okay. Okay. Thank you. My --

MS. ZIELINSKI: Thank you.

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COUNCILMEMBER COOK: -- my next question... *(clearing throat)* excuse me, and I think you've already answered it. Is it anticipated that other projects will also be potentially disqualified? In your answer, you said that some of these in July are projected to be, and you're taking those into consideration. Is there going to be any more?

MS. ZIELINSKI: Chair? Yeah. We...we don't believe so. We've been working with Mr. Shupack on this, and this is really it. We...we basically said, give us everything if...you know, by August that might become taxable. So, this is everything. So...and we're...we really truly believe that we can get this done in August. So, we feel that's...that's it.

COUNCILMEMBER COOK: Good. Thank you for your answer.

MS. ZIELINSKI: Yeah.

COUNCILMEMBER COOK: Thank you, Chair.

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

COUNCILMEMBER U'U-HODGINS: Thank you. Thank you, Chair. I have no questions.

CHAIR SUGIMURA: Thank you. Member Sinenci?

COUNCILMEMBER SINENCI: No questions, Chair.

CHAIR SUGIMURA: Thank you. Yeah. My questions were answered also. Anybody else have round two? Okay. Go ahead, Chair Lee.

COUNCILMEMBER LEE: Thank you. Okay. Deputy Director, you said the...the money--what is that, 5.7 million?--was held back. Held back from what? What was it originally planned for?

COUNCILMEMBER PALTIN: Fiscal Year '26 Carryover/Savings.

MS. ZIELINSKI: Chair.

CHAIR SUGIMURA: Go ahead.

COUNCILMEMBER LEE: But general --

MS. ZIELINSKI: Yeah. Well, initially...

COUNCILMEMBER LEE: -- generally, Carryover/Savings...generally, Carryover/Savings are not real savings. They're...they're appropriated, that...every dime is supposed to be assigned out.

MS. ZIELINSKI: Uh-huh. Actually...

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COUNCILMEMBER LEE: So, you know, how come we have this 5.7 million? And on top of that, we paid...we were short 7 million in the certification. So, where's...where's all this money coming from? From...from...what was it originally supposed to go to?

MS. ZIELINSKI: Chair. I'm going to actually punt to Budget Director because she...she was the one who, you know, had all of the bottom line Carryover/Savings.

CHAIR SUGIMURA: Ms. Milner.

MS. MILNER: Thank you, Chair. Thank you, Chair Lee. There are a variety of things that make up our Carryover/Savings, as you all know. Part of it is unanticipated revenues that are recognized as part of Carryover/Savings. Part of it are lapsed appropriations for the Departments, which we discussed extensively during this year's budget sessions. So, there a lot of things that go into the Carryover/Savings. We don't necessarily have...we...we provided that lapsed appropriation breakdown and some other information, but I don't have a project-by-project breakdown necessarily that I can provide, if that's what you're asking for. Thank you, Chair.

COUNCILMEMBER LEE: Yeah. That's...that's what I'm asking for. Because, you know, when we're doing the budget, in the past we would say okay, we're going to reduce Carryover/Savings, and you said, no...no, don't reduce because it is already spoken for. So, it's...it's not like extra money really, right?...when you come down to it. It's already allocated. So, there...there's got to be something that didn't go forward that you're using now, right?

CHAIR SUGIMURA: Ms. Milner.

COUNCILMEMBER LEE: Director?

MS. MILNER: Thank you, Chair. Thank you, Chair Lee. Yes. As we discussed, there were lapsed appropriations from the Departments where we had unexpended funds for a variety of reasons. And we do sometimes have lapsed CIP appropriations as well that are included in those calculations. And all of that data is included in the ACFR to show what makes up our unencumbered fund balance. Thank you, Chair.

COUNCILMEMBER LEE: Okay. And...and you did say, Lesley, that there...there are no more savings, it's at zero? Gone?

MS. MILNER: Thank you, Chair. Thank you, Chair Lee. Yes. No remaining Carryover/Savings at this time. We will not know if we have any additional going forward until the ACFR is completed for Fiscal Year 2025 in January of 2026. Thank you, Chair.

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR SUGIMURA: Okay. Any other questions? Miss...Ms. Paltin...Member Paltin?

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COUNCILMEMBER PALTIN: Oh, thank you. I just wanted to clarify. You said that the reason why these aren't allowed for nontaxable bond was because of our general provisions, as well as something else. If we just changed our General Budget Provisions, would that allow us to have it as taxable...nontaxable bond, or is it other laws besides the General Budget Provisions?

MS. ZIELINSKI: Chair.

CHAIR SUGIMURA: Deputy Director.

MS. ZIELINSKI: Thank you, Councilmember. Yeah. No. Unfortunately, the Internal Revenue Service wouldn't allow it. They make an exception to say that...you know, basically, they say you have to actually finish something, and then you can issue tax-exempt bonds. But with things like CIP, they give you leeway because they realize it takes some time to get the thing done. So, that's what they go by, and our General Budget Provisions pretty much follows what the Internal Revenue Code does. And as I mentioned, it's all about arbitrage. They don't want us to issue bonds at a lower rate, and then we invest it, which we could...more recently, the interest rates have been pretty high on the...on the short maturities, you really could make money, so they try to prevent that. So, that's the reason why we...we couldn't do it. And it...so, anyway...answer your question, I'm sorry, in a...in a quick way is, that it's...it's...even if we changed our budget provisions, our bond counsel wouldn't let us go forward, I can guarantee you of that.

COUNCILMEMBER PALTIN: Because we'd be breaking Federal laws?

MS. ZIELINSKI: It would not be sub...yeah. Once they...they issue everything, they'd say...in fact, when we do the bond issuance, they check all of our CIP--even though we say, hey, no, this is good...you know, we've got this, we've got that--they check every item to make sure it...it qualifies for tax-exempt status.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR SUGIMURA: Okay. Anybody else have any more questions? Okay. Seeing none. Then...let's proceed then. I will entertain a motion to recommend passage on first reading, Bill 58 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR '25 BUDGET FOR THE COUNTY OF MAUI, ESTIMATED REVENUES; DEPARTMENT OF FINANCE, COUNTYWIDE COSTS, REIMBURSEMENT TO THE GENERAL FUND FOR PROJECTS DISQUALIFIED FROM TAX-EXEMPT BOND ISSUANCE."

COUNCILMEMBER COOK: So moved.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER U'U-HODGINS: Second.

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CHAIR SUGIMURA: Motion made by Member Cook, second by Member U‘u-Hodgins--also, incorporating any nonsubstantive revisions. Anybody else have any more discussion? Okay. Seeing none. All in favor, raise your hands, say “aye.” Aye. Thank you. That’s seven “ayes,” and two excused, Member Johnson and Member Kama. Thank you very much.

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

**NOES:           None.**

**ABSTAIN:       None.**

**ABSENT:        None.**

**EXC.:           Vice-Chair Kama and Councilmember Johnson.**

**MOTION CARRIED.**

**ACTION:        Recommending FIRST READING of Bill 58, CD1 (2025).**

CHAIR SUGIMURA: Nice seeing you, Deputy Director. Thank you for being here.

**ITEM 25:        BILL 18 (2025), A BILL FOR AN ORDINANCE ESTABLISHING SECTION 2.56.080, MAUI COUNTY CODE, TO ESTABLISH PAY SCALES FOR THE BOARD OF ETHICS**

CHAIR SUGIMURA: Next, we have...move on the agenda to Bill 18, CD1, Establishing Section 2.56.080, Maui County Code, to Establish Pay Scales for the Board of Ethics. And so, this item, as you may recall, we held it in Committee before, and we actually ended up recommitting it...it was on Council’s agenda, and we recommitted it because we were asked from the Salary Commission when the salary--I’m sorry--when the Board of Ethics Chair asked us to relook at it when the Salary Commission made the recommendations for changes in the salary structure for appointed positions and elected officials. So, with that, here it is, back today, and it is...it is proposed CD2 version, introduced by Chair Lee, that incorporated the requested changes, including a clarification that the Executive Director salaries fall within a range...with a maximum salary that aligns with the salary of the First Deputy Corp. Counsel. And so, assisting us today--are you going to be the person speaking on this, or are we expecting somebody from Management, Ms. Milner?

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MS. MILNER: Thank you, Chair. I believe someone from the Board of Ethics was going to try to attend, but I did not find out who. I'm happy to make some brief opening remarks on this if you would like.

CHAIR SUGIMURA: Okay. Please do.

MS. MILNER: Thank you, Chair. It's my understanding that in light of the changes made by the Salary Commission, because the Charter states that the Executive Director for the Board of Ethics salary cannot exceed that of the First Deputy, because of the changes made by the Salary Commission. I believe that's why this Bill was recommitted for you all to consider changing it, in light of those adjustments. Thank you, Chair.

CHAIR SUGIMURA: Okay. Do you see anybody here from...

MR. KRUEGER: Chair, we're scanning the attendee list. It doesn't appear that anybody from the Board of Ethics is, but if there is, if you could raise your hand right now, and we'll be able to identify you quickly.

CHAIR SUGIMURA: Seeing none.

MR. KRUEGER: Chair, there is Deputy Corporation Counsel Caleb Rowe on.

CHAIR SUGIMURA: Oh. Okay.

MR. KRUEGER: I believe he staffs the Board of Ethics.

CHAIR SUGIMURA: All right. Mr. Rowe?

MR. ROWE: Good morning, Chair. I'm...I'm really just here to...to answer any questions. As...as we stated earlier, this was based on the increase on the First Deputy's Corporation Counsel's salary, and under the Charter, the salary for the head of the Board of Ethics cannot exceed that. We do believe that raising the salary in this way will help with recruitment. We...we have been having a pretty good turnout, but, you know, always would like to see more.

CHAIR SUGIMURA: Oh. That's good news. Thank you, Mr. Rowe. I guess we don't see anybody from...okay. So, I'm going to open up...we have any testifiers?

**. . . OPEN PUBLIC TESTIMONY FOR ITEM 25 . . .**

MR. KRUEGER: Chair, we currently don't have any individuals...individuals signed up to testify on this item, so we'll do a last call. If there's anybody who would like to testify on Bill 18, please identify yourself now. On Teams, you can do that by using the raise-hand function. We'll do a countdown...three, two, one. Chair, no one has identified themselves as wishing to testify.

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CHAIR SUGIMURA: Thank you. So, with your permission, I'm going to close public testimony, and we will receive written.

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: No objections. Thank you.

**. . . CLOSE PUBLIC TESTIMONY FOR ITEM 25 . . .**

CHAIR SUGIMURA: Okay. Members, if you look on Granicus number 4, which is really a summary from our Chair, which talks about what is being covered, as well as it does have the CD2 version of the bill which came back from Corp. Counsel, which talks about this. So, anybody have any questions for the Department, or for Mr. Rowe? Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. You said this was proposed by our Chair. This was proposed by our Chair, but it says upon the request of the Mayor. So, this isn't Chair Lee's proposal, to clarify for the record.

CHAIR SUGIMURA: Okay. Thank you. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

CHAIR SUGIMURA: The reason why I said it is because if you look at Granicus number 6, it is a memo from Chair Lee which amends the title, text of the bill, two-and-a-half --

COUNCILMEMBER RAWLINS-FERNANDEZ: I know.

CHAIR SUGIMURA: -- it was clarified, so... Anyway --

COUNCILMEMBER RAWLINS-FERNANDEZ: I know.

CHAIR SUGIMURA: -- that's for our clarification.

COUNCILMEMBER RAWLINS-FERNANDEZ: And if you look at the last page...if you look at the last page, it says, introduced by Alice Lee upon the request of the Mayor.

CHAIR SUGIMURA: Okay.

UNIDENTIFIED SPEAKER: Yeah.

CHAIR SUGIMURA: Thank you. Anybody else have...Mister...Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. A question for Mr. Rowe. Does the...the applicants need to have a certain amount of expertise? Would require maybe...or like a

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law degree, or something like that? What...what's the...I guess the...do you need certain qualifications?

CHAIR SUGIMURA: Mr. Rowe.

MR. ROWE: So, there are certain...oh, sorry. So, there are qualifications that were put out in the solicitation for the position. Under the Charter, the Executive Director does need to be an attorney licensed in the State of Hawai'i.

COUNCILMEMBER SINENCI: Okay. All right. Thank you for that.

CHAIR SUGIMURA: Thank you. Anybody else have any questions for our resource? Member Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Mr. Rowe...or Deputy Corp. Counsel, mahalo for being with us. Okay. So, subsection B in the original bill, it set the range for EM08, and then stipulated that it shouldn't exceed the salary of the First Deputy Corp. Counsel. In the amended bill, subsection B no longer has a range, and it just has a cap. Is there a reason that you removed the range? Or...I'm so sorry. I'm assuming you drafted this. It's on behalf...it's from the Administration, so I don't who did it.

MR. ROWE: I believe that what...I'm...I'm not sure who that was at the request of. I was actually out when this particular one was amended and signed. I was at a conference. So, I...I'm not sure what the reasoning for that was. However, if you do look in the earlier subsection, any...any pay that is selected for the Executive Director will need to be approved by way of resolution from Council. So, there...there...there's...we...we put a maximum amount, in that, you know, whether or not you guys feel that's appropriate will then come back before you. But I think we really just wanted to give a lot of leeway to the Board of Ethics in helping establish this...the salary that they felt was appropriate.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. This one, the updated bill is signed by Deputy Corp. Counsel Hopper.

MR. ROWE: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And then is there a reason that you needed it to be recommitted, instead of just tabling it and amending it at Council, instead of spending all this time bringing it back to Committee?

MR. ROWE: I'm not sure whose request that was done at. That was not done at...at anyone from the Board of Ethics' request. I think there may have been budgetary implications on it, and that's why.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. All right. I mean, I think these amendments could have been made at first reading, but...all right. Thanks.

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CHAIR SUGIMURA: Okay. Any other questions? Member Paltin.

COUNCILMEMBER PALTIN: Just following up on what Mr. Rowe said. If there's budgetary implications, do we need to amend the budget? Like is that the kind of budgetary implications that you referred to, Mr. Rowe?

CHAIR SUGIMURA: Ms. Milner. Oh, sorry.

MR. ROWE: I'll defer to Ms. Milner on that. Sorry.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. The Board of Ethics, we've included 154,000 for their A Account under the Department of Management. Depending on what the salary is ultimately set at, and when that individual starts, they may need additional funds. I don't know at this point that it needs a budget amendment. I think we can handle that either through a budget amendment later in the fiscal year if needed, or possible with Countywide costs transferred that the Council would receive notification of. Thank you, Chair.

COUNCILMEMBER PALTIN: So, the budgetary implications won't be known until later on when actually these folks get hired, so we couldn't address them anyway. Is that what you're saying? Like if there are budgetary implications, we can't address them until the folks are hired, and we know exactly the numbers?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. Yes. At this time, we don't know who will be hired at what point in the fiscal year, and what their salaries would be. So, it's hard to come up with an approximation for what any formal budgetary implications would be. Thank you, Chair.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER PALTIN: Okay. I guess we could have done it on the floor then. Because we don't know what the budgetary implications are until it happens.

CHAIR SUGIMURA: Are you done?

COUNCILMEMBER PALTIN: That's it.

CHAIR SUGIMURA: Okay. Anybody else have any questions? Okay. So, if not, then I would like to entertain a motion to recommend passage on first reading, Bill 18 CD--should it be CD2 (2025), right?--CD2 (2025), entitled "A BILL FOR AN ORDINANCE ESTABLISHING SECTION 2.56.080, MAUI COUNTY CODE, TO ESTABLISH PAY SCALES FOR THE BOARD OF ETHICS," incorporating any nonsubstantive revisions.

COUNCILMEMBER U'U-HODGINS: So moved.

COUNCILMEMBER COOK: Second.

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CHAIR SUGIMURA: Member U‘u-Hodgins made the motion, second by Member Cook. Any more discussion? All right. All in favor then, say, “aye.” All right, seven “ayes,” two excused, Member Johnson, as well as Member Kama.

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

**NOES: None.**

**ABSTAIN: None.**

**ABSENT: None.**

**EXC.: Vice-Chair Kama and Councilmember Johnson.**

**MOTION CARRIED.**

**ACTION: Recommending FIRST READING of Bill 18, CD2 (2025).**

CHAIR SUGIMURA: Thank you very much.

**ITEM 40: BILL 63 (2025), BILL 64 (2025), RESOLUTION 25-107, AMENDING THE FISCAL YEAR 2025 BUDGET: ESTIMATED REVENUES; CAPITAL IMPROVEMENT PROJECTS AND APPENDIX C, DEPARTMENT OF MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, BOND FUND, ACQUISITION OF 105 NORTH MARKET STREET BUILDING AND PROPERTY**

CHAIR SUGIMURA: Very good. So, next, we’re going to take up the third item on our agenda, which is Bill 63 (2025), 64, and Resolutions 25-107, which is Amending the Fiscal Year ’25 Budget Estimated Revenues; Capital Improvement Projects and Appendix C, Department of Management, Wailuku-Kahului Community Plan Area, Government Facilities, Bond Fund Acquisition of 105 North Market Street Buildings and Property, which is (BFED-40). And...oh, okay. Joining us here is CDB--oh, no, you’re...you’re now DR, right? You’re DR Director. Thank you. So, Bill 63 amends Fiscal Year ’25...’25 Budget to appropriate 2...3.250 million from the Bond Fund for the purchase of...and...purchase and amends Appendix C accordingly. Bill 64 authorizes the issuance of general obligation bonds for the acquisition. Resolution 25-107 authorizes the purchase, as required in Section 3.44.015 (C). The site will be used as an office for the Office of Recovery. And assisting us with discussions today is, of course, Budget Director...are we expecting Finance to be here also?

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MS. MILNER: Thank you, Chair.

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

MS. MILNER: My understanding is that Mr. Hironaka is online.

CHAIR SUGIMURA: Oh, okay. Mr. Hironaka from Finance, as well as our DR Director, which is Ms. Kahulu [sic]. So, I'd like to ask for opening comments.

MS. MILNER: Thank you, Chair. Yes. As you stated, these funds would be used to purchase the property on Market Street. We are proposing the use of Bond Funds rather than Carryover/Savings, as we discussed during the Fiscal Year '26 Budget Session, so that those Carryover/Savings could be recognized as part of the Fiscal Year '26 budget. This property will be...the intent of the Administration at this point is that this property will be rented by the CDBG-DR Program as sort of a headquarters, so that will help offset the costs of the debt service on this. And I will let Ms. Kahula speak briefly on the building itself. Thank you, Chair.

CHAIR SUGIMURA: Ms. Kahula?

MS. KAHULA: Mahalo, Chair. Mahalo, Lesley. So, the 104 [sic] North Market Street will...as Ms. Milner stated, will serve as the home office, if you will, for the CDBG-DR Program. In total, we may...depending on the program requirements, we may ramp up to 56 persons in total, and ramp up, and then ramp down as the program will also allow. Parking is nearby. The first floor, I believe, is ADA-accessible, and just to meet the needs of the community, and to serve the requirements and responsibilities of the program. In all, we are preparing to not provide all services from the 105 North Market Street location. We actually do have a office in Lāhainā. And even adding on to that, considering that many of the survivors may not be on-island, may be in other parts of Maui, we are...we are, you know, implementing and intending to provide services virtually or online, possibly at-home visits, or other areas that best serve the community.

CHAIR SUGIMURA: Okay. Are you done? Okay. You are? Okay. Does Mr. Hironaka want to add to the conversation?

MR. HIRONAKA: Good morning, Chair. Nothing at this time. If there's any questions, I'm here as a resource.

CHAIR SUGIMURA: All right. Thank you very much. At this time do we have any testifiers waiting?

**. . . OPEN PUBLIC TESTIMONY FOR ITEM 40 . . .**

MR. KRUEGER: Chair, we currently don't have any individuals signed up to testify, but an individual in the gallery has indicated they'd like to testify.

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CHAIR SUGIMURA: All right. Welcome, Mr. Law. Jasee Law.

MR. LAW: Aloha.

CHAIR SUGIMURA: Please state your name, and you'll have three minutes, 30 seconds to complete, and I'm not going to...

MR. LAW: When I hear the bell, stop talking. I had coffee and donuts, so you guys get ready. I didn't have much time to...oh, Jasee Law, for the record. I didn't have much time to prepare testimony, so I'll just wing it. So, I was trying to distribute...you know, as you guys know, I'm here frequently, trying to follow along. And when the meeting's over, I don't really...I got other stuff. Okay. So, point of personal privilege. Bruddah Richard Chun, III, one of our...one of our Kula guys, he mak'e (*phonetic*) last night at Maui Memorial Hospital. So, that's where I've been going after the meetings. So, maybe I'll hang around, and get more time to distribute County information to the people around that...that...that I might...seem relevant. So, I was on my way this morning to distribute some of the agendas down on there on Market Street, so they know what's going on, and I came across some workers that were working on another County building that's being purchased. And they were throwing away some cardboard in the dumpster there. So, I stopped, and...before they locked the dumpster, and went back, and thank you for the dumpster in the basement down here because it's down in there now. So, I didn't have time to distribute, but I'll try at break time or lunch. So, I'm familiar with the building, I've been in there many times, the bottom floor used to be the psychosocial rehabilitation for Mental Health Kokua. And sorry about the same old dirty shirt again, Yuki Lei, because they had a laundry in there, and I heard the Assistant Director say that it was for the community, so I'm wondering which community that they're buying the building for. So, if they're helping Lāhainā people, then I guess that's okay. I don't know what happened to all the clients that were in there, they moved up the street somewhere to the group home. And so, I'm in favor of the County buying buildings, but when they put up locked doors, and security cameras, and tell everybody to stay out, that's kind of a little bit of a problem for me. I wasn't a client there, but I...I enjoyed the...the breakfast that with the fellow residents of Wailuku, and I met some people that were there. Okay. So, the wording of this is...I appreciate someone trying to...looks like they changed it a little bit. It says building and property, so I'll go back to the same old Hawaiian phrase that I know, he ali'i ka 'āina, he kauwā ke kānaka. And I hate to pick fly specks out of the pepper, but the building and property, or is it...once again, I don't see . . . (*timer sounds*). . . where man can own the property. I think it's supposed to be that we're buying the rights to the property and the building. Thank you for your time, and as always, whatever time I got left is for the Hawaiians.

CHAIR SUGIMURA: Thank you. Any questions for the testifier? Seeing none. Thank you very much. Any other testifiers?

MR. KRUEGER: Chair, we currently don't have any other individuals indicating that they'd like to testify on this item, so we'll do a last call. If there is anybody who would like to testify --

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COUNCILMEMBER PALTIN: Oh, I've never heard that.

CHAIR SUGIMURA: Oh, you're...yeah. Thanks.

MR. KRUEGER: I got it.

CHAIR SUGIMURA: Okay.

MR. KRUEGER: If there is anybody who would like to testify on this item, please identify yourselves now. On Team, you can do that by using the raise-hand function. Here's the countdown...three, two, one. Chair, no one has indicated that they'd like to testify.

CHAIR SUGIMURA: Okay. Thank you very much. So, with your permission, I'm going to close public testimony for this item, and always receive written testimony. Thank you.

COUNCILMEMBERS: No objections.

**. . . CLOSE PUBLIC TESTIMONY FOR ITEM 40 . . .**

CHAIR SUGIMURA: Thank you. All right. Questions? I'll start off with Chair Lee, go down the line to Member Paltin, Member Rawlins-Fernandez, Member Cook. Chair Lee, you have any questions?

COUNCILMEMBER LEE: Good morning. Yeah, I do. Ms. Kahula, where is the...besides the Lāhainā Office, where are you folks housed in Wailuku? Are you on the sixth floor?

MS. KAHULA: Mahalo, Chair Lee. I am not on the sixth floor. CDBG-DR Disaster Recovery Office is actually in the Trask Building right now.

COUNCILMEMBER LEE: And how many...how many of you are there?

MS. KAHULA: We have a total of 11 folks in two different units at the time...at this moment.

COUNCILMEMBER LEE: And...and you're going from 11 to 56?

MS. KAHULA: Eventually.

COUNCILMEMBER LEE: Is that the plan?

MS. KAHULA: Yes. As the program requires. So, you know, construction would require its own specific staff, quality assurance and controls, fiscal. So, as...as the program requires, we'll ramp up, and then ramp down as the programs ramp down it as well.

COUNCILMEMBER LEE: Uh-huh. Okay. Thank you. I'm glad you're going to be on Market Street. Maybe you'll bring some calmness to that area. Thank you.

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MS. KAHULA: Mahalo.

CHAIR SUGIMURA: Thank you, Chair Lee. Next, Member Paltin, followed by Member Rawlins-Fernandez.

COUNCILMEMBER PALTIN: Thank you. Is the CDBG-DR going take up the entirety of the 4,163 square feet at a point, or is there other uses anticipated? And what is the uses after all the CDBG-DR is done?

CHAIR SUGIMURA: Go ahead.

MS. KAHULA: Mahalo, Member Paltin. So, CDBG-DR will occupy just about the entire space. And it sounds like a lot of square footage, but there are very interesting walls, I guess, built, if you will...which somewhat helps the program because we have different programs to also staff-up for. After CDBG-DR is completed, I guess that would be up to...yeah, our Managing Director at that time, I'm...I'm not sure. But we do anticipate to occupy the space for at least six years, at the minimum, but probably more years.

COUNCILMEMBER PALTIN: And do we anticipate that the debt service would be...or the...that it would be paid off in that time, the six years?

MS. KAHULA: No.

COUNCILMEMBER PALTIN: Oh, okay. And then what...what is the location in Lāhainā that you were speaking of...where is that?

MS. KAHULA: It's right next door to the Office of Recovery on Keawe Street.

COUNCILMEMBER PALTIN: Oh, okay.

MS. KAHULA: So, CDBG-DR...sorry.

COUNCILMEMBER PALTIN: Because the...the Adult Day Care Center fell through for 60 Kenui Street. So, if you have overflow, that is another possibility as well.

MS. KAHULA: Okay. Mahalo, Member Paltin. Noted.

COUNCILMEMBER PALTIN: And I'm not sure if you want to compare the rents for...at the Lāhainā Gateway versus UH Extension.

MS. KAHULA: Mahalo, Member Paltin. I'll take that information back to John Smith, and then our Managing Director, and Deputy Director. Mahalo.

COUNCILMEMBER PALTIN: And then, how many floors did you say? You said only the ground floor is ADA-accessible? How many floors total is there at the Mental Health Kokua Building on 105 North Market Street?

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MS. KAHULA: There are actually two floors there.

COUNCILMEMBER PALTIN: So, everyone on the second floor would be like more private because it's not accessible to ADA, or it's not for the public?

MS. KAHULA: That would be correct, yes.

CHAIR SUGIMURA: So, we have Mr. Hironaka with his hand up.

COUNCILMEMBER PALTIN: Oh I see Mr. Hironaka. . . .*(timer sounds.)* . . .

CHAIR SUGIMURA: I wonder if he can help answer some of these questions. Mr. Hironaka.

MR. HIRONAKA: Oh, Madam Chair. Okay...okay. First of all, I think Member Paltin got it mixed up. The land area is 4,100 square feet, the building actually is 7,348 square feet total. It's...you know, the building was initially built by Maui Lani Partners, so the second floor was used more as their office space, and the first floor, there was some office, and they would retail, if you remember way back when. So, it's four distinct spaces that are connected by, you know, doors, and hallways, and stairways. The access to the second floor is only by stairwells, and that's why it's not ADA-compliant. The two first-floor units are ADA, they come straight off the sidewalk, so you can go straight in without having to go upstairs. But to connect the two first-floor units, there a few steps that you would have to go up and down.

COUNCILMEMBER PALTIN: Oh, okay. Thank you for that clarification, and that the square footage is actually much bigger than the lot size, I guess, because of the two stories. Very helpful. Thank you.

CHAIR SUGIMURA: Okay. Very good. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. All right. Aloha, Ms. Kahula. Mahalo for being with us, and Mr. Hironaka. Okay. I think this might be for Mr. Hironaka. Was...was this property on the market?

MR. HIRONAKA: Councilmember, it was on...it was listed on the market, but the realtor gave us the first chance before they put it on the market. So, we were able to preview it, and do a lot of things before they even put it on the market. And, you know, we had discussions directly with Mental Health Kokua because, you know, we understood that they wanted to sell the property so that they could get cash to run their other operations. But, you know, they are redirecting, you know, where they would put their resources in. And so, you know, we were able to secure, you know, time to do our due diligence prior to it being put on the market.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo. And then, Ms. Kahula, do you know how many employees you expect to fit in the space?

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MS. KAHULA: Mahalo, Member Rawlins-Fernandez. I believe that we'd be able to...if we used all the space, we'd be able to fit the entire CDBG-DR Program. And one of the spaces, actually, could be used to also host public meetings as well. So, we'll be creative in making the best use of the space provided.

COUNCILMEMBER RAWLINS-FERNANDEZ: Do you know what page on the appraisal report would show that space that you're thinking of holding public meetings? Is it first floor, makai half?

MS. KAHULA: I haven't actually seen the appraisal, but it would be the first floor --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay.

MS. KAHULA: -- fronting Market Street. And it served as a kitchen area, or meal area for the community by Mental Health Kokua.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. All right. I...I think I...I can see the photos of the...of the space, and it's pretty open.

MS. KAHULA: Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Let's see. And then I see that the budget amendment intends to put this bond under the Department of Management. Will the...what will...what revenue source, or what funds, will be used to pay the pay the debt service?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Rawlins-Fernandez. This would be paid by the General Fund. But as we were discussing, while CDBG-DR is renting it, those rental proceeds would go into the General Fund, and help to pay down that debt service for the entirety . . .(timer sounds) . . . of the time they occupy the building. Thank you, Chair.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that clarification. Mahalo, Chair.

CHAIR SUGIMURA: Okay. Very good. Next, Member Cook, followed by Member U'u-Hodgins, then Sinenci.

COUNCILMEMBER COOK: Thank you, Chair. Thank you both for being here with information. What's the condition of the building, and is any renovation plan...needed or planned?

CHAIR SUGIMURA: Go ahead.

MS. KAHULA: Mahalo, Member Cook. I was hoping I'd see Guy Hironaka raise his hand, but I...I don't see that. So, we did a few walk-throughs. The condition of the property is actually pretty good. There is some flooring that we do need to replace, but that...it's pretty minimal at this time.

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COUNCILMEMBER COOK: Would I be...

CHAIR SUGIMURA: Mr. Hironaka. He...he put his hand up, Hironaka...he can help you.  
Guy Hironaka.

COUNCILMEMBER COOK: . . .*(inaudible)*. . .

CHAIR SUGIMURA: Excuse me, Tom. Member *[sic]* Hironaka...Member...not Member,  
Mr. Hironaka.

MR. HIRONAKA: Committee Chair. Thank you. We did do a property condition assessment,  
and we do have a report on it. It was forwarded to...you know, around what...it wasn't  
that bad considering, you know, because...is it immediately some of the things that we  
would have to address, would be just several hundred thousand dollars that, you know,  
if we wanted to, we would have to upgrade, and over time, you know, things that we  
would have to put money to reserves would be another maybe half a million dollars if  
we choose to address those issues. You know, some of the immediate issues are minor,  
they're like \$10,000 or less, you know. We would have to, you know, maybe cut some  
trees, and take care of some wood rot on the exterior.

COUNCILMEMBER COOK: So, I guess my question...my concern, since it's a wood structure  
in Wailuku, there's not any major termite damage, and there's no water leakage issues.  
Because those would be the two potentially costly items for a building like this. It looks  
like it's freshly painted in the picture.

CHAIR SUGIMURA: Mr. Hironaka.

MR. HIRONAKA: Member Cook, yeah. It...as a whole, it was shown that it was in very good  
condition. There's just some minor, you know, things that we would want...that we  
would want to look at. But once we acquire the building, you know, they'll probably  
work with Public Works and, you know, if have to upgrade some of the parts of the  
building, then they would work with them on that. And the other thing that we have to  
deal with is the PV panels on the...on the roof.

COUNCILMEMBER COOK: Okay. Thank you. I mean it's a...I would assume that you'd need  
some renovation to make it...rearrange it so it is more appropriate and efficient for the  
use of the building. So, anyway, that's all my questions. Thank you.

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

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Thank you, everyone, for being with  
us. I was going to ask similar questions to what Member Cook did. Mines *[sic]* are a  
little bit more specific though. Because on page 45, it does say that we will need  
improvement to the roof, there is a little bit of water damage in the . . .*(inaudible)*. . .  
wall, and HVAC system totaling a \$106,000 for the HVAC. And it doesn't necessarily  
give us a cost for the roofing and the water damage. When do you think we'll do those?

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I know that it's basically deferred maintenance, but when do you think we'll do...do those improvements?

CHAIR SUGIMURA: Is it Mr. Hironaka, or Ms. Kahulu [sic].

MR. HIRONAKA: You know, I guess we would defer it, and they would have to, you know, discuss it, and decide when they're going to...they would have to assign a CIP Manager, and it would be a project that they would have to work on --

COUNCILMEMBER U'U-HODGINS: Okay.

MR. HIRONAKA: -- once we acquire the building.

COUNCILMEMBER U'U-HODGINS Okay. And then when we use public funds for this kind of purpose, we have to make sure they're ADA-compliant. Did we assess how much that money...how much that's going to cost to make the entire building ADA-compliant, if necessary, when we do do these projects?

CHAIR SUGIMURA: Is that you? Ms. Kahulu [sic].

MS. KAHULA: Mahalo, Member U'u-Hodgins, for that question. We're not required to ensure that the entire building is ADA-compliant. We are required, though, to make accommodations to provide services --

COUNCILMEMBER U'U-HODGINS: Okay.

MS. KAHULA: -- to those that require. And so, we...we are very compliant, and put out, you know, opportunities for persons that require special assistance to --

COUNCILMEMBER U'U-HODGINS: Okay.

MS. KAHULA: -- provide advance notice. And we'll meet them where they are to serve them.

COUNCILMEMBER U'U-HODGINS: Thank you for that. I noticed that this building has a parking variance too, and I know that with a parking structure in Wailuku, it does provide more parking. Are you planning on having the employees park there? Or where are they going to park?

MS. KAHULA: Mahalo for the question as well. Yes, we'll be using the parking structure primarily.

COUNCILMEMBER U'U-HODGINS: And then same for the visitors or customers that you folks need to serve, they're going to park over there at the parking structure?

MS. KAHULA: Correct. It's going to be street parking or the parking structure.

COUNCILMEMBER U'U-HODGINS: Okay.

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MS. KAHULA: Which is probably better than where we are at Trask. It's...it's pretty challenging --

COUNCILMEMBER U'U-HODGINS: Over here, too.

MS. KAHULA: -- for parking.

COUNCILMEMBER U'U-HODGINS: You said you folks are going to use this building for nearly six years. What does the County plan on doing it...with this structure after the six years?

CHAIR SUGIMURA: Ms. Milner.

MS. MILNER: Thank you, Chair. Thank you, Councilmember U'u-Hodgins. I will give it my best shot. After six, possibly longer, years--because CDBG-DR does have the option to extend --

COUNCILMEMBER U'U-HODGINS: Uh-huh.

MS. MILNER: -- I think at that time, we will have to see what the space needs are . . . *(timer sounds)*. . . for the County, and what Departments might be able to move into there that would make the most sense at that time, as it's hard to say what other properties we may acquire in the meantime. Thank you, Chair.

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

CHAIR SUGIMURA: Okay. Very good. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. And my apologies, I'm trying to look at the . . . *(inaudible)*. . . Evaluation LLC. Was the...what was the valuation of...of the appraised value of the property again?

CHAIR SUGIMURA: Budget Director.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Sinenci. The appraisal was 3.15 million.

COUNCILMEMBER SINENCI: Oh, okay. 3.15 million. And then you have . . . *(inaudible)*. . . okay, I see it now in . . . *(inaudible)*. . . where it says 3.150 was the market value. Okay. And then my...my question was about...or my concern was also in the lines of Member Cook's questioning about due diligence of the property. I know that we did purchase the church property, and then we had to put in as much as we...we bought the property for, just to fix an entire floor. So, we can look at that report again. But that's all I had, Chair. Thanks.

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CHAIR SUGIMURA: Okay. Thank you very much. Does anybody else have any more questions on this project? Okay. So, I had a question about the appraisal, which Member Sinenci just spoke about it, and the amount that we are funding is 3.2 million. So, can you explain the difference from the appraised value versus the 3.2? Maybe this is for Budget Director.

MS. MILNER: Thank you, Chair. I'd like to see if Mr. Hironaka has anything to add. I know the appraisal was 3.15, and our proposed purchase price is 3.2, and then we also have closing costs, which is the 3.25. But I will defer to Mr. Hironaka on the 3.2 versus 3.15. Thank you, Chair.

MR. HIRONAKA: Okay. Madam Chair, the list price was 3.2. When we got the appraisal in at 3.15, you know, we had put in a letter of interest, which was our...basically a placeholder. Meanwhile, they were marketing the property, and they did get a full price offer...backup offer. So, you know, we were aware that there were other offers on the property. So, you know, we...we if we wanted it, we would have had to offer the full price. And that's why, you know, the Mayor authorized it because he felt it was...you know, the \$50,000 was worth it.

CHAIR SUGIMURA: Okay. Okay. Thank you for that clarification. So, anybody else have any other questions, Members? Seeing none. Okay. So, I'd like to request passage on first reading, Bill 63 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI, ESTIMATED REVENUES; CAPITAL IMPROVEMENT PROJECTS, DEPARTMENT OF MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, BOND FUND ACQUISITION OF 105 NORTH MARKET STREET BUILDING AND PROPERTY; AND APPENDIX C, DEPARTMENT OF MANAGEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA, ACQUISITION OF 105 NORTH MARKET STREET BUILDING AND PROPERTY." And Bill 64 (2025), entitled "A BILL FOR AN ORDINANCE AMENDING ORDINANCE NO. 5659, BILL NO. 62, CD1 (2024), RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS OF THE COUNTY OF MAUI ISSUANCE, SALE AND DELIVERY OF SAID BONDS (DEPARTMENT OF MANAGEMENT)," incorporating any nonsubstantive revisions. And last, adoption of Resolution 25-107, entitled "AUTHORIZING THE ACQUISITION OF REAL PROPERTY CONSISTING OF 4,163 SQUARE FEET IDENTIFIED AS TAX MAP KEY NO. (2) 3-4-017:027 SITUATED AT WAILUKU, MAUI, HAWAI'I, FOR AN AMOUNT NOT TO EXCEED \$3,200,000.00," incorporating any nonsubstantive revisions. Motion?

COUNCILMEMBER COOK: So moved.

COUNCILMEMBER U'U-HODGINS: Second.

CHAIR SUGIMURA: Member Cook, second by Member U'u-Hodgins. Any discussion, Members? Okay. Ready to vote? Raise your hand, say "aye."

COUNCILMEMBERS: Aye.

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CHAIR SUGIMURA: Okay. Seven “ayes,” two excused, Member Johnson and Member Kama. Thank you very much.

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

**NOES:           None.**

**ABSTAIN:       None.**

**ABSENT:       None.**

**EXC.:           Vice-Chair Kama and Councilmember Johnson.**

**MOTION CARRIED.**

**ACTION:        Recommending FIRST READING of Bill 63, CD1 (2025), FIRST READING of Bill 64, CD1 (2025), and ADOPTION of Resolution 25-107.**

CHAIR SUGIMURA: So, it is now 10:15. I have one item left on the agenda. Do you want to take a ten-minute break? Yeah. Ten-minute break, and then...

COUNCILMEMBER LEE: Let’s finish.

CHAIR SUGIMURA: Oh. We need a bio . . .*(inaudible)*. . .

COUNCILMEMBER LEE: Is it going to be a long one?

CHAIR SUGIMURA: So --

COUNCILMEMBER LEE: Okay.

CHAIR SUGIMURA: -- we’re going to take a ten-minute...3:25...I’m sorry, 10:25. . . .*(gavel)* . . .

**RECESS:        10:15 a.m.**

**RECONVENE:    10:29 a.m.**

**ITEM 20(8):    PROPERTY ACQUISITION IN WEST MAUI**

CHAIR SUGIMURA: . . .*(gavel)*. . . Welcome back to the Budget, Finance, Economic Development Committee. It is now 10:29, and we are on the last item on our

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agenda. It is a Rule 7(B). As you know, we passed this Bill 89 on first reading at the last Council meeting, and we said that we would bring this up in the BFED so that...Committee so that you could get more information about the Administration's plans to purchase property in West Maui. Our discussion can include Bill 69, and...which is to amend Fiscal Year '25 Budget to delete \$100,000 appropriation for the diligence on Ma'alaea properties and...oh, due diligence on Ma'alaea properties, and instead use it for West Maui property acquisition assistance. So, at this time then...oh. My goal today is to make sure that we're clear on how this money will be used, and what the Administration's vision for the property acquisition is, and as it fits any of our long-term plans for West Maui. Assisting us today is the Budget Director, as well as we have Jordan Hart from the Office of Recovery. So, would you like to make opening comments?

MR. HART: Aloha, Chair and Members. Thank you for the opportunity to be here. The Managing Director and the Deputy Managing Director, as well as the Administrator of Office of Recovery, we're all engaged in both job fair participation to try to recruit new members to the County staff, as well as a series of interviews to select new staff. So, thank you for allowing me to be here, and I'm available to answer your...any questions on this matter.

CHAIR SUGIMURA: Budget Director Milner.

MS. MILNER: Thank you, Chair. Yes. As you discussed, the bill that is before the Council for second reading tomorrow deletes the line item under the Office of Economic Development for the trust for public land for \$100,000 on due diligence for Ma'alaea mauka, and adds \$100,000 under the Department of Management for assistance with the acquisition of properties in West Maui. I did just want to state that it will be a contract and not a grant, that's why we're not naming the entity who will be doing this work because we need to go through the procurement process. So, Corporation Counsel advised us it was best to not specifically name an organization even if we may be able to sole source it, in case we cannot. Because we will need to go through the RFP process if we cannot sole source it. So, I just wanted to mention that for the record. I'm happy to answer any questions about the amendment. Thank you, Chair.

**. . . OPEN PUBLIC TESTIMONY FOR ITEM 20(8) . . .**

CHAIR SUGIMURA: Oh. Very good. All right. Any testifiers?

MR. KRUEGER: Chair, we currently don't have any individuals signed up to testify, but there's a member of the gallery approaching the podium.

CHAIR SUGIMURA: Okay.

MR. LAW: Hovau (*phonetic*), Jasee Law. I wish you guys could put like a door here because every time I got to come around here, it's like I got to hang...hang on to it. But maybe it'll cost \$100,000, so forget it. So, every time now the word property pops up, I'm

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thinking like...yeah, please, you guys. The land is not the property. You can buy buildings all day long, the man is the property. Thank you for your time. I donate the rest of my time to the Hawaiians.

CHAIR SUGIMURA: Thank you.

MR. LAW: What do you mean, no, Mr. Cook?

CHAIR SUGIMURA: Anybody have any questions? Seeing none. All right. Any other...

MR. KRUEGER: Chair, we...we did have one other person signed up to testify, that would be The Royal...they're signed in under the name The Royal House of Hawai'i.

CHAIR SUGIMURA: Okay. Next testifier. Please identify yourself, and you'll have three minutes. I don't see him.

MR. KRUEGER: Oh apologies, Chair. We're making him a presenter.

THE ROYAL HOUSE OF HAWAI'I: Okay. Aloha. Sorry, I --

CHAIR SUGIMURA: Okay.

THE ROYAL HOUSE OF HAWAI'I: Aloha. This The Royal House of Hawai'i. I'm testifying about how the properties in Maui --

CHAIR SUGIMURA: Can you speak louder?

THE ROYAL HOUSE OF HAWAI'I: -- and all of Hawai'i...I'm testifying about all the properties and all the lands in Maui and in Hawai'i because buying properties, or whatever you guys like to call it, on a TMK is illegal. And because all of Hawai'i and Maui...and all of Hawai'i is allodial title, royal patented. So, by law, you gotta go and call up every single heir and descendant of each royal patent that you guys illegally selling anything like that, and buying whatever, because it belongs to the allodial land tenants forever. And you guys gotta go do your due diligence to call every descendent of every royal patent and land commission award made by the Kingdom of Hawai'i ko Hawai'i pai 'āina. And you guys gotta go follow Kamehameha III's, my papa's laws. Kamehameha III, yeah. He made all the constitutions, everything like that, it's still valid, still intact, still very much useable forever. No monarch before or after him could change 'em. And you guys need to read those law books because that's the law, and follow 'em.

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

MR. KRUEGER: Chair, we currently don't have any other individuals signed up to testify on this item, so we'll do a last call. If there is anybody who would like to testify on this item, please identify yourself now. On Teams, you can do that by using the raise-hand

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function. We'll do a countdown...three, two, one. Chair, no one else has identified themselves as wishing to testify.

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

COUNCILMEMBERS: No objections.

**. . . CLOSE PUBLIC TESTIMONY FOR ITEM 20(8) . . .**

CHAIR SUGIMURA: Thank you. So, at this time then, any questions for our resource? Start with Chair Lee, go by...then to Member Paltin. No? You have no questions. Member Paltin, do you have...

COUNCILMEMBER LEE: No questions.

CHAIR SUGIMURA: Okay. Member Paltin?

COUNCILMEMBER PALTIN: Do we have a list of lands that we're looking at to do the assistance with property acquisition for?

CHAIR SUGIMURA: Is that Mr. Hart, or...

MR. HART: Chair. There's an initial list of properties that the County of Maui has issued letters of interest to that we could share. There is a much larger list of properties that there's been no public notification of, and that we do have.

COUNCILMEMBER PALTIN: Is the additional escape routes off the Mill Camp area already applicable to this \$100,000, or has the due diligence been done on like those six routes?

MR. HART: Chair. I can't...I can't give you the status of all the routes. I know that a few of them have been evaluated. I can...I can develop further information with Public Works on the status of those items. These items are intended to be related to Open Space, Park, and access, but not necessarily road right-of-way, and the intention would be to use these funds for due diligence, and support efforts in acquisition, as well as identification of potential funding sources for specifically those purposes in perpetuity. Thank you.

COUNCILMEMBER PALTIN: Do we know what is going to happen to the old King Kamehameha III space? Is that up for discussion?

MR. HART: Chair. There is discussion between the State of Hawai'i and the County of Maui on how to handle that property as far as ownership, or...or stewardship. Separate from that, the Department of Management Office of Recovery is initiating a planning process for the Royal Complex, which would be the properties around Moku'ula, Mokuhinia, Kamehameha Iki Park, and beyond. And I...I'm anticipating that the Kamehameha III

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property will be thoroughly evaluated for intended future use during that process...which will be a public process, which is just starting at this point.

COUNCILMEMBER PALTIN: And --

MR. HART: Excuse me.

COUNCILMEMBER PALTIN: -- has any...oh.

MR. HART: Could I make a clarifying comment? Actually, the Department of 'Ōiwi Resources is the lead on that, and the Department of Management Office of Recovery is in support of them on that process. Thank you.

COUNCILMEMBER PALTIN: Has any resolution been reached with the Salvation Army about the...the Moku'ula, Mokuhinia . . .*(timer sounds)*. . . restoration or anything?

MR. HART: Chair. No resolution. The last status that I'm aware of is that they were interested in being relocated, and identifying a relocation fit that is equivalent is...is something that's being worked on.

COUNCILMEMBER PALTIN: To find them other lands more suitable?

MR. HART: Right. That they are also interested in, yes.

COUNCILMEMBER PALTIN: Okay. Thank you.

CHAIR SUGIMURA: Okay. So, next we have Member Cook, followed by Member U'u-Hodgins, then Sinenci.

COUNCILMEMBER COOK: Thank you, Chair. I have no questions.

CHAIR SUGIMURA: Okay. Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. There isn't much information. Maybe I missed something when I wasn't here in Council the other week. But what...I know Member Paltin asked, what do we plan on buying, but it doesn't seem like there's ever much to purchase for \$100,000. Is this going to be in addition to some other funds?

CHAIR SUGIMURA: Mr. Hart.

MR. HART: Chair. Thank you. It would be expected that this...this would be...this would precede other funds. So, we'll use this to try to line up purchases, and then look for other funding, whether that be in part contributed from existing County funds, or whether or not the...the consultant that...that would have the skills that we need would be able to assist us in finding other, broader existing funds for the purpose of acquisition of Open Space, Park, or recreational access in perpetuity. But basically, refining those

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things, and...and potentially getting under contract for specific properties, and then identifying specific funding sources to close purchase. Thank you.

COUNCILMEMBER U'U-HODGINS: Okay. All righty, then. So, we are eyeing up some stuff right now? Okay, cool. That's it. Thanks, Chair.

CHAIR SUGIMURA: Okay. Very good. Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Just to clarify. The letter from Ms. Milner, the trust for public land would no longer be able to assist the County with due diligence on properties in Ma'alaea. So, can you explain that? I mean, the...the 100,000 was specific for the trust...for public lands to do this work.

CHAIR SUGIMURA: Okay.

MS. MILNER: Thank you, Chair. Thank you, Councilmember Sinenci. Yes. The reason for the change is twofold. One is that the purchase of property in Ma'alaea will not happen until next fiscal year, whereas we feel we can move forward on due diligence with properties in West Maui now. The other part is that the trust from public land doesn't feel that some of the due diligence that we're doing necessarily aligns with their priorities because I believe we're also considering possible managed retreat of some properties and things like that, whereas they're more interested in maintaining Open Space. So, they...they don't feel that they align with those project goals at this time, whereas the properties in West Maui that we're looking at would be maintained as Open Space or Park space, which aligns with their mission. Thank you, Chair.

COUNCILMEMBER SINENCI: Oh. Okay. Thank you for that added information, Ms. Milner. Thank you, Chair.

CHAIR SUGIMURA: Okay. Thank you very much. Anybody else have any more questions on this? Member Paltin.

COUNCILMEMBER PALTIN: Has anyone reached out to the owners of, I guess, the Cheeseburger in Paradise property? I heard that Cheeseburger had decided early on that they weren't coming back.

MR. HART: Chair. Yes. There has been communication with that property, as well as initiation of the due diligence process for that property.

COUNCILMEMBER PALTIN: Any...any talks with Lāhainā Jodo Mission? When I recently met with them, they had about eight, nine rentals on their property that they tried to keep for low-income. But because they're kind of ocean front, the taxes were cost-prohibitive for them to try and rebuild and rent to lower-income because then it is taxed at long-term rental, which I guess up until before the fire, was still like \$75,000. And, you know, they were open to providing rentals. I don't know if the County...that's something the County wants, being that they're so ocean front. The rentals were in the backside of...the mauka side of the property, but...they were open to doing it again, but just the

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taxes were exorbitant. And so, they were wondering, you know, if...if the County was interested.

MR. HART: Chair. There hasn't been, that I'm aware of, communication with the Jodo Mission on purchase, but...or any sort of...well, I'm not sure what...if that was implying purchase, or implying working with them to try and figure out...

COUNCILMEMBER PALTIN: Or lease, I guess.

MR. HART: We can...if there's point of contact to...to engage with, we can follow-up on that.

COUNCILMEMBER PALTIN: Okay. But would...would we...like knowing the location of their property, even if they built houses for rent, it's still in the SMA. Do we...

MR. HART: Chair. That's a really challenging property because it's in the SMA, but it's also on the shoreline. And my recollection is that it has a pretty significant shoreline setback, which is very challenging, and...and in a lot of ways, unfortunate, considering the facility and, you know, what it was that was there prior to the fire. We can...I'm aware of what I'm aware of, and I'm aware of most of the issues relating to...to property acquisition that the Office of...everything I've been told I've been cataloging. But if somebody else, you know, like on the MD or Deputy MD level, had a conversation with...with Jodo, it didn't reach me yet. But we can take a point of contact and follow-up on that. Sorry, just . . .*(timer sounds)*. . . final comment to reiterate. The challenges of that property with the shoreline setbacks, it will be very challenging to...to reconstruct what existed pre-fire under existing regulations.

COUNCILMEMBER PALTIN: I heard the bell.

CHAIR SUGIMURA: Okay. Very good. Anybody else have any more questions? All right. So, Members, did you want a list of properties that we're looking at? Yeah, I heard them. I heard Mr. Hart mention that. So, maybe if we could ask for that? If we could ask a letter from Office of Recovery, or I guess Management...Managing Director. Any other questions, any other...okay. I think we're done. Then with that then, I'm going to defer this item. It's going to be up for second and final reading. And if there's no other questions, we are done with this meeting.

**COUNCILMEMBERS VOICED NO OBJECTIONS (excused: TK, GJ, KRF)**

**ACTION: DEFER.**

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CHAIR SUGIMURA: So, thank you very much for being here, and appreciate all your expertise, and what you're doing for our community. So, at this time it's 10:47, and this meeting is now adjourned. . . .(*gavel*). . .

**ADJOURN: 10:47 a.m.**

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Transcribed by: Cheryl von Kugler

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CERTIFICATION

I, Cheryl von Kugler, hereby certify that pages 1 through 38 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 1st day of July 2025, in Wailuku, Hawai'i

A handwritten signature in cursive script, reading "Cheryl von Kugler", is written above a horizontal line.

Cheryl von Kugler