

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

MINUTES

March 7, 2023

Online Only via BlueJeans

CONVENE: 9:03 a.m.

PRESENT: Councilmember Yuki Lei K. Sugimura, Chair
Councilmember Tasha Kama, Vice-Chair (out 12:02 p.m.)
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member (out 12:02 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: Lesley Milner, Senior Committee Analyst
Kasie Apo Takayama, Senior Committee Analyst (back up)
Richelle Kawasaki, Legislative Attorney
Yvette Bouthillier, Senior Committee Secretary
Stacey Vinoray, Committee Secretary
Lenora Dinneen, Council Services Assistant Clerk

Executive Assistants for Councilmember Tom Cook:

Jared Agtunong
Stacey Takahashi

Executive Assistants for Councilmember Gabe Johnson:

Kate Griffiths
Roxanne Morita

Executive Assistants for Councilmember Tasha Kama:

Davideane Kama-Sickels

Executive Assistant for Councilmember Tamara Paltin:

Angela Lucero

Executive Assistant for Councilmember Keani N.W. Rawlins-Fernandez:

Noelani Ahia
Sarah Sexton
Braedon Wilkerson

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

March 7, 2023

Executive Assistant for Councilmember Shane M. Sinenci:

Dawn Lono
Gina Young

Executive Assistant for Councilmember Yuki Lei K. Sugimura:

Arthur Suyama
Jordan Helle
Jennifer Matsumoto

Executive Assistants for Councilmember Nohelani U'u-Hodgins:

Laura McDowell
Susan Clements

Residency Area Office (RAO):

Mavis Oliveira-Medeiros, Council Aide, East Maui Residency Area Office
Zhantell Lindo, Council Aide, Moloka'i Residency Area Office
Christian Balagso, Council Aide, West Maui Residency Area Office
Bill Snipes, Council-Aide, South Maui Residency Area Office
Jade Rojas-Letisi, Makawao-Ha'ikū-Pā'ia Residency Area Office

ADMIN.: Scott K. Teruya, Acting Director, Department of Finance (BFED-21(1)), -16
Maria Zielinski, Budget Director, Office of the Mayor (BFED-16, -17, -18, -19)
Luana Mahi, Economic Development Director, Office of the Mayor (BFED-16)
Jordan Molina, Acting Director, Department of Public Works (BFED-17)
Bradford K. Ventura, Fire Chief, Department of Fire and Public Safety (BFED-18)
Andrew Martin, Acting Prosecuting Attorney, Department of the Prosecuting Attorney (BFED-19)
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: JC Law
Faith Chase (BFED-16)
Others (3)

Resources:

Derek Mizuno, Administrator, Hawai'i Employer-Union Health Benefits Trust Fund (BFED-21(1))
Thomas Williams, Executive Director, Employees' Retirement System of the State of Hawai'i (BFED-21(1))

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

March 7, 2023

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

CHAIR SUGIMURA: . . .*(gavel)*. . . Good morning, everyone. Welcome to the Budget, Finance, and Economic Development Committee. Today is March the 7, 2023 and it's now 9:03 a.m. My name is Yuki Lei Sugimura, I'm the Chair of this Committee, like to welcome everyone. And this is an online meeting being conducted in accordance with the Sunshine Law. And as a reminder, when your name is called, if you are not in the Council Chamber, please identify by name who, if any...anyone, is in the room, vehicle, or workspace with you today. Minors do not need to be identified. Let's see. So, at this time I like to take roll call. Committee Vice-Chair Tasha Kama. Good morning.

VICE-CHAIR KAMA: Hola, Chair, is the greeting of the morning.

CHAIR SUGIMURA: Oh, hola.

VICE-CHAIR KAMA: And I'd like to say aloha kakahiaka to everyone. And I'm looking forward to our very first BFED meeting of the year. Thank you, Chair.

CHAIR SUGIMURA: Thank you, Chair *[sic]*. Hola. All right. Let's hear it from--are you ready, Alice Lee?

COUNCILMEMBER LEE: Yes.

CHAIR SUGIMURA: Chair Lee.

COUNCILMEMBER LEE: Hola. Qué tal, Madam Chair? Good to see all of you, and I'm still setting up so --

CHAIR SUGIMURA: Oh.

COUNCILMEMBER LEE: -- don't mind me. Looking forward to your meeting. Thank you.

CHAIR SUGIMURA: Okay. Councilmember Tom Cook in the Chambers.

COUNCILMEMBER COOK: Hola and good morning. And looking for *[sic]* today's meeting, Chair, and thank you.

CHAIR SUGIMURA: Thank you. Councilmember Nohe *[sic]* U'u-Hodgkins *[sic]*.

COUNCILMEMBER U'U-HODGINS: Good morning.

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

March 7, 2023

CHAIR SUGIMURA: Good morning.

COUNCILMEMBER U'U-HODGINS: Hola.

CHAIR SUGIMURA: Hola. Councilmember Gabe Johnson. Is he online? I don't see him yet.

COUNCILMEMBER JOHNSON: Good morning, Chair, Councilmembers, Committee members. I am alone in my office in Lānaʻi City. There are no testifiers at the District Office. And sorry if you hear my dog, she's snoring in the background, and the chickens are singing. I'm here and ready to work. Mahalo.

CHAIR SUGIMURA: Oh, that's cute. Councilmember Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kakahiaka kākou. Broadcasting live and direct from sunny historic Lāhainā Town. I have with me Angela Lucero and Christian Balagso. And we have no testifiers waiting to testify at this time. Thank you.

CHAIR SUGIMURA: Good morning. Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka, mai Molokaʻi nui a Hina. I'm at the Molokaʻi District Office, alone on my side of the office. And we have our Community Outreach Specialist, Zhantell Lindo, on the other side of the office, reporting no testifiers here at the Molokaʻi District Office. Mahalo.

CHAIR SUGIMURA: Good morning. Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha e ola mau kākou from the East Maui District Office at 4974 Uakea Road, if you want to come visit us. Here with District Staff Mavis Medeiros and Dawn Lono. Currently, there are no testifiers, Chair.

CHAIR SUGIMURA: Good morning. Thank you, everyone for being here. Also today, as part of the meeting, we have from the Office of the Mayor, Maria Zielinski, Budget Director. Thank you for being here. She's sitting in the Chambers. Department of Finance, we have Scott Teruya, Acting Director, he's also sitting in the Chambers. Department of Public Works Jordan Molina, Acting Director, I'm sure he's going to pop up online. Department of Fire and Public Safety, Brad Ventura, Fire Chief. Department of Prosecuting Attorney, Andrew Martin, I spoke to him this morning, so he'll be on the call...in the meeting. Deputy Corp. Counsel Kristina Toshikiyo, Deputy Corp. Counsel assigned to Budget and Finance, Economic Development Committee [sic], looking forward to working with you, Kristina. Other resources: Derek Mizuno, who's going to be presenting from EUTF. Thomas Williams, Executive Director, ERS is also presenting in the first item. Committee Staff, appreciate you a lot. Yvette Bouthillier, Committee

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

March 7, 2023

Secretary. Thank you very much, Yvette. And also...I wanted to also mention Clarita Balala, who's backup secretary for this Committee, and has been working on this for many years. So, thank you, I just wanted to mention that. Thank you, Clarita. We also have Lesley Milner, superstar Committee Analyst, along with the other superstar Kasie Apo Takayama, appreciate you a lot. Richelle Kawasaki, who is new to OCS, and assigned to this. And I understand that Richelle worked on Budget for many, many years, so, we bring her expertise to this Committee. From Council Services we have Lei Dinneen and...as well as Stacey Vinoray helping, so thank you very much for that. Members, thank you for attending today's meeting, and we have six items on our agenda today. We have a very big agenda, and I hope to get through all of this in a timely matter [sic]. So, on the first item, we have BF-21(1) [sic], Hawai'i Employer's-Union [sic] Health Benefits Trust Fund and Employer's [sic] Retirement System (ERS) for the State of Hawai'i, that'll be...we'll take that up first. BFED-16, Bill 1, Amending Appendix A, Part I, Grants and Restrictions [sic] Use Revenues, Fiscal Year 2023 Budget, Department of Finance (Local Assistance and Tribal Consistency Fund (LATCF)). BFED-17, which is Bill number 9, Amending Appendix A, Part II, Special Purpose Revenues - Schedule of Revolving/Special Funds, Fiscal Year '23: Plan Review, Permit Processing, and Inspection Revolving Fund. BFED-18, Bill 5, Amending Appendix A, Part I, Grants and Restricted Use Revenues, Fiscal Year '23 Budget, Department of Fire and Public Safety Under Private Donations. BFED-19, Bill 10, Amending Appendix E...A Part I, Grants and Restricted Use Revenues, Fiscal Year '23 Budget: Department of the Prosecuting Attorney (Office of Victims of Crime (OVC)). BFED-1, Proposed Fiscal Year '24 Budget for the County of Maui. So, those are all the six items on our agenda.

. . .BEGIN PUBLIC TESTIMONY. . .

CHAIR SUGIMURA: Do we have any testifiers?

MS. MILNER: Yes, Chair, we have one testifier, JC Law.

CHAIR SUGIMURA: So, JC, as you're coming up, I'm going to read this, although I think you probably have it memorized by now. But you will be...asked to testify --

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

CHAIR SUGIMURA: -- and you'll have three minutes. Please identify yourself.

MR. LAW: JC Law from Kula Uka. Good morning. Aloha kākou. And wow, this a big day for you, Chair Sugimura, for you got the Budget Committee. And before I speak what I...the main thing on my personal agenda, I would like to ask you the same thing that I asked previous Chair Keani Rawlins-Fernandez when Mr. Hokama lost the chairship, that you...I don't know what the...I'm not a big speaker but, like, I guess respect. I don't know what the word would be in

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

March 7, 2023

Hawaiian. And especially since she's got on her Pele outfit today, you better watch out. So, yeah, my thing...the big thing, I'm glad the Kula Chair has a...I mean the Kula Councilmember has a Chair because I would like the bus to continue to run in Kula. And I don't know where all the money is going and coming from, but...especially since it connects to Hawaiian neighborhoods, the number 39 bus should continue. So, if you could talk with the...and I did wrote...write letters to the Senator in charge of the Senate Transportation Committee in Washington D.C.; she's from Washington state, so...

CHAIR SUGIMURA: Okay.

MR. LAW: Yeah, I'm trying to help out, get some money for the...continue that route. Thank you.

CHAIR SUGIMURA: Okay. Not quite on the agenda, but anybody have questions for Mr. Law? Is it Law or Lau?

MR. LAW: Either one. It's...technically the United States calls me Lawrence, but I'm...shortened it to Law, L-A-W.

CHAIR SUGIMURA: Oh, that's your first name. Okay, any questions for Mr. Law? Seeing none. Oh, Keani has a question for you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair.

CHAIR SUGIMURA: Councilmember Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha, Mr. Law. Mahalo for your testimony --

MR. LAW: *(Audio interference)* --

COUNCILMEMBER RAWLINS-FERNANDEZ: -- this morning, and for...to clarify your testimony, you called this my Pele outfit. Is it because it's red?

MR. LAW: It's the color of energy.

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

CHAIR SUGIMURA: Thank you. Thank you very much. Any other testifiers?

MS. MILNER: No, Chair. We have no one else signed up to testify at this time.

CHAIR SUGIMURA: Okay. So, at this time then, I'm going to close this portion of the

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

March 7, 2023

testimony, and then go into our meeting.

. . .END OF PUBLIC TESTIMONY. . .

CHAIR SUGIMURA: And Members, we will hear from the various departments and presentations, and then take up public testimony, and then go into questions or deliberations from the Members. So, I'm going to take that flow. I'm going to also ask if the Members have questions, then we could take three minutes per person, and go to the next person.

**ITEM 21(1): HAWAII EMPLOYER-UNION HEALTH BENEFITS
TRUST FUND (EUTF) AND EMPLOYEES' RETIREMENT
SYSTEM (ERS) OF THE STATE OF HAWAII (Rule 7(B))**

CHAIR SUGIMURA: So, Members, at this time I'm going to take up the first item, which is BFED 21(1), Hawai'i Employers-Union [sic] Health Benefits Trust Fund (EUTF) and Employees' Retirement System (ERS) of the State of Hawai'i. Today we're joined by the Administrator for the Hawai'i Employers-Union [sic] Health Fund Trust Fund...Health Benefit Trust Fund, Derek Mizuno, and the Executive Director of the Employees' Retirement System of the State of Hawai'i, Thomas Williams. And the reason why I wanted to bring this up is that I wanted to introduce to the members of the public if they do not know, and just to discuss what our liabilities are on these two items. Because it is an ongoing responsibility for us to be able to pay down these EUTF, as well as ERS, that the County owes for our employees of retirement, as well as existing. So, at this time I would like...if no objections, I like to designate Mr. Mizuno and Mr. Williams as resource personnel in accordance with Rule 18(A) of the Rules of the Council.

VICE-CHAIR KAMA: No objections, Chair.

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Thank you very much. Thank you very much. So, the two presenters...at this time they are in Granicus, if you want to follow along. So, I would like to ask Mr. Mizuno, if you would like to do your presentation first with Hawai'i Employee-Union [sic] Health Benefits Trust Fund, EUTF.

MR. MIZUNO: Hi. Good morning, Chair, Vice-Chair --

CHAIR SUGIMURA: Morning.

MR. MIZUNO: -- Councilmembers. If it's okay, I'll let Mr. Williams go first. I think having the pension side go first, I think --

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

March 7, 2023

CHAIR SUGIMURA: Okay.

MR. MIZUNO: -- makes, I think, a better transition.

CHAIR SUGIMURA: Okay. Thank you very much. So, Mr. Williams, welcome.

MR. WILLIAMS: Well, good morning, and aloha all. Welcome, Chair Sugimura [sic] and Vice-Chair Kama, Members of the Committee, and of the Council. As you know, I'm Tom Williams, the Executive Director of the Employees' Retirement System. And it really is a tremendous honor for me to have been invited to speak to the Members of the Committee and the Council today. This follows on a tradition of both the ERS and the EUTF attending your meetings to provide updates on the status of these two vitally important programs. Today, my presentation, I will give you a brief overview of the agenda as we are proposing. It is probably not dissimilar to what you've seen in the past. We're going to give an overview on the membership and benefits, we'll talk about our actuarial evaluation, unfunded liabilities. In particular we're going to focus on Maui contributions to the retirement system, as well as excess pension costs, talk a little bit about stress tests, and some of the bills that we've been monitoring during the current Legislative session that we think you'll be interested in. Just by way of background, here's a overview of the total members of ERS, about 149,000 members, approximate about 10 percent of the State's population. Significantly, we have 6,800 of our active members living in Maui, and that represents about 10 and a half percent of our active employee population. The retirees and benefits...beneficiaries, we have 53,990, 3,486 of which reside in Maui, and that's about 6.4 percent of the active membership of the ERS. Let me...okay. My assistant is here and...well, no, here we go. I should be sharing my screen.

UNIDENTIFIED SPEAKER: Yeah.

MR. WILLIAMS: And I'm hopeful that it's showing at present. But in any case, what I'd indicated, active employees and the retirees total inactive vested, non-vested members, 22,226. I mention those 53,990 retirees and beneficiaries...you know, that represents about a 1.2 percent ratio of actives to retired. So, for every active member, there is 1.2 active members to each retired members. The annual pension payments that we distributed throughout the State in Fiscal Year 2022 was \$1 and three-quarters billion...\$1.76 billion, and of course, that's going to increase every year with payroll growth and earnings to an estimated 4.7 billion in 30 years. But the significant number is the 1.76 that we distributed last year. And it was very vital, especially during the period of COVID, to help to stimulate the economies, both in Maui and across the State. The average annual pension is \$31,766. That's fairly substantial, but there's a dramatic range, as you could imagine, in those pensions. The lowest pension is something that no one could live off of, it's about \$109 a year, believe it or not. And the highest is \$208,000 a

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

March 7, 2023

year. We have a significant number of pensioners who earn between 176 and that \$208,000 a year. Over 15,000 of our active employees can retire today, that's almost 24 percent of all of our members who are currently working actually have sufficient time and service...years of service to retire today if they were to elect to do so. And I'm somewhat pleased that they don't elect to do so, obviously, because it means we would...paying out a significantly larger sum immediately in benefits to our members. And while that's a good thing, it means that we've got less money to invest to address the unfunded liability over time. Mentioned in the unfunded liabilities, it's derived from the...a ratio of these up top...couple of numbers, actuarial accrued liabilities, \$34.8 billion, that's the value of all the promises that we've made to you and our other members in terms of the benefits that you've earned, and that's compared to the actuarial value of asset, \$21.3 billion. So, the difference is the unfunded liability. And we show both actuarial value and market value assets because actuarial value, here, and market value are very close, but sometime they can diverge fairly dramatically. Actuarial values are smooth values. We take gains and losses from any particular year and spread them out over four years so as to prevent volatility in the funding levels, or in your budget. But in this instance, market value and actuarial value are fairly close. The unfunded liability is \$13 and a half billion, is substantial, but the good news is that it's going down. And we'll illustrate a little further on in the presentation that this is...was scheduled to peak at about \$15 and a half billion in 2025. It already peaked in 2020, and is now going down for the third year in a row. The funded ratio is 61.2 percent, and while that's not great, we're targeting 100 percent funded in 24 years. We've been making steady progress, and that will be illustrated next...or very shortly. This is from our most recent actuarial evaluation. It shows the results from the last four years, 2019 through 2022. And first, we're looking at the smoothed value, or so-called actuarial value, that I alluded to a moment ago. Back in 2019, the unfunded actuarial accrued liability was 14 billion, it moved up to 14.6 in 2020. But then you can see in 2021, it started to go down, 14.23, and in 2022, it's down at 13.5. Again, that's several years earlier than was originally forecast. The funded ratio, you see here, steadily increasing from 55.2, 55.3, 58.3, and now 61.2. And the funding period in years, the years remaining to get to be 100 percent fully funded, is steady. It's been 26, 26, and it's gone to 24. And in fact, we were hopeful that it would go to 23 this year, but there were a number of factors that prevented that. Largely there was a lower payroll and lower number of members or active employees, and we can talk about that momentarily. We compare that actuarial value to the market value. And you can see the market value volatility there, where actuarial funded ratio in 2019 was 54.9, went down to 53.2, but a mere...a year later, it jumped up to 64.3, then back down to 62.8. And so with market value changes being very dramatic, those funded ratios and years to full funding would change. It was 26, it went down to 19 in 2021, and back up to 23 in 2022. So, that's why we actually use the actuarial versus the smooth value to minimize some of that volatility. We wanted to break down this unfunded liability by employer group. There are two primary groups within our system, Police and Fire, and then all

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

March 7, 2023

other employees. This is distinct from the EUTF, where there are separate valuations by employer. Ours has the cost share and group, and all the employers are merged together. The two groups that are separated are these, Police and Fire, because their benefits are significantly different than those for all other employees. And so, we've broken out the unfunded liability, and the funded ratio, and funding period for those two programs. So, if you look at 2022 for Police and Fire, \$2.2 billion unfunded liability, 67.4 percent funded--better than the overall plan--and 23 years to full funding. And that compares to the column below where we're looking at the 11.2 billion unfunded liability attributable to just the all other employee group. The 59.7 percent actuarial funded ratio and the 24 years, combine those two together and you get the funded ratio of the 61.2 that I alluded to a little bit earlier. The sources of impact investments, you'll see momentarily the investments over the last couple of years have underperformed our 7 percent assumption on a market value basis. But they've been mitigated or offset in part by that smoothing technique that I alluded to a little earlier, the actuarial smoothing, where we take gains from one year, or losses, and spread them over four years. Because in 2020, I believe it was, we had a 26 percent return, and that resulted in about \$2 billion of gains that were deferred, so, that weren't shown just in 2020, but were used to offset...to increase the earnings in subsequent years, or to offset shortfalls in subsequent years. And because we've had less return than we had hoped for, this actually made up for some of the shortfall. The result is a net...a two-year actuarial gain in actuarial value of assets because of the deferred money. Our liabilities also grew a little bit slower than we had anticipated, primarily due to salary increases being smaller than our forecast, generally. I think that may have something to do with the delays or lags in compensation during COVID. And nonbase compensation, which is compensation related to overtime, and the like, that is somewhat down year over year. But we don't get too excited about these changes one year to the next because it's over time that they really show themselves, and they tend to fall back in line. So, there might be a lag in the increases for salary due to, you know, let's say COVID, but then it gets made up in subsequent years. So, that results in our developing an average that is pretty reliable. We like to illustrate the impact of the program...on the program of this new tier of benefits that was introduced in 2012. Prior to 2012, I think you are all aware that our unfunded liabilities were growing at an exponential rate. Our plan would never be fully funded. The funded ratio was declining rather than increasing, and the plan...Legislature made some changes to the benefit structure. They lowered the benefit multiplier, increased the period to...for vesting, changed the levels of salary that are incorporated or included for retirement benefit purposes. So, for example, overtime, which applies to Tier 2, and certain other allowances to...which were available to Tier 1, and continue for Tier 1, are no longer allowed or counted in Tier 2. And this chart shows the retirees in blue. The red group part of the charts here are the post-2012 hires. These are the new folks that have joined the system and by age. And you can see that they are an increasingly large component of the plan. So, when we look at the entire plan, folks hired since 2012 represents

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

March 7, 2023

47 percent of our active membership. Why that is important is, this next slide looks at the liabilities by group. And what you can see, of course, the liabilities are largely related to the retirees. But again, looking at this post-2012 hires, the solid red group, very little liability, primarily because they've been here now almost ten years, but they have lower benefit multipliers, less salary that is included for retirement calculation purposes, et cetera. And so, while they were 47 percent of the membership, they're only 4.2 percent of the liability. So, that illustrates, at least in part, that the changes that were made in 2012 are having the desired effect of slowing the growth in the unfunded liabilities. This is particularly relevant, I think, to all of you there because this lists the employer contributions, the contributions that Maui County makes, on an annual basis, fiscal year basis, to the ERS. And this includes both general employees, and Police and Fire. So, you can see that that total has increased from 41 million in 2018 to about 63 million estimated for 2023. Last year it was 61,255,000 for the County of Maui. And the contribution rates applicable to these two groups, 24 percent for general employees, and 41 percent for Police and Fire, is illustrated there on the lower left. We always have a goodly amount of attention paid to the so-called pension spiking, and that's the fees or the charges that are applied to the employer when employees who retire have an inordinate amount of income targeted to their last few years prior to retirement. Now, there's certainly legitimate reasons why income can go up through promotions, et cetera. And spiking calculations anticipate that, and don't incorporate legitimate promotions. But when there is an unusual amount of overtime, for example, that's incurred in that last few years prior to retirement, that increases dramatically the benefits that are payable to the individuals, as well as the unfunded liability to the system because we hadn't been getting contributions on a steady basis, and their earnings on those contributions to offset that additional liability. So, there was an act passed, 153, I think, back in 2012 that required the ERS to charge the employers for these excess pension costs...these spiking costs. And you can see, they've gone up fairly significantly from 2015 where there were 28 individuals spiking at a cost of \$1.7 million, to where in 2021, it was 5.9 million. And gone down a little bit in '22, \$5.4 million, but still a sizable cost to the County. Portfolio Allocation, I would encourage if you want to know about our investment program or portfolio, just take a look at our website. We have details on all of our investment policies, our individual investments, all of the managers historical performance and alike. But what this chart illustrates is the way we look at the plan, we look at the things that impact returns and larger that's growth, and we got a program in the green called Diversifying Strategies which is a mitigator of risk --

COUNCILMEMBER RAWLINS-FERNANDEZ. Mr. Williams.

MR. WILLIAMS. Yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha. I...I just received information from

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

March 7, 2023

our staff that we have...we're in a recess right now so...so, you don't have to wait for too long.

MR. WILLIAMS: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: Perhaps we can pause here...oh.

COUNCILMEMBER PALTIN: Internet in the Chambers crashed, I think. We can still see you, and *Akakū* can still see it, but I think the Chamber Internet crashed.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. So, it's still on channel 53, it's still going but, everyone that was in the Chamber is no longer on or are rejoining and, the Chair and the Vice-Chair are both in the Chamber.

MR. WILLIAMS: Oh, I'm sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: None of us can call a recess unless we just do and...

MR. WILLIAMS: Well, you could tell me how you like me to proceed. I'm certainly willing to wait. I don't have an awful lot more to go, but I certainly have the time to wait for this to be resolved if you wish.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. I guess . . . *(laughing)*. . . it's the four of us that's on because we're all participating remotely, and it looks like they're still figuring things out. So I will call a recess then, I guess. It's 9:34 on March --

COUNCILMEMBER PALTIN: Yeah, *Akakū* put it on.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- March 7th, and we'll take a recess. . . . *(gavel)*. . .

RECESS: 9:31 a.m.

RECONVENE: 9:42 a.m.

CHAIR SUGIMURA: . . . *(gavel)*. . . Welcome back to the Budget, Finance, and Economic Development Committee. Thank you for letting us take this brief pause. Keani, thank you for also calling the...notice that we were in recess, but we were offline in the County building. So, we're back. I believe, Mr. Williams, you were about 15 minutes into your presentation, and we will continue on for another 5 minutes, and then we'll go to the next presentation. Mr. Williams.

MR. WILLIAMS: Thank you very much, and I apologize for the technical difficulties. I

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

March 7, 2023

hope that wasn't a sign from the gods that we were having too much discussion on retirement planning, but . . . *(laughing)*. . . it may very well be. Investment performance short-term, you know, it's volatile. Longer term...this chart just illustrates that we've met or exceeded our 7 percent assumed investment return over the periods illustrated over the one-, three-, five-, and ten-year periods. At least the longer periods, three, five, and ten years, we expect that there'll be ups and downs, but over time, we hope to achieve the assumed investment return. This is a chart that illustrates just the funding sensitivity to rates of return. The solid blue line assumes the 7 percent, which is our current assumption. If we earn that, and contributions continue, we'll be fully funded in 2046. If we earn 6 percent, those are the dotted red lines, there will be an additional 14 years before we'd be fully funded. So, we'd have to continue contributions until something like 2036, that's a lot of money when you consider how much is contributed each year. And then the really fine dotted red line is if we earned only 5 percent, in that instance we'd never be fully funded, but the plan's sustainability would never be threatened. But it shows the importance of having a good solid investment program, hiring good talent, getting good results, and equipping those people with the tools necessary to make to...necessary to make professional decisions. This chart just shows that we're on track based on the 2016 Legislative forecast. We assume that our funding is going to go down one year each year, never really does that, but you can see in 2020...well, where it shows in the 29th year, we were actually at 26 years, if you look here on the left. And right now, in 2022, we're right on target at 24 years. We do an actual...actuarial stress test on an annual basis. And that is intended to show the impacts, as we looked at earlier, of adverse investment returns. And our stress tests show that we are sustainable, even through long periods of less than forecast investment earnings, but we would have to continue the contributions for significantly longer periods. There were a number of bills that we looked at this year. I believe there were 94 bills in the Legislature that impact the ERS in one way or another, 14 of which we provided testimonial on. This lists just four of the bills that were critical to us. One was a repeal of Act 192, which is Sudan investments. We actually have no investments, so the act incorporated the requirements for a repeal. We've met those, we've asked for that bill to be a repeal. The second one, HB 1014, relates to service-connected disability and a clarification as to the eligibility requirements, that seems to be moving through reasonably well. The third bill here relates to police officers. There's a bill that would restore police officers to the pre-2012 benefit structure. Our board opposed that bill primarily because there's a statute in place that says, no benefit enhancements are to be made until our plan is 100 percent fully funded. And as you know, we're \$13 and a half billion and 24 years shy of achieving that goal. And there is an employer reporting bill that we we're working with the employers on. So, I believe, for the most part, that concludes my presentation. And in the interest of time, I could answer questions or wait until after Mr. Mizuno makes his presentation. I certainly will be available. It's the Chair's prerogative, quite frankly.

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

March 7, 2023

CHAIR SUGIMURA: Thank you, Mr. Williams. I'm going to ask Mr. Mizuno to do his presentation, then open up for public testimony, and then go into Member questions. So, thank you very much for your presentation. Mr. Mizuno.

MR. MIZUNO: All right. Thank you, Chair. Good morning. Thank you for this opportunity to present. I'm sorry, I lost you. Okay. I'll just go forward. So, looking at slide 3, just some background on the EUTF. We started offering plans in 2003, and we offer, you know, health benefit plans, medical, drug, dental, vision, and life insurance. We cover about 63,000 employees, plus another 57,000 of their dependents, and also another 52,000 of City and County retirees, and 22,000 of their dependents. I'm going to skip over to slide 6. And when we talk about the retiree benefit, you can kind of look at it in two parts. The first part is the employer's contribution to the health premiums. And that's going to be based on years of service and the hire date. And, you know, one kind of misconception is, I think, when someone says they're...retiree says they're 100 percent, most of you think, okay, the County is going to pay 100 percent of the retiree's premiums for the rest of their life. It's actually a little different. The County will pay 100 percent of this thing called the base monthly contribution, which was set in statute, and it increases as Medicare Part B premiums increase, which is kind of a proxy for healthcare inflation. We'll look at those numbers on the next slide. The other part is the employer's reimbursement of the retiree and spouse Medicare Part B premiums. And to enroll in the EUTF medical or drug plans as a retiree or a dependent, those persons who are eligible for Medicare Part B, which is generally 65 years of age, must enroll in Medicare Part B. And that's to get...for us to get the benefit of Medicare paying primary. However, as I mentioned, the employers reimburse those Medicare Part B premiums. Part B premiums for the County of Maui for Fiscal Year 2022 was \$3.1 million, so it is a pretty significant amount. The retiree benefit, if a employee started before 7/1/96, all they had to do was work ten years and get 100 percent of that BMC for them and eligible dependents. It was too rich of a benefit, so the Legislature, in '96, reduced the benefit and now required, instead of the 10 years, 25 years and then there's a sliding scale. 2001 Legislature determined it's still too rich, so instead of contributing to the dependents' healthcare premiums, the State and counties will only contribute to the retirees' healthcare premiums. And then the '01 group follows the same tiers as the '96 to '01 group. This slide compares the BMC, or that base monthly contribution, with the actual retiree premium. So, we always separate the retirees into Medicare, non-Medicare. And there's BMCs for self, two-party, and family. So, looking at this 100 percent BMC column, right now, the BMC is more than the premium. So, for HMSA, this includes the HMSA, the drug, the dental and vision premiums. All those 100 percent retirees, they don't have to pay any of their premiums. . . .*(inaudible)*. . . however, if they're '01 and they have a spouse, they'll have to pay for their spouse's premiums. But because that BMC is so high, even the 75 percenters don't have to pay any premiums. And then even looking at a 50 percenter, say they're just in a

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

March 7, 2023

self-Medicare plan with HMSA, which is \$518 per month, 50 percent of the BMC currently is \$412. So, the retiree pays that difference of \$106 a month for their premium. So, it's really good for the retirees, but it's kind of detrimental to the employers. When we talk about OPEB, OPEB just stands for other post-employment benefits other than the pension, and that's really just the retiree healthcare benefit. So, prior to 2014, the...and it's mainly the State, they only paid the retiree premiums, it's called pay as you go. The counties, like Maui, you guys used to put in, you know, some monies through pre-fund. But in 2013, Act 268 required the employers to pay this thing called the annual record contribution or ARC. So, what the ARC is, is...it's comprised of two parts. One is the normal cost, and that's basically what every...all the employees earn that year related to their healthcare...retiree healthcare benefits. And then the second part is to pay down the unfunded liability over a period of 30 years. So, you know, going back to normal cost, so, you know, one way to think of it is, let's say the County started today. And every year, the County paid the normal cost into the plan, and all the actuarial assumptions held. There would never be an unfunded liability because you're paying for your employees' benefits as they earn it. So, in theory, if I was a employee, when I retire, the County would have set aside all the monies to pay for my retirement through the date of my death. That is kind of what a pre-fund mean is, you're paying for it as it's incurred. This slide looks at our premiums, and really...the liability is really driven by our retiree healthcare premiums. So, if we're looking at the past three years--and most of our employees will be in these first two groups, which is the HMSA Medicare Plan, and then the drug plan that's paired with the HMSA benefit. And so, over the past three years, we've had some really low premium increases, and actually, there was some decreases in some years, and this compares to what the actuary expected. The actuary expected probably over 7 percent increases in premiums each year, whereas we were showing a much lower amount. So, this resulted in what we call actuarial gains. And if you look across the other plans as well, we also had low growth as well in the premiums. So, in terms of how that impacted the County of Maui, it reduced...or there were actual gains of...for the past three years of 37.2 million, 33.6, and then last year was 73.5. They're really big gains for the County, and what that does is it lowers the unfunded liability, as well as the future ARC payments or annual required contributions. So, for the County of Maui, just going from 7/1/21's valuation to 7/1/22's valuation, it lowered the funding period. So, now, instead of projected full funding for the County of 2037, it's now 2031. And over the next 20 years, the County of Maui is going to see lower ARC payments of \$220 million. This slide...this compares the different employer groups. You know, as Tom mentioned earlier, for us...for the EUTF, each employer basically has their own account. We'll pool all of the assets together and invest it collectively, but each employer kind of has their share of those earnings on those investments, as well as we keep track of contributions and distributions separately. The good news for County of Maui is you guys have done really well in terms of funding this benefit. So, you guys are at a 72.2 percent funded ratio, and that's just the assets divided by the liability. So, again,

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

March 7, 2023

the goal is to get to 100 percent. You guys are doing a great job there. The ARC, as a percent of payroll, is about 19 percent. But if we look at this normal cost as a percent of payroll, it's just under 7 percent. So, this really is the cost of this retiree healthcare program, about 7 percent. So, it's a good benefit, but maybe not as rich as I think the public thinks it is. You know, but you guys are paying 19 percent now, so the difference between the 19 percent that you guys are paying, and the normal cost of 7 percent, that's to pay down the unfunded liability. This next slide just projects out your annual required contribution, or the projection for the next 30 years or so. So, what you guys are looking at is about 38 million for 2023, and then that's going to grow and peak at 40...almost 41 million in 2035, and then after that, the unfunded, in theory, is paid off. And then you guys are just paying the normal cost. So, it goes down to 16 million, and then it keeps growing over time. So, what in essence happens...and it's shown in this last column. This last column is that annual required contribution less the premiums, or the benefit payments. So, for the first...the next ten years or so, you guys are paying more than the premiums. But once you guys get to full funding, you guys are going to be paying less than the premiums. And so, what's happening, in effect, is we're taking investment earnings from your assets, and paying the premiums with those amounts. So, that's a whole benefit of pre-funding, you're able to use the investment earnings to pay your cost over time. I'm going to skip over to slide 15. So, this is just our allocation of our investments. Our total fund is about \$6 billion, and it's just invested in a diversified group of assets. We do have something similar to the ERS where we have our growth groups, as well as our diversified strategies to protect on the downside. I wanted to just spend just a few seconds on this slide, slide 18 *Dannenberg* lawsuit. A few years...actually, many years ago, retirees sued the EUTF, and the State, and the counties, basically saying that their benefits had to be the same as the active employees. It went all the way up the Hawai'i Supreme Court. The Supreme Court didn't rule on that...it didn't say that was required, but what the Supreme Court said was that the accrued retiree health benefits are protected under the State Constitution, similar to the ERS pension. So, basically, any changes that the EUTF board makes to the benefits, or even the Legislature makes to the benefits, it has to be done prospectively. And it's a good thing so, you know, we can't be changing the benefit for any current employees or current retirees. Slide 19 is our bills that the EUTF board is proposing. I'll focus on 2 and 3. So, the number 2, we're proposing to eliminate Medicare Part B reimbursements for spouses of new hires, say 7/1/2023 and later. And if you recall, going back to 2001 change that the Legislature made. So, now, any new hires, the State and counties do not contribute to the spouse's retiree healthcare premiums. So, we...the board views reimbursing the Medicare Part B premiums as kind of something that should have been corrected back in 2001. So, it doesn't really make sense right now that the State and counties are reimbursing the Part B when they don't get any benefit because they're not paying for their healthcare premiums. So, the current status of this bill, it passed on the Senate side, and then it crossed over...now, it's moving...going to move

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

March 7, 2023

through the House. The third bill is similar, it relates to the Medicare Part B premium reimbursements. Medicare Part B, there's this thing called the income related monthly adjustment amount. It'll eliminate that reimbursement for new hires and spouses, if we're still reimbursing the spouses. And what that is, is if you're...what Medicare does in determining someone's Medicare Part B premium is they'll look at Federal tax income two years prior. So, if that retiree had \$97,000 in modified AGI, they'll pay \$164.90, which is the standard monthly Medicare Part B premium. But once they start going over that 97,000, there'll be additional costs, or IRMAA, that the retiree will pay. Right now the City and counties reimburse the full amount, so the standard amount plus any IRMAA adjustment. What the bill would do would eliminate the IRMAA reimbursement, and all future retirees or new hires, 7/1/2023 and later, will be reimbursed at 164.90, or whatever the standard is. And for the second bill eliminating Part B for spouses, projected to save the State about \$1.2 billion so, you know, less on the County side. And then on the IRMAA elimination will be \$430 million for both their retirees and the spouses. So, pretty significant. And similar on the IRMAA bill, it's moving...it moved through the Senate, it's going to be going over to the House now. Slide 21 is just looking at our enrollment for active employees. I think the interesting thing here is back in 2016, almost half of our members had selected the HMSA 80/20. And then just 5 percent in the HMSA 75/25, which is a lower-benefit, lower-cost plan. Over the years, that basically has shifted. So, now, our most popular plan is the 75/25 plan, and then the 80/20 almost was cut in half, or was cut in half...the membership. And the reason for that is...if we look at the far left, it is the change in the premiums. So, these are...these are the monthly premiums for just an employee...the employee's share if they're just on a self-plan. So, back in 2016, the difference between the 80/20 premiums and the 75/25 premiums was about \$70. However, in 2017, the board made some changes, and those 75/25 premiums just dropped like a rock down to 54. Now, that gap has increased to \$180 a month. That has continued, and now the gap is \$220 a month. So, then similarly, we see the change...the movement from the 80/20 to 75/25 plan. Looking at County of Maui, you guys are a little different in that you guys...your members enroll in Kaiser's plans a lot...at a lot higher rate than the rest of the group. So, you almost have 50 percent of your members...your active employees with Kaiser versus 28 percent for the rest of the group. But, you know, we also see that same migration to the 75/25 plan, as well as to the Kaiser standard, which is similarly priced with the HMSA 75/25 plan. Shifting over to the retirees, again, we separate the retirees between Medicare, non-Medicare. It's pretty...we don't see much changes in the enrollment between HMSA and Kaiser, pretty standard at 83 percent. For Maui, again, your retirees are enrolled at a higher rate in Kaiser versus the rest of the group. I'm going to skip over. And I'm just going to go to the last line, and this is just an update on, you know, some of the things that went on in 2022. In 2022, we went to a new benefits administration system. And this system captures all of our information on our members...their demographics, their plans they're in, their deductions. And we transmit this information to HMSA, Kaiser,

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

March 7, 2023

as well as to the employer. So, it's really the core of our operations. So, when we went to a new system in May 2022 we had a lot of problems, and so, we were seeing some significant backlogs in processing forms. We've caught up, and so, I think we're doing a lot better now. The one big benefit of this program is that we can allow our members to go online to make changes during open enrollment, or if they, say, get married during the year, they can go online and make those changes themselves. However, we haven't rolled out that full functionality because of the issues we're having. We're looking to do a pilot for this coming employee open enrollment in April. One of the pilot groups would be the County of Maui. However, we're still, you know, not sure if we're going to do that yet. We're still working on some things with the program. You also probably heard back in August that the...Kaiser had a mental health worker strike that was causing some issues for access for our members. The board, in December, decided to allow any Kaiser members to switch to HMSA if they were having access issues through a appeal process. We only had seven members that took advantage of that. The strike is over for the mental health workers, so that is no longer allowed. And, you know, thank...that was all I had for you. But thank you guys for your time, I really appreciate it. And I think you guys do a great job in having Tom and myself present. I think it's great that you guys are, you know, keeping up to date on these two significant liabilities. So, thank you.

CHAIR SUGIMURA: Thank you, Mr. Mizuno.

CHAIR SUGIMURA: So, at this time I'm going to ask if we have any testifier that would like to testify on these two items?

MS. MILNER: Chair, we have one individual signed in as Guest 59. They have not indicated they want to testify, but we would like to give them the opportunity if they would like to do so.

CHAIR SUGIMURA: Guest 59.

MS. MILNER: Chair, there are no other individuals signed up to testify.

CHAIR SUGIMURA: Thank you. So, at this time then, if we have no other testimony, I'm going to close public testimony, but always keep ourselves open for written testimony. So, Members, if you allow, I'm going to close public testimony.

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Thank you. Thank you. So, at this time I'm going to ask the Members if you have clarifying questions for Mr. Mizuno or Mr. Williams. And I would give each Member three minutes. Maybe I'll just go down the row, and everybody can ask for...ask questions as you may see fit. You need something, Lesley? Oh. Oh, yeah, the...sorry. Clarifying questions were for testimony, but

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

March 7, 2023

these...this is deliberation. So, anybody have any questions that you may have for the resource personnel? So, at this time I'm going to ask my Vice-Chair, Member Kama.

VICE-CHAIR KAMA: Thank you, Chair. And thank you for being here, Mr. Williams, and Mr. Mizuno. And so I just want to go back to...if you could explain the Part B reimbursement again?

MR. MIZUNO: Thank you, Vice-Chair. So, Medicare Part B, it's a Federal program that --

VICE-CHAIR KAMA: Um-hum.

MS. MILNER: -- helps retirees. And so, may I say, many years ago, the State and the counties legislatively required that retirees who are eligible for Part B enroll in Part B. And again, that's to get the benefit of Part B paying primary. However, to keep the retirees whole, the State and counties reimburse the retiree and the spouses for their Part B premiums. The change we are proposing is to eliminate the reimbursement for the spouse since the State and counties no longer contribute to the spouse's healthcare premiums, which is kind of...it doesn't make too much sense right now. And then the other part is eliminating that income-related monthly adjustment amount that's put on high-income retirees.

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

CHAIR SUGIMURA: Thank you very much. Chair Lee.

COUNCILMEMBER LEE: Thank you, Chair. Question is only for Mr. Mizuno?

CHAIR SUGIMURA: Oh, both.

COUNCILMEMBER LEE: Both. Okay. Well, I have one for Mr. Mizuno, just following up on Pro Tem Kama's question. Mr. Mizuno, so how much savings will occur as a result of not paying for the spouses?

MR. MIZUNO: For the spouses, the savings, over a 30-year period, is estimated to be over a billion dollars. And that's for the State, 1.2 billion for the State. So, it is a pretty significant amount. So, right now, the County of Maui is paying about \$3.1 million a year, roughly a quarter of that is related to the spouses.

COUNCILMEMBER LEE: Okay. So, we will be paying a quarter less than 3.1 million?

MR. MIZUNO: Yeah, but this is way into the future because this is going to only impact new hires from 7/1/2023 and later. So, it's not going to impact any...you know, any current employees or current retirees.

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

March 7, 2023

COUNCILMEMBER LEE: Okay. So, I have a question for Mr. Williams. Wasn't there a time, Mr. Williams, in the '80s or '90s, when the ERS had large surpluses?

MR. WILLIAMS: Let me respond. You know, I wasn't here...actually employed with ERS at the time, but I understand a bit of the history. And I understand that to be the case, that the plan was nearly fully funded. But I think, as many of you may be aware, there was a practice in the Legislature of...some people referred to it as skimming, but to the extent that the fund earned in excess of its assumed return. So, like today, we're suggesting 7 percent. But let's just say we earned 8 percent, and that 8 percent was \$100 million, the State would then contribute 100 million less to the system. So, it took a bit of the upside off the table, and did not provide any subsidization when there was a downside. So, any excess earnings were skimmed, any shortfall was not made up, and that resulted in the funding level deteriorating pretty dramatically, and the unfunded liability increasing.

COUNCILMEMBER LEE: Mr. Williams, does the State Legislature still use that practice of skimming the excesses?

MR. WILLIAMS: Vice-Chair Kama [sic], no. A rule, I think in, perhaps, 2007...I might be wrong, but I think it's 2007, that practice was prohibited.

COUNCILMEMBER LEE: I see. Thank you very much.

CHAIR SUGIMURA: Thank you very much. Any of those online have questions? Tamara Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Williams, for your presentation, and thank you for the work you've done to try and get us back to where we're supposed to be. I just was wondering...I was a supporter of the police bill. And, you know, the reason is because we're kind of getting fished from other jurisdictions with better pension plans and, you know, 20 years and pau...or done. And, you know, we're having a hard time. We're down at least 25 percent of our police officers. I think the disparity in detectives...or Criminal Investigation Division is even worse than 25 percent in some districts of the County. And it makes it really difficult. We get a lot of complaints from the public that they don't feel, you know, the police are doing enough to prevent crime. In the West District, it seems as though everyday a few cars are being stolen and, you know, things like that. And so, I just was wondering as to...how do you...how do you find that balance? You know, with all the vacancies, obviously we're going to have to pay more overtime, and then...you know, so, we're getting less, but we're reaching that one goal of becoming solvent in our unfunded liabilities, but at what expense, and how do you find that balance? Or are you...are you aware of the challenges? Because, you know, back in the day when the benefits were great, it was like, yeah, I work County, the benefits are good. And now it's like, you know, we're

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

March 7, 2023

struggling along with everyone else to just find workers to fulfill this role to serve the public, not only in Police, but I think it's most notable in the Police Department. And so, I just was a little bit wondering if you're aware of these challenges? And, you know, while we appreciate getting closer to solvency, if you had any thoughts?

MR. WILLIAMS: Well, Councilwoman Paltin, let me first thank you for all your hard work and representation for your members, and Police, and other professionals. And I would just say, yes, I certainly do recognize the challenges...workforce challenges we face across the State, and particularly with our first responders with Police and Fire. And I'm very familiar with the statistics as to the shortfall in the numbers of Police and Fire, and the impact it has on overtime, and families, and . . . *(timer sounds)*. . . crime, and other issues. But I hope this doesn't sound curt by any way, but the retirement plan, by law, by Federal statute, has a singular focus, and that's making decisions in the best interest of the members. And that is to earn returns sufficient to meet the expected return so that we can honor those obligations. So, believe it or not, all the social issues, which are relevant to all of us, we can't take into consideration legally in making our decisions for the retirement system. So, I do, in fact, sympathize, but the reality is that the cost would be significant. We understand that if we were to revert to the pre-'12 levels--and the cost would be borne largely by the County because I think the counties are the significant employers of Police and Fire, much more so than the State--the contribution rate that is now 41 percent might go to 45 percent...45 percent of pay. And the periods of full funding for Police and Fire is, I think, 23 years now, it would go back to 30 years. It would be right up at the statutory maximum. So, also, the reason for the 20, and 25, and out without an age limitation...I think back in 2012 there was a 50...a minimum age requirement of 55 added. It was initially that...there because Police and Fire were believed to have life expectancies considerably shorter than the general public. And we look at statistics, actually, for the Hawai'i population, and as you all know, we have the longest-lived population in the nation, and that's a wonderful thing. But at age 50, the life expectancy . . . *(timer sounds)*. . . for a police or fireman is only one year shorter than for general population. So, their life expectancy at age 50 for a policeman is 80, and it would be 81 for a member of the general population. So, there've been improvements in the...you know, in the environment, the care, et cetera. So, again, fully sympathize, I hope we can do things about it. The retirement system is one of the components, but I think there are others that affect recruiting and retention...salary, and a number of other factors, quite frankly. But we are sympathetic, but we're not allowed to do anything about it in the context of the law that governs the retirement plan.

COUNCILMEMBER PALTIN: And then just to follow up, have you --

CHAIR SUGIMURA: Thank you *(audio interference)* past three minutes. Can I --

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

March 7, 2023

COUNCILMEMBER PALTIN: Oh.

CHAIR SUGIMURA: -- save you for a second round?

COUNCILMEMBER PALTIN: All right. I was going to go for Mr. Mizuno second round, but that's okay. Never mind.

CHAIR SUGIMURA: Yeah. Okay. So, next Councilmember? I see Gabe Johnson with his hand up, and then we'll come back to the Chambers.

COUNCILMEMBER JOHNSON: Thank you, Chair. This question is for Mr. Williams. Thank you for your presentation and your knowledge, I really appreciate it. There's something you said in your presentation, it really kind of perked my ears. You said that some pensions are only \$109 while others go up to 200,000. I have to clarify, can you explain how...is it just a guy who work like one, you know, short time and that's their pension, and someone...I can't imagine who is getting 200,000 in County pension. So, can you explain a little bit on that?

MR. WILLIAMS: I'll surely try. The pension results from a formula, and the same formula is employed to all employees who were hired at...you know, in the same time frame. And so there is a multiplier, which I think was 2 and a half percent of pay, for each year of service. And there is a salary against which--and we call it average final compensation--to which that percentage applies. So, if you were getting 2 and a half percent per year, and you work for ten years, you get 25 percent of whatever that average final compensation was. So, there apparently was someone who was perhaps even working part-time who had accumulated enough service to retire. In the old plans, there was a minimum of five years. There were some benefits that you can become entitled to that have no service or minimum age requirement. I would have to look up the specific individual, which I wouldn't be able to disclose, but I could better understand why it's so low, but it's a function of the pay that they got. So, those individuals were apparently receiving very low pay, and likely working part-time, and it's just the formula applied to that pay resulted in the small amount. And the same thing holds true for the larger amounts. You go through the same process, but their pay was substantially larger or higher, and it probably relates to some...you know, I don't know who...a football coach or something, I don't know. I haven't looked at the specific individual, but the formula is uniform for all people based on years of service and salary.

COUNCILMEMBER JOHNSON: So, what Councilmember Paltin was speaking on is the idea that we just don't have the police force, right...the staff. And so, in turn, that gets expensive. Like the amount of overtime our employers [sic] are doing, and police is a great example, but of course, across the board, a lot of people are doing overtime because we can...there are many reasons, but we can't attract, the cost of living, all of this stuff adds up. And that's just kind of my concern, is

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

March 7, 2023

that we want to have good benefits to attract, right. And that's what I...I'm hoping that we could look at and...because we see the cost of overtime is...if we were trying to cut costs, overtime is really a big burden on our coffers. So, I always thought the way we do it is have those benefits . . . *(timer sounds)*. . . be good. So, if you want to speak on that...my time's up after that, Mr. Williams. Thank you.

MR. WILLIAMS: Well, I appreciate the opportunity. I know historically, the benefit programs have played a key role in attracting employees to the States because the States haven't paid the same salaries as the private sector. And I think as the benefits have eroded, you see more and more people moving to the private sector as opposed to...as opposed to working for the State. I hope you can still hear me, my picture has gone off.

COUNCILMEMBER JOHNSON: Yeah, I can hear you clear. Thank you.

MR. WILLIAMS: Okay. All righty. But what we see that...we have significant numbers of openings that we can't fill. So, I'm a proponent for good benefits, and the retirement plan is one of those benefits that are important to attracting people. I think we've changed the vesting schedule from five years to ten years. That deters a lot of young people from coming to the State. So, the level of the benefits, whether health insurance, or retirement, or otherwise, are important to attracting and retaining employee. There's a direct relationship between that.

COUNCILMEMBER JOHNSON: I agree with that. Thank you, Mr. Williams. Thank you, Chair.

CHAIR SUGIMURA: Thank you --

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair.

CHAIR SUGIMURA: -- Mr. Johnson. And we'll take Keani Rawlins-Fernandez, then back to the Chambers.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. And Member Sinenci also has his hand up, in case you cannot see his video. Okay So, I wanted to dovetail off of Member Johnson's line of questioning. Mahalo, Mr. Williams, for your presentation. Always a pleasure to see you. So, in regards to slide 12, pension spiking the policy of the high three due to irregular and excessive overtime that...as you said in your presentation, that these employees who did not have this type of overtime and receive pension that wasn't commensurate to their contributions over their time in employment. So, I put in the chat an article from *Civil Beat*, and put the section that kind of illustrates what we're talking about. So, it says, "For example, five years before he retired, this captain didn't show much interest in overtime. He logged only 24 hours for the entire...entirety of Fiscal Year 2016. But in 2019 Fiscal Year, he worked 2,335 and a half hours of

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

March 7, 2023

overtime, city data shows, and the following year, he topped that with 2,485 and a half hours overtime. Three-quarters of the way through the calendar year 2019, he had already boosted his earnings for the year to over \$340,000, accordingly [sic] to HPD records." But this isn't Maui Police, but this is an example. And then when they retire, they're collecting, like you said, *(audio interference)* for their pension. And so in 2012, there was a law passed by the State to kind of address the spiking, but it only applies to those who retired after July 2012. *(Audio interference)* this kind of practice or abuse continues. Is there...do you know if there's anything that the County can do to add additional...and I don't know if this is a question for you, Mr. Williams, but what the County can do at the county level to address some of that practice...to prevent that from continuing to happen?

MR. WILLIAMS: Yeah. That's a very, very difficult question for me or...me to answer, for sure. You've done a good job of identifying what the challenge is, and there has been a historic practice of allowing those individuals who are nearer to retirement to accumulate the overtime. That's my understanding from talking to people who...members of both Police and Fire. And that helps to increase the final average compensation, and therefore, the benefits . . .*(timer sounds)*. . . that are entitled to. I think to the extent you have...you're fully staffed, you have less pressure for overtime. And obviously, for Tier 2 employees, those hired after 2012, they don't get overtime included in their calculations. But for the reasons that Derek alluded to earlier, this constitutional protection, some have concluded that they couldn't take that away from the prior employees...from those hired before the change. So, I know all of the counties are concerned about it, and are trying to reduce the level of overtime. But that gets down to your communications and directives to your agencies and to the heads of those agencies. And obviously it's not...it's very difficult, particularly when we've had emergencies like, you know, volcanic eruptions, and COVID, and a lot of things that have required people to work for excessive numbers of hours. But I wish I had a answer, but unfortunately, I don't.

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Williams. Mahalo, Chair.

CHAIR SUGIMURA: Thank you very much, Mr. Williams and Councilmember Rawlins-Fernandez. So, at this time I'm going to come back to the Chambers. If Member Cook has any questions for either Mr. Mizuno or Mr. Williams.

COUNCILMEMBER SINENCI: *(Audio interference)* --

CHAIR SUGIMURA: Oh. Oh, Shane has your hand up. Okay. I was going to go to the Chambers. But go ahead, Mr. Sinenci. Thank you very much, Mr. Cook.

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

March 7, 2023

COUNCILMEMBER SINENCI: Yeah. Mahalo, Member Cook. And mahalo, Mr. Williams, for your presentation. Looks like you guys are doing a good job at the EUTF. I just had a question about...I know that in 2020, we did...everybody had some significant losses during the pandemic. I was wondering what the difference in gains and losses were between 2020 and 2021. I understand that there's some smoothing and some averaging out between those two years. So, were there any significant gains or losses during those two years?

MR. WILLIAMS: Yes, in fact, there were. And, you know, that kind of volatility is really not uncommon year to year, and we expect that to occur. And while, I think, in 2020 we had a positive return of 26.7 percent, I think the following year we had a negative 1.7 percent return. So, that's a massive swing. That was probably the highest return we'd ever earned. And I won't say it's the lowest return we've ever earned because we are on track this year to be down a couple of percent. So, the volatility year to year can be dramatic, but it's over time that we focus, quite frankly, because the structure of our program and the risk mitigation strategies kind of limit the downside. So, over time, with markets increasing about 70 percent of the time, we're likely to move in the right direction. So, yeah, there were significant differences, and we fully expect that to continue. This year is also a challenging year. But I will tell you that the strategies that we've employed, where we're down about 2 percent right now, the public pension plan market is down more like 15 percent. So, we're then trying to protect ourselves from downside volatility because we have such a low-funded ratio, we just can't take that risk. But you ask a good question, and the answer is yes, there is significant differences year to year. But over time, that difference smooths out, and we think we'll achieve our expected goal.

COUNCILMEMBER SINENCI: *(Audio interference)* --

MR. MIZUNO: *(Audio interference)* Councilmember Sinenci, from the EUTF's perspective...I'm sharing my screen. So, you know, in FY'21 we had a 27.7 percent as compared to the public plan medium...median was 26.7. And then this past year, FY 2022, we had a small loss, but a lot less...a lower loss than the public median plan.

COUNCILMEMBER SINENCI: Mahalo, Mr. Mizuno. And then in slide 13 of the EUTF presentation, there's a 2 percent, and I was wondering if...were those investments, are we sitting on cash that's not being invested? Is that what the 2 percent represents? . . .*(timer sounds)*. . .

MR. MIZUNO: Oh. Thank you, Councilmember. The bottom...that last one on the 2 percent, it's actually not cash, it's a hedge investment. It's called a tail risk long volatility strategy. So, we're actually buying insurance on the market. And we're actually in the process of looking for managers for that asset class. But it is not cash, yeah. We are fully invested.

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

March 7, 2023

COUNCILMEMBER SINENCI: Thank you. Thank you, Mr. Mizuno.

MR. MIZUNO: Thank you.

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR SUGIMURA: Thank you, Member Sinenci. So, at this time I'm going to go to the Chambers. Member Cook, and then after I'll go to Nohelani U'u-Hodgins.

COUNCILMEMBER COOK: Thank you, Chair. Thank you, Chair. Mr. Williams, thank you for your presentation. It's worrisome that...it looks like we're getting to the point where we're going to potentially have one worker supporting two retirees, and it's kind of extreme. But not being able to attract people to work in the public sector because of the lack of benefits and the low pay seems to be...anyway, puts you in a rough situation because you need to keep the financial...you know, you need to...you need to maintain the integrity of the...of your...of the retirement system, but it seems like we're going in the wrong direction. So, do you have any projected solutions, and I...suggestions of what we could do, as a Council, to mitigate that at all?

MR. WILLIAMS: Well, thank you for your question. Let me say, we are going in the wrong direction, but it's short-term. We have about 1,300 fewer members in the system this year than we had anticipated. The participating members of employees have dropped, largely, I think, through the difficulty to rehire, and some positions maybe they've been eliminated, I'm not sure. We have hiring challenges here at the ERS as well. But historically, it appears that these periods of under employment are followed by a catch up, and people hire more. And so over time, those kind of shortfalls tend to even out. But I think that we've got to be very concerned about the role that compensation in all its forms--cash compensation, as well as the health insurance, and the retirement plans--play in the recruiting, attracting, and retaining good solid workers. And the advantages that our programs had in the past, we just don't have them today, and it's a matter of affordability. So, I think that there are some things--for example, the vesting period that's now ten years--is a real disincentive for young people who tend not to want to stay at a place for their whole career. They're not going to stay 30 years or 40 years like maybe was in the past. So, a lot of programs...funds around the nation--New York State, for example, a number of others, Minnesota, I believe--have begun to reexamine some of those changes that they made in 2012 in response to the great financial crisis, and said maybe we need to make a little adjustment in those. And so, some have gone back to five-year vesting as opposed to the ten year, and other tweaks. But there is a real challenge, and I think it's systemic, quite frankly, and we've got to look at a long-term solution.

COUNCILMEMBER COOK: Thank you.

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

March 7, 2023

CHAIR SUGIMURA: Thank you very much, Member Cook. Next we have Member U'u-Hodkins [sic].

COUNCILMEMBER U'U-HODGINS: Good morning. And thank you so much for being here with us today. This question is for Mr. Williams. So, you said we have 1.2 active members for each retired member. But we also have 15,000 people who could retire today. And at least in Maui County, and I'm sure pretty much throughout the State, we're about 20 percent short in about each department, as we learned a couple weeks ago when we had our department heads. So, if we lost 15,000 people, hypothetically, tomorrow, and hopefully we do not, plus we're 20 percent short, to account for our 1.2...or 1.2 active members for each retired member, what does that do to our bottom line? Like how far does that push us out? Thank you.

MR. WILLIAMS: Well, it'll be difficult to answer on...in short order. We do, you know, an actuarial evaluation to actually calculate that, but it would certainly lengthen it considerably. It means that we would get significantly fewer dollars into the system if those individuals were not replaced. If those 15,000 individuals retire, and they're not replaced, it would be devastating to the system because they have to be replaced and the pay that those replacement employees get, we get contributions off of those. So, we presume that they would be replaced by some individuals, but those individuals will likely be...earn a lot less because typically, new hires are paid a lot less, so there would be less money coming into the system. It would be very deleterious to the future finances of the fund if those individuals were to retire en masse because we would have a massive outflow of money, and a reduced inflow of money, which would likely result in the need to increase contributions at some level in order to maintain the current funding path. And that's a very difficult thing to do because our contributions, as you know, are fairly high as we speak. Just them alone, when you add with the health insurance cost, and Social Security, and Medicare, and debt service, it's more than...you know, it's the majority of the...of the budget, I believe, inasmuch as you would like. But if we were disciplined with the retirement program, as Derek was describing, when we are fully funded, the cost of this program will be something approaching 10 percent of the pay, the total cost of the program would be something like 10 percent of the pay. So, it's worth it to try to be disciplined to continue the funding...to achieve full funding, but it's a risky and a challenging path forward if we get that level of retirements, no question.

COUNCILMEMBER U'U-HODGINS: Thank you.

CHAIR SUGIMURA: Thank you very much. Good questions. So, at this time anybody has another question? I think Tamara Paltin expressed an interest, and Chair Lee. Chair Lee.

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

March 7, 2023

COUNCILMEMBER LEE: Thank you, Chair. Mr. Williams, it's expected...we're expected to have a huge surplus in the State in the next...well, right now, we have a huge surplus. So, if the State were to pass a law that whenever we have a surplus, at least a certain percentage, like 50 percent, goes back to the fund, wouldn't that be a huge advantage to all of us in that we can start to increase benefits to new workers so that we could attract...we're trying to think of everything under the sun to bring and lure workers to every department we have in the County. So, would you think something like that would be helpful?

MR. WILLIAMS: Absolutely. Advanced funding, additional funding to the retirement system lowers the overall cost of the program to the State. And so, you know, I think it was in the last Legislative session, we were budgeted to get \$300 million that, for reasons unknownst [sic] to me, I think they relate to COVID funding, et cetera, those monies have not been received as yet. I'm hopeful they will. But yes, if there were surpluses added to the ERS, it would more dramatically and quickly reduce the unfunded liability and lower, dramatically, the long-term cost of this program. So, if you save money, presumably you'd be able to spend it on some other aspect, including improvement of the benefit programs.

COUNCILMEMBER LEE: Okay. Thank you very much.

MR. MIZUNO: And *(audio interference)* Chair Lee, just to add...yeah, I believe there is a statute that if there's budget surpluses, the State can, you know, contribute those to the Rainy-Day Fund, the EUTF, or the ERS. I think there's also a provision if they're not, then it...you know, they have to be refunded to the taxpayers. So, I think in lieu of that, they can make the contributions to the ERS, as well as the EUTF.

COUNCILMEMBER LEE: Thank you.

CHAIR SUGIMURA: Thank you very much. Tamara Paltin had another question. Anybody else? Okay. Oh, and I see Keani Rawlins. Go ahead. Tamara Paltin, followed by Keani Rawlins-Fernandez.

COUNCILMEMBER PALTIN: Thank you. Just following up with Mr. Williams. What were the Tier 2 employees that the overtime is not calculated into their retirement?

MR. WILLIAMS: I want to make sure I understand the question. They don't...the definition of compensation for the retirement plan...or compensation eligible for counting toward benefits was changed in 2012. Prior to 2012, almost all compensation, whether overtime, or lump sum, or allowances, or differentials, were all incorporated into the retirement plan. Some time, for example, ammunition allowances, uniform allowances, and all of those things, or a lot of those were eliminated for Tier 2. Lump sums are no longer permitted, overtime

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

March 7, 2023

is no longer permitted to be calculated. So, while they get the overtime pay, it's just not used for determining their retirement benefit.

COUNCILMEMBER PALTIN: So, basically folks hired after 2012.

MR. WILLIAMS: That's correct. And on the slide I showed, where the folks after 2012 represented 47 percent of our membership, but only 4 percent of the liabilities.

COUNCILMEMBER PALTIN: Okay. Thank you. My next question would be for Mr. Mizuno on slide 7 of your presentation. I just was wondering on the number 2, retiree hired after 6/30/96 but before 7/1/01, does it matter if they were hired full-time or part-time?

MR. MIZUNO: I think that's...Tom, can you help me here? You know, when do you guys start your membership date? Because we'll follow the membership date that ERS provides to us *(audio interference)* --

MR. WILLIAMS: Okay. I think we're off now. Yeah, we do follow the same membership dates, and part-time determines whether you're eligible or not. For example, I think, most of the requirements are they must work at least 50 percent or more. And so, that's, I think, 15 days...excuse me, because I'm not the expert here, but you've got to at least work 50 percent or more of the time for the specific occupation or job to be included in the ERS. And I believe, you know, EUTF follows the same. So, if someone's working part-time, and they're working a quarter time, they wouldn't be eligible for benefits for the ERS, and likely EUTF. But if half time or more, they would be.

MR. MIZUNO: *(Audio interference)*.

COUNCILMEMBER PALTIN: So, if they started at . . . *(timer sounds)*. . . like, say, two-fifths time, but before July 1st, 2001 they got over up to half time, they would be eligible for that full retirement after 25 years or more?

MR. WILLIAMS: Again, for the period that they were not half time or more, that won't count. You can't sort of retroactively add the time. So, if I work ten years at quarter time, I'm not in the plan. If I work 10 years full-time, I'm in the plan but I've worked total, 20 years, but I'd only get the 10 years that represented the portion that was in the plan.

COUNCILMEMBER PALTIN: Even if that ten years happened after July 1st, 2001?

MR. WILLIAMS: I think so. I don't know that July 1st, 2001 is a significant date for us.

MR. MIZUNO: So, Councilmember Paltin, so if they went full-time, say on June 1st, 2001, their member...their hire date is June 1st, 2001. For our purposes, their

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

March 7, 2023

membership date will follow ERS, it'll be June 1st, 2001, they'll fall into category 2.

COUNCILMEMBER PALTIN: Awesome. Thank you.

MR. MIZUNO: Yeah, thanks.

MR. WILLIAMS: Thanks, Derek.

CHAIR SUGIMURA: Thank you. Thank you very much. Did anybody else have a question? I think Keani Rawlins-Fernandez, second round. Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: *(Audio interference)* question is for...my first question for Mr. Mizuno. Aloha, Mr. Mizuno, nice to see you.

MR. MIZUNO: Good to see you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for your presentation. Will you please speak...or provide additional comments on the impact to the benefit, or your opinion on Maui County overfunding our obligation...our OPEB versus other counties?

MR. MIZUNO: Yeah, I think it's...you know, from our standpoint, it's...you know, you guys are, you know, having these surplus funds, you're managing your finances well, you're putting it to pay down the unfunded liability, I think that's a great thing because it's going to lower your future costs over time, and provide more funds...you know, like you're talking about is...you know, is it...you guys have more funds if there's increased pay. You know, you guys can do those things because of the situation you're in. So, I think it was a good move on the County of Maui, the Administration, as well as the Council, to be wise in how you stewarded your funds.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Mizuno. Because with OPEB, unlike what ERS has, the more that we fund, the lower our obligations are because it's separated.

MR. MIZUNO: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: It's not all lumped together as one, the way that ERS is, correct?

MR. MIZUNO: Correct. Yeah. Yeah. So, historically...yeah, if you guys would put in your excess funds to the EUTF, and it'll go to all your benefit...the County of Maui's benefit. So, that was the good part, yeah.

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

March 7, 2023

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Mizuno.

MR. MIZUNO: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. And then I don't know if it would be for both, or just Mr. Williams, but in regards to the pension investments, I was trying to find where our pension funding is invested...our portfolio, and if there's policies as far as investing in our own local economy, and if there's like a percentage that would require our pension funds to go back into investing in our local businesses?

MR. WILLIAMS: Councilwoman, that's a really good question, and the answer is both nuance, I'd say yes and no. For example, the overriding principle I alluded to earlier is that the law...Federal tax law requires first, we invest in the best interest of the entirety of our membership. Now, that does not preclude, in any way, when we find investment opportunities locally to pursue those. And we have a program called HiTIP, it was produced back a couple of decades ago, quite frankly, to encourage--not require, but to encourage--investments in the local start-up economy. And we have...actually, we're on the third fund there. We've created thousands of jobs and, I think, invested over \$120 million . . . *(timer sounds)*. . . in Hawai'i itself. There is a bill that's in the current Legislature that the amount of money that would be allocated is not determined as yet, but we're told it might be as much as \$100 million. But it, too, would encourage us, to the extent possible, to invest monies in Hawai'i. We are meeting regularly with...for example, I had meetings yesterday with the State Energy Office to look at some of the investment opportunities around climate change, energy transition. There are activities on all of the major islands that are helping to move us toward our goals of energy conservation and producing energy fully from renewable sources. So, to the extent we can invest in those things and meet our other obligations to the members, we will do it, but we always have to have that balance. You can't subsidize, you can't take less, in order to achieve an environmental or social goal, but you certainly can weigh those in combination with the investment return, and we do, and we invest significantly in the State.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Williams. And to complete that thought, you know, the County and other counties are suing the oil companies, right, and so, other companies that harm our planet and our people. And so, like, is there a policy against that? Or if it provides a big return, then regardless of whether we're suing, like, these oil companies that are harming our planet, creating a climate disaster, that our pension funding is going to helping them.

MR. WILLIAMS: Yeah *(audio interference)* --

CHAIR SUGIMURA: I'm going to...excuse me, Mr. Williams, I'm going to ask...send that

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

March 7, 2023

question to you, maybe, in writing, if you don't mind --

MR. WILLIAMS: Okay. I'll be happy to.

CHAIR SUGIMURA: -- Keani (*audio interference*) because we've gone over the three minutes, and we have...our timing is a little bit off because of the problem we had with Spectrum earlier. So, if you don't mind --

MR. WILLIAMS: Yeah.

CHAIR SUGIMURA: -- Mr. Williams. And appreciate your --

MR. WILLIAMS: Not at all. Thank you.

CHAIR SUGIMURA: -- your knowledge and your response. Thank you very much --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Williams.

CHAIR SUGIMURA: Thank you.

MR. WILLIAMS: Thank you.

CHAIR SUGIMURA: Anybody else have any --

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo.

CHAIR SUGIMURA: -- second round of questions? If not, I'm going to do a short recess. Oh, does somebody have a...I don't see.

COUNCILMEMBER JOHNSON: Chair, I had one.

CHAIR SUGIMURA: Okay. Go ahead, Mr. Johnson, and then I'm going to call a recess after (*audio interference*). Thank you.

COUNCILMEMBER JOHNSON: Okay. I don't think I'll take the full minutes on this question, so...this question for Mr. Williams, you mentioned something that was... that sparked my interest. You said you were waiting for \$300 million in COVID money. And can you update on the status? And what is that...what does that fund come from? You know, there's a lot of names tied to these funds. Do you know which one it was?

MR. WILLIAMS: If I did say COVID money, I misspoke. It certainly was monies that were available to the State. I think you likely are aware that COVID monies have certain restrictions attached to them --

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

March 7, 2023

COUNCILMEMBER JOHNSON: Right.

MR. WILLIAMS: -- and they can't be used to fund retirement benefits. But COVID monies can be used to substitute for other monies. And it was my understanding that the budget process had identified an additional 300 million of monies, not COVID monies per se --

COUNCILMEMBER JOHNSON: Okay.

MR. WILLIAMS: -- because they can't, technically, be invested in the pension fund to reduce unfunded liabilities by law, as I understand it. You know, the political system didn't want them to be used that way, so there were other monies. So, it's not actually COVID monies.

COUNCILMEMBER JOHNSON: Okay. Thank you for clarifying that. So, it's just a matter of, you found a different pot of money and you're waiting on it. Is there a time line that you're waiting on?

MR. WILLIAMS: Well, we...the Legislature presumably found it, and passed a bill that would allocate 300 million to us, and we certainly are waiting.

COUNCILMEMBER JOHNSON: Yeah. Okay. All right. Thank you so much, Mr. Williams. Thank you, Chair, no further questions.

CHAIR SUGIMURA: That's a good question. Okay. Members, so at this time, if you don't mind, I'm going to take a short recess, like ten minutes, and then go back into the rest of our kind of aggressive agenda. Is that all right? Thank you. Thank you very much. So, meeting is now in recess. . . .(gavel). . .

RECESS: 10:52 a.m.

RECONVENE: 11:04 a.m.

CHAIR SUGIMURA: . . .(gavel). . . Welcome back to the Budget, Finance, and Economic Development Committee meeting. It is now 11:04. Thank you, Members, for the break. And before we go on to the first item, I wanted to thank Mr. Williams and Mr. Mizuno, as well as defer that first item...presentations that we had.

ACTION: DEFER pending further discussion.

CHAIR SUGIMURA: So, at this time I'm going to take up the budget amendments and different items in our agenda as at this time --

COUNCILMEMBER SINENCI: No objection.

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

March 7, 2023

CHAIR SUGIMURA: Did I hear somebody? Oh, okay. Thank you, Mr. Sinenci.

COUNCILMEMBER SINENCI: No objection.

CHAIR SUGIMURA: Thank you.

ITEM 16: BILL 1 (2023), AMENDING APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES, FISCAL YEAR 2023 BUDGET, DEPARTMENT OF FINANCE (LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND (LATCF)) (BFED-16)

CHAIR SUGIMURA: I'm going to be taking up Bill 1 (2023), Amending Appendix A, Part I, Grants and Restricted Use of Revenues, Fiscal Year 2023 Budget, Department of Finance (Local Assistance and Tribal Consistency Fund (LATCF)) [sic], (BFED-16). So, at this time I have, as resource for the rest of the agenda would be our Director of Budget, which is Maria Zielinski. And for this item, I also have Scott Teruya, who is our Acting Finance Chair, soon to be the Finance Chair. So, Maria, you want to say a few words about this bill?

MS. ZIELINSKI: Thank you, Chair. Yeah, just that this is to amend Appendix A, Part I of the Fiscal Year '23 budget. And it was for a grant that was applied for by Finance Department to...for the Local Assistance and Tribal Consistency Fund for 50,000. I understand they actually have received that...those funds recently, and we're just seeking a budget amendment to recognize that. Finance Director --

CHAIR SUGIMURA: You want Mr. Teruya to --

MS. ZIELINSKI: Yeah, if he wants to address this --

CHAIR SUGIMURA: -- say a few words? Director Teruya.

MR. TERUYA: Thank you, Chair. Good morning, Chair, Members. Scott Teruya, Acting Finance Director. We did respond, I'm not sure if it was already passed out to the Members, but we had delays in renewing our sams.gov [sic] registration. That has been settled with the U.S. Treasury. We applied for it last calendar year, but we just had to follow up and get all that done. But the County of Maui did receive our first tranche of 50,000 on February 13, 2023. And it is unclear as to when we'll get our second tranche of 50,000, but I'm not...it'll probably be next fiscal year, but the response is there. OED is being tasked with administering that grant of the 50,000 for economic recovery, or the responses handed out to you folks. So, Chair, any questions, I'll be here, available. Thank you.

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

March 7, 2023

CHAIR SUGIMURA: Thank you very much, Mr. Teruya and Ms. Zielinski. I'm going to start off with questions for either Mr. Sinenci or...oh. Okay. Sorry, got to do testimony. Then we'll go through the Members.

. . .BEGIN PUBLIC TESTIMONY. . .

CHAIR SUGIMURA: So, at this time, then, if there are any testifiers signed up for this item?

MS. MILNER: Chair, we have one testifier signed up for this item, Faith Chase.

CHAIR SUGIMURA: Faith Chase, you have three minutes. Please identify yourself. Thank you very much for participating. Faith Chase. We can *(audio interference)* --

MS. CHASE: Aloha, Committee. Is there any chance I can testify after the presentation?

CHAIR SUGIMURA: Yes.

MS. CHASE: Okay. Thank you. I'd like to do that.

CHAIR SUGIMURA: Oh, I'm sorry. That was the introduction that you just heard. Would you like to testify now?

MS. CHASE: Oh, okay. I guess I meant after questions, but that's fine. Okay. So, last week I was on a meeting with the Air Force about the Halekakaalā fuel spill. And everybody knows that they're pretty slow to the roll in remediation. Of course, the weather has been the number one reason why. If we're having bad weather down here in the lower lands, you can only imagine how it is up there. But unlike an observatory who has a lease on Halekakaalā, the military has a special understanding that doesn't...that is actually above the State of Hawai'i and the County, and that is in a state of occupation, the military can use lands for what they would call military necessity. And so, my concern is that they didn't make wise decisions in that transfer pump. These fuel tanks, everybody knows...or a lot of people know that they're double lined so there's no spill. The fuel transfer was hit by lightning, and that's where the leak occurred. Those beginning parameters of setting the right foundation for any kind of fuel transfer, they failed. And likely, my prediction, is they failed because if they needed to have cement runoff for the same amount of fuel that they're storing up there, which I have experience in this, they needed to have enough cement underneath it and enough barrels to hold...there's a formula...same amount of fuel that they're storing, they need to have a collection. Okay. So, I see Councilmember Cook shaking his head. Okay. So, they're not doing an adequate job. Can somebody explain to me, and it's all right, you know, because this issue hasn't been able to

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

March 7, 2023

be brought up in any other Council meeting as far as I've seen or heard. So, I'm not hijacking this, but if these are tribal funds that I understand are used, perhaps this grant for economic recovery, is this not the same funds that are used for...help me understand this. Is there...are we...does the Federal Government help that tenancy with paying for property taxes on top of Halekakaalā? Are these tribal monies used for that? And so, my point is, economic recovery...if we need to help the Air Force expedite and do things correctly, then some of this grant money should be spent towards that. I'm not going to say you should of, could of, would of. If this is money, and this grant space is this much money, then I would just like to keep that in your guys' top of mind because I'm super frustrated. I'm a backside Kīpahulu girl, and I'm the closest neighbor to this fuel spill in Kahikinui. So, I just want to take advantage of this agenda item being on the agenda, maybe it belongs in some environmental committee later at a later time, but if somebody could help answer those questions I'd appreciate it. And if I'm...and if I'm off course . . . *(timer sounds)*. . . I'm glad it's on public record because something needs to be done. Thank you.

CHAIR SUGIMURA: Thank you very much. Anybody have questions for Faith Chase?

COUNCILMEMBER SINENCI: Chair.

CHAIR SUGIMURA: Mr. Sinenci.

COUNCILMEMBER SINENCI: Mahalo, Ms. Chase, for your testimony this morning. So, just to clarify, with this Tribal Fund, you're suggesting that we...these funds are paid towards the Federal taxes for Halekakaalā *(audio interference)* --

MS. CHASE: I'm sorry, Councilmember Sinenci, you kind of got a little bumpy --

CHAIR SUGIMURA: Excuse me.

MS. CHASE: -- do you mind repeating that?

COUNCILMEMBER SINENCI: Yeah. And I can clarify with the Finance Director what these funds are used for. Currently it says the Office of Economic Development, but we *(audio interference)* it was an *(audio interference)* somebody suggested that this funds be for the Federal Government to pay their land taxes for Halekakaalā, yeah. I can clarify that for you during our deliberations. Thank you, Chair.

MS. CHASE: I appreciate that. And I just don't want to see some frivolous grant monies if it is available, and if they do need help. And maybe this body doesn't know that they actually need help...the Air Force needs help. And they're turning to Department of Health to...for advising *(audio interference)* instead of the EPA, that's their first line, and that's not acceptable. Their track record for remediation is not...that's not their tier. And I asked them to do that, but anyway, if they

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

March 7, 2023

need another pair of eyes, you guys, then so be it. Thank you...any way you can help.

CHAIR SUGIMURA: *(Audio interference)* --

COUNCILMEMBER SINENCI: *(Audio interference)* --

CHAIR SUGIMURA: Thank you, Mr. Sinenci. Anybody else have questions for her? Faith Chase. Seeing none. Oh, here's Tamara Paltin. Clarifying question.

COUNCILMEMBER PALTIN: Thank you, Chair. Yes. Ms. Chase, can you remind us what item you're testifying on?

CHAIR SUGIMURA: It's Bill 1.

MS. CHASE: Bill 1.

COUNCILMEMBER PALTIN: Oh. Oh, okay. All right. Thank you.

CHAIR SUGIMURA: Yeah. Thank you. No other questions. Thank you very much, Ms. Chase, for your advocacy. Any other testifiers?

MS. MILNER: Chair, we have no one else signed up to testify on this item at this time.

CHAIR SUGIMURA: Okay. Thank you. So, if there's no other testifiers, I'm going to close public testimony. And we can always receive written testimony to this item. So, Members, I'm going to close public testimony with your permission. Thank you.

COUNCILMEMBERS: No objections.

. . .END OF PUBLIC TESTIMONY. . .

CHAIR SUGIMURA: Thank you. So, we heard from the Department, and Maria Zielinski, as well as Mr. Teruya is here. Does anybody else have any more questions to them before I take up the bill? Oh, Mr. Cook.

COUNCILMEMBER COOK: Just a little clarity, I'm confused as to what the funds will be used for.

CHAIR SUGIMURA: Oh. Mr. Teruya.

MR. TERUYA: Thank you, Chair. In the response that we responded to Council, it says the response...I'll read the response. "The Office of Economic Development plans

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

March 7, 2023

on focusing on long-term economic development activities, including affordable housing development, workforce development, and other programs to strengthen the local communities undergoing economic transition." Thank you, Chair.

COUNCILMEMBER COOK: Thank you.

CHAIR SUGIMURA: Thank you. Any other questions for--Ms. Lee.

COUNCILMEMBER LEE: Mr. Teruya, do you have any specific grantees in mind?

MR. TERUYA: Chair.

CHAIR SUGIMURA: Yes.

MR. TERUYA: Thank you, Chair. That is my communication with the OED Director. That was her response to me. She doesn't have any off the top of her hand [sic], but she will be addressing it through her programs, I guess. I cannot answer your question. I don't know.

COUNCILMEMBER LEE: Thank you.

CHAIR SUGIMURA: Thank you, Ms. Lee. Also...let's see. Mr. Sinenci and Tamara Paltin have your hands up. Mr. Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, earlier, I believe it was Pro Tem Kama mentioned about the taxes, and I think maybe that's where Ms. Chase was alluding to Halekakaalā. So, to clarify, Director, this is not for...to pay...the Federal Government has not given the County money to pay for the taxes for Halekakaalā.

CHAIR SUGIMURA: *(Audio interference)* Teruya.

MR. TERUYA: Thank you, Chair. Let me make...a point made clear. Federal Government, State Government, County Government doesn't pay any real property taxes. Thank you, Chair.

COUNCILMEMBER SINENCI: Oh, okay. Thank you for that clarification. And then it does...Director, it does mention Local Assistance and Tribal Consistency Fund. So, within the application for these funds, do applicants need to somehow address this part of the grant?

MR. TERUYA: Chair.

CHAIR SUGIMURA: Yes.

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

March 7, 2023

MR. TERUYA: There is an application process through AmpliFund, but as far as the allowable uses by the U.S. Treasury, the only thing you cannot use these funds for is for lobbying. Thank you, Chair.

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

CHAIR SUGIMURA: Thank you, Mr. Sinenci. Tamara Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. I was wondering, is...do we have an opportunity to direct where...if there isn't plans right now to, you know, say DHHL lands, or something along those lines, off-grid housing for beneficiaries, or something along those lines...because it does say equitable economic recovery. And we do know that, you know, people die on the waitlist every year. And we do know that, you know, there is a significant portion of beneficiaries that are homeless. And so, I just was wondering, you know, if you don't have any plans right now, and can we put that type of condition on it, or encourage the Administration to pursue that?

CHAIR SUGIMURA: Mr. Teruya.

MR. TERUYA: Chair. I can't speak, other than the money was basically given to OED to take care of. If they have things in mind, I don't know the answer to that, but I would think anything...anything that you guys have on your mind, I'm sure could be forwarded to the Mayor's office.

COUNCILMEMBER PALTIN: Okay. Can you take note of that, that for me, I would love to see the money invested in our beneficiaries working with DHHL. Maybe some sort of program where we could develop some off-grid transitional housing for them on DHHL lands.

CHAIR SUGIMURA: Thank you. We'll send correspondence forward, Mr. Teruya. I think that's what you're asking, right? We'll send you a letter...or to OED. Thank you.

MR. TERUYA: Chair, let me ask that it goes to the Mayor's Office.

CHAIR SUGIMURA: Oh, yes, for sure.

COUNCILMEMBER PALTIN: And your Staff got that for me. I just had to say it and you got it, Chair Sugimura?

CHAIR SUGIMURA: We got it.

COUNCILMEMBER PALTIN: Sweet. I like that.

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

March 7, 2023

CHAIR SUGIMURA: Thumbs up from the super Staff. Any more questions? Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: It's a question for you. Is there a reason that the OED Director isn't here to answer our questions since the funds went to OED?

CHAIR SUGIMURA: Mr. Teruya.

MR. TERUYA: Thank you. This request just got to me this morning. I just tried my best to get an answer --

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, he's Finance.

CHAIR SUGIMURA: Right.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah. Mahalo, Director, for being here. I was asking the Committee Chair. Because the Committee Chair would request resource people, right?

CHAIR SUGIMURA: Yeah. So, we actually just got the response, so same answer. And we can ask...as we are going to do with Tamara Paltin's question, we'll ask...we'll send the questions forward to OED, and get something in writing back to the Committee before first reading.

COUNCILMEMBER RAWLINS-FERNANDEZ: Well, because...and so you...you attempted to pass this on first reading when it was at Council. And the reason that it was sent to Committee is because when we asked the questions about what the funding was going to be used for, no one could answer that question. So, it was sent to Committee, and I believe Member Paltin asked that question. So, it was sent to Committee specifically so that we could understand, so that the public can understand in open meeting what the funding was going to be used for. So, that's specifically why this item is in Committee --

CHAIR SUGIMURA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- and we're not getting the answer to that.

CHAIR SUGIMURA: So, as Mr. Teruya said --

COUNCILMEMBER RAWLINS-FERNANDEZ: So, is there...so *(audio interference)* the OED Director wasn't available?

CHAIR SUGIMURA: -- Ms. Keani Rawlins-Fernandez, we will get that before first reading if we pass *(audio interference)* --

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

March 7, 2023

COUNCILMEMBER RAWLINS-FERNANDEZ: Yuki Lei Sugimura?

CHAIR SUGIMURA: That's my answer. Okay. So, Members, we will send the letter to OED --

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So, she wasn't available (*audio interference*) is that it?

CHAIR SUGIMURA: We did not...we did not ask OED --

COUNCILMEMBER RAWLINS-FERNANDEZ: (*Audio interference*) --

CHAIR SUGIMURA: -- because we got the response, same as Mr. Teruya, this morning. So, we did not include that in the meeting when we were planning it. So, we will ask for a response from OED if we pass it out today before the first reading so that all the Members can have that information to answer this question. So, at this time, any more questions?

COUNCILMEMBER RAWLINS-FERNANDEZ: Thank you, Yuki Lei Sugimura.

CHAIR SUGIMURA: Ms. Tasha Kama.

VICE-CHAIR KAMA: Thank you, Chair. So, as we're asking OED these questions, could we also ask the question, how would they define local community undergoing economic transitions?

CHAIR SUGIMURA: Okay. We'll add that to our questions. We got that? Okay.

VICE-CHAIR KAMA: Thank you, Chair.

CHAIR SUGIMURA: Anybody else have questions for OED or the Directors? Seeing none. Okay. Thank you very much, Members. We will get that question answered as you have requested. So, at this time then, I'd like to request for a motion to approve this bill, recommend passage on first reading of Bill 1 (2023), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2023 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF FINANCE (LOCAL ASSISTANCE AND TRIBAL CONSISTENCY FUND (LATCF))."

VICE-CHAIR KAMA: So moved.

CHAIR SUGIMURA: Thank you. (*Audio interference*) a second.

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

March 7, 2023

COUNCILMEMBER LEE: Second.

CHAIR SUGIMURA: Thank you. Motion made by Member Kama, second by Chair Lee. Thank you very much. Anybody else have any comments on this? I see Tamara Paltin's hand.

COUNCILMEMBER PALTIN: Thank you, Chair. You know, I just would like to, for my discussion, state that the response that we got from OED was super vague. I know \$50,000 isn't a lot of money to do, you know, affordable housing or all those kind of things. I would like to...because of the tribal consistency component of this...where this funding was applied to, like to say for the record that I would like to see efforts made to benefit our native populations, possibly some off-grid housing, maybe for the beneficiaries. It doesn't have to be, but, you know, because of the equitable portion and the history of America in Hawai'i, I think it would be beneficial to take the entirety of this 50,000 and utilize it for those purposes. Thank you. And I wasn't sure if it had to be used by June 30th, or it could roll over into the next fiscal year or not.

CHAIR SUGIMURA: *(Audio interference)* Teruya, for the use of funds, does it have to be used by June 30th, is the question.

MS. ZIELINSKI: I think as long as they find...they identify who that...the monies will be used towards, we can...it can be encumbered, then we're good...before June 30th.

CHAIR SUGIMURA: Okay. Before June 30th.

MS. ZIELINSKI: Yeah.

CHAIR SUGIMURA: Okay. So, has to be done before June 30th.

COUNCILMEMBER PALTIN: Okay. Great. So, it could be encumbered between...before June 30th, but it didn't need to be spent before June 30th.

CHAIR SUGIMURA: Maria Zielinski or...right. That's correct?

MR. TERUYA: Chair, that's correct.

CHAIR SUGIMURA: Yes.

MR. TERUYA: It just needs to be identified, and then when the spenddown is, it'll be another...later date, and we can clarify when is that date by. But, you know, 50,000 goes pretty quick, so that's not an issue for us.

CHAIR SUGIMURA: Thank you very much, both of you.

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

March 7, 2023

COUNCILMEMBER PALTIN: Yeah. So, I'll support the motion with that understanding that it would be used in that way. Thank you.

CHAIR SUGIMURA: Thank you. Any other Members have any comments before we take the vote? Keani Rawlins-Fernandez, did you have a question?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. And Member Sinenci also has his hand up. Member Sinenci, when you put your hand up it kind of disappears, so it's kind of hard to see when you put your hand up sometimes. . . .*(laughing)*. . .

CHAIR SUGIMURA: Get a red flag. Sorry about that.

COUNCILMEMBER RAWLINS-FERNANDEZ: I...as I stated in my comments earlier, the whole point of having this in Committee was to find out what the funding was going to be for. As Member Paltin stated, it's not only vague, but it's overly inclusive of anything and everything that it could possibly be used for, and I don't think it answered our question. Generally, when there's a budget, there's specific items that the funding is going to be used for. It's \$50,000, it's not a lot of money. It sounds like perhaps *(audio interference)* know if it's known what the money is going to be used for. And I...you know, it's hard to just rubber stamp it through when we're hoping to just get an answer to our question. At least we understand that there would be a plan for that funding. And as Member Paltin stated in her comments, like it would be great to know if the funding is going to be used for that...those purposes. And even if the plan changes, that's fine, but it's important to have a plan. And so, I'm not going to be supporting the motion because I would have hoped to have had an actual response that answers our question about where the --

CHAIR SUGIMURA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- money is being spent. Mahalo, Yuki Lei Sugimura.

COUNCILMEMBER LEE: *(Audio interference)* --

CHAIR SUGIMURA: Thank you very much. I think Member Sinenci, then Gabe Johnson.

COUNCILMEMBER SINENCI: Mahalo, Chair. And I just wanted to add some commentary into this discussion. The Local Assistance and Tribal Consistency Fund provides \$1.5 billion from the Federal Government to only 91 counties in the country. And Maui County is one of those 91 counties that qualifies for this. It's not just \$50,000, the County could potentially be qualifying for 6 million for two years. So, this is not just two tranches of \$50,000, this could be a larger

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

March 7, 2023

ask. And again, Maui County falls into just a few...91 counties that can...can only qualify for this.

CHAIR SUGIMURA: Thank you. I believe that the amount that we're eligible for is 50,000. I don't think we have the luxury of going up to 60 million as our proportion share. But I think Member...Director Teruya, do you have more information on that?

MR. TERUYA: Thank you, Chair. That is not my understanding, but we can always look into it if we are incorrect. But we have applied for the two tranches for this fiscal year, and hopefully next fiscal year, of \$50,000 each, but I'll research the matter. Thank you, Chair.

CHAIR SUGIMURA: Thank you. Thank you very much. Okay. Members, any other comments or any other...okay. Oh. So, we have Luana that walked into the room from...Luana Mahi from Office of Economic Development, and...okay. So, the Members are asking how you're going to use these funds. And I'm sorry we didn't invite you earlier because we didn't get our response until this morning.

VICE-CHAIR KAMA: Thank you.

CHAIR SUGIMURA: Do you have an answer for this so we can --

MS. MAHI: Yeah. So, actually, Scott called me about this yesterday, and I told him that we can definitely use it in OED grants. We'll create an opportunity for members of the community to apply for this \$50,000. And I believe that's going to be another 50,000 the following fiscal year as well.

CHAIR SUGIMURA: Okay. So, the Members are asking what you're going to use it for.

MS. MAHI: Well, primarily it's economic development, so we can use it any way we need to. But sometimes we do run out of funds in certain categories. So, we could, you know, take from this fund to complete...you know, the complete ask of someone's application.

CHAIR SUGIMURA: Okay. So, still in motion, then, basically.

MS. MAHI: Yeah. I mean because the...this particular fund is dealing with government and tribal organizations. The native Hawaiians are not legally considered a tribal organization, so it can be opened for anybody.

CHAIR SUGIMURA: Thank you. Okay.

MS. MAHI: Gabe.

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

March 7, 2023

CHAIR SUGIMURA: So, I see Mr. Johnson's hand --

MS. MAHI: Yes.

CHAIR SUGIMURA: -- up.

MS. MAHI: Hi, Gabe.

COUNCILMEMBER JOHNSON: Hi. Thank you, Chair. Good to see you, Director. Okay. So, we were talking about the use of the funds, and that's one of the concerns I have. You know, I know 50,000 is not a lot when we talk about our budgets, but I'm afraid that we would use this fund just for, like, the three Fs of multiculturalism...food, fairs, and festivals. And I don't...that's what I'm afraid of it going towards. I would hope for it to go towards something substantial, like Councilmember Paltin was saying, about helping people get into homes. I know it's not a lot, but anything, you know, can help. And I guess I figured...so, your answer was saying that it's for economic development. I just hope that we just don't put it into another festival or something like that. That's my only comment. Thank you, Chair.

MS. MAHI: Okay.

CHAIR SUGIMURA: Thank you very much. So, Luana Mahi, what we're going to do is we're going to send you a letter based upon what the Members had said before you came to the meeting. So, for more clarity, just to get what they're thinking--because I think they're thinking about things more specific than, you know, what you probably understood as you kind of walked into this meeting. So, Members, at this time, then, I want to thank Luana Mahi for joining us. And then if Members have no other questions at this time, we're going to send her the letter with your specific comments, as we were going to do before, and I'm going to now take the vote.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: Can you call for the...can you call for roll call? Thank you, Luana. Oh.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

CHAIR SUGIMURA: Yes, Keani Rawlins-Fernandez (*audio interference*) --

COUNCILMEMBER RAWLINS-FERNANDEZ: I only spoke once to the motion.

CHAIR SUGIMURA: Okay. You can speak again.

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

March 7, 2023

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo. Mahalo. Okay. So, one, I just wanted clarification, since she's here, and we don't have to wait for a letter to be generated, that her intention is to use it for competitive grants, and would it be added to an existing competitive grant program? And then two--I know I'm going to get emails and messages about this--while Kanaka Maoli are not a tribe, we as native peoples are recognized to that extent Federally. And if we're just...I just...I think it's not accurate to state on the record that if something is going to be used for tribes in Hawai'i, that it would just be for anybody and everybody. So, I wanted to...I needed to make a statement.

CHAIR SUGIMURA: Okay. Thank you.

MS. MAHI: *(Audio interference)* answer that. I actually...yeah, I felt same way.

CHAIR SUGIMURA: Luana.

MS. MAHI: Yeah, sorry.

CHAIR SUGIMURA: We're going to send you that letter --

MS. MAHI: Oh *(audio interference)* --

CHAIR SUGIMURA: -- so that you could...you can respond, and think about it --

MS. MAHI: Okay.

CHAIR SUGIMURA: -- and have an answer for first...before first reading. Tasha Kama.

VICE-CHAIR KAMA: Thank you very much, Chair. I just wanted to read you something from the Local Assistance and Tribal Consistency Fund. "The Local Assistance and Tribal Consistency Fund identifies eligible tribal governments as the governments eligible to request payment of their allocation of the program." So, the \$50,000 is what our County, and only Maui County, gets for payment in lieu of taxes. So, the Federal Government pays no tax, but they claim Halekakaalā National Park as theirs. And because they pay no tax on Halekakaalā National Park, they give us \$50,000 payment in lieu of tax, and that's why we get only \$50,000 a year. And so, this fund comes to the County because this fund only goes to counties, 91 across the nation. So, we applied for it from our County, we get 50,000 to be used for anything you want, except lobbying. Who decides how that gets spent is your Government, which is us. So, my sense is, if we want input on how we'd like this 50,000 to be spent, we should either convey that to OED now, or do it in a letter. I'm going to write my letter to you in terms of how I would like to see this done. And it is for tribal governments, and whether we like it or not, Maui County is a tribal government recognized by the United States Department of the Treasury. And so, I just wanted us to know that so that we

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

March 7, 2023

are clear in understanding of when this money continues to come there'll be many opportunities for us to decide where we want it to go. And you're right, 50,000 is not a whole lot of money, but it's a beginning, and it's a lot more than we had yesterday, and it'll be a lot more tomorrow when the next tranche comes.

CHAIR SUGIMURA: Thank you.

VICE-CHAIR KAMA: So, thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Chair Lee.

COUNCILMEMBER LEE: Do we have Corp. Counsel on the line?

CHAIR SUGIMURA: Yes. Corp. Counsel. Hi, Kristina Toshikiyo, can you --

COUNCILMEMBER LEE: Kristina's on the line?

CHAIR SUGIMURA: Yeah. Yes, she just --

COUNCILMEMBER LEE: Oh, Kristina, my question is, for this tranche of \$50,000, will the Council's only opportunity to direct the funding would be to condition the...our approval on how it would be spent now?

CHAIR SUGIMURA: Ms. Toshikiyo.

MS. TOSHIKIYO: I'm sorry, Chair. Are you asking if you can put conditional language in your acceptance and recognition of the funds to the...is this Appendix A for the grants and restricted use revenues similar to how you --

COUNCILMEMBER LEE: *(Audio interference)* --

MS. TOSHIKIYO: -- do in the budget session?

COUNCILMEMBER LEE: Yes.

MS. TOSHIKIYO: That is actually something I've been thinking about, and I don't know the answer off the top of my head. Because typically, when we're looking at any kind of amendments to the County budget outside of the budget session, it would be an up or down vote on behalf of the Council. However, in this situation, this is an addition of funds because it's newly recognized. Most of the time, with these Appendix A funds...because it is restricted revenue, and there is direction on how...and limits on how the money could be spent, that's why it would be an up or down vote. But in this situation, where it is fairly broad, I have to look into whether or not you do have that ability to make that condition because it's not as specific as we've seen in other recognitions of grants.

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

March 7, 2023

COUNCILMEMBER LEE: Okay. Thank you. Madam Chair, I was...I brought that up because oftentimes we have monies that come before us that we just simply approve, and then we make suggestions on how we think those...well, money should be spent. And most of the time, the suggestions are not followed. So, I'm wondering if...is there a deadline on this one?

CHAIR SUGIMURA: According to what Director Zielinski said, we need to spend it down by June 30th.

MS. ZIELINSKI: Well, we said...yeah, we did say that. Since we received it, technically, in this fiscal year, and if...well, we do the budget amendment, it's included in Fiscal '23. We'd want to -- you know, we --

COUNCILMEMBER LEE: Yeah.

MS. ZIELINSKI: -- it would be an issue after June 30th.

COUNCILMEMBER LEE: Okay. Would you mind if we just delayed this one?

CHAIR SUGIMURA: Sounds like we need to, yeah.

COUNCILMEMBER LEE: Yeah, I think so. I can withdraw my second.

CHAIR SUGIMURA: Okay. And Tasha Kama, can you withdraw your --

VICE-CHAIR KAMA: Yes, withdraw my motion (*audio interference*) --

CHAIR SUGIMURA: Okay. So, what I going to do is defer this, and gather the questions that we heard during this discussion. And I know that Lesley, as well as Kasie, have been taking this information down, and then we'll forward it...we'll gather it. And then I'll bring it...I'll bring it up again, and then we can find out from Corp. Counsel if we can condition it. Because that seems like a big question, at this point, unknown. So, Members, at this time, I'm going to defer this item, with your permission. Thank you for the good discussion. And I'm going to move on to the --

COUNCILMEMBERS: No objections.

CHAIR SUGIMURA: Okay. Thanks, I'm going to move onto the next one. Okay. So, are you all good? Tamara Paltin. And thank you, Luana, for being here...Keani Rawlins-Fernandez, for your questions...and I guess we heard Faith Chase too. So, thank you very much

ACTION: DEFER pending further discussion.

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

March 7, 2023

ITEM 17: BILL 9 (2023), AMENDING APPENDIX A, PART II, SPECIAL PURPOSE REVENUES - SCHEDULE OF REVOLVING/SPECIAL FUNDS, FISCAL YEAR 2023: PLAN REVIEW, PERMIT PROCESSING, AND INSPECTION REVOLVING FUND (BFED-17)

CHAIR SUGIMURA: So, at this time, Members, I'm going to bring up the...Bill number 9, which is next on the agenda, Amending Appendix A, Part II, Special Purpose Revenues - Schedule of Revolving/Special Funds, Fiscal Year 2023: Plan Review, Permit Processing, and Inspection Revolving Fund. This we're going to have...Department of Public Works. Is Jordan Molina on the call? Acting Director Molina, as well as Director of Budget Maria Zielinski. I do not...do we have Jordan Molina on the call? Okay. Okay. Bill 9's purpose is to amend the Fiscal Year 2023 Budget, Appendix A, Part II, Special Revenues - Schedule of Revolving/Special Funds by amending the conditional language for the Plan Review, Permit Processing, and Inspection Revolving Fund to transfer...transfer 43,400 from operations or services to equipment. Maria Zielinski, you have a comment, and then we'll ask . . .*(inaudible)*. . . --

MS. ZIELINSKI: Yes. Thank you, Chair.

CHAIR SUGIMURA: Yeah.

MS. ZIELINSKI: Yeah, Director Molina will...I'm sure will give you additional information. But basically, the budget amendment is just looking to transfer 43,400 from operations...from his operations budget to equipment, and it's...and it relates to the revolving funds, the one that you just mentioned, Plan Review, Permit Processing, and Inspection Revolving Fund. And it's basically for the purchase of equipment. I believe it was two all-wheel vehicles, a hybrid SUV, but...oh, no, that's the two. There are two all-wheel drive hybrid SUVs...sorry, two all-wheel drive SUVs, and two workstations for their...his inspection and review group. I'm sure he'll have a little additional information, but that's where the monies will be used for.

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: Thank you.

CHAIR SUGIMURA: Director Molina.

MS. MILNER: Chair, Public Works is signed into the meeting, but is not unmuting. So, we are attempting to contact Director Molina now.

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

March 7, 2023

CHAIR SUGIMURA: Okay. Thank you. He's --

MR. MOLINA: I'm here.

CHAIR SUGIMURA: Okay. Would you like to explain to the Members what this is?

MR. MOLINA: Give me a sec to get situated. So, the request...sorry, for the record, Jordan Molina, Acting Director with Public Works. So, the request before you is to move funding from the Plan Review Revolving Fund--from our B account to our C account--for equipment purchases. These purchases include the office furniture, which came above bid, tied to expansion positions. Our inspector's vehicle, also, the bids came in high. And then the last item is for acquisition of a copier, which we had budgeted for a lease, but in that process we were advised best just to buy copiers instead of lease them. So, that's the request before you today, and thank you for your consideration. Thank you, Chair.

CHAIR SUGIMURA: Thank you very much. Members, anybody have questions for Mr. Molina or Maria Zielinski? Oh, we need to take testimony first, sorry. Okay. At this time we're going to open public testimony. Do we have anybody signed up?

MS. MILNER: Chair, no one is currently signed up to testify for this item.

CHAIR SUGIMURA: Okay. Last call for testifiers. Are you going to do three, two, one?

MS. MILNER: We can do that. Anyone wishing to testify, please identify yourself now in three, two, one. Chair, we have no additional testifiers for this item.

CHAIR SUGIMURA: Thank you. That seems to be the new method. I like that, was started by Ana Lillis. So, at this time then, if there's no public testimony, I'm going to close public testimony with your permission. And...

VICE-CHAIR KAMA: No objections.

CHAIR SUGIMURA: Thank you. And receive written testimony on this item. That would be always open. So...

COUNCILMEMBER LEE: No objections.

CHAIR SUGIMURA: Thank you. Anybody have any questions for the Department...departments? Okay. Seeing none. Then I am going to...or do I see...oh, there's Tamara Paltin.

COUNCILMEMBER RAWLINS-FERNANDEZ: Member Paltin.

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

March 7, 2023

COUNCILMEMBER PALTIN: Thank you. I couldn't get to the unmute fast enough. My question is, what is the balance, then, under Plan Review, Permit Processing, and Inspection Revolving Fund?

CHAIR SUGIMURA: Director Zielinski.

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

COUNCILMEMBER PALTIN: Oh.

MS. ZIELINSKI: I didn't hear...yeah.

COUNCILMEMBER PALTIN: Well, the transmittal says, "The purpose of the proposed bill is to amend Appendix A, Part II of Fiscal Year by amending conditional languages to transfer 43,400 from operations or services to equipment of the Plan Review, Permit Processing, and Inspection Revolving Fund." What would the balance be if we transfer 43,400 from operations or services? Would this be --

MS. ZIELINSKI: Oh, the balance would be...oh, it's still in the same revolving fund, it's just moving it from the B category to the C category. In other words, in the...yeah, the budget provision has sufficient funds for services, but because he said he had went over on C in the equipment, he just wants to move the 43,400. So, it doesn't affect the bottom line of that...of the balance of that revolving fund.

COUNCILMEMBER PALTIN: And the B and C transfer, that's just the Council-implemented thing from Mike White's time. It doesn't affect like our bond rating or anything like that?

MS. ZIELINSKI: Oh. No, no. No, it's just an internal...it's just an internal thing, but because it's a revolving fund you know that's why we're seeking the budget amendment part of *(audio interference)* --

COUNCILMEMBER PALTIN: I see. Thank you.

MS. ZIELINSKI: Um-hum.

COUNCILMEMBER PALTIN: My questions are satisfied.

CHAIR SUGIMURA: Thank you, Ms. Paltin. Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Yuki Lei Sugimura. Okay. Director Zielinski, is the balance...about the 7 million, is that what the total projected for FY '23 is, 7,101,208?

MS. ZIELINSKI: Councilmember, I apologize, I don't have that balance in front of me.

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

March 7, 2023

I'm just looking now at the...bear with me --

CHAIR SUGIMURA: . . .*(Inaudible)*. . . was correct, right?

MS. ZIELINSKI: Okay. Okay. Yes. Yeah, I'm looking at the actual budget itself, but I don't have an updated as of fiscal...as of 12/31/22. But yeah, that's...the 7 million is the number that we're talking about, yes.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. Mahalo, for that.

CHAIR SUGIMURA: Okay. Anybody else have questions before I call for the vote...call for the motion? Okay. So, at this time then, Members, I'd like to recommend passage of Bill 9 on first reading, with or without revisions. Did I hear a motion?

COUNCILMEMBER LEE: So, moved.

VICE-CHAIR KAMA: Second.

CHAIR SUGIMURA: Okay. Motion by Chair Lee, and second by Member Kama. Thank you very much. Any more discussion? Mister --

COUNCILMEMBER COOK: Chair.

CHAIR SUGIMURA: Oh, Mr. Cook. Go ahead.

COUNCILMEMBER COOK: I'm supportive of this. If the Department is requesting it, anything we can do to assist them with building permit, and processing, and inspections, I'm supportive of. Thank you.

CHAIR SUGIMURA: Great. Thank you. Okay. I'm going to call for the vote. It looks like I can do a roll call vote. Okay. All in favor, say "aye."

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: Great. Nine "ayes," very good. Motion passes.

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

March 7, 2023

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Bill 9 (2023) by C.R.

ITEM 18: **BILL 5 (2023), AMENDING APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES, FISCAL YEAR 2023 BUDGET, DEPARTMENT OF FIRE AND PUBLIC SAFETY (PRIVATE DONATIONS) (BFED-18)**

CHAIR SUGIMURA: Okay. Now, we're going to go to Bill number 5. So, Bill number 5 is entitled, "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2023 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF FIRE AND PUBLIC SAFETY (PRIVATE DONATIONS)." So, the purpose of Bill 5 is to amend Fiscal Year 2023 Budget, Grants and Restricted Use Revenue - Schedule of Grants, Restricted Use Revenues by Departments and Programs by increasing the grants entitled Private Donations under the Department of Fire and Public Safety by 30,000 to reflect cash donations received from a fundraiser held by the Lāhainā community for the benefit of Maui Fair...Maui Fire Station in Lāhainā. Maria Zielinski, would you like to say a few words about this?

MS. ZIELINSKI: Thank you, Chair. Yeah, this is actually...and I know we had some resos a while ago with the Council where the actual funds were accepted. This relates to the...there was a fundraiser and private donations that were received relating to the Lāhainā community. And as a result of the amounts that we had received, we're looking to have a budget amendment that will, basically, just increase private donations by 30,000. The current budget...before we get...before amendment is...has a private donations of 30,000 provision of...this is just going

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

March 7, 2023

to increase it to 60,000. So, it's really just a way of basically putting it in our budget, and being able to reflect that in our budget.

CHAIR SUGIMURA: Thank you very much.

MS. ZIELINSKI: Thank you.

CHAIR SUGIMURA: Yes. So, now that private donation will be, if this passes, 60,000. And if you remember, in Chair Lee's last Council meeting, we passed Resolution 23-37 for that 20,000 check...that one check, as well as Reso 23-35...oh, 38 for 18,340...\$340.98. So, this was at your meeting, Chair, and this will then cover the donations. Members, anybody have any further questions about this? Tamara Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. I just wanted to --

CHAIR SUGIMURA: Oh, testimony. Wait, wait, let me do testimony.

COUNCILMEMBER PALTIN: Oh, okay.

CHAIR SUGIMURA: Okay. Any more testimony, anybody has testimony...testifiers?

MS. MILNER: Chair, we have no one signed up to testify on this item. If you would like to testify, please unmute yourself now in three, two, one. Chair, we have no testifiers for this item.

CHAIR SUGIMURA: Okay. Thank you. So, I got to close public testimony, and then accept any written testimony. Go ahead, Tamara Paltin.

VICE-CHAIR KAMA: No objection.

COUNCILMEMBER PALTIN: Oh, thank you. I just wanted to clarify for the community, or anyone watching, just get these questions answered. First of all, that the County and the Fire Department weren't, and don't, solicit donations on behalf of the Fire Department. This was spontaneously from the community in gratitude for the work done on the West Side, and the recent fires, and things. Also, that this money is separate from any monies that the West Maui Improvement Foundation is raising for a fire station in Olowalu, and that that organization is keeping the money themselves [sic] for that purpose, and not giving it to the County at this point, so that there's no misunderstanding that the County has that money for the Olowalu Fire Station as a part of this specific action that we're taking today.

CHAIR SUGIMURA: Thank you for the clarification. Anybody else have any thoughts or comments?

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

March 7, 2023

COUNCILMEMBER PALTIN: Oh. I just...I was making that clarification because that's my understanding. I was hoping that somebody could confirm my clarification because that's my understanding, but verbal confirmation from somebody that actually knows would be great.

CHAIR SUGIMURA: Ms. Zielinski.

MS. ZIELINSKI: Thank you, Chair. Yes, Member Paltin. The monies that were provided...given to Fire Department, those two amounts were both specifically earmarked. The one amount was the 18,000, as you recall, from the Council meeting that we had a couple weeks ago. And that was specifically to purchase a mule and, I believe, a trailer. It wasn't...as I understand from the Chief, it wasn't sufficient funds to buy the two items. Now, the other check was for 20,000 from just one individual. And that one, they basically said, that could go to the Fire Department--it's not specifically for Lāhainā, it's just for the Fire Department in appreciation of their services. And I believe Chief was actually going to use some of those funds for the shortfall for the mule and for the trailer. The rest would be, he said, basically spread around the 14 firehouses, but, you know, when needed. It wasn't going to be, you know, initially spent. But it would be part of the private donations. In Fire they track all of this, it's not put anywhere else, it's very specific. Did that help?

COUNCILMEMBER PALTIN: Thank you, Director. I was just hoping for the specific confirmation. The County doesn't solicit or ask for donations.

MS. ZIELINSKI: Yeah.

COUNCILMEMBER PALTIN: It's good...from their heart.

MS. ZIELINSKI: Yeah.

COUNCILMEMBER PALTIN: And also --

MS. ZIELINSKI: Yeah. And --

COUNCILMEMBER PALTIN: -- get the confirmation that none of this is to be comingled or misunderstood to be for the Olowalu Fire Station building. Those were the specific clarification confirmations that I was looking for.

MS. ZIELINSKI: Yes, that is correct. That's my understanding from Chief. And he, himself, said that getting these types of donations, while they get some, they're usually very manini, and this is very extraordinary. So, this is an unusual situation, but a welcome as well. Thank you.

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

March 7, 2023

COUNCILMEMBER PALTIN: Thank you. Just didn't want anybody like, you know, making their own assumptions and running with it.

CHAIR SUGIMURA: Thank you, Ms. Paltin. Anybody else? Seeing no hands up and nobody in the Chamber. At this time then I'm going to call for the motion to recommend passage on first reading of Bill 5 (2023), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2023 BUDGET FOR THE COUNTY OF MAUI AS IT PERTAINS TO APPENDIX A, PART I, GRANTS AND RESTRICTED USE REVENUES - SCHEDULE OF GRANTS AND RESTRICTED USE REVENUES BY DEPARTMENTS AND PROGRAMS, DEPARTMENT OF FIRE AND PUBLIC SAFETY (PRIVATE DONATIONS)."

VICE-CHAIR KAMA: So moved.

COUNCILMEMBER LEE: Second.

CHAIR SUGIMURA: Thank you. Motion made by Tasha Kama, second by Chair Lee. Any discussion? Seeing none. I guess we could do a voice vote. All in favor raise your hand, say "aye."

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: Thank you. Looks like nine ayes, motion carries. Thank you very much.

VOTE:	AYES:	Chair Sugimura, Vice-Chair Kama, and Councilmembers Cook, Johnson, Lee, Paltin, Rawlins-Fernandez, Sinenci, and U'u-Hodgins.
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NOES:	None.
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ABSTAIN:	None.
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ABSENT:	None.
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EXC.:	None.
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MOTION CARRIED.

ACTION:	Recommending FIRST READING of Bill 5 (2023) by C.R.
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BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE MINUTES
Council of the County of Maui

March 7, 2023

ITEM 19: BILL 10 (2023), AMENDING APPENDIX A PART I, GRANTS AND RESTRICTED USE REVENUES, FISCAL YEAR 2023 BUDGET: DEPARTMENT OF THE PROSECUTING ATTORNEY (OFFICE FOR VICTIMS OF CRIME (OVC)) (BFED-19)

CHAIR SUGIMURA: Next we're going to go onto Bill 10, and waiting patiently here has been our Prosecuting Attorney, thank you very much, Mr. Martin. So, at this time, Bill 10 (2023), amends the Fiscal Year '23 Budget, Appendix A, Part I, Department of the Prosecuting Attorney, by adding a new grant entitled, Office of Victims...Office for Victims of Crime in the amount of \$5,000. So, at this time I'd like to hear...and invite Director Zielinski to provide opening comments, and then followed by Prosecuting Attorney Andrew Martin. So, Director Zielinski.

MS. ZIELINSKI: Thank you, Chair. Yes, this is just a budget amendment that we're seeking to basically recognize \$5,000 grant funds for Office of Victims of Crime for Fiscal '23. And this will be part of Appendix A, Part I, so that's the grant revenue. And I'll have Director --

CHAIR SUGIMURA: Okay.

MS. ZIELINSKI: -- Martin speak to it.

CHAIR SUGIMURA: Please introduce yourself, and welcome. Thank you for waiting all morning for us.

MR. MARTIN: No, thank you, Chair. Acting Prosecuting Attorney Andrew Martin. Nice to see you all. So, this very small, but hopefully very impactful, grant is going to support two community awareness projects here in the County commemorating National Crime Victims' Rights week, which occurs the week of April 24th. The first event is going to be a ceremony and candlelight vigil here...right in front of the County building that will honor victims, survivors, and service providers. The ceremony will be on April 26, it'll take place between 5:00 and 6:00 p.m. Included in that particular ceremony, we're going to have remarks from a local domestic violence survivor, who will share her story and how she's helping victims now in Maui County. And we're also going to have remarks from Marina Pisklakova-Parker, who is a Victim Advocate originally from Russia, who started the first domestic violence hotline in Russia. She now works for an organization in Washington D.C. called Vital Voices Global Partnership, which is an organization that supports women voices in leadership positions. She is also one of the women who was featured in the docudrama *Seven*, which was a powerful story about seven real life women around the world who are human rights activists. And the reason that's important is because that's going to be the other part of our promotional activities, is we're going to have a dramatic reading of that production, *Seven*. And among the readers, we're going to have prosecutors

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

March 7, 2023

from our Department, members of our nonprofit partners, as well as other community members who are going to help bring that community awareness project to life. The last thing that this grant is going to do is support the purchase of promotional items, which we're going to distribute at these events, and on all three islands throughout Victims...National Crime Victims' Rights awareness week. Thank you.

CHAIR SUGIMURA: Fabulous. Will you be getting more money for this project, or is this 5,000 going to be sufficient?

MR. MARTIN: No, this 5,000 is going to be sufficient. This is...this was the...this is the amount that was offered as a part of the solicitation specifically for these types of promotional events.

CHAIR SUGIMURA: Fantastic. Good job. We'll want to attend, I'm sure. So, thank you very much. Members, anybody have any questions on this?

MS. MILNER: Chair.

CHAIR SUGIMURA: I see Tamara...oh, wait. We have to open public testimony. Trying to zip through this agenda. Any testifiers?

MS. MILNER: Chair, we have no one signed up to testify on this item. If you are in the meeting and would like to testify, please unmute yourself, in three, two, one. Chair, we have no one to testify on this item.

CHAIR SUGIMURA: Thank you. Okay. Now, we'll go back to --

COUNCILMEMBER SINENCI: No objections.

CHAIR SUGIMURA: -- discussion. So, this time I'm going to close public testimony. We'll receive written testimony, with your approval. Thank you, Members. So, Tamara Paltin. And I think Shane Sinenci, you had a question?

COUNCILMEMBER PALTIN: Thank you, Chair. I think my question would be for Mr. Martin. Is this, like, a competitive grant that we applied for?

MR. MARTIN: Chair.

CHAIR SUGIMURA: Yes.

MR. MARTIN: Yes. If I remember correctly, this was a competitive grant that we applied to OVC for. This task was taken on by our wonderful Director of Victim Witness Services Anita Ahuja.

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

March 7, 2023

COUNCILMEMBER PALTIN: Oh, right on. Thank you. And good job, Anita Hooja [sic].

CHAIR SUGIMURA: Anybody else? Mr. Sinenci, did you have a question? I see your hand up.

COUNCILMEMBER SINENCI: No, I was just no objections to closing testimony. And mahalo --

CHAIR SUGIMURA: Oh.

COUNCILMEMBER SINENCI: -- Anita.

CHAIR SUGIMURA: Thank you very much. Anybody else have any comments in the Chamber here? None. Member Johnson. Go ahead, Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. I just want to rise in full support. And thank you...thank Mr. Martin, and I think Anita was the name, all the folks who are involved in this. You know, to use your bully pulpit and talk about victims of crime, it's important work we're doing here. So, I just want to thank everybody and rise in full support. Thank you, Chair.

CHAIR SUGIMURA: Yeah, totally agree. Thank you very much. Anybody else? Seeing none. Then at this time I'd like to request for a motion to...to pass Bill 1...Bill 10, Amending Appendix A1 [sic] Grants and Restricted Use Revenues, Fiscal Year 2023 Budget: Department of Prosecuting Attorney for Victims of Crime and for your \$5,000.

VICE-CHAIR KAMA: So moved.

COUNCILMEMBER LEE: Second.

COUNCILMEMBER SINENCI: So moved.

CHAIR SUGIMURA: Thank you. Moved by Tasha Kama, and second by Chair Lee. Members, have any discussion? I think our questions have been answered. I think we can do a voice vote. All in favor, raise your hand and say "aye."

COUNCILMEMBERS: Aye.

CHAIR SUGIMURA: Nine "ayes." Thank you very much. Motion carries.

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

March 7, 2023

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

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **None.**

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Bill 10 (2023) by C.R.

CHAIR SUGIMURA: Thank you very much, Andrew Martin, for being with us the whole day, appreciate it.

VICE-CHAIR KAMA: Chair.

CHAIR SUGIMURA: And congratulations on your good work. Yes, Tasha Kama.

VICE-CHAIR KAMA: I need to leave. I have a 12:00 meeting right now.

CHAIR SUGIMURA: Okay. You can leave. We're at the last item on the agenda, and I'll just talk about it very quickly, then we can actually close this meeting.

COUNCILMEMBER JOHNSON: Me too, Chair, I apologize.

CHAIR SUGIMURA: I heard a voice. Member Johnson.

COUNCILMEMBER JOHNSON: Chair, I have to leave as well.

CHAIR SUGIMURA: Okay.

COUNCILMEMBER JOHNSON: Thank you.

CHAIR SUGIMURA: Thank you very much for being here. Tasha Kama, Member Johnson, thank you for being at the meeting.

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

March 7, 2023

**ITEM 1: PROPOSED FISCAL YEAR 2024 BUDGET FOR THE
COUNTY OF MAUI (BFED-1)**

CHAIR SUGIMURA: So, the last item on the agenda, which I posted in...today, is draft correspondence that we'll be sending to all County Departments contained...containing general questions related to the budget from the Members of the Committee. Proposed questions were included in posted correspondence, but after testimony, I would like to open the floor for additional questions...or Members, you can send your...because we're running out of time, Members, you can send your questions to the Committee to be included in this. And just as a quick note as to why we're doing this, as I understand, by looking at past good practices of this Committee, we were asked to send Committee questions to the departments. And seeing that some of the questions were repetitive, I thought that if we could send it in advance, we would be able to save time when the departments came before us. And if you look on the last item of the agenda that was posted today, you'll see the questions that OCS came up with as some of the general questions for review when the departments come up. And an example is, how many vacant positions currently exist when you're...within your Department. Please include the job titles for the vacant positions. And it talks about expansion positions, also talks about CIP. And to look at CIP, which--thank you, Member Cook, for starting the discussion yesterday with Public Works. But that's a good example of what I wanted the Department to be able to be prepared for when they come before the BFED Committee during our discussions and deliberations. And I think this will save time. I also heard from a couple of the Members that they...we don't want to have long evenings...meetings, and I thought this was a way of us being able to be ahead of the curve so when the departments come before us, they can introduce themselves, and tell us some of these questions ahead of time. And this will go to the Department so that when we do have them in April for deliberations, that they would have some of the questions...these questions now, and then others that you come up with once we get the budget. So, anybody have any questions regarding this?

MS. MILNER: Chair.

CHAIR SUGIMURA: Yes.

MS. MILNER: This is Lesley.

CHAIR SUGIMURA: Yes, Lesley.

. . .BEGIN PUBLIC TESTIMONY. . .

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

March 7, 2023

MS. MILNER: We have no testifiers for BFED-1. If anyone would like to testify, now is your opportunity. Please unmute in three, two, one. Chair, we have no testifiers for BFED-1. Thank you.

CHAIR SUGIMURA: We're going to make a sign on my desk. Oh, we have JC.

MR. LAW: . . . *(Inaudible)*. . . didn't close it . . . *(inaudible)*. . . --

MS. MILNER: Chair, we have one testifier. JC Law.

MR. LAW: Oh, sorry to slow you down now --

CHAIR SUGIMURA: No.

MR. LAW: -- Chair. The bus thing earlier...yeah, I want to recommend a bus for Lānaʻi and Molokaʻi also.

CHAIR SUGIMURA: Thank you. Any questions for Mr. Law? Seeing none. Thank you very much.

. . .END OF PUBLIC TESTIMONY. . .

CHAIR SUGIMURA: Okay. So, going back to this then, we can receive public testimony and written testimony. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Just clarifying. So, the process would be if we think of, like, you know, standardized questions for all the departments, get them to you...email it to the BFED Committee by --

CHAIR SUGIMURA: Committee.

COUNCILMEMBER PALTIN: -- is there a date that you want them by?

CHAIR SUGIMURA: I'm going to ask the BFED Committee, because in my notes it said by the end of the day. So, Lesley, Kasie.

COUNCILMEMBER PALTIN: Oh, shoot.

MS. MILNER: We had said by the end of the day, but I realize it's a Committee week, so by the end of the day Friday.

CHAIR SUGIMURA: Okay. Okay.

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

March 7, 2023

COUNCILMEMBER PALTIN: Okay. I was wondering if this one would be appropriate...like what are your top three priorities to address within this fiscal year? And how does your budget reflect that kind of thing is...do you think that would be appropriate?

CHAIR SUGIMURA: Sounds like a good question. It affects all departments.

COUNCILMEMBER PALTIN: Yeah. So, could I not submit that --

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

COUNCILMEMBER PALTIN: -- in writing and just submit it orally? I love when I do that.

CHAIR SUGIMURA: . . .*(laughing)*. . . You got it? Okay. All right. Anybody else have any thoughts?

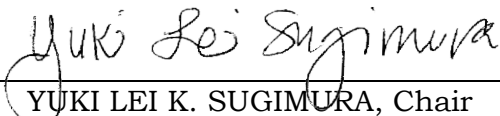
COUNCILMEMBER PALTIN: Okay.

CHAIR SUGIMURA: None. Okay, Members. So, at this time by the end of the day...you heard it from Kasie and Lesley, that if anybody has general questions for the departments, please submit it by end of the day on Friday, which will be 4:30, I guess after the Council meeting. And if there are no other questions, this meeting will now be adjourned. Thank you, Members. . . .*(gavel)*. . .

ACTION: DEFER further discussion

ADJOURN: 12:07 p.m.

APPROVED:



YUKI LEI K. SUGIMURA, Chair
Budget, Finance, and Economic
Development Committee

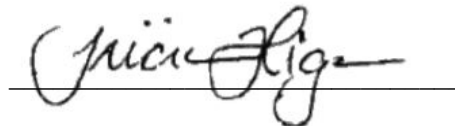
BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE MINUTES
Council of the County of Maui

March 7, 2023

CERTIFICATION

I, Tricia Higa, hereby certify that pages 1 through 65 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 30th day of March 2023, in Mililani, Hawai'i

A handwritten signature in black ink, appearing to read "Tricia Higa", is written over a horizontal line.

Tricia Higa