

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

MINUTES

October 8, 2024

Online Only via Teams

CONVENE: 9:15 a.m.

PRESENT: Councilmember Tasha Kama, Vice-Chair
Councilmember Tom Cook, Member
Councilmember Gabe Johnson, Member
Councilmember Alice L. Lee, Member
Councilmember Tamara Paltin, Member
Councilmember Keani N.W. Rawlins-Fernandez, Member
Councilmember Shane M. Sinenci, Member
Councilmember Nohelani U'u-Hodgins, Member

EXCUSED: Councilmember Yuki Lei K. Sugimura, Chair

STAFF: James Krueger, Senior Committee Analyst
Kasie Apo Takayama, Senior Committee Analyst
Carla Nakata, Legislative Attorney
Yvette Bouthillier, Senior Committee Secretary
Lenora Dinneen, Council Services Assistant Clerk
Ryan Martins, Council Ambassador

Residency Area Office (RAO):

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

County of Maui Office of Recovery:

Christian Balagso, Council Aide, West Maui Residency Area, Office of Recovery at Lahaina Gateway

ADMIN.: Lesley Milner, Budget Director, Office of the Mayor (BFED-103 and -104)
John Stufflebean, Director, Department of Water Supply (BFED-103)
Lance Taguchi, County Auditor, Office of the County Auditor (BFED-21(30))
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel

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OTHERS: Danelle Watson-Keenan, Executive Director, Alexander Academy
(BFED-104)
Jasee Law (BFED-104)
Others (31)

Resource Personnel

Danelle Watson-Keenan, Executive Director, Alexander Academy of
Performing Arts (BFED-104)

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

VICE-CHAIR KAMA: Will the Budget, Finance, and Economic Development Committee meeting of October 8, 2024, come to order. It is now 9:15 a.m. I am Tasha Kama, and I am Vice-Chair of this Committee. This online meeting is being conducted in accordance with the Sunshine Law. As a reminder, when your name is called, if you're not in the Council Chamber, please identify by name who, if anyone, is in the room, vehicle, or workspace with you today. Minors do not need to be identified. I am home, I am alone, and I am in my workspace by myself. So, this morning our Committee Voting Members is Committee Chair Yuki Lei Sugimura, who is excused, and our Councilmember Tom Cook. Good morning.

COUNCILMEMBER COOK: Good morning...good morning. Aloha, Chair. Bill Snipes is in our Kihei office, and there are no...currently no testifiers.

VICE-CHAIR KAMA: Thank you. And we're going to go on to Councilmember Gabe Johnson. Good morning.

COUNCILMEMBER JOHNSON: Good morning, Chair, Councilmembers, community members. There's no testifiers at the Lānaʻi District Office, and I'm here and ready to work. Mahalo.

VICE-CHAIR KAMA: Thank you. We're going to go to our Council Chair, Alice Lee.

COUNCILMEMBER LEE: Oh, okay. The morning greeting, if you care to use it, is from the Paiute Indians, and they're from Las Vegas, Nevada. And it is han...H-A-N, han. And I'm here in my workspace alone, ready to take on the BFED meeting. Thank you.

VICE-CHAIR KAMA: Okay. Thank you. And we have Councilmember Tamara Paltin. Good morning.

COUNCILMEMBER PALTIN: Han, and aloha kakahiaka kākou.

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VICE-CHAIR KAMA: And we have with us our Councilmember Keani Rawlins-Fernandez.

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha kakahiaka, mai ku'u ka'a.

VICE-CHAIR KAMA: Yep.

COUNCILMEMBER RAWLINS-FERNANDEZ: I am on the side of the road in Waihe'e real fast, on my way to the County building. There are current...I'm alone in my vehicle, and there are no testifiers at the Moloka'i District Office right now. Mahalo, Chair.

VICE-CHAIR KAMA: Thank you. And we're going to say good morning to Councilmember Nohelani U'u-Hodgins. Good morning.

COUNCILMEMBER U'U-HODGINS: Good morning, Chair. Good morning, everyone. Han to...han, and aloha to the community. Thank you.

VICE-CHAIR KAMA: Oh, that sounds really nice. Han and aloha to you, Councilmember Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha, Chair, and han. Here in the Chambers, and there's no testifiers in Hāna, Chair.

VICE-CHAIR KAMA: Okay. Thank you very much for that. And so, we have with us this morning from the Office of the Mayor, our Budget Director, Lesley Milner. Good morning, Lesley.

MS. MILNER: Aloha, Chair. Aloha, Councilmembers.

VICE-CHAIR KAMA: And we have from the Department of Water Supply, the Director, Mr. John Stufflebean. Good morning.

MR. STUFFLEBEAN: Aloha. Good morning.

VICE-CHAIR KAMA: And we have from the Office of the County Auditor, our County Auditor, Lance Taguchi. Good morning. *(Silence)* Okay. Hopefully he'll be on soon. And we have with us from the Department of Corporation Counsel, our Deputy, Kristina Toshikiyo. Good morning.

MS. TOSHIKIYO: Good morning, Committee Chair and Members.

VICE-CHAIR KAMA: And we have our Committee Staff. We have our Senior Committee Secretary, Yvette Bouthillier. Good morning.

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MS. BOUTHILLIER: Good morning, Committee Chair and Members.

VICE-CHAIR KAMA: We also have our Senior Legislative Analyst, James Krueger. Good morning.

MR. KRUEGER: Good morning, Committee Chair and Members.

VICE-CHAIR KAMA: And we have our Senior Legislative Analyst, Kasie Apo Takayama. Good morning.

MS. APO TAKAYAMA: Good morning, Chair and Members.

VICE-CHAIR KAMA: And we have our Legislative Attorney, Ms. Carla Nakata. Good morning.

MS. NAKATA: Aloha, Chair and Members.

VICE-CHAIR KAMA: And we have our Council Services Assistant Clerk, Ms. Lei Dinneen. Good morning. Aloha. *(Silence)* So, thank you, Members, for attending today's BFED Committee meeting. We have three items on the agenda, of which I will defer item number two. So, the items today are BFED-103, Bill 137 (2024), Amending the Fiscal Year Budget...the Fiscal Year 2025 Budget: Department of the [sic] Water Supply (Water Operations Program, Fitting and Valve Replacements). There's BFED-104, Bill 138 (2024), Amending the Fiscal Year 2025 Budget: Office of the Mayor (Economic Development Program; Grants and Disbursements for Culture, Arts, and Tourism, the [sic] (Alexander Academy). And this, we will defer, without objections. And then we have BFED-21(30), Fiscal Impact Analysis of the [sic] Proposed Amendments to the Maui County Charter. So, let's begin with public testimony. Staff, do we have any testifiers this morning?

MS. APO TAKAYAMA: Chair, yes. We have two individuals currently signed up to testify.

VICE-CHAIR KAMA: Okay. Okay, let me read the testifier's instructions. Testifiers wanting to provide testimony should sign up with the Staff, join the online meeting via the Teams link, or call in to the phone number noted on today's agenda. Written testimony is encouraged, and can be submitted via the eComment link at mauicounty.us/agendas as well. Under the Sunshine Law, the Chair will receive oral testimony for agenda items at the beginning of the meeting, and as the item is called up. For individuals wishing to testify via Teams, please raise your hand by clicking on the raise-your-hand button. If calling in, please follow the prompts via phone; star-five to raise and lower your hand, star-six to mute and unmute. Staff will add names to the testifier list in order testifiers sign up or raise their hands. For those on Teams, Staff will lower your hand once your name is added. Staff will then call the name you logged in

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under...or the last four digits of your phone number when it is your time to testify. At that time, Staff will also enable your microphone and video. If you wish to testify anonymously, please notify Staff. Otherwise, please state your name for the record at the beginning of your testimony. Oral testimony is limited to three minutes per item. If you are still testifying beyond that time, I will kindly ask you to complete your testimony. Once you're done testifying, or if you do not wish to testify, you can also view the meeting on *Akakū* Channel 53, Facebook Live, or mauicounty.us/agendas. We'll do our best to take each person up in an orderly fashion. We'll now call on testifiers wishing to testify at the beginning of the meeting. Staff, will you please call the first testifier?

MS. APO TAKAYAMA: Thank you, Chair. The first testifier is Danelle Watson-Keenan, to be followed by Jasee Law.

. . .BEGIN PUBLIC TESTIMONY. . .

MS. WATSON-KEENAN: All right. Where I'm supposed to go? Right here? Thank you. I am Danelle Watson-Keenan. I am Executive Director of Alexander Academy Performing Company. And some of you know a little bit about us, but I would like to just give a little bit of backstory. We are 34 years, started up in Makawao, and then in Kula, and then Hāli'imaile, and we recently just moved to Queen Ka'ahumanu Center. I think the value of what we serve with the community, we have a very good reputation. We are mostly known for our ballet dance, and we hold a lot of integrity. I think during COVID, I saw the impact of what we do beyond teaching dance, and seeing the mental health and the connection. And for me personally, I've been really driven to make an impact on all of these students growing up. Our students are from three, I think our oldest are in our low-70s. Yeah, one in particular started 34 years ago. I've been Director for 15 years. Recently...I think why I'm here today is we got evicted in July, and the costs...I think if I had a financial advisor, they would have said close down . . . *(laughing)* . . . you don't have the funds to do this. So, I didn't ever give that a thought just because energetically, this is what I do. This is what I'm good at. I'm a good leader with finding a good team. I have vision. And so, we are at a point where we have moved. Our rent went up from 4,000 a month to 11,000. We haven't been there long enough to know what those extra costs are with electric, so definitely, two and a half times more, our rent, and then renovation costs. We did it so quickly that there was not as much planning as we kind of just moved into the quickest spot we could find. We have been Upcountry for all these years, and this is the first time we're not Upcountry, so that created another impact of losing students, causing a lot of stress. It happened right at our beginning of our season. We're in the process of doing our Nutcracker at the MACC, and so we...I'm kind of proud. I don't know if it's because I'm part crazy, but we didn't miss a single class in our move, and I think that shows a lot of support with our community, our volunteers, and everybody behind it of knowing

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the value of keep going. I interrupted myself in my talk. I want to go back to renovation costs. We've been able to . . .*(timer sounds)*. . . do it very quickly, and I think we're...we're starting to not have the funds to continue going. We've been putting money from what's capital into our Nutcracker, and using that for renovations right now. So, we are hopeful to get support, to really see longevity, because the costs of doing construction is...I think I went into it a little naive, but at the same time, yeah, I can...yeah. So, we're over...I think the...it's like over 75,000, and we're recycling. We're getting volunteers. We do have contractors, but there are some supplies that are expensive. So, we're asking for County help. Thank you.

VICE-CHAIR KAMA: Thank you very much for your testimony. I think we have questions for you, Ms. Keenan.

MS. WATSON-KEENAN: Thank you.

VICE-CHAIR KAMA: Chair Lee?

COUNCILMEMBER LEE: Yes. Could...could you tell us exactly how much you're asking the County for?

MS. WATSON-KEENAN: Our renovation costs, I think, are well above 75,000 right now. When we originally were asking for money, we didn't have all the costs. But like just a week ago, we were getting quotes for mirrors, and they're running \$20,000. So, we're trying to figure out how to have a dance studio with less expensive, so...

COUNCILMEMBER LEE: Okay. Thank you. Thank you. Are we the only agency that you applied for funding? Because I...I think we're...according to today's Chair, we're not going to be taking up your item today, it's going to be deferred. But what's on the agenda is a \$55,000 grant; am I correct, Chair?

MS. WATSON-KEENAN: Yes.

COUNCILMEMBER LEE: Yeah? So, can --

MS. WATSON-KEENAN: Yes.

COUNCILMEMBER LEE: -- can...is 55,000 something that could, you know, get you over the goal line for now?

MS. WATSON-KEENAN: Yes. And we have been working on finding other funding sources, yes.

COUNCILMEMBER LEE: Okay.

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MS. WATSON-KEENAN: So that would --

COUNCILMEMBER LEE: Wonderful. Thank you. Thank you. Thank you, Chair.

VICE-CHAIR KAMA: Member Paltin has a question also, Ms. Keenan.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Keenan, for your testimony. I was wondering as to the time sensitivity. Because if we defer it today, and...and this is a bill, so then it'll be two weeks til we hear it, and then another two weeks if it passes out of Committee for first reading, and then another two weeks for second reading, so...and then, the Administration has to do what they do. So, I just was wondering, is about six weeks an okay time frame for you?

MS. WATSON-KEENAN: I would be so grateful. . . .*(laughing)*. . .

COUNCILMEMBER PALTIN: Oh, okay.

MS. WATSON-KEENAN: Yeah.

COUNCILMEMBER PALTIN: All right. Cool.

MS. WATSON-KEENAN: We're...I mean, we're figuring it out, as far as...I mean, for me personally, I...kind of in...this...in my 15 years, I sold my house two years ago, so I have a little bit of abundance myself, personally. So, I'm able to kind of keep things going, yeah.

COUNCILMEMBER PALTIN: Okay. I just wanted to kind of nail that timeline down. Thank you.

MS. WATSON-KEENAN: Thank you.

VICE-CHAIR KAMA: Members. Any other questions for our testifier? Seeing none. Thank you so much, Ms. Keenan.

MS. WATSON-KEENAN: Thank you.

VICE-CHAIR KAMA: We appreciate your testimony, and keep on keeping...keeping on. Staff, our next testifier, please?

MS. APO TAKAYAMA: Chair, the next testifier and currently last to sign up is Jasee Law.

MR. LAW: Ohayo gozaimasu luna ho'omalua Kama. O wao --

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VICE-CHAIR KAMA: Ohayo gozaimasu.

MR. LAW: Hi, Alice. I was a little bit...a little bit of miscommunications on this one, but once again, Alice Lee is doing a good job of leading, and so I understand. See, I thought I heard deferred, so next time somebody says deferred, maybe say it a little bit louder, especially if you're not in the...if you're doing it on...on a video there. And I'm also...oh yeah, aloha *Akakū* down there in the basement. Thanks, you guys, for doing all the sound work. And I'm just...I'm in favor of this kind of arts and cultural program and tourism for Maui County, Bill 138.

VICE-CHAIR KAMA: Members, questions for our testifier? Seeing none. Thank you, Jasee. Staff, do we have any other testifiers?

MS. APO TAKAYAMA: Chair, Staff has not received any further requests for testimony. If anyone would like to testify, please raise your hand by clicking on the raise-your-hand button or following the prompts via phone. Would you like me to do a last call for testimony, Chair?

VICE-CHAIR KAMA: Please. Thank you so much.

MS. APO TAKAYAMA: Okay. This is last call...three, two, one. Chair, seeing no individuals wishing to testify at this time.

VICE-CHAIR KAMA: Thank you. So, Members, I would like to be able to close testimony on this particular item, without objections. Of course, we'll still enter written testimony into the record so they keep coming.

MR. KRUEGER: Chair?

COUNCILMEMBERS: No objections.

COUNCILMEMBER LEE: No objections.

VICE-CHAIR KAMA: Thank you.

MR. KRUEGER: Oh...oh, Chair? Apologies.

VICE-CHAIR KAMA: Yes?

MR. KRUEGER: Just...just for now, the Committee is only able to close the...the beginning portion, but we'll still --

VICE-CHAIR KAMA: The...the --

MR. KRUEGER: -- need to take testimony --

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VICE-CHAIR KAMA: -- in the beginning, right?

MR. KRUEGER: Um-hum.

VICE-CHAIR KAMA: Right. Yeah. So, after we -- we go into our first item, we'll open testimony back up with the item, right?

MR. KRUEGER: Yes, Chair.

VICE-CHAIR KAMA: Okay, got it. Yep, okay. Thank you.

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

**ITEM 103: BILL 137 (2024), AMENDING THE FISCAL YEAR 2025 BUDGET:
DEPARTMENT OF WATER SUPPLY (WATER OPERATIONS PROGRAM,
FITTING AND VALVE REPLACEMENTS) (BILL 137 (2024))**

VICE-CHAIR KAMA: So BFED-103 is Bill 137 (2024), Amending the Fiscal Year Budget: Department of Water Supply (Water Operations Program, Fitting and Valve Replacements). Members, the first item on our agenda is for Bill 137, which amends the Fiscal Year Budget by recognizing 1.7 million in Carryover/Savings from the Water Fund, and appropriate...appropriating it for the Department of Water Supply's Water Operations Program for Fitting and Valve Replacements to repair water lines damaged in the August 2023 wildfires. Assisting us with this item is Director Stufflebean from the Department of Water Supply, and Budget Director Milner. Director Stufflebean, do you have any comments?

MR. STUFFLEBEAN: Good morning. This...I think it's a fairly straightforward item. We simply --

VICE-CHAIR KAMA: Okay.

MR. STUFFLEBEAN: -- didn't get the...didn't get the contract processed by the end of the year, so we need to reappropriate the funds. Thank you.

VICE-CHAIR KAMA: Okay, thank you. Budget Director, do you have any comments?

MS. MILNER: Thank you, Chair. This is similar to the ordinance that you all authorized already --

VICE-CHAIR KAMA: Yeah.

MS. MILNER: -- for the 3.5 million earlier this year. This was part of the --

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VICE-CHAIR KAMA: Right.

MS. MILNER: -- Fiscal Year '24 allocation for wildfire recovery that --

VICE-CHAIR KAMA: Okay.

MS. MILNER: -- just couldn't get encumbered by the end of the Fiscal Year. Thank you, Chair.

VICE-CHAIR KAMA: Okay. Thank you. Thank you. So, at this time, I'd like to be able to open testimony for BFED-103.

. . . OPEN PUBLIC TESTIMONY (BFED-103) . . .

MS. APO TAKAYAMA: Chair, Staff has not received --

VICE-CHAIR KAMA: Staff, do we have any --

MS. APO TAKAYAMA: -- sorry. Thank you.

VICE-CHAIR KAMA: . . .*(inaudible)*. . .

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

VICE-CHAIR KAMA: Thank you. So, Members without objections, I would like to close public testimony, but also allow written testimony to continue to be entered into the record should it be received.

COUNCILMEMBERS: No objections.

. . . CLOSE PUBLIC TESTIMONY (BFED-103) . . .

VICE-CHAIR KAMA: Thank you so much. So, Members, this is our time to deliberate on this. And so, I want to be able to start with those that are in the Chambers. So, I want to start with Member Paltin, go down to Member Johnson, continue with Member Cook, Member U'u-Hodgins, and then Member Sinenci. And then, Chair Lee and I will be last. And then...and when Keani comes on, somebody let me know that because I still can't see her. Okay. Member Paltin, would you like to begin?

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COUNCILMEMBER PALTIN: Sure thing. Thank you, Chair. I did see the attachment that Mayor Bissen certified that there is the money there. I just was wondering, you guys didn't complete the ACFR yet, and so, what was the mechanism to say that the money is still there?

MS. MILNER: Thank you, Chair. Thank you, Councilmember Paltin. These funds were appropriated in Fiscal Year '24, and we know they weren't spent. And so, that's why Finance and the Water Department felt comfortable certifying that these funds were available because we know they weren't spent last year.

COUNCILMEMBER PALTIN: They could have only been spent for this purpose?

MS. MILNER: The 9.5 was appropriated specifically for wildfire recovery.

COUNCILMEMBER PALTIN: For the Water Department?

MS. MILNER: Yes, sorry.

COUNCILMEMBER PALTIN: Okay. And there weren't any other, like, overages in other categories that would have pulled from that 9.5?

MS. MILNER: Thank you, Chair. No, I don't believe there were any overages that would have eaten into that amount.

COUNCILMEMBER PALTIN: Okay. And how long do you anticipate it taking after, I guess, four weeks, when it goes to first and second reading?

MS. MILNER: I will defer to Director Stufflebean on the timeline.

MR. STUFFLEBEAN: I'm sorry. How long would it take to execute the contract, is that your question?

COUNCILMEMBER PALTIN: Yes, please.

MR. STUFFLEBEAN: Yeah, it's...it's ready to go. Yes. We received the contract on June 13th, and it's ready to be executed. So as soon as Council gets action, we'll execute immediately.

COUNCILMEMBER PALTIN: Okay. You couldn't execute it on June 13th because that was...you weren't ready?

MR. STUFFLEBEAN: It just...right. It just took...it just took time to get it through the County process, and we hit the end of...the end of June, and didn't have it done.

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So, we had to...and so we crossed the Fiscal Year, so now we have to do it now.
That's all.

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

VICE-CHAIR KAMA: We're going to continue with Member Johnson.

COUNCILMEMBER JOHNSON: Okay. Thank you...thank you, Chair. Good morning, Director Stufflebean. My question is real simple. It's in regards to...this money is for Lahaina fire recovery. How about the Upcountry? Is there any money for this to address that, or is it a separate pot or is...doesn't...is it unnecessary?

MR. STUFFLEBEAN: It's unnecessary. We were able to...since that was a much smaller event and we had the parts, we didn't need any additional materials for that. And we're on...we're on track to do recovery in that area.

COUNCILMEMBER JOHNSON: Well, okay. Wonderful news. Thank you, Director. Thank you, Chair. No further questions.

VICE-CHAIR KAMA: Thank you. Let's continue on with Member Cook...oh, is...Keani...do you want me to --

COUNCILMEMBER RAWLINS-FERNANDEZ: Aloha, Chair.

VICE-CHAIR KAMA: -- pass you and go to Member Cook?

COUNCILMEMBER RAWLINS-FERNANDEZ: Sure. I am also now in the Chambers.

VICE-CHAIR KAMA: Okay.

COUNCILMEMBER RAWLINS-FERNANDEZ: There's still no testifiers.

VICE-CHAIR KAMA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair.

VICE-CHAIR KAMA: Okay. Okay. Member Cook.

COUNCILMEMBER COOK: Thank you, Chair. Director Stufflebean, my question is, has there been significant...have you experienced a significant increase in material cost?

COUNCILMEMBER LEE: I guess.

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COUNCILMEMBER COOK: Just curious about this, but for the future, what's the material cost looking like for pipes --

COUNCILMEMBER LEE: Oh, okay.

COUNCILMEMBER COOK: -- fittings, et cetera?

MR. STUFFLEBEAN: Yeah, I mean, every...everything has certainly gone up since COVID, for sure. I don't have exact details on this, but yes, costs are...costs for materials are increasing fairly significantly. It slowed down, my understanding is but, you know, again, it's still quite a bit higher than it was before COVID.

COUNCILMEMBER COOK: Okay. Thank you for that. Thank you, Chair.

VICE-CHAIR KAMA: Thank you. So, we're going to continue on with Member U'u-Hodgins.

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

VICE-CHAIR KAMA: Thank you. I do too. I'm going to continue with Member Sinenci, and loop back to Member Keani Rawlins-Fernandez.

COUNCILMEMBER SINENCI: Thank you, Chair. No questions. Thank you.

VICE-CHAIR KAMA: Thank you. All right. Councilmember Rawlins-Fernandez, we're back at you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Just a follow up from --

VICE-CHAIR KAMA: Sure.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- from Member Paltin's --

VICE-CHAIR KAMA: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: -- line of questioning because those were some of the questions that I had. So, if...I guess I can be supportive of this item. And if...when it gets to the full Council for first reading, if we don't have the certification, then we can just defer it until we do. So, I...I'm supportive of passing it out of Committee today. And then, you know, we have those safeguards in place if we are...are not confident in the funding being there. But it sounds like the funding wasn't spent, so mahalo. Mahalo, Chair.

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VICE-CHAIR KAMA: Okay. Thank you. Okay. We're going to come back to Member...Chair Lee. Questions, Chair?

COUNCILMEMBER LEE: Thank you. I have no questions.

VICE-CHAIR KAMA: Okay, neither do I. Members, do you want to do another round? And we'll start with Member Paltin. Do you have any other questions, Member Paltin?

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

VICE-CHAIR KAMA: Okay, thank you. Member Johnson, any other questions?

COUNCILMEMBER JOHNSON: No more questions.

VICE-CHAIR KAMA: Okay. Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Budget Director just confirmed that the transmittal contained the certification, so my apologies, I guess I misunderstood.

VICE-CHAIR KAMA: No worries.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Budget Director.

VICE-CHAIR KAMA: Okay. Going to continue with Member Cook.

COUNCILMEMBER COOK: No questions.

VICE-CHAIR KAMA: Okay. Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. I don't have any questions.

VICE-CHAIR KAMA: Okay. Member Sinenci?

COUNCILMEMBER SINENCI: I'm supportive, Chair. Thank you.

VICE-CHAIR KAMA: Very good. All right. So, Members, the Chair will now entertain a motion to recommend passage on first reading of Bill 137 (2024), entitled "A BILL FOR AN ORDINANCE AMENDING THE FISCAL YEAR 2025 BUDGET FOR THE COUNTY OF MAUI, ESTIMATED REVENUES AND DEPARTMENT OF WATER SUPPLY, WATER OPERATIONS PROGRAM, FITTING AND VALVE REPLACEMENT," [*sic*] incorporating any substantive [*sic*] revisions.

COUNCILMEMBER COOK: So moved.

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VICE-CHAIR KAMA: Do I hear a motion? Who moved?

COUNCILMEMBER LEE: Second.

VICE-CHAIR KAMA: Tom? Okay. It was moved by Member Cook, seconded by Member Alice...Chair Lee. Discussion?

COUNCILMEMBER COOK: Just supportive of the Department getting the funding necessary --

VICE-CHAIR KAMA: Okay.

COUNCILMEMBER COOK: -- to get all the infrastructure done. Thank you.

VICE-CHAIR KAMA: Okay. Any other discussion? Seeing none. We're going to do voice vote. All those in favor of the motion, please raise your hands and say "aye."

COUNCILMEMBERS: Aye.

VICE-CHAIR KAMA: Okay, I see five, six, seven. I counted seven "ayes" and...seven is it?...wait, six...eight "ayes," one excused, Chair Yuki Lei Sugimura.

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

NOES: None.

ABSTAIN: None.

ABSENT: None.

EXC.: Chair Sugimura.

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Bill 137 (2024) by
C.R.

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ITEM 104: BILL 138 (2024), AMENDING THE FISCAL YEAR 2025 BUDGET: OFFICE OF THE MAYOR (ECONOMIC DEVELOPMENT PROGRAM; GRANTS AND DISBURSEMENTS FOR CULTURE, ARTS, AND TOURISM (ALEXANDER ACADEMY)) (BILL 138 (2024))

VICE-CHAIR KAMA: Thank you, Members. So, item two, Members, if there are no objections, the Chair would like to defer this item.

COUNCILMEMBERS: No objections.

MR. KRUEGER: Chair?

COUNCILMEMBER LEE: No objections. . . .*(timer sounds)*. . .

VICE-CHAIR KAMA: Thank you.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, we have to take --

VICE-CHAIR KAMA: Yes?

COUNCILMEMBER RAWLINS-FERNANDEZ: -- testimony, and then close testimony.

VICE-CHAIR KAMA: Oh, I'm sorry. Okay. Do we have any testifiers for our second item?

MS. APO TAKAYAMA: Chair, Staff has not received any --

VICE-CHAIR KAMA: But if we're deferring it, we don't need...if we...if we defer, we don't need testimony, do we? Or we do?

COUNCILMEMBER RAWLINS-FERNANDEZ: We still would have to open and close it because it was on the agenda.

. . . OPEN PUBLIC TESTIMONY (BFED-104). . .

VICE-CHAIR KAMA: Okay. Okay. Do we have any more...other testifiers on our second item?

MS. APO TAKAYAMA: Chair, Staff has not received any requests for testimony on this item.

VICE-CHAIR KAMA: Okay.

MS. APO TAKAYAMA: I can do a last call if you'd like?

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VICE-CHAIR KAMA: Okay. Yes.

MS. APO TAKAYAMA: Last call for testimony...three, two, one. Chair, seeing no individuals wishing to testify.

VICE-CHAIR KAMA: Thank you. Okay. So, now we have deferred...so we've already deferred the second item, correct? So, can we continue on --

MR. KRUEGER: Chair, perhaps with --

VICE-CHAIR KAMA: -- with Bill...yeah?

MR. KRUEGER: If it's okay--

VICE-CHAIR KAMA: You want to do it again?

MR. KRUEGER: -- perhaps the...yeah, if the body can just formally close testimony on the item --

VICE-CHAIR KAMA: Okay.

MR. KRUEGER: -- and then confirm deferral.

VICE-CHAIR KAMA: Okay, okay. So, Members, without any objections I would like to close testimony on the second item.

COUNCILMEMBERS: No objections.

VICE-CHAIR KAMA: Thank you so much for helping your Chair out. So, we are closing testimony on item two, but written testimony will always be...can always continue to be entered into the record. So, thank you, Members.

. . . CLOSE PUBLIC TESTIMONY (BFED-104) . . .

VICE-CHAIR KAMA: So now we're going to go onto the third item --

COUNCILMEMBER SINENCI: No objections to defer.

VICE-CHAIR KAMA: -- which is Bill 104 [sic], Bill 138, Amending the Fiscal Year Budget. Okay, that's done.

ACTION: DEFER no discussion

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ITEM 21(30): FISCAL IMPACT ANALYSIS OF PROPOSED AMENDMENTS TO THE MAUI COUNTY CHARTER (RULE 7(B))

VICE-CHAIR KAMA: So, our third item for today...let me see. Sorry, notes are all jumbled up. Here we go. BFED-21 [*sic*], Fiscal Impact Analysis of Proposed Amendments to the Maui County Charter. So, at this time, Members, the last item on our agenda is a 7(B) discussion on the County Auditor's Fiscal Impact Analysis of the Proposed Charter Amendments that will appear...that appear on the 2024 general election ballot. As you may recall, in the 2022 election, Maui County voted to amend the Charter to require the Auditor to prepare this analysis within 60 days prior to the general election. Mr. Taguchi submitted his report to the Council on September 6. The report is linked on the meeting agenda, and it is item 1 in Granicus under this item, and I've invited Mr. Taguchi to join us today to assist us with our discussion on the report. Thank you for being here, Mr. Taguchi. Do you have any opening comments? Is he here, Staff?

MR. TAGUCHI: Yes. Yes.

VICE-CHAIR KAMA: Okay.

MR. TAGUCHI: Thank you, Chair Kama.

VICE-CHAIR KAMA: Okay. Thank you.

MR. TAGUCHI: The Charter requires the auditor to do a fiscal impact analysis of proposed Charter Amendments. The analysis has to be done within, I believe, a certain time before the election. So, we have transmitted it, as you said, on September 6th. This year, there's only three questions, and for the sake of the audience, I'll read the questions for you. As I understand --

VICE-CHAIR KAMA: Thank you.

MR. TAGUCHI: -- the questions were sent to the Office of Election, and it will be on the ballot. The first question would be, "Shall the Charter be amended to require the Salary Commission to determine salaries instead of compensation for elected officials, and appointed directors, and deputy directors, to maintain consistency with the with the Constitution of the State of Hawai'i, and remove fiscal barriers to create equity through benefits, such as reimbursement of travel costs?" Our estimated financial impact of that Charter Amendment would be less than \$25,000. The next one is, "Shall the Charter be amended, effective July 1st, 2025, to authorize the Board of Ethics of the County of Maui to hire independent staff?" For that Charter Amendment, our fiscal impact analysis estimated it at \$1.1 million. The final Charter Amendment is, "Shall the Charter be amended, effective July 1st, 2025, to minimize the risk of vacancies on the boards and

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commissions, generally and specifically, with regard to dedicated seats for members residing in less-populous areas, by allowing appointment of members of the board and commissions for two consecutive, full terms, or ten-year terms, whichever is greater?” For that one, our estimate is less than \$25,000. As you are aware, the Charter requires me to do a fiscal impact analysis, but at the same time, I am not allowed to take a position on these Charter Amendments. So, my analysis doesn’t include a lot of the social impacts and other types of impacts because to do so, I would be putting my finger on the scale as to whether or not I believe these Charter Amendments to pass or not. So, with that said, I’m open for questions.

VICE-CHAIR KAMA: Okay.

MR. TAGUCHI: Oh, sorry.

UNIDENTIFIED SPEAKER: Is she muted?

MS. APO TAKAYAMA: Chair, would you like to do a --

VICE-CHAIR KAMA: Yes.

MS. APO TAKAYAMA: -- call for testimony?

VICE-CHAIR KAMA: Please. Thank you so much for that, Mr. Taguchi. So, I think later on...because I think Members are probably going to have a lot of questions for you. Thank you. So, at this time, I’d like to be able to open public testimony for BFED-21(30). Staff, do we have any testifiers?

. . . OPEN PUBLIC TESTIMONY (BFED-21(30)). . .

MS. APO TAKAYAMA: Chair, Staff has not received any request for testimony on this item. Would you like us to do a last call?

VICE-CHAIR KAMA: Okay. Please, last call.

MS. APO TAKAYAMA: This is a last call...three, two, one. Chair, seeing no individuals wishing to testify.

VICE-CHAIR KAMA: Thank you. Members, without objections, I’d like to close public testimony for BFED-21(30), and continue to enter the written testimony into the record.

COUNCILMEMBERS: No objections.

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VICE-CHAIR KAMA: Thank you so very much.

. . .CLOSE PUBLIC TESTIMONY (BFED-21(30)). . .

VICE-CHAIR KAMA: So, at this time, we're going to entertain questions or discussion from our Members. And if you don't mind, Member Paltin, we're going to start with Member Sinenci, and work down to Member U'u-Hodgins, and then continue on with Member Cook, and continue on with Member Rawlins-Fernandez, and then continue on to Member Johnson, and then you, and then Chair Lee after Member Paltin. Okay. So, Member Sinenci, any questions for our auditor?

COUNCILMEMBER SINENCI: Thank you, Chair. Just...and mahalo, Mr. Taguchi, for this report. Just a question about the breakdown for the staff, the independent staff for the Ethics Board. How did you come up with that number?

MR. TAGUCHI: For that Charter Amendment, we reviewed the discussion and the minutes of the Council meeting, also statements made by the Board of Ethics. When we looked at all of those...what is said, it's clear that the Board of Ethics wanted an Executive Director. I believe the Executive Director might...was going to be set at no higher than the First Deputy Corporation Counsel because the Executive Director is required to be a attorney. They also asked for an investigator. So, even though these positions are noncivil service, we needed to get a basis to make an estimate for the cost of these positions. So, we pegged the investigator an Investigator-V because the person would be running independent of other investigators. Then we also...because we are aware of what it takes to have employees, we felt that a private secretary was necessary to run the meetings so that they could have further independence from the Corporation Counsel. So, there is a private secretary. So, there's three positions, and we added one more position, and that was for a Training Specialist. Although not specifically requested by the Board of Ethics in its initial establishment (*audio interference*) when we looked at the conversation that was held, it was clear that...and with the strategic plan, I guess, of the Board of Ethics, it's clear that one of their main goals is to do preventative measures. So, they want...they clearly wanted to train County employees, and remind them about the Ethics requirement. Because of that, I felt that they needed a Training Specialist in the long run. Although possibly not...you know, they might not hire someone in the first year, eventually, I think they will. And the final source of input that we considered was the Honolulu Board of Ethics. We...I spoke to the Director of the Honolulu Board of Ethics. Keep in mind that a lot of people were surprised about the amount, but as you know, Members, the overhead for salaries is very high for the County. It runs in the 80 percentile. So, when you think about it, it's not only the salaries, you almost got to double the salaries to get the actual costs for these things. Because we're looking at the full impact analysis, I cannot...not...you know, I cannot leave out the overhead for salaries and fringes.

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COUNCILMEMBER SINENCI: Mahalo. Thank you, Chair.. I'll defer to my fellow Councilmembers.

VICE-CHAIR KAMA: Okay. Thank you. Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: Thank you, Chair. Thank you so much, Mr. Taguchi. Does this million dollars--I'm going to continue the line of questioning from Member Sinenci--does it take into consideration office space, and furniture, computer...all the things they would need to operate, as well as their salaries?

MR. TAGUCHI: Thank you for the question. Yes, it does. I was just answering Councilmember Sinenci's specific question. So, we have allocated some money for office space and equipment. We utilized the County's Finance Department. They have a property manager that negotiates lease, so we got some information from him. Because of that, we estimated office and equipment costs at about \$35,000 a year.

COUNCILMEMBER U'U-HODGINS: Okay.

MR. TAGUCHI: The initial equipment costs--and this is for workstation, copiers--we had at \$26,000 a year to purchase those items, and then office rent and electricity. We also made another allocation of about 49,000 or \$50,000 for that. Operations, we also included an amount for in case they needed consultants on specific things, because these employees would also handle enforcement in case they go to court...so, if they need an expert witnesses and things like that.

COUNCILMEMBER U'U-HODGINS: Thank you. Thank you so much for being so thorough. Thank you, Chair.

VICE-CHAIR KAMA: You're welcome. Let's continue on with Member Cook.

COUNCILMEMBER COOK: Thank you. My question is an explanation between dowries...salaries and compensation. I'm just curious what the...how...what the analysis, how that worked?

MR. TAGUCHI: Thank you for the question. My role in this was to estimate costs. The discussion on the differences between salaries and compensation was thoroughly discussed within your Committees. I believe--and I'm just trying to remember the discussion--but if I remember right, the discussion was about having the terminology consistent with State law, and there was an issue about it was unclear as to whether having travel for off-island Directors would be considered salar...compensation or not. So, I think that's where the discussion was in the meeting.

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COUNCILMEMBER COOK: Thank you. I do recall that. I was just wondering, like in your assessment and analysis of coming up with less than \$25,000, how that was determined.

MR. TAGUCHI: Thank you for the question. In general, when we say less than 25,000, that's like a minimum amount. In analysis of trying to determine it, it was difficult because we don't know how many Directors or Deputy Directors would come from outer islands. We...it...it really is going to be also dependent upon whether or not the Mayor includes an amount for travel, or whether he will require that individual to stay...to work on Maui. Put in those factors, along with the fact that in this day and age, we are moving more towards video conferencing, as you all know, the need for actual travel is reduced because of video conferencing. So, the amount of times the person would come over doesn't necessarily...it's not static, I guess. It's a whole bunch of variables. So, we thought the trend is more towards video conferencing, but it really is going to depend upon how many Directors are...reside on the neighbor islands. So, that's the reason why we wanted to keep an amount that we felt was reasonable, but not exaggerated.

COUNCILMEMBER COOK: Thank you for your explanation. And I do find it to be a very complex...the reason I asked that question, it struck me as a very complicated...complicated, challenging --

MR. TAGUCHI: Yes.

COUNCILMEMBER COOK: -- so many variables to identify. Thank you for clarifying that. Thank you.

MR. TAGUCHI: Yeah. I...I agree, it's a lot of variables in it.

VICE-CHAIR KAMA: Member Keani Rawlins-Fernandez, do you have questions?

COUNCILMEMBER RAWLINS-FERNANDEZ: Yes. Mahalo, Chair. Aloha, Mr. Taguchi. Mahalo for being with us today and explaining. I...okay, so it's just like a one-pager with just the three...I thought we had four Charter amendments. So, compensation, as we discussed in Committee when we voted to amend...or proposed amending the Charter, included travel, which is beyond setting salaries, and compensation was different than what the other Salary Commissions had kuleana over in the other counties. And so, to make it consistent with the State Constitution, that was one of the reasons their kuleana should have only been two set salaries. And *Civil Beat* did a pretty good article on it today, I'll send it to you. My question for you, Mr. Taguchi, is in your opening remarks, you said that you didn't think it would be appropriate to provide an analysis of the social costs or the social benefits because you feel that it would be akin to putting your thumb

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on the scale regarding taking a position. When we were discussing this particular Charter Amendment that would require you to do this financial impact analysis, I pushed back to say that this is only half the picture, that the other half is the benefit. We can't only look at the financial impact, we have to also look at the benefit. And so, I guess I...I don't see anything that says that you can't, and I...I feel like there...there would be an ability to provide a list of potential benefits, which is something that we, as a Councilmem...as a Council discussed. And so, it is in the meeting minutes, to outline the...the...the value of amending the Charter to these proposals. But I...I guess I wanted to understand better from you why, if you did an analysis of the potential benefits, it would seem like you were taking a position on these proposals.

MR. TAGUCHI: Thank you for the question. On the exhibit which has the estimates, at the bottom of that exhibit, I kind of explain, and I'll read it to you. As with any projection, past performance does not guarantee future results. Environmental, social, governance impacts are not really...readily measurable for this evaluation, and therefore were not considered. I also, because of my concerns about campaign spending, I...I don't know if Members know about it, but there are...there's some cases with campaign spending where campaign spending rule that government funds cannot be used to advocate for a position for Charter Amendments. And there's a case, I think it's with Carlisle (*phonetic*), and I think even with Maui County Council at one time, someone filed a complaint regarding taking a position, what they thought was taking a position on Charter Amendments using, I guess, government funds. So, for all those reasons, you know, I...I decided not to get involved with that type of social impacts because it's very difficult to estimate...to make an estimate.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that response. And I am not familiar with that case, I'll...I'll look into it. But when the Council...so we're being paid by government funds, and when the Council takes up these proposals, and then we take a position to put it on the ballot for the electorate's consideration, I...I guess I...I don't immediately distinguish using campaign fund...sorry, government funds to advocate for these proposals. Last election--and I don't think we're doing it this election--but because there were 11 Charter Amendments on the ballot, it was even more important that this be done the last election. But through the Clerk's Office, we did like an informational briefing on the 11 proposals so that the...the public had an opportunity to read more than the question that's printed on the ballot, to have an understanding, so that when they vote, they feel informed. So, when...I guess, how would you, then, distinguish the Clerk's informational pamphlet to what you're saying that you cannot do?

MR. TAGUCHI: Perhaps what I can do is, I can provide the information that I looked at that made me concerned about advocating for position. I...I...I think the issue was a violation of campaign spending law, failure to register as a noncandidate

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committee. It's kind of complicated...it's a...it's a reach, but it did occur, and that's why I'm very concerned about it. Also, you know, my background being as an accountant, I try not to get into, like policy issues, as you are aware. It's not my place to determine whether this is a...this benefit, whether it's a social impact or anything, is worth the cost. I can give you the cost, but for me to make the determination that the cost is worth the social benefit, it's a very slippery slope for me to do that. Because as...as you know, as Councilmembers, you're going to get accused of one side or the other. Sometimes you get accused from both sides, depending upon the person you're talking to, what their perspective is, right? I mean, you always face people that say, this is too much, you shouldn't be spending on this. Don't raise my taxes. And you get the other side saying, we really need this service, it's worth any...so I would rather not go there. I think I'll leave that to the Council and the Mayor because, you know, I think it's more in that realm than for me.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for that response. Sorry, last question. So, in the discussion of creating this Charter Amendment to have you do the analysis on the financial impact, one of the examples I brought up during that time was creating a position that would write for grants, for example. So, the...the...the financial...the cost of that position, let's say, for easy math would be like \$50,000 salary plus the fringe benefits, 80 percent of the 50,000, plus workspace, et cetera, so maybe \$100,000. So, this one position would then bring in, let's be conservative, and say \$2 million worth of grants. And now, it's a net positive. And so, the financial impact of this position, while it would cost the County \$100,000 to fund this position, the value of this position is now \$1.9 million because of the grants that this position brought in. And so, that was my concern about only looking at the cost of the County to...to set up the position, and not the value of the position...that the...the position would bring to the County.

MR. TAGUCHI: Thank you for the question. I...I understand what you're saying. I guess my...my concern would be if I knew specific grants that I could rely upon this position getting, perhaps. But if...if this person is going to go out and look for grants, there's no guarantee that this person will get grants, and it becomes a very difficult situation. My response to...as to the social impact, I don't want to totally ignore it. I think when I first started those, the East Maui Water Authority, and there's once again, one side saying this was a huge cost to the County, how come I'm not including all of the...you know, how come I don't just add up all the cost to acquire land and maintain the system? And the other side was saying, wait, we got water, we can get a revenue source. Both sides has valid, but it's so uncertain, you know. And that caused me to say, I could not do an estimate. So, I do understand what you're saying. I'm not just looking at it just on one side of the coin, but it's a difficult situation, especially when there's so many variables in these things. And in that instance, I ended up saying it couldn't be determined, I believe, for that reason.

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COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Mr. Taguchi, I...I understand that. So...but wouldn't you...wouldn't it also make sense to then do a range, like the potential cost and value, so that folks could understand like...you know, like for the 1.1 million, and if the...the value that it brings in is worth like 500,000, then it would be like a 600,000 to 1.1 when you factor in the value that it would bring to the County?

MR. TAGUCHI: Thank you for the question. Part of this, too, is the amount of work involved when doing these things. I can...if we're going to look at all the different impacts and try and put a number on it, it's going to take a lot of work. This...this...this three alone, even though it's simple, involved quite a bit of work for my staff. And my concern is also that when there's so many variables, it could...my estimate could be way off, in a way. And if that occurs, then I think people will start lose...lose...they'll start to lose confidence in my financial impact analysis. So, I want to try and be as accurate as possible. And I guess if I...and if I...staffed up and did a deep, deep dive on all these Charter Amendments, maybe. But at the end of the day, I don't know if it's going to ask...answer the social impact questions as well, right? Because people view it differently.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Members, for allowing me to monopolize the time for a little bit. Mahalo, Chair. . . .(laughing). . . _I do have another question, but I'll hold it. . . .(laughing). . . Mahalo, Chair.

VICE-CHAIR KAMA: Okay. Thank you so much for that consideration. I'm just going to continue with Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. Mr. Taguchi, whenever you come, you come with such analogous, so thank you for that. It's...so, I really appreciate the way you were describing how you did some of your research, and I wanted to kind of hone in on some of that. You said you went to Honolulu to find out how their...you know, their...their budget was, and the costs for them. How...how does it compare between O'ahu and here? You have one, two, three, four staff is what you budgeted for, right?...for Executive Director, Investigator-V, Private Secretary, Training Specialist. Is that what Honolulu has, exactly that? Or can you kind of elaborate on what you learned from O'ahu?

MR. TAGUCHI: Thank you for the question. I...I didn't go to Honolulu. I called the Executive Director. I know her because she used to be the former State Auditor.

VICE-CHAIR KAMA: Oh, Marion Higa? Sorry.

MR. TAGUCHI: No, I think her last name's Yamane, Jan. But...and of course...I believe it came up in your Committee that...I think the Cost of Government

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Commissioner, Mr. Lilly, he said at that time they had 11 personnel in the Board of Ethics staff. So, they have quite a robust amount of people.

COUNCILMEMBER JOHNSON: A bigger budget with more folks.

MR. TAGUCHI: Yes.

COUNCILMEMBER JOHNSON: And you think that the...in your cost estimate, all we need is four to get the job done?

MR. TAGUCHI: For what was said in Committee, and what was said by the Ethics Commission, yes. In my opinion, I think four. Of course, in the future, if you have way more ethics complaints and a whole lot more work, they can always expand, or they can contract. Because these positions are not civil service, right? So, they're...once they're hired, it's not necessarily so that it's permanent.

COUNCILMEMBER JOHNSON: So, in your analysis, you looked at more of a bare-bones structure?

MR. TAGUCHI: Yes, because of the size of the County. The City and...City and County of Honolulu is a lot larger than the County of Maui. So, I can see where they would have more resources to that extent.

COUNCILMEMBER JOHNSON: You're saying they get more ethics complaints than we do? . . .*(laughing)*. . .

MR. TAGUCHI: Not necessarily. . .*(laughing)*. . . But, you know, I place some value on the Ethics Commission in the sense that they're handling those things. So, I listen to what they said, and then I listen to what Councilmembers said as well.

COUNCILMEMBER JOHNSON: Yeah.

MR. TAGUCHI: But, you know, a lot of the experience comes from the Board of Ethics for Maui County. I believe Mr. Lilly also talks to the Executive Director from the City and County of Honolulu Board of Ethics. So, I...I think, you know, they're knowledgeable in terms of what they need.

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

VICE-CHAIR KAMA: You're welcome, Mr. Johnson. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. How's it going, Mr. Taguchi? I just wanted to clarify your numbers. Is that over the lifetime, or one fiscal year?

MR. TAGUCHI: It's annually, yeah, one year.

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COUNCILMEMBER PALTIN: Oh, okay. And then, on the Amendment about Board and Commission members being allowed to serve an additional term to the same board or commission, up to ten years, would that be able to be a savings as well, like a negative amount, if we're paying for them to go through Native Hawaiian loss training or other types of training, that we wouldn't have to do it a second term?

MR. TAGUCHI: Thank you for the question. I...I think that's a valid point. But it's difficult to determine how many of these commissioners would be appointed to a ten-year term. What we were looking at is that if that's an option, then there's a lot of different...someone would have to track it clerically, and the...we know there's some kind of cost, but we're not quite sure about what that cost would be. But as I said, the \$25,000 or less is kind of like a minimum. You have a point because the Independent Nomination Board has a significant cost because they meet, they use County resources. If they don't have to fulfill all those positions, perhaps there's a cost savings, but I'm not quite sure how much of a cost savings. Because even if there's a few people that will be reappointed, they still have to go through a process, right, to appoint all the rest of the people. So, I'm not...I'm not quite sure about the exact cost savings. I don't think it's...I guess in accounting, we call it...there's step costs, but it's not a direct cost. In other words, one less commissioner that you don't have to go find is one out of 35. It's more...since you have to do it anyway, you still have to have some of the infrastructure there to appoint commissioners. So, it's very difficult to come up with a specific cost-savings number.

COUNCILMEMBER PALTIN: And to go back on what you just said, it kind of sounds like you're saying time is money, and saving time saves money. And then to translate that to the Board of Ethics one, when they presented the proposal, the Board of Ethics presented the proposal to us, some of it was about time saving. Like, if there had been an opinion in the past that related to an opinion someone was requesting, then they could call the Executive Director and get an answer without waiting until a thing...a hearing is scheduled. Similarly, maybe an Executive Director could prioritize items on the agenda that cost us money so that they don't get deferred. Like I think right now, we're paying an OED Director that's not working. Maybe if there was an Executive Director, they would have prioritized that on the agenda so that we don't continue to pay for something that we're not getting?

MR. TAGUCHI: Thank you for the question. You bring up valid points, but then you also...your example that you just gave me also shows you how variable. If you were to try to estimate the cost savings, it would be quite a difficult task because you have to determine, okay, how many cases wouldn't the Board have to hear, and offset that against the cost of the...having a Director. Then you would have

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to also add in, oh, well, it's a preventative measure. So, maybe if you had all this training, we wouldn't have any ethical violations, and we wouldn't --

COUNCILMEMBER PALTIN: That would be nice.

MR. TAGUCHI: -- need a Board of Ethics. But as you can see, it becomes very difficult sometimes to extrapolate that far ahead, and your range would have to be very wide. I don't think it'll be easy to come up to, like, one number. For my purposes, I tend not to want to do a range because people get confused. You know, people have a hard enough time getting through the Charter Amendments itself, so I wanted something that was easily read.

COUNCILMEMBER PALTIN: I just was wondering your thoughts on the possibility of if the Charter Amendments pass, doing an analysis on how close we were to the costs and the savings annually after the fact?

MR. TAGUCHI: Probably the best entity to do that analysis would be the Board of Ethics because they would have all the information, they would understand.

COUNCILMEMBER PALTIN: On...on all the --

MR. TAGUCHI: Yes.

COUNCILMEMBER PALTIN: -- financial impacts of the Charter Amendments, or just their one?

MR. TAGUCHI: I guess it could be part of their performance measures and how much reduction in cases, how many trainings they have, and things like that. But I guess my point is, in the confines of doing this estimate for the ballot, there's a time constraint too, right?

COUNCILMEMBER PALTIN: Um-hum.

MR. TAGUCHI: By the time that it passes out of the Council, and then the amount of lead time I have to get this out before the election, so it's kind of a crunch. In this instance, it wasn't too bad because there was only three, and two of them was relatively easy. But can you imagine when there's a Charter Commission, and there's 15, and...and a lot --

COUNCILMEMBER PALTIN: And then --

MR. TAGUCHI: -- of Charter commissions --

VICE-CHAIR KAMA: Thank you.

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MR. TAGUCHI: -- Charter amendments --

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

MR. TAGUCHI: Oh, sorry.

VICE-CHAIR KAMA: -- Mr. Taguchi. Thank you, Member Paltin.

COUNCILMEMBER PALTIN: Thank you.

VICE-CHAIR KAMA: We'll go on to Member Lee. We can always circle back. Member Lee.

COUNCILMEMBER LEE: Thank you. I have no questions.

VICE-CHAIR KAMA: Look at that. So, we're going to...so we're going to circle back to Member Sinenci, and come back Member Paltin. Member Sinenci, any other questions for Auditor?

COUNCILMEMBER SINENCI: Thank you, Chair. No questions for Mr. Taguchi. Thank you.

VICE-CHAIR KAMA: Okay. Member U'u-Hodgins?

COUNCILMEMBER U'U-HODGINS: I have no questions, Chair. Thank you so much for doing this. I know it's probably really confusing to figure out all the variables, so I really appreciate you. Thank you.

VICE-CHAIR KAMA: Thank you. Member Cook?

COUNCILMEMBER COOK: Thank you very much. No questions.

VICE-CHAIR KAMA: Member Rawlins-Fernandez?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo, Chair. Okay, my last question is...

VICE-CHAIR KAMA: Yeah.

COUNCILMEMBER RAWLINS-FERNANDEZ: Okay. So...and this could just be semantics, but words matter. So, it...it says, like a fiscal impact. And if what you're measuring really is just like the cost, and --

VICE-CHAIR KAMA: Um-hum.

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COUNCILMEMBER RAWLINS-FERNANDEZ: -- and...and...you know, because impact implies more than just costs to me. I can look it up. I...I...I didn't actually look up the word impact and what it really means, but it connotes more than just cost. Do you...do you interpret it differently?

MR. TAGUCHI: Thank...thank you for the question. When I looked at the Charter language, fiscal impact, and as I read to you the disclaimer that I had, I focused the impact more on fiscal matters, not necessarily social matters, for the reasons I explained. Very difficult to...to quantify social impacts.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, I just meant like do you...would it be more accurate to call it cost? Because...okay, I just looked it up, impact. Oh, I put impactful. It means the effect. Okay. Oh, I guess I accidentally looked up impactful. Because what you did was estimate the cost to the County. The action of one...have...to have a strong effect on something is the impact. So, if you're measuring like the effect of like this proposed Charter Amendment, it's...it's beyond just the cost of the salaries, the fringe, the overhead, et cetera.

MR. TAGUCHI: Well, thank you --

COUNCILMEMBER RAWLINS-FERNANDEZ: Would cost be more accurate?

MR. TAGUCHI: Well, I'm...I'm just going on what's in the Charter, right? The Charter was passed, and it says, "Office of the County Auditor shall assess the fiscal impact of any proposed..." Charter Amendment... "proposed amendment to the Charter." If you take a look at the...I was going off the definition of fiscal...fiscal. Definition of fiscal is more towards revenues. Aw, shucks, let me --

COUNCILMEMBER RAWLINS-FERNANDEZ: Fiscal impact refers to the financial consequences of a policy program event on a government's revenues --

VICE-CHAIR KAMA: . . .*(inaudible)*. . .

COUNCILMEMBER RAWLINS-FERNANDEZ: -- expenditures, and overall fiscal position. So, it's broader than the cost.

VICE-CHAIR KAMA: I just put them in there.

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair, are you talking to me?

VICE-CHAIR KAMA: No. I was just talking to myself, sorry.

COUNCILMEMBER RAWLINS-FERNANDEZ: Oh, okay. . . .*(laughing)*. . .

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VICE-CHAIR KAMA: But I...but I see where you're going with this in terms of...I think the auditor was only asked to do a fiscal impact.

COUNCILMEMBER RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR KAMA: And although there are other impacts, I can see that...that you're right.

COUNCILMEMBER RAWLINS-FERNANDEZ: No, no, no. What I'm saying is impact is broader than the cost, and what we're seeing is the cost. The cost is --

VICE-CHAIR KAMA: Correct. You're right.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- just what it would cost the County, which is the salaries, the fringe, the...the office space rent. But impact, I just read...fiscal impact refers to the financial consequences, whether it's negative or positive of a policy, program, or event on a government's revenues, expenditures and overall fiscal position. And so, if we're looking at fiscal impact, it's much broader than just the cost. That's...that...that's my position. But I understand what Mr. Taguchi is saying, and this is the first time we're doing this Charter Amendment, and these are the...are...are three relatively softballs, so it's a good start for us. But I think if we're going to say...if we're going to do a sheet and say this is the fiscal impact, then it needs to include more than just the cost next time.

VICE-CHAIR KAMA: Noted, Member . . .*(timer sounds)*. . . Rawlins-Fernandez. Thank you.

MR. TAGUCHI: I'll...I'll take that under consideration.

VICE-CHAIR KAMA: Perfect timing.

MR. TAGUCHI: But when...when I looked at the Charter Amendment, I understand your...your...your concern about what is impact. But I...when I focus on fiscal, coming from a accountant, CPA background, we're more used to...to that definition to be about revenues and expenses, things like that. So, I look at it through a narrower scope...and quite frankly, I think any County Auditor would want to narrow the scope on something like this. Because all County...all Auditors, we don't...we don't like to speculate. We want to know...a lot of the times that we look at things, it's after the fact, so we're certain about what happened, and what recommendations we can make. This is kind of a new area because you're asking me to project future, which often is not something that auditors are comfortable with. So, I'll...I'll just leave you with that.

COUNCILMEMBER RAWLINS-FERNANDEZ: Mahalo for --

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VICE-CHAIR KAMA: Thank you very much.

COUNCILMEMBER RAWLINS-FERNANDEZ: -- those comments. I...I guess...like the next time, if it...so, when folks in the public read it, they won't necessarily have a CPA background. They will have a variety of different education and work experience. And so, they may not read fiscal impact and interpret it the same way as an auditor would. And so, in understanding how words are interpreted by the broader public, if it's only going to be the cost, then I would say that it should say cost and not fiscal impact. Mahalo.

VICE-CHAIR KAMA: Well taken. Thank you. Mr. Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. My questions have been answered.

VICE-CHAIR KAMA: Thank you. Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Taguchi. I just wanted to clarify. So, logistically, what you have here is Exhibit 1 in its entirety. Even with the disclaimer at the bottom, that is what is going to be on the ballot?

MR. TAGUCHI: Thank you. Thank you for the question. The analysis...this analysis is not on the ballot. What's going to be on the ballot is those questions that...from my understanding from talking to the Clerk's Office, it'll be those three questions that I read to the Council. The cost estimates are not on the ballot. The ballot's controlled through the County Clerk's Office and the Office of the Elections, and -- yeah.

COUNCILMEMBER PALTIN: So, this presentation here satisfies the...the fiscal part of it? Like it...the money amount won't be on the ballot, it's just this presentation that was the Charter requirement?

MR. TAGUCHI: Yes.

COUNCILMEMBER PALTIN: Oh.

MR. TAGUCHI: The...my...the Charter requires me to transmit a fiscal impact analysis, which is what I did. I had some discussions with the Clerk's Office about how they would use it if they're going to use it, but they kind of have the same control...concerns as well, from my understanding, about being...not advocating one way or the other. They're concerned about that too, because in...in their position, just like mine, you're not supposed to advocate. So...especially for the Office of Elections. So, being that I used to be the Deputy County Clerk, it is a concern. It's such a concern that oftentimes [sic], it hinders the...the Office of Elections to go out.

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COUNCILMEMBER PALTIN: I never knew you was the Deputy County Clerk.

MR. TAGUCHI: Yes. I'm very old, so I had many different jobs.

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

COUNCILMEMBER PALTIN: I'm very old too, but I no more that much. So...so, this is it. This is your presentation, and then we file it, or whatever, or...and then that's it? If they weren't watching this, they don't get the information, or do you put...put it...publish it in the newspaper or anything?

MR. TAGUCHI: I can, but --

COUNCILMEMBER PALTIN: We don't have a newspaper anymore?

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

MR. TAGUCHI: Well, that...that...that's a different issue, but we do have it on my office's website. You know --

COUNCILMEMBER PALTIN: I didn't even know you guys had a website.

MR. TAGUCHI: Yeah, we do. . . .*(laughing)*. . . My reports are there too, by the way.

COUNCILMEMBER PALTIN: Oh, okay.

MR. TAGUCHI: But...yeah, I mean, I...I...I did, like I said, talk to the County Clerk but, you know, they have some issues too...and I understand that, in terms of like advocating one way or the other. . . .*(timer sounds)*. . . Even in this conversation today, right? I mean, you can tell that people may interpret things differently, and it's very hard to control that.

COUNCILMEMBER PALTIN: Yeah. Maybe we should even have this before we vote to put it on the ballot or something, but...

MR. TAGUCHI: That...that's a consideration too. But, you know, the Charter is what the Charter is. It's what I'm required to do.

COUNCILMEMBER PALTIN: Oh, okay. All right. I heard the bell, so...

VICE-CHAIR KAMA: Thank you --

COUNCILMEMBER PALTIN: This is fun.

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VICE-CHAIR KAMA: -- for hearing the bell. This is fun. I'm glad you all enjoy it. Member Lee.

COUNCILMEMBER LEE: Are we still on the same subject?

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

VICE-CHAIR KAMA: Yes, we are.

COUNCILMEMBER RAWLINS-FERNANDEZ: We're all having so much fun.

VICE-CHAIR KAMA: It was so much fun. Did you not enjoy it?

COUNCILMEMBER LEE: Yeah, I know, you know, I'm thinking, what am I going to have for lunch? Okay. Thank you. No questions.

VICE-CHAIR KAMA: Okay. Thank you very much. Members, your Chair does have a hard out by 10:45. And so, thank you very much, Lance, for being here. We...you sure did add some fun to today's meeting. We do appreciate that because we do need that sometimes in our lives on the Chamber floor. But...so, Members, if there are no objections, I'd like to defer this item.

COUNCILMEMBERS: No objections.

ACTION: DEFER pending further discussion.

VICE-CHAIR KAMA: Thank you so very much. I so do appreciate all of you. So, Staff, is there anything else that we need to talk about?

COUNCILMEMBER RAWLINS-FERNANDEZ: Chair?

VICE-CHAIR KAMA: Yes?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mr. Taguchi had a last comment.

VICE-CHAIR KAMA: I'm sorry?

COUNCILMEMBER RAWLINS-FERNANDEZ: Mr. Taguchi had a last comment.

VICE-CHAIR KAMA: Oh, Mr. Taguchi, by all means, please.

MR. TAGUCHI: I...I just wanted to thank you for the opportunity. You know, it...it's always good to get...it helps to get the word out, to a certain extent. You know, I will go back and think about whether or not I need to get the information out in

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a better format. But, you know, like anything else, there's always a cost involved in it too. Okay. Thank you.

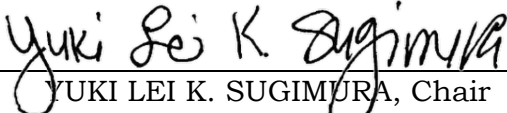
VICE-CHAIR KAMA: Thank you very much, Mr. Taguchi. We appreciate you and the time that you take to spend with us. So, Staff, is there anything else that we have to talk about?

MR. KRUEGER: Chair, there are no other items before the Committee.

VICE-CHAIR KAMA: Okay. So, thank you, everyone, for attending today's meeting. The time now is 10:36 a.m., and the Budget, Finance, and Economic Development Committee meeting is now adjourned. . . .(gavel). . .

ADJOURN: 10:36 a.m.

APPROVED:



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

bfed:min:241008:kr

Transcribed by: Kaliko Reed

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CERTIFICATION

I, Kaliko Reed, hereby certify that pages 1 through 35 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 31st day of October 2024, in Wailuku, Hawai'i



Kaliko Reed