

HOUSING, HUMAN SERVICES, AND TRANSPORTATION COMMITTEE

Council of the County of Maui

MINUTES

August 4, 2016

Council Chamber, 8th Floor

CONVENE: 1:30 p.m.

PRESENT: VOTING MEMBERS:

Councilmember Stacy Crivello, Chair
Councilmember Gladys C. Baisa, Vice-Chair
Councilmember Robert Carroll
Councilmember Don Couch
Councilmember Don S. Guzman
Councilmember Riki Hokama

EXCUSED: VOTING MEMBERS:

Councilmember Michael P. Victorino

STAFF: Michele Yoshimura, Legislative Analyst
Tammy M. Frias, Committee Secretary

Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)
Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

ADMIN.: Donald A. Medeiros, Director, Department of Transportation
Marc I. Takamori, Deputy Director, Department of Transportation
Jerrie L. Sheppard, Deputy Corporation Counsel, Department of the Corporation Counsel

PRESS: *Akaku--Maui County Community Television, Inc.*

CHAIR CRIVELLO: ...*(gavel)*... Good afternoon. The meeting of the Housing, Human Services, and Transportation Committee will now come to order. It is 1:30 p.m. on Thursday, August 4, 2016. Before we begin, may I please request that we all turn off or silence our cell phones or other noisemaking devices. At this time, I'd like to introduce our Committee voting Members. I am Chair of the Committee, Stacy Crivello. My Committee Vice-Chair, Councilmember Gladys C. Baisa.

VICE-CHAIR BAISA: Good afternoon, Chair.

CHAIR CRIVELLO: Thank you for being here. Thank you. Councilmember Bob Carroll.

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COUNCILMEMBER CARROLL: Good afternoon, Chair.

CHAIR CRIVELLO: Aloha and mahalo for being here. Councilmember Don Couch.

COUNCILMEMBER COUCH: Aloha and good afternoon, Chair.

CHAIR CRIVELLO: Thank you. Aloha, Councilmember Don Couch...Guzman. See it's been a long time. How are you?

COUNCILMEMBER GUZMAN: Good afternoon, Chair. Thank you so much.

CHAIR CRIVELLO: Thank you for being here. And Councilmember Riki Hokama.

COUNCILMEMBER HOKAMA: Madam Chair.

CHAIR CRIVELLO: Thank you for being here. Excused this afternoon is Councilmember Mike Victorino and we don't have any of our non-voting Members. At this time, I'd like to introduce our Administration representatives. Director of Transportation, Don Medeiros. Thank you for being here. Marc Takamori, Deputy Director of Transportation. And our Deputy Corporation Counsel Jerrie Sheppard. Thank you. And of course we cannot forget our diligent Committee Staff. Committee Secretary Tammy Frias and Legislative Attorney [sic] Michele Yoshimura. Members, we have a single item on the agenda today so we'll get started with public testimony. Assisting us this afternoon from the Hana District Office is Dawn Lono. Aloha, Dawn.

MS. LONO: Aloha and good afternoon, Chair. This is Dawn Lono in the Hana Office.

CHAIR CRIVELLO: Thank you. And from our Molokai District Office, Ella Alcon. Aloha, Ella.

MS. ALCON: Good afternoon, Chair. This is Ella Alcon on Molokai.

CHAIR CRIVELLO: Thank you. And from the Lanai District Office is Denise Fernandez.

MS. FERNANDEZ: Good afternoon, Chair. This is Denise Fernandez on Lanai.

CHAIR CRIVELLO: Thank you, Denise. For individuals who will be testifying in the Chamber, please sign up at the desk located in the 8th floor lobby, just outside the Chamber door. If you will be testifying from the remote testimony locations specified on the meeting agenda, please sign up with Council Staff at that location. Testimony will be limited to the item listed on the agenda today, and pursuant to the Rules of the Council each testifier will be allowed to testify for up to three minutes per item with one minute to conclude if requested. When testifying, please state your name and the name of any organization you are representing. Do we have any testifiers?

MS. FRIAS: No, Madam Chair.

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CHAIR CRIVELLO: Thank you. District Office, let's start with our Hana District, any testifiers?

MS. LONO: There is no one waiting to testify at the Hana Office.

CHAIR CRIVELLO: Thank you. Our Molokai District Office?

MS. ALCON: There is no one here on Molokai waiting to testify.

CHAIR CRIVELLO: Thank you. And our Lanai District Office?

MS. FERNANDEZ: There is no one waiting to testify at the Lanai Office.

CHAIR CRIVELLO: Thank you. Members, there appears to be no individuals in the Council Chamber or District Offices wishing to testify. So without objection, I will now close public testimony.

COUNCILMEMBERS: No objections.

ITEM HHT-37: MAUI SHORT-RANGE TRANSIT PLAN (CC 16-130)

CHAIR CRIVELLO: Agenda item HHT-37, Maui Short-Range Transit Plan. The Committee is in receipt of the following: County Communication 16-130, from myself, Stacy Crivello, relating to the Maui Short-Range Transit Plan. Correspondence dated July 1, 2016 from the Director of Transportation transmitting a report entitled Maui Short Range Transit Plan, April 2016, prepared by SSFM International with WESLIN Consultant Services, Inc. and Pacific Cartography. The Committee may receive a presentation from the Department of Transportation and may review the report. The Committee may also consider the filing of County Communication 16-130. Our Department of Transportation will provide an overview of the Maui Short-Range Transit Plan. So at this time I'd like to ask the Department to commence with their presentation. Thank you.

MR. MEDEIROS: Thank you, Chair Crivello. Good afternoon, Members. Thank you for the opportunity to present this plan today. This is the Department's second short-range transit plan. The first was done in 2005. This plan was conducted as the Chair mentioned by SSFM International. It's development process included rider surveys, community meetings, technical analysis and coordination with key stakeholders. The plan contains 328 pages and is presented in 6 chapters. You have a hard copy before you today. There's a copy of it also on the County website under the Department of Transportation for anyone that is interested. As I said, it contains six chapters. The first is the introduction, plan background, followed by the current fixed route system, a rider demand analysis, service analysis and recommended improvements, a financial plan, and finally the action plan. The Department commissioned this plan to help guide the agency for a six-year period until 2022. We all understand that availability of mobility enhancements, the County of Maui for many, this is especially true in rural areas where distance and scattered population make these connections even more

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important. Public transportation connects people to jobs, healthcare, social, recreational, and educational opportunities. This availability of mobility enhances the quality of life for many on Maui. Each day the Maui Bus system logs over 6,000 boarding's. Public transportation contributes to regional economic growth and development by connecting business to customers, employees to employers, and visitors to tourist destinations. This plan provides a background necessary to understand the need for future service improvements and capital improvements, evaluates the existing transit system and provides recommendations including the actions necessary to implement the plan. As a result of this plan, we are in the process of implementing a couple of no cost route changes, route change recommendations identified in the plan. The first is the interlining of the Napili Islander route with the Kaanapali Islander route. This interlining of the two routes will no longer require Napili passengers to change buses in Kaanapali and route to Lahaina. The second is a community-driven action. We will be extending the Kula route beyond Rice Park in to Hawaiian Homes with a stop near the Kula Hospital and adding a round trip in to Makawao Town. We've met with the Kula Community Association and the Kula Hawaiian Homes Association to foster this change. We plan on implementing this in a couple of months. There are several important findings that are worth mentioning. Extensive analysis was performed to evaluate the performance of the Maui Bus system. Each route was compared to likely concentrations of transit rider trip origins and destinations using various demographic and socioeconomic data. Ridership data for each of the about 200 bus stops on the system was reviewed and analyzed. An onboard self-administered passenger survey was conducted on weekday fixed day, weekday fixed route transit services operated by the Maui Bus to obtain transit rider characteristics and detail of transit trip making behavior. The results are as followed, over 75 percent of the passengers are employed, about 54 percent of the riders use the Maui Bus to get to work. Maui Bus provides options to low-income people to get to work and appointments. About 21 percent of the passengers reported a household income of less than \$15,000 per year. Maui Bus is an amenity used by visitors. About 8 percent of the passengers identified themselves as a visitor or tourist. Maui Bus now 10 years old has been a phenomenal success. Ridership has increased from less than 200,000 passengers a year to about 2.2 million. Maui Bus connects important population centers, attractions, and business centers. Some of the connections are so popular buses are overcrowded. Transit centers often experience long lines of people waiting to board the bus. Maui Bus has significant capital needs that can be funded through continued use of Federal funding assured through the passage of the Fixing America Surface Transportation, or FAST Act enacted in December of, December 4 of '15. I want to just bring your attention before I close, and we can talk about it a little bit afterwards, in Section 20 there are several short-term fare recommendations, one of which is a cash fare for off-peak service to comply with federal standards of a dollar for senior, disabled, and Medicare. In closing, we should all be extremely proud of our accomplishments. The County has been able to leverage local funds to garner over \$39 million in Federal grants in the past six years. On behalf of the many folks that use the system I thank you for your support and we look forward to your continued support in the future. This concludes our presentation. We'll answer any questions you may have. Thank you very much.

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CHAIR CRIVELLO: Thank you, Department. Any further comments on your presentation before I open up the floor for questions or further comments? Thank you, Mr. Medeiros. Members, I don't know how much time you've had to review what is before you. But if you'd like to ask questions by going according to chapter or however you feel at the moment that you wish to further the discussion, I open the floor. Ms. Baisa?

VICE-CHAIR BAISA: Thank you very much, Chair. I'd like to thank the Department for the plan. Unfortunately, we got this yesterday and so have not had a whole bunch of time to look at it. But of course I always go to the meat of it. And first of all I want to thank the Director very, very much for responding to the request from Kula and Pukalani. We have been asking for that for years and to know that it's finally in the works makes us feel very good. And I had the opportunity to meet with the Kula Community Action folks on Tuesday evening and I told them and they were extremely pleased and so I convey their thank you for, you know, being able to look at what they want. They have been trying so hard to get the route extended in to Hawaiian Homes and at the hospital and also for that Makawao route. So thank you very much for that. But my questions are on ES-28. For me of course the meat of all this is money because we all know that this is a wonderful, wonderful service and as the Director stated it has been incredibly successful and almost too successful because, you know, we're like when you got crowded buses we know that it's going to take more money to have more buses and more drivers. But I'm kind of curious, if somebody, Director or Marc, or whoever deals with the finances here would kind of give us an idea of what the County's going to have to kick in, in order to meet this plan and it goes from 2017 to 2022. Any comments on the finances, Mr. Director or your assistant or whoever?

CHAIR CRIVELLO: Thank you.

MR. MEDEIROS: Yes, thank you, Member Baisa. I guess we need to keep in mind that this is a plan. It's not in concrete but it allows us to look forward with an eye from someone that's come in from the outside, has looked at other transit systems and said, you know, maybe these are the things that you should be looking at and maybe these are the adjustments you should be making, and that this is what it would take to put it through. And so this is sort of their, what they feel we should do on some of these. I think this is something that as time goes on we need to look at and we need to bring it to your attention. The success of this system has been that it's passenger driven. We have put things out there and by the passengers getting back to us saying why don't you do this or don't do that, et cetera, we've been able to be successful. Just putting new runs on the road doesn't necessarily mean that ridership is going to increase or revenues are going to increase. And I know we have a lot on our plate as a community and you as a Council to deal with. So the numbers here kind of are daunting in some respect. But I sort of say take it with a grain of salt is really what we're saying at this point because it's not, it's not written in concrete.

VICE-CHAIR BAISA: And you know paying attention to the fact that we see these things escalating every year--

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MR. MEDEIROS: Right.

VICE-CHAIR BAISA: --do, is there accompanying rate increases that are proposed?

MR. MEDEIROS: As I mentioned, if you take a look on page, on Section 5-20 --

VICE-CHAIR BAISA: Okay.

MR. MEDEIROS: --towards the back.

CHAIR CRIVELLO: ...*(inaudible)*...

MR. MEDEIROS: Five dash --

VICE-CHAIR BAISA: Five-twenty.

MR. MEDEIROS: --20

VICE-CHAIR BAISA: Okay, got it.

CHAIR CRIVELLO: Thank you.

MR. MEDEIROS: On 5-20 you'll see a breakout here of fares in the short-term, mid-term, and long-term. And I'd like to bring your attention to the short term. One of the fares, the second one down in that second column, it's called Senior, Disabled, Medicare, and it's changing the fixed route cash boarding from \$2 to \$1 so it's cutting it in half and that is to address a statute, Federal statutory requirements. Unlike other systems, our system doesn't have peak, off-peak. You've heard systems certain times of the day they'll run more buses --

VICE-CHAIR BAISA: Right.

MR. MEDEIROS: --shorter schedules between buses. But with our system we just run the same schedule seven days a week for the, from 5 o'clock in the morning to 11 o'clock at night because the schedules of the people that are using it are generally static. They're getting to work, we work different days, different times, different shifts and so it's worked. So having said that, the Feds look at our schedule as because we don't designate peak or off-peak, as off-peak. Therefore, we would have to offer a half fare. But it's a cash half fare. So here again we have no way of knowing what kind of effect this is going to have on our overall budget because if you're going to buy a pass which we've offered passes and they're quite good, depending on how many stops you're going to go it's probably cheaper to buy a pass unless you're going to go from point A to point B, point B to point A in which case then, and you're a senior citizen or a person with disabilities then it might work for you. But this is not the pass driven. And so this is something that we're going to need to do and we'll put in to our budget when we start talking about fees with the new budget coming up when we're heading in that, when we get to that point. They also talk about something that we did talk

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about a while back and that's sort of the next one down and it's called a daily pass for the fixed route only and currently it's just, it's \$4. And at one point I know we brought it to the Council and we talked about we should do a \$5 pass and whatnot for the day. But it was determined, the Council felt that \$4 is what it should be and that's where it is. Well, these folks are saying well, it'd probably make more sense if you bring it up to \$5. Then as it comes on down you'll see that the next one below that is \$50 whereas the fixed route commuter and ADA paratransit passes are \$45. They're proposing to change that a little and to do a fixed route only for \$50 so it's up \$5, leave the student alone, and then they want to change, they're proposing to change the senior pass from 55 years of age to 65 years of age and call it a \$30 pass and that the fixed, the disability fixed route only would be, would stay at \$30. Part of that idea was that they're figuring you can, it's easier for you to see where this money is coming from. You know but it's a proposal that some of it which we've discussed at this, in the Council before.

VICE-CHAIR BAISA: Thank you, Director. Madam Chair, I have one more and then I'm done.

CHAIR CRIVELLO: Please, yes.

VICE-CHAIR BAISA: There, let's go back to where we started on ES-28. Right next to it is ES-29 and there was a proposal that they looked at, they studied what would happen if we had accepted the General Excise Tax option. And can you comment on how this would work? It seems to me like the bottom line is we'd have money.

MR. MEDEIROS: Where's ES...

VICE-CHAIR BAISA: So that's on ES-29.

MR. MEDEIROS: Twenty-nine, hang on a second.

VICE-CHAIR BAISA: We didn't but, you know, I'm just curious --

MR. MEDEIROS: Right.

VICE-CHAIR BAISA: --the contrast, since they did the work we might as well look at it.

MR. MEDEIROS: Yeah, and you know essentially they're saying it would reduce the County Highway General Fund needs. They estimated \$88 million over a multi-year period and they talk about that in the tables, in that top table that you're referring to. And so, you know, it's kind of the bus left the station on that one.

VICE-CHAIR BAISA: Yeah, I know the bus left the station. But it looks like there would've been an awful lot of money involved here.

MR. MEDEIROS: Yeah, that's...

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VICE-CHAIR BAISA: You know transportation as you know, Don, because you've been in this longer than I have, is an expensive program. And just looking at the capital investment that we have to make in the coming years is, you know, kind of staggering. It's a lot of money. And so I think we have to look at options for funding 'because we cannot raise fees to the point where people cannot board because we defeat the purpose which is to help people that don't have cars, can't have cars, can't drive, and do all of that. So it's a very interesting thing. I would like to have more time to really take a look at it. I'd have more questions. But thank you very much, Chair.

CHAIR CRIVELLO: Thank you, Ms. Baisa. Members, any other comments or questions for the Department? Mr. Hokama?

COUNCILMEMBER HOKAMA: Yes, thank you. Thank you, Chair. And I thank the Department for presenting this to us. My disappointment this afternoon is I don't think your consultants listened to us the last time we had the discussion on this. I would expect they would have made an adjustment or give an additional attachment because we already gave them comment about our perspective on the Excise Tax. But yet they keep, they still stuck to that scenario. As Ms. Baisa accurately points out regarding potential carryover as they stated, which is not really one carryover at all. Most of this study is based on a fake assumption that we're going to go with the Excise Tax financing plan and that's what it seems to be based on. Okay. But that deadline has come and gone, Chair. So this ain't going, that's not going to happen. And yet this is based on that happening which again the consultant did not listen to this Committee's earlier comments at a previous meeting. So I'm very disappointed in that perspective. I agree with Ms. Baisa. We have to make it so it works but I would have thought that they would have asked us what are some of the premises or parameters you wish us to work at. I would like to see them come up with a plan that the County doesn't subsidize more than 50 percent of this program. And what would it take for us to achieve that goal? We're already at what, according to them 27 percent which is better than most other programs. So it tells me that at least Maui is going in the right direction. But I would expect the consultants to at least come up and ask us what were some of our goals regarding where we'd like to see the program, regarding fairness on who pays the subsidy 'cause that's my concern; the people who have to pay and make up the difference. You just shared with us, Director, that by Federal law now we need to come up with this reduced price for a certain category. Does that come with them also then paying up the difference of the potential loss in revenues to implement their requirement?

MR. MEDEIROS: No it does not.

COUNCILMEMBER HOKAMA: So the County then ends up further subsidizing another Federal mandate?

MR. MEDEIROS: Correct, and that changed as a result of the census where we ended up in a rural, from a rural to an urban category.

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COUNCILMEMBER HOKAMA: And that is also part of the requirement of accepting Federal dollars?

MR. MEDEIROS: Yes.

COUNCILMEMBER HOKAMA: Or is it just because there's no peak, off-peak category currently?

MR. MEDEIROS: Yes, that is correct because we don't designate a peak or off-peak category.

COUNCILMEMBER HOKAMA: Right, so if we did, whether, and whether they agree or not, but let's say we say fine, we'll make up a off-peak and peak category. That would satisfy the requirement and we would not need then to implement what you just shared with us earlier?

MR. MEDEIROS: No.

COUNCILMEMBER HOKAMA: As another way to approach it.

MR. MEDEIROS: No, because you would, this applies to off-peak. So, if you make a designation as to what is peak, then everything else is off-peak and so this half fair would apply. And when you just look at the system, you know our peaks are early in the morning and late in the afternoon.

COUNCILMEMBER HOKAMA: Yeah, so what if we say peak is from 5:30 in the morning 'till 8 o'clock at night, it's our peak because we run shifts. This island runs on three, eight-hour shifts especially for visitor industry. So that's our peak time. The only off-peak time is from 8:01 p.m. to 5:49 a.m.

MR. MEDEIROS: We'd have to do an analysis on that and I think we'd be hard pressed to come up with something like that. I don't think the numbers would show it.

COUNCILMEMBER HOKAMA: And you know what, I, and I appreciate your comment because you told us this last budget session we could not consider rate increases because we had to come up with a plan the State needed to review and approve. Isn't that correct?

MR. MEDEIROS: Yes.

COUNCILMEMBER HOKAMA: And yet they have not done that review and approval?

MR. MEDEIROS: Well, they did review it. We haven't gotten anything back from them, sir.

COUNCILMEMBER HOKAMA: So what does that mean? We suck thumb and twiddle our fingers for another 12 months of wasted time and effort? Or can we move forward since they had their opportunity, they chose not to respond within a reasonable time, so can the County now move forward on its own without waiting for them?

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MR. MEDEIROS: That's correct.

COUNCILMEMBER HOKAMA: So we could do this off-peak thing then? Well, I would say why don't you see what kind of options are available --

MR. MEDEIROS: Okay.

COUNCILMEMBER HOKAMA: --to you as a Department from the County's perspective for us to move forward because the further we wait, the greater the subsidies and that's not where I want to go.

MR. MEDEIROS: We'll do that.

COUNCILMEMBER HOKAMA: We've got a lot of need in this community. Every Member is aware of the HC&S factor, the Makena factor, your transit issues, housing. So there's a lot of need out there and yeah, we just have only so much finances to share. So we look for you for some advice and considerations, Director. But I think you know some of our main core parameters.

MR. MEDEIROS: We do.

COUNCILMEMBER HOKAMA: Is there anything else the consultant is on contract that they can do for you after this meeting regarding adjustments of this study or this is it?

MR. MEDEIROS: They're done.

COUNCILMEMBER HOKAMA: Okay. Well, I'm not too thrilled with their report. I going be upfront with you. Thank you, Chair.

CHAIR CRIVELLO: Thank you, Mr. Hokama. Taking your comments into consideration, Councilmember Hokama, would you want us to follow up with some sort of correspondence expressing why the recommendations in regards to the GE Tax is still into consideration with this report when it's...

COUNCILMEMBER HOKAMA: Well, I would ask the Department because as the Director just shared, my understanding is the contract is over with the consultant.

CHAIR CRIVELLO: Right.

COUNCILMEMBER HOKAMA: But, I think the Department knows that since we didn't take up the July 1st deadline on Excise Tax that funding option is out the door. So, with the current numbers that you folks projecting on needs, whether it's operational or CIP, and I don't agree with the consultants' view about one-time life cycle expenditures. They definitely don't maintain buildings like we do. They would understand that these numbers need to be readjusted again because we know what it costs. We rather build than maintain. Okay. We know that the maintenance

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component of this requirement is an annual thing and I don't think it's properly reflected as I see it in the numbers. But saying that, the other thing I would like to also ask you to consider, Director, and I heard Ms. Baisa, I'm not telling you that the Upcountry or Hawaiian Homes route is not a critical component, but that's another project that I think working with Corp. Counsel and Real Property Tax, we got to come to terms. If Hawaiian Homes wants us to expand services to their area, come to terms with this County on paying your due, your taxes due to this County 'cause fair is fair. I'm happy to consider the route expansion. I think there is a need. But to me, Hawaiian Homes needs to be fair with this County and pay what there is due to this County to their obligations. And so I ask you to look at that as this is another way for us to keep the, get the books clean, get it squared away and be able to do this on its merits because I have an issue with the administration of this department not fulfilling what I believe is to the beneficiaries' advantages. So, thank you, Chair.

CHAIR CRIVELLO: Thank you, Mr. Hokama. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. Mr. Medeiros, and I know that you didn't do this but maybe you can help explain; on page ES-28 where we talk about Financial Plan by Year and it shows in 2017 that the total expenses are about \$12 million and Fare Revenue and Related is about \$3.1 million, then it says fare box recovery ratio is 28 percent, 28.8 percent, you following that there?

MR. MEDEIROS: Yes.

COUNCILMEMBER COUCH: How do they get that recovery ratio? Because if you take, it's my understanding recovery ratio is here's your expenses, \$12.1 million, fare revenue is \$3.1 million so you divide \$3.1 million by \$12.1 million and you get 25 percent. And if you go to the next one it's 13 percent, and if you go to the next one it's 12.5 percent. So where are they getting these numbers?

CHAIR CRIVELLO: Department?

MR. MEDEIROS: One second, I'm not really sure.

CHAIR CRIVELLO: You want to follow up on it and get back to us?

MR. MEDEIROS: I think we can. That'd be helpful. I can't answer that right now.

COUNCILMEMBER COUCH: It would be nice to know how they calculate it because --

MR. MEDEIROS: Okay.

COUNCILMEMBER COUCH: --I'm looking you know 28 pages in to this thing at numbers that don't add up. So how accurate is this whole thing or at least it's not explained to, to us how those numbers are created. So, I mean I got a long list of questions but I have to assume that we're working off of valid numbers. And I agree with Mr. Hokama, Table ES-2 is useless to us because we, the window has closed on that.

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So if, Madam Chair, if you're going to give people more time to read this and then come back with more questions.

CHAIR CRIVELLO: Yes, yes.

COUNCILMEMBER COUCH: I already have four pages of questions, so.

CHAIR CRIVELLO: You have four pages?

COUNCILMEMBER COUCH: Yes.

CHAIR CRIVELLO: Thank you.

COUNCILMEMBER COUCH: I might submit them in writing.

CHAIR CRIVELLO: So do you wish to have that discussed so the Department can come back with the...

COUNCILMEMBER COUCH: I can submit them in writing because --

CHAIR CRIVELLO: Okay.

COUNCILMEMBER COUCH: --I don't want to take up the time of the Committee at this point.

CHAIR CRIVELLO: Okay. Thank you, Mr. Couch. Mr. Guzman?

COUNCILMEMBER GUZMAN: . . .*(inaudible)*. . . Thank you, Chair. Yeah, I'm just looking at the ES-1 tab on the Federal grants discretionary indicating 2018, zero, why is that? And then also the CIP projects for the 2018 is at \$7 million, is that for the replacement of the Queen Kaahumanu Center Transit Center?

MR. MEDEIROS: I'm sorry, what page are you on, Councilmember?

COUNCILMEMBER GUZMAN: ES-28.

MR. MEDEIROS: Oh, okay, I'm sorry.

COUNCILMEMBER GUZMAN: The Federal grants discretionary for 2018. And then also the CIP for, is it 2017 \$7 million? Is that for the, according to Chapter I guess 6.2 there's a replacement of the Queen Kaahumanu Center Transit Center, is that what that's for, the \$7 million?

MR. MEDEIROS: This is for '18.

COUNCILMEMBER GUZMAN: Or I guess for 2018.

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MR. MEDEIROS: For 2018.

COUNCILMEMBER GUZMAN: Eight million.

MR. MEDEIROS: I believe it is, I believe that is true 'cause it is talked about. I'm not exactly sure on that specific...

COUNCILMEMBER GUZMAN: Oh no sorry, 7 million. Sorry, the CIP County, County CIP.

CHAIR CRIVELLO: For 2018. On Page 28.

COUNCILMEMBER GUZMAN: For 2018, yeah, 7,607,000.

MR. MEDEIROS: Right, for CIP in 2018. It should be reflected...hang on a second, I'd actually have to get back to you on that 'cause I'll have to go back and read what it is that, where they came up with that and refer it forward.

COUNCILMEMBER GUZMAN: Okay. And then also the Federal grants discretionary, it's indicating zero in 2018.

MR. MEDEIROS: Those are grants that are applied for.

COUNCILMEMBER GUZMAN: Yeah, so we haven't applied for...

MR. MEDEIROS: We haven't applied for any for that.

COUNCILMEMBER GUZMAN: But it's assuming that you're going to be applying in 2019 --

MR. MEDEIROS: Right.

COUNCILMEMBER GUZMAN: --for 768.

MR. MEDEIROS: Right.

COUNCILMEMBER GUZMAN: So why wouldn't they assume that we would be applying for X amount of monies in 2018?

MR. MEDEIROS: In '18?

COUNCILMEMBER GUZMAN: Yeah.

MR. MEDEIROS: Couldn't tell you.

COUNCILMEMBER GUZMAN: Okay. Thank you.

CHAIR CRIVELLO: And under the action plan in regards to your question for the CIP, on Page 6-3 it talks about the capital investments in 2018. So how does that fit in with

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the seven somewhat million dollars that we're looking at? Land cost also would probably be there.

MR. MEDEIROS: May...

CHAIR CRIVELLO: Yes, mister...

MR. MEDEIROS: Okay. To that end it is important that also from the Federal government's point of view that we own our own maintenance facility and that way they feel, and it's true, we would be able to get more people bidding on the contracts that we're going to be putting out for service. And as long as that is lagging, then we're going to be stuck at the same point we're at. So to that end, we're in the process of working with the Department of Management to get the Department listed on the Central Base Yard Project, at least ten acres for the Central Baseyard Project which is, which will help us to get something, land of course is what you mentioned, Councilmember, get us a piece of property that we can start to work towards. The timing of course is going to be contingent upon when that, they go through the Environmental Assessment and what have you at the, at that location. But once we're in the plan and they start moving forward that then we would apply for Federal discretionary money to fund the construction of that facility where we would need, you know, a couple of buildings; one for maintenance, one for admin operations, fueling, bus washing, and of course to park the vehicles, and that's, I'm sure you're familiar with where it's located, you know, off of Kuihelani Highway. So that's a, that would be a big, that's a big-ticket item but in the long run it's probably better off. It'll be better off for the system and for the County as a whole.

COUNCILMEMBER GUZMAN: Chair?

CHAIR CRIVELLO: Yes, Mr. Guzman?

COUNCILMEMBER GUZMAN: By building this maintenance facility are you saying that we would receive additional Federal grant money, or additional Federal money?

MR. MEDEIROS: Correct. We would apply for it under discretionary grants.

COUNCILMEMBER GUZMAN: To operate or to build?

MR. MEDEIROS: To build.

COUNCILMEMBER GUZMAN: Okay.

MR. MEDEIROS: The operation will come under our regular contract and that, the idea is that mainland firms now can come in to do this, Fast Transit, Mayflower, those sorts of companies can come in and then bid on our RFP to run the system.

COUNCILMEMBER GUZMAN: Okay, I see. More I guess bidders, more- -

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MR. MEDEIROS: Correct.

COUNCILMEMBER GUZMAN: --competition--

MR. MEDEIROS: Exactly. It'll expand competition. Greatly.

COUNCILMEMBER GUZMAN: --so lower prices. Okay. Okay. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. And, you know, when you're looking at all these CIP suggestions, all really good suggestions but it means taxes and we don't get, we certainly don't get good recovery, even in the best of times it says 28 percent. So you're saying we're going to get Federal, we're going to apply for Federal grants. What are the likelihood that we're going to get those grants to build these facilities that they are requiring us to build?

MR. MEDEIROS: I can't comment on the likelihood but we will do it and now with the FAST Act enacted, you know, things are not frozen in Washington the way they used to be.

COUNCILMEMBER COUCH: Right.

MR. MEDEIROS: So I think the likelihood of us getting it is probably very good.

COUNCILMEMBER COUCH: And will they pay, is it like the roads 80/20 kind of thing where we have to come up...

MR. MEDEIROS: Generally yes, that's what it will take, you know, for that and we'd have to figure out what it is that our portion, excuse me, our portion would be within the whole plan.

COUNCILMEMBER COUCH: So you're saying \$7.6 million for this building?

MR. MEDEIROS: I have no idea what it's going to cost. This is something that they came up with.

COUNCILMEMBER COUCH: That they came up with.

MR. MEDEIROS: And this is something that we'll have to work into. You know our vision would be something, a butler building for the maintenance and something to house administration. It doesn't have to be, you know, anything grandiose. MEO for instance uses four double-wide trailers to create their building and we purchased that a long time ago and, you know, you just maintain stuff. You know and so as Councilmember Hokama mentioned, you maintain stuff and it stays here. I think a lot of us have the old mentality, at least I do 'cause I'm old, is that once you get something you better take care of it because you don't know when you're going to have the money to replace such a thing. And as an example of that...I mean we have very

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good maintenance now. As an example of that, the first transit buses, the one that looks like trolleys that we run to Kihei and to the West Side and all, you know, the first ones they're approaching 600,000 and 700,000 miles. That's unheard of 'cause we haven't hit the history, we haven't hit the deadline set up by Feds as far as the life of the bus in years. We're hitting it in mileage. Who would think that on an island like this we're going to hit that? If you say that to a transit agency in Chicago or another big one and you give them this kind of mileage, their jaws drop. But they're safe and they're operating and we'll keep them operating, you know, as long as we can 'cause they serve a real need. And we'll probably replace them the way we bought them, a little, a few at a time, not big huge chunks.

CHAIR CRIVELLO: Thank you. Anything further, Mr. Couch?

COUNCILMEMBER COUCH: Oh yeah, not for today's meeting. Thank you.

CHAIR CRIVELLO: Thank you. Mr. Carroll, any comments or questions?

COUNCILMEMBER CARROLL: Just a comment that I'm happy where we're at now. Me and I guess Riki were on the Council the first time when the bus system started and it started from nothing. I think we made a lot of progress considering the ridership increases that we've had so far and of course the ultimate goal is to really service the subdivisions and getting people into the shopping centers and the working areas, back and forth. I think we made great strides in it but I think there's a lot more we can do. It's not going to be cheap though. There's no bus system that stands alone so we're going to have problems in expansion for the cost 'cause costs obviously are going to be going up. But I think it's something that we need to do. This is, those are the things we need to address. Thank you, Chair.

CHAIR CRIVELLO: Thank you, Mr. Carroll. I have some questions referencing to ES, Page ES-24. And I guess this touches in line to just about everything else that's in this report. Twenty seventeen, we're talking about expanding service, how much will it cost to expand service and provide new airport route? First question, then how will Department propose to pay for expansion? Then with the expansion of public transit, paratransit services are also expanded and then what is the cost and how will it be paid? That's a mouthful but we can take it one at a time you know. How much will it cost to expand service and provide new airport route as recommended I guess, part of the report for 2017?

MR. MEDEIROS: We're not anticipating or planning on changing the airport, current airport route. We're not planning on doing a new route for the airport. We're keeping the same system as it is now.

CHAIR CRIVELLO: Okay.

MR. MEDEIROS: The expansion piece as for Kula with the fixed route into Hawaiian Homes and then Kula Hospital, what we're doing is we're trading off the current, the services in hours service. So the tradeoff is that we'll go to an hour-and-a-half service so that

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the cost, there's no cost to it in dollars and cents. There's a cost that now it won't be hourly service, it'll be 90-minute service so that's the cost for that. As far as the, let's see, Lahaina, we weren't really looking at touching the Lahaina Villager at this point either. Their plan was to split it up. Frankly, I didn't want to bite off too many things so we can't chew. And what we're going to do on that side as I mentioned is we're going to interline the current Napili and Kaanapali route into Lahaina. That's a no-cost option but it'll be a great benefit for the passengers of whom there are quite a bit, ride the Napili bus to Lahaina town. And so they no longer, what's happening now is you get on the bus in Napili, you get to Whalers Village and you've got to switch buses, well, when you want to switch busses to stay on the bus to Lahaina there's a long line. And so these, you know, they get to the back of the queue and sometimes miss the bus. This way they're going to sit in the bus, it's the same bus so that the folks that get on the bus in Kaanapali going to Lahaina will, if there's no room they'll stand to get down to Lahaina town in essence. I take it back, there is a cost. I'm sorry, I don't want to go off target here, there is a cost and we will see a reduction in some fares because right now it costs you to get on the bus in Napili and it costs you to get on the bus in Kaanapali so there could be a cost there. I think most of the people who use it on a regular basis have a pass so that the cost might be negligible but it will bring the ridership down because we'll only count them once. We're not going to count them twice because right now we count every time a person boards a bus.

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

MR. MEDEIROS: Yes, correct.

CHAIR CRIVELLO: Thank you. So, you know, now that the Department has the short-range transit plan, not one that, probably not all of us approve of the recommendations or the report because there's so much based on the GE tax which is nonexistent for us, what is the Department's next step and what does the Department intend to do?

MR. MEDEIROS: As conservative as we are, we're going to continue to be conservative and see where we can make changes in the system to enhance it without adding additional costs. We're in the process of doing the changes we mentioned now and we'll kind of look at other ones as time goes on. You know they talk about '18 that we should be doing the Kaanapali one but their proposal was to add a third bus, that's why it was very expensive. At this point we run it with two buses, there's no need to run the third bus. We made some accommodations in the schedule and juggled some things within the schedule to make it happen and I think that's going to be a huge benefit for the folks that come out, the Napili folks to ride the bus. I think that as ridership numbers increase, and certain runs increase then we'll look at what we can do to make it more efficient. Honestly, we lost 130,000 passengers this last fiscal year. It went down about 5-something percent compared to the year before and I think that has a lot to do with our economy getting better, fuel prices going down, you know, a good economy kind of everything sort of comes up and I think that's helped. At some point, you know, I think we've all been around long enough we know fuel prices aren't going to stay at this level forever and that some things will change.

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CHAIR CRIVELLO: Thank you. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Madam Chair. You know another thing that I'm looking at and, you know, this is a great service, we're doing a good job, there's no question about it, it's just at what cost because under operating revenue you also have County Highway Fund. Yeah, that's revenue to your Department but that takes away from Public Works for building roads. I mean for 8, or next year or this fiscal year, or \$7.7 million will pave a lot of roads but that money gets diverted. So we're looking at much higher costs than what we're looking at.

MR. MEDEIROS: But, Councilmember, our car holds a lot more people.

COUNCILMEMBER COUCH: Yeah, and it's heavy and it tears out the road quicker.

MR. MEDEIROS: Not really, we're gentle.

COUNCILMEMBER COUCH: I know, it's just, it's kind of frustrating because, you know, just the 2017 costs minus revenues, actual revenues we get, you're looking at \$16 million that is costing the County for this which is about \$97 per person in here in the County to operate a bus system. I understand it's a good system and I understand it's something we need but we have to see how we can curtail some of these costs. It's just, I mean we're bleeding lots of money on the bus system. And I understand that's nationwide and worldwide that that's what happens. It's just we have to figure out a way to...and you guys are doing a really good job, it's just that these guys are making a lot of assumptions that, oh yeah, we've got plenty of money.

CHAIR CRIVELLO: Yeah that's what it is, assumptions.

COUNCILMEMBER COUCH: Yeah, thanks.

CHAIR CRIVELLO: Ms. Baisa?

VICE-CHAIR BAISA: Thank you, Chair. And Mr. Couch finally got to it. I was going to say that you know nationally, and it may have changed because I've been out of this for a while, used to be the fare recovery was about 25 percent, the cost of the running the whole thing and these guys are at 28.8 so we are doing a little better than most people and I think that's due to, you know, very careful management so we shouldn't be too surprised. That doesn't mean we have to settle for it. But we are, you know, above the national average.

CHAIR CRIVELLO: Thank you. Any more comments or questions for the Department? Mr. Hokama, and then Mr. Guzman.

COUNCILMEMBER HOKAMA: Excuse me, thank you. We see on Friday's Council agenda we will be receiving through the Budget Committee a request for a bonding consideration of 550,000 for a Department of Transportation baseyard facility. Is this

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part, is the request coming forward because this is what it was part of this study? But this study is based on excise tax considerations being approved and everything else. So is there a misconnect on why you sending us something that from, based from this your financing is out the door?

MR. MEDEIROS: I'm sorry, Councilmember. I'm not familiar with what that is. I haven't requested...

COUNCILMEMBER HOKAMA: You have a communication 16-167 that have been requested to Chairman White to post and he has posted it for the August 5th Council meeting to be referred. It is a GO bond consideration for the Wailuku baseyard and in its letter to the Council it is baseyard for Department of Transportation.

MR. MEDEIROS: That's for the Central Baseyard. That request is probably coming from the Department of Management. Their oversight, they have oversight of the Central Baseyard project.

COUNCILMEMBER HOKAMA: So you're not, this is not your project and you're not involved with it, Mr. Medeiros?

MR. MEDEIROS: We are involved. We're trying to get; we're getting our project included in the Central Baseyard.

COUNCILMEMBER HOKAMA: Well, their specific language is this is for DOT baseyard.

MR. MEDEIROS: I think this is for the Environmental Assessment for the whole thing which includes us as well.

COUNCILMEMBER HOKAMA: Well, we'll discuss some more. My thing is one, why wouldn't this be under the MPO's budgetary considerations? Why would this come to the County as a part of a general bond consideration instead of an MPO consideration through Federal funds?

MR. MEDEIROS: I think eventually it will go to MPO, you know, once we can get fully up and running.

COUNCILMEMBER HOKAMA: So this is transferrable? I can shift it on the books?

MR. MEDEIROS: I'm not going to say that at this point, sir. I'm not really clear and until that's taken up by the MPO itself, I can't speak for that.

COUNCILMEMBER HOKAMA: So at this point then would you say this is premature for us to consider?

MR. MEDEIROS: No, I think it's needed because we need to get moving on the Central Baseyard project in itself. I mean that's everything as, which includes Department of Transportation. I think the Department of Management is doing that because they

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realize that the way things are working that we'll be able to, you know, access Federal funds. But we're not going to be able to build that piece of it, the transportation piece of it. But that until an EA, Environmental Assessment and all is done along with all those other things, nothing is going to happen. We still need to do land zoning changes I believe and those sorts of things. And at what point can we move it forward and I think, you know, we're looking at it as rather urgent that we need to move forward to get something moving that we can go and access Federal, we will go and hopefully access Federal monies to fund this thing.

COUNCILMEMBER HOKAMA: And I appreciate your comments, Director, because I mean you're in a fluid situation so I appreciate your comments. But if what is being based on this, I going tell you now, it's out the window with me. Thank you, Chair.

CHAIR CRIVELLO: Thank you. Thank you, Mr. Hokama. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I'm going to refer to 5-33 on the Maui Bus operating revenues by year. On the other for the advertising, I believe that we just recently this year amended that ordinance to allow further advertising on the buses.

MR. MEDEIROS: Correct.

COUNCILMEMBER GUZMAN: What is the status of that right now?

MR. MEDEIROS: It's in purchasing at this point.

COUNCILMEMBER GUZMAN: Okay. Purchasing meaning...

MR. MEDEIROS: To go out to bid.

COUNCILMEMBER GUZMAN: To bid, okay.

MR. MEDEIROS: Yeah.

COUNCILMEMBER GUZMAN: Okay. So in terms of 2017 you would estimate how much revenue or at least...

MR. MEDEIROS: I'm not estimating anything at this point.

COUNCILMEMBER GUZMAN: ...*(inaudible)*...

MR. MEDEIROS: Until it goes out to bid and we have a bidder and somebody actually comes up and says we're going to, we can pay the County X number of dollars, I'm not guesstimating anything.

COUNCILMEMBER GUZMAN: Okay. Okay.

MR. MEDEIROS: Yeah.

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COUNCILMEMBER GUZMAN: Thank you, Chair.

CHAIR CRIVELLO: Thank you. Any more questions or comments, Members? I want to thank you for being here, Committee Members, I appreciate it. And any further comments from the Administration?

MR. MEDEIROS: No ma'am. Thank you for having us here today.

CHAIR CRIVELLO: Thank you for being here. Members, without objection, the Chair will defer this matter.

COUNCILMEMBERS: No objections.

COUNCILMEMBERS VOICED NO OBJECTIONS (excused: MPV).

ACTION: DEFER pending further discussion.

CHAIR CRIVELLO: Thank you. Members, we have completed today's agenda. I'd like to thank the representatives from the Administration and I'd like to thank Staff, Michele Yoshimura and Tammy Frias, and most of all, Members for being here this afternoon. Oh, Mr. Couch?

COUNCILMEMBER COUCH: Just one question. Mr. Hokama brought up a very interesting point and since you and I are, and Mr. Medeiros are on the Metropolitan Planning Organization, is this something that you are going to submit to that body to take a look at and to determine whether or not we, the MPO is to take over as Mr. Hokama said?

MR. MEDEIROS: Yes, sir, it's something that we will need to bring to the MPO. Where it goes from there I couldn't tell you.

COUNCILMEMBER COUCH: Got you. Okay. Thank you. I just wanted to get that...

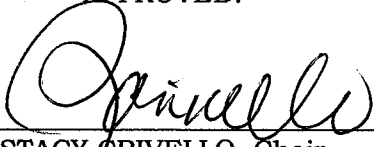
CHAIR CRIVELLO: Right. Thank you. Thank you. Well, Members, thank you. Have a good afternoon. At this time, the August 4, 2016 meeting of the Housing, Human Services, and Transportation Committee is now adjourned. . . .(gavel). . .

ADJOURN: 2:28 p.m.

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APPROVED:

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

STACY CRIVELLO, Chair
Housing, Human Services, and
Transportation Committee

hht:min:160804:mt

Transcribed by: Marie Tesoro

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CERTIFICATE

I, Marie Tesoro, hereby certify that 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 26th of August 2016, in Wailuku, Hawaii

A handwritten signature in black ink, appearing to read 'Marie Tesoro', written over a horizontal line.

Marie Tesoro