

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE
Council of the County of Maui

MINUTES

March 19, 2019

Council Chamber

RECONVENE: 9:01 a.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly T. King, Vice-Chair (out 12:26 p.m.)
Councilmember Riki Hokama, Member (in 9:03 a.m.)
Councilmember Tasha Kama, Member
Councilmember Alice L. Lee, Member
Councilmember Michael J. Molina, Member
Councilmember Tamara Paltin, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

STAFF: Leslee Matthews, Legislative Analyst
Yvette Bouthillier, Committee Secretary

ADMIN.: Kay Fukumoto, Economic Development Director, Office of the Mayor (EDB-24(4))
Josiah Nishita, County Clerk, Office of the County Clerk (EDB-24(6))
Lance Taguchi, County Auditor, Office of the County Auditor (EDB-24(2))
Sananda K. Baz, Managing Director, Department of Management (EDB-24(8))
Jacob Verkerke, Chief Technology Officer, Information Technology Services Division, Department of Management (EDB-24(8))
Scott K. Teruya, Director, Department of Finance (EDB-24(5))
May Anne A. Alibin, Deputy Director, Department of Finance (EDB-24(5))
Michele Yoshimura, Budget Director, Office of the Mayor (EDB-1)
Jeffrey Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

Seated in the gallery
Deidre M. Tegarden, Administrative Assistant II, Office of the Mayor (EDB-24(6))
Camille Sakamoto, Administrative Officer, County Auditor (EDB-24(2))
Susan Underwood, Information Systems Analyst, Information Technology Services Division, Department of Management (EDB-24(8))
Carmelito Vila, Motor Vehicle and Licensing Administrator, Department of Finance (EDB-24(5))

PRESS: Akaku: Maui Community Television, Inc.

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CHAIR RAWLINS-FERNANDEZ: . . . *(gavel)* . . . Aloha kakahiaka kakou. The March 14th meeting of the Economic Development and Budget Committee shall now be reconvened. Today is Tuesday, March 19th and the time is now 9:01. We took testimony on March 14th and closed testimony on that day. I'd like to ask all the Members to please silence their devices. This morning, we have Member Sinenci, Member Molina, Member Lee, Committee Vice-Chair and Council Chair King, Member Paltin with us . . . and, sorry, Member Kama, and Member Sugimura. Member Hokama is on his way. From the Administration, we have all of the Departments that will be doing presentations. And from Corporation Counsel, we have Deputy Corporation Counsel Jeff Ueoka.

MR. UEOKA: . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: Good morning. And Committee Staff, we have Leslee Matthews and Yvette Bouthillier.

UNIDENTIFIED SPEAKER: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. Okay. Members, we have six items remaining from the March 14th agenda. Pre-Budget session presentations from the Office of Economic Development, the Office of the County Clerk, Office of the County Auditor, the Department of Management, and the Department of Finance. And lastly, EDB-1, relating to the proposed Fiscal Year 2020 Budget for the County of Maui. And Member Hokama has just joined us. Mahalo. Aloha. Because we have such a full agenda, I'm going to ask each Member to please limit yourselves to two questions each. We will have two rounds of questions after each presentation. If there are additional questions, please send them to the Committee and I will ask the Departments to respond to your questions in writing. We're going to start with the Office of Economic Development, and we have the Director Kay --

MS. FUKUMOTO: Fukumoto.

CHAIR RAWLINS-FERNANDEZ: --Fukumoto. Okay. You ready?

MS. FUKUMOTO: Yes.

CHAIR RAWLINS-FERNANDEZ: All right. Please begin.

**ITEM 24(4): PRE-BUDGET SESSION PRESENTATION (OFFICE OF
ECONOMIC DEVELOPMENT)**

MS. FUKUMOTO: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Good morning.

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MS. FUKUMOTO: Good morning, Councilmembers. This being my first presentation to the Council regarding Office of Economic Development, I just want to say I'm very privileged and honored to be in this position to report about my Department. Having been in office for just two and half months, it's been amazing to reflect on what the Department has done since Fiscal Year . . . during Fiscal Year 2019. And the first part of this presentation is really just summarizing what our Department does and then moving forward to what we would like to do for 2020. So, each of you received a copy of this presentation and it's very lengthy and so I would be breezing quickly through the presentation itself, but you also got a packet of information regarding some of the activities that are done within Office of Economic Development. We have information about starting a business in Maui County, the Maui County Business Resource Center. Also, our Molokai Kuha`o Business Center, our Maui Friday Town Parties, and also information regarding our film office. So, to go through the presentation itself, what we do in OED is we look for opportunities that will strengthen our economy and match them with resources. Organizationally, we are under the Office of the Mayor and our Department reports directly to Chief of Staff Deidre Tegarden who then reports directly to Mayor Victorino. I wanted to go through the presentation by working through the layers of our responsibilities within our Department. First, starting with the Maui County Business Resource Center and our Kuha`o Business Resource Center. So, these are two facilities that really represent a way for government, our County to interact with the public. We then have our Workforce Innovation Opportunity Act, the work that we do for a federally mandated and State mandated program. And then the various specialists and activities we do within our office. So, starting with the Maui County Business Resource Center and the Kuha`o Business Center, I have the statistics of what we do. We offer business-related workshops. We have tracked the number of participants and the number of clients served in each center. This is separate from just contact with the public also. So, with respect to the Maui County Business Resource Center, it's a facility that allows new and existing business owners to get assistance regarding business operations within Maui County. It's a way for us, for the public to have access to government resources and coordinating with nonprofit partners. It became a federally-mandated one-stop American job center in late 2018. It connects with the AJC Center. We connect job seekers with jobs through the "HireNet" web-based program. We are currently transitioning 14 partner organizations to be represented within the AJC to offer the "One Stop" experience. So, organizations represented include State DLIR-Workforce Development, DCCA, MEO, Alu Like, UH Maui College, and Job Corp. It's also a County meeting space. It's a space available for 30 people with online conferencing capability. And it's available to County departments, partner organizations, and those offering free business workshops. We also have direct County services where we sell bus passes and there are drop off locations for water and refuse fees. So, the County . . . the Maui County Business Resource Center also coordinates the Mayor's Small Business Awards. We also coordinate and have monthly Business Development Strategic Alliance Team meetings. This team was formed in 2011 and it represented various organizations within Maui County that were able to put together a, you know, strategic look at what Maui County needed moving forward and they meet monthly to focus on any types of projects. We also house SCORE of Maui County, which meets monthly. SCORE is an organization that gives

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free volunteer business resources. Moving on to the Kuha`o Business Center on Molokai, again, it's a resource for new and existing business owners who need assistance with business operations, access to government resources and nonprofit partners. They produced the 20... they produced the 2018 Molokai Business Conference. We'll be doing the same this year. They assisted Molokai vendors in the 2018 Made in Maui County Festival helping 15 product vendors achieving 85, close to 85,000 in gross sales for those 15 vendors. Created 74 new business leads, and 11 internship students participated in the Made in Maui County Festival Internship Program. They also give referrals to Lokahi Pacific for grant funding. There's 2018 Small Business Revitalization Grants varying in size from 2,300 to 5,000. 2019 Agriculture Production grants funded to date of 33,000. So, they... primarily Molokai staff helps with the grants that are on Molokai. So, with our Federally funded State administered program of Workforce Innovation & Opportunity Act, this is the funding levels that we've received over the years and have had to administer job seekers to access employment, education, training. Also, matches employers with skilled workers to build the workforce and the economy. So, as you can see, the funding, you know, has dropped over time and as unemployment drops the funding drops as well. So, within Office of Economic Development, we have many activities and projects. Just summarizing the Small Business Awards, the Made in Maui County Festival, the Friday Town Parties, the Shop Small Maui/Small Business Saturday campaign, we are... help to showcase products at Hawaii on the Hill. We coordinate and fund with... fund the Hawaii Small Business Conference and the Hawaii Energy Conference with the Maui Economic Development Board. We coordinate HTA Certified Festivals & Executive Events Program. The Molokai Small Business Conference assisted with Chinese New Years on the lawn. Worked with DBEDT and Governor's office to create the Maui County Opportunities Zones. We administer Hawaii Tourism Authority grants in Maui County. Various workshops are offered specifically for our grants. We do four grant workshops. We did one Enterprise Zone workshop. We worked in partnership with Maui Visitors Bureau to start the implementation of the ten-year Tourism Strategic Plan. And we created the American Jobs Center partnership to collaborate and work on Federally mandated American Jobs Center. We received Federal funds to renovate the Maui County Business Resource Center to accommodate the Federally mandated American Jobs Center, which opened in November 2018. We worked over the course of a year with A&B in negotiating the terms of the purchase of the 262-acre Agricultural Park expansion. Worked with Representative Kyle Yamashita and the Governor's Office to release the State's five million contribution and the transaction closed in December of 2018. The Kula Ag Park continues to be fully leased with 31 active farms. Worked with the Maui County Farm Bureau and 4-H to move Ag Fest to War Memorial Complex for June 1st Festival. With respect to agriculture, we are transitioning Maui to diversified agriculture. OED's Agriculture Specialist manages the Kula Ag Park and all tenant concerns and is the liaison to various organizations. OED continues to work on Kula Ag Park Expansion appropriation, and we have two grants that fund Axis Deer Mitigation Programs. In looking at our business development within OED, we look at it from a perspective of creating an eco-system. We collaborated with 13 business development partners to create an entrepreneurial eco-system not only from our Made in Maui County Festival vendors but also for all other interested businesses.

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And my apologies, it's small on the screen but you do have a . . . you do have it within your handout. The Made in Maui County Festival Dashboard, you know, there's increases in attendance, in retail sales, number of items sold, and number of new leads. The Shop Small Maui Program updating 240 registered merchants, 1,796 followers on social media, we fund *Maui News* ads and *Maui Time* ads, and reached 20,000 readers. So, our increase in our social media on Facebook and Instagram 78 percent and 3 percent accordingly. We fund the Hawaii Small Business Conference. In 2018, there were 192 attendees from 114 companies, 7 speakers, 8 sponsors, and 18 exhibitors. And this year, the conference is to be held in May. For Hawaii Tourism Authority, we have a Memorandum of Understanding to provide monitoring and report services to HTA on their grants in Maui County. They have three programs: Community Enrichment Program, which includes festivals, cultural and arts events with visitors, the Aloha Aina (natural resource grants), and Kukulu Ola (Hawaiian cultural events). So, the data here is that in this coming 2019, we will be monitoring 40 HTA contracts with a total contract value of a 1,234,000. Moving our Energy economy forward, we have an Energy grant which funded the EV Charging Station Infrastructure Sustainability Program, which stabilize the charging stations on Maui as Hitachi exited their Maui EV Program. The 5th Annual Maui Energy Conference this is the related attendance figures. The Energy Conference is next week for the 6th Annual. Regarding our environment, our OED Environmental Coordinator serves as the liaison between the County and DLNR's Maui office to insure collaborative efforts to address cross-jurisdictional environmental issues. Essentially, you know, the Environmental Coordinator coordinates from a State level to the County level. So, with respect to environmental protection and monitoring, she also assists with looking at all the grants that go through our office with respect to environmental protection. There's a Maui Conservation Alliance is a collaboration of 14 environmental partners. And this Alliance it creates the awareness and synergy and tries to not duplicate efforts with respect to their conservation efforts. There's an Urban Sustainability Directors Network Annual Meeting and representatives from four Hawaii counties, including OED's Environmental Coordinator attends, along with 250 sustainability managers from the US and Canada. The 6th International Marine Debris Conference nearly 30 representatives from Hawaii attending the conference in San Diego with more than 700 attendees from 50 countries. Conference highlighted Hawaii Marine Debris efforts with the backdrop of plastic proliferation as a global issue of grave concern. With regarding State and National representation, the Green House Gas Sequestration Task Force aligns the State's clean energy and carbon sequestration efforts with climate initiative goals. Climate change and equitable transition working group which focuses on equity as a key element of climate change mitigation and adaptation policies for Hawaii. With respect to the Four County Environmental Network, our OED Coordinator coordinates Mayoral commitments and policies across the counties. With respect to OED grants, we currently manage 130 grants, processing approximately 1,000 payments each year. Grant applications can be submitted any time throughout the fiscal year up to February. We gave out over \$10 million worth of grants in line-item and proviso grants in Fiscal Year, and I'm sorry there's a typo, Fiscal Year 2019. These organizations who were funded brought in an additional \$32 million giving OED an approximately 1 to 3 leverage ratio for County funding. All grantees requesting funding for more than one year are required to create

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a performance dashboard for their event or project. So, the Grant Performance Dashboard [sic] we . . . back in 2018 Fiscal Year we had four grant workshops, 80 percent of our grantees meeting reporting requirements, and approximate average completion date of submittal to grant execution was 50 days. Regarding our Film Industry and moving forward, our Film Commissioner assists with 52 commercials that were shot in Maui County. There were six major print campaign ads, several mainstream television episodes, four Maui-filmed feature films, and coming up there are various films and productions in process. Our Film Office Dashboard – the monies spent in productions in our County was 15,400,000 with active crew members – 256, Local 655 members registered on Maui was 48, and number of productions filed for County permits was 56. So, with respect to 2020, I just wanted to talk about what we would like to see moving forward. I would like to, on a quarterly basis, meet with all Councilmembers to discuss the grants that are being funded in the respective districts. I would . . . we are in the process of reviewing the grant application process to make it more user friendly to grantees and efficient for processing within the Department. We want to align the County's volunteer force – resident and visitors with an integrated program matching volunteers with our grantees who need volunteers. We would look for funding outside of the County to assist in economic development goals. And work with the managing tourism group to develop strategies to ensure a positive experience for both visitors and residents. I just want to say I was very . . . I'm very proud of the OED team, half of who are new to their positions in our Department and look forward to working for opportunities and matching them with Maui County resources. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Fukumoto. Okay, Members, I'll now open the floor. Two questions starting with our Vice-Chair and then moving to Member Kama.

VICE-CHAIR KING: Thank you, Chair. Thank you, Ms. Fukumoto. Really impressed you taking the helm and to know everything that's supposed to be happening. I did see a couple holes. I guess we don't have an Energy Commissioner or an Ag Specialist yet, is that correct?

MS. FUKUMOTO: We just secured our Energy --

VICE-CHAIR KING: Okay. Who is that?

MS. FUKUMOTO: --Commissioner. It will be Alex DeRoode.

VICE-CHAIR KING: Oh, okay.

MS. FUKUMOTO: Yes.

VICE-CHAIR KING: Good choice. And so, you're still look for an Ag Specialist?

MS. FUKUMOTO: We're still --

VICE-CHAIR KING: Okay.

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MS. FUKUMOTO: --working on our Ag Specialist.

VICE-CHAIR KING: Okay. One of the things I wanted to ask you is, and you don't have to answer right now, but just if you are willing to have any discussions with your team and the Mayor about potentially having an Office of Agriculture? I think we can, we don't know . . . would take a take Charter amendment to create a department but you can certainly set, I mean, it's such big issue and I think it's a big part of what we have to do moving forward if we're going to diversify our economy. But there's a lot of environmental issues that go with that. Of course, there's a lot of food security, energy security issues and so I just wanted to kind of drop that thought on you. One of my main questions about your Environmental Coordinators that we have . . . we have all these pieces of people doing things across the Departments and I'm just wondering what your thoughts are in consolidating the EP and S program? The Department of Environmental Management has Environmental Protection Sustainability Program --

MS. FUKUMOTO: Right.

VICE-CHAIR KING: --that they're starting to finally describe and beef up, and they made a proposal last year to move three people out, three positions out of OED -- the Energy Commissioner, the Environmental Specialist, and then the Ag Coordinator into this other program. So, my colleague Mr., uh, Councilmember Hokama and I were at the HSAC meeting yesterday and there was a presentation on climate change and sustainability talking about the Office of . . . that office - Climate Change and Sustainability and I don't know had like three or four more words after that in, on Oahu, and there was an attempt to do a Charter amendment to create that office as well for Maui. But we have . . . and the reason why I didn't, I mean, I supported the Charter amendment but I just . . . I was actually really concerned about having all these bits and pieces. And we talked about duplicative efforts, what are we duplicating, what can we consolidate to actually make, get more action to happen and coordinate with the State efforts and the City efforts at City and County so that they're not dealing with, you know, five different departments and 20 different people and we can all, you know, we can all know what's going on? So, I have real concerns about trying to consolidate those efforts and just . . . have you, have you been thinking about that and how to move these positions around or if you should?

MS. FUKUMOTO: Well, my Environmental Coordinator is new. We all . . . there's . . . almost half of my team started on January 2nd.

VICE-CHAIR KING: Right.

MS. FUKUMOTO: And so, she has been actively involved in, you know, not only getting familiar with . . . there's over a million dollars' worth of grants in OED that are environ
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VICE-CHAIR KING: Right.

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MS. FUKUMOTO: --mentally, you know, connected. So, she has been involved on the grant side of things and, you know, making sure we're monitoring those grants as well. And, also, connecting with the various agencies that her former colleague, you know, was involved in. We are, at this moment, consolidating and trying to make sure we're not duplicating efforts. Because we are so new to the team, I would, you know, encourage our continuing to talk about, you know, moving forward and trying to do that to streamline.

VICE-CHAIR KING: Okay. So, you're working with Tamara Farnsworth in the Environmental Protection Sustainability?

MS. FUKUMOTO: Well, I'm not directly but . . .

VICE-CHAIR KING: Okay.

MS. FUKUMOTO: Chana Makale`a Ane, who is my Environmental Coordinator is.

VICE-CHAIR KING: Okay. She is.

MS. FUKUMOTO: Yes.

VICE-CHAIR KING: Okay. Because I know they're working on creating their program. It's really not described yet. Other than recycling and abandoned vehicles that's all that's in there right now.

MS. FUKUMOTO: Uh-huh.

VICE-CHAIR KING: So, going forward, we would like . . . you know, I would personally like to see a consolidated effort, you know, to either . . . either you're going to keep it there, --

MS. FUKUMOTO: Right.

VICE-CHAIR KING: --put it there or if you're going to move it to the Office of the Mayor, move it to the Office of the Mayor, which may take a Charter amendment.

MS. FUKUMOTO: Right.

VICE-CHAIR KING: Because right now in the Charter it says that program has to be in DEM. But just so we can keep tabs on what's happening, and we can coordinate with all these other groups that you describe.

MS. FUKUMOTO: Right.

VICE-CHAIR KING: And they're not dealing with three different departments for Maui County.

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MS. FUKUMOTO: Right.

VICE-CHAIR KING: So, that's my big concern. My other kind of _____ quite well and kind of a big question too is that EV charges. When Hitachi moved out is Maui County now owners and operators of those EV chargers?

MS. FUKUMOTO: Well, my understanding is that there was a, they're still with the PUC. There's a . . . they're trying to take the majority of the charging stations and Maui Electric would then take those on. And that program is still, you know, currently trying to get finalized. And they're . . . not all the charging stations were part of that program. So, the majority of those were. And, you know, the difficulty with the charging station project is that there's new technology now. These charging stations now have to be able to receive transactional, you know, application. Like people have to pay for their charges. And so, that movement from the Hitachi stations to a new charging system that is now, you know, run independently and consumers can then, you know, purchase their electricity needs. That's part of a whole program that's being coordinated through the Maui Economic Development Board.

VICE-CHAIR KING: Okay. Well, it would be good to get a report on that to this Council.

MS. FUKUMOTO: All right.

VICE-CHAIR KING: Because one of my big concerns has always been that as long as they were owned by, you know, an outside entity --

MS. FUKUMOTO: Right.

VICE-CHAIR KING: --we're still exporting our energy dollars. So, if we can keep it till it stays in our County, you know the revenues from those charges stayed in our County, I think we will be ahead of where we were in the past and give another leg up for electrical vehicles. So, thank you for that. And I'll yield for now, Chair, somebody probably has my other questions on their plate.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Okay. Member Kama?

COUNCILMEMBER KAMA: Thank you, Chair. Good morning.

MS. FUKUMOTO: Good morning.

COUNCILMEMBER KAMA: So, on your slide that says, *Moving our Film Industry Forward*.

MS. FUKUMOTO: Right.

COUNCILMEMBER KAMA: And it has one, two, three, four, five . . . about seven, six movies or films. It says that each of them have a budget -- 11,500,000; 4 million so on and so forth.

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MS. FUKUMOTO: Right.

COUNCILMEMBER KAMA: So, what does that mean? Does that mean that that's what they are . . .

MS. FUKUMOTO: Spending in Maui County.

COUNCILMEMBER KAMA: In Maui County.

MS. FUKUMOTO: Right.

COUNCILMEMBER KAMA: So, that could be hiring people, that could be with the hotels that they're staying in, all of that set up?

MS. FUKUMOTO: Correct. Correct. It's their economic contribution to Maui County, you know. They're having to do the --

COUNCILMEMBER KAMA: Yes.

MS. FUKUMOTO: --productions here.

COUNCILMEMBER KAMA: Yeah. So, how much do we put in towards the film industry if the Maui does, County does put in there?

MS. FUKUMOTO: Well, my film . . . I guess in terms of a budget there's my Film Commissioner in my office. He has a budget of approximately 120,000. Because in order for you to get these films, you have to go to these conventions and, you know, represent Maui County as you will, so, he has that budget. And there's another 35,000 perhaps for those conventions where we have to ship leis and collateral material for booths at these various film industry events.

COUNCILMEMBER KAMA: Interesting. So, the investment that we putting in terms of the positions, and how many commissioners do we have?

MS. FUKUMOTO: We have one Film Commissioner -- Tracy Bennett.

COUNCILMEMBER KAMA: And this is the one person that goes out and does the PR --

MS. FUKUMOTO: Yes. Uh-huh.

COUNCILMEMBER KAMA: --that actually sells Hawaii to the film industry and . . . ?

MS. FUKUMOTO: Correct. Correct. Well, he works really closely in tandem with Maui Visitors Bureau.

COUNCILMEMBER KAMA: Yes.

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MS. FUKUMOTO: So, you know, if he needs collateral, they help him, you know. Obviously, he's selling Maui and he's selling . . . You know, there's so much benefit, I think, to his role with not only bringing the jobs and getting the jobs done here but whenever these films show case Maui. I mean, I think there's a positive benefit with respect to the tourism industry. So, it kind of works hand-in-hand.

COUNCILMEMBER KAMA: So, do we have a large contingency of actors and actresses on island or in State?

MS. FUKUMOTO: It's merely production people. People who behind the scenes are the technical crew, you know. When we can provide that on island, then it's much more budget friendly for these film crews to be here.

COUNCILMEMBER KAMA: And can we . . . are we able to provide that?

MS. FUKUMOTO: There's a slew of people who have the technical capability and what Tracy does in his position is whenever there's a film considering to be filmed here, he just connects them with the whole labor force that can help.

COUNCILMEMBER KAMA: Okay.

MS. FUKUMOTO: And they select the people based on their skill set.

COUNCILMEMBER KAMA: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. Thank you very much, Kay Fukumoto, for being here. I wanted to know if you could give us a little bit of an education of something that happened and was put together by Brian Nagami as the Workforce Development Coordinator in your office and the American Job Center. So, very exciting what he was able to do, and I wonder if you could educate us on its . . . on the status. I think it got put together ending of last year. So, where are we with that? And if you could talk about the purpose too.

MS. FUKUMOTO: Okay.

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Yes. Brian Nagami's role I believe he was employed for two or three years. He came into a position where we were very . . . I would say behind with respect to our mandated Federal and State program. He was involved in the Workforce Development . . . Workforce Innovation Opportunity Act, and this American Job Center Federally mandated program came down I believe perhaps within his ten year or just before and essentially what it was, was you're communicating with 14 some odd partners who deliver services to potential employees. You know, they are people who become unemployed and we need to connect them to employers who need jobs.

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And it all tied in with the Workforce Innovation Act because essentially that Workforce Innovation Act helps strategically certain populations of employees to move into their respective jobs. So, it helps with dislocated workers, it helps with youth trying to find employment. And he had to create the Memorandum of Understanding, you know, amongst the 14 partners. We, apparently, got \$90,000 in funding to upgrade our Maui Business Resource Center which he helped, you know, oversee that. The Federal mandate came down with hundreds of requirements, hundreds of pages of requirements in terms of what we were trying to implement as American Job Center. And, initially, the American Job Center was not necessarily going to be at the Maui Business Resource Center. It was . . . there was a RFP for a one-stop operator, and we didn't get any responses. Nobody stepped up to the plate to be the American Job Center. So, the County stepped up and decided they were going to change or turn the Maui County Business Resource Center into the American Job Center, which does tie in together with the Workforce Development Program.

COUNCILMEMBER SUGIMURA: So, does it have a lot of success? I think what I remember is that those 14 organizations were going to 1) help pay for rent, which was attractive to us and then I know kind of recently just started, was put together, so is there a lot of success with people coming in looking for jobs, which is the one-stop shop, right, intent?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Thank you for the question. Yes, because the facility just recently as of November 2018 was when the American Job Center technically was housed in the Maui Business Resource Center. And I have been involved in the meetings with the various partners and we're just gaining traction because literally the MOU, I believe, was signed just at the end of last year or the beginning of this year, and only recently we are able to actually invoice the partners. But, yes, they are sharing the cost of the Resource Center. But, also, we are attempting to have each partner have employees at the American Job Center. And somehow if the employees are not available there, then we would do some sort of teleconferencing or, you know, have the accessibility of someone coming in, and if they needed to talk to say Alu Like that they could just pick up the phone and there would be somebody answering and their questions could be, you know, answered. So, that's the core focus is that a potential employee can come in and look at all these resources and say, okay, you can talk to these people and that's the one-stop shop.

COUNCILMEMBER SUGIMURA: Very good. One last thing and then I'll relinquish the floor. But your goal for 2020 for volunteer connecting your grantees with volunteers, there's a volunteer center Department of Housing and Human Concerns you could probably ask Lori Tshako about it and Wendy Stebbins is in charge of it and that's kind of the work that she does – a one-man operation in DHH, Housing and Human Concerns Department, if you want to reach out to them 'cause that's what they're for. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Paltin?

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COUNCILMEMBER PALTIN: Thank you, Chair. I got some constituents that were wondering about the Wailuku Civic Complex. They've been told that the Business Development Specialist is the community liaison for that project. And I just was . . . they had questions on how it works out because of how Ms. Wade is the Planner for it and she's under the Department of Management.

MS. FUKUMOTO: Right.

COUNCILMEMBER PALTIN: And Ms. Ogawa is the community liaison and she's under your Department.

MS. FUKUMOTO: Right.

COUNCILMEMBER PALTIN: So, just wondering if you guys have regular meetings between Departments to share information amongst each other?

MS. FUKUMOTO: Uh-huh.

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Thank you for the question. Yes, the reason why Ms. Ogawa was involved or became involved with this Wailuku Civic Complex is that because she is the Shop Small Maui Coordinator she literally knows all the businesses that are in the, you know, in the Wailuku area had connections with all the landlords already and the business owners. And so, it was it started before I came on board, but she was meant to just coordinate any kind of communication between Erin Wade and the project itself to the business owners specifically in, you know, the neighboring areas. They are constantly in communication and as construction starts to begin, we're actually having meetings in terms of how we are going to be communicating the construction communication. Obviously, whenever you have more people involved in that communication process it slows down what gets out to the public and we're trying to streamline that so that, as an example, the contractor would know the timeframe of the scheduling, you know, and how do we deliver that information then out to the surrounding community as well as people that would be coming into the community. So, we are in constant connection.

COUNCILMEMBER PALTIN: Even inter-departmental is okay?

MS. FUKUMOTO: Right. Right.

COUNCILMEMBER PALTIN: Okay. My other question was on the Environmental Coordinator position, I didn't realize that they were coordinating between State and County so that's helpful information. Just wondering are they, who's the one going from State and County to community or the members of the County like the citizens?

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MS. FUKUMOTO: Well, she at this point since we've only been in office for 50 days, her role initially was that she needed to look at the grants that were going through OED. We wanted to set up a monitoring system for those grants and then she was also connecting with the various partners. We are still in, you know, as Ms. King described, we're trying to coordinate our efforts in terms of representation. But at this point, she represents the Mayor's Office with respect to any mayoral commitments. There were signed, I think, policy decisions that were done prior to Mayor Victorino coming in to office and so she's been coordinating all of that.

COUNCILMEMBER PALTIN: Okay. Thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Hokama?

COUNCILMEMBER HOKAMA: Uh, thank you, Kay. Good morning.

MS. FUKUMOTO: Good morning.

COUNCILMEMBER HOKAMA: So, Ms. Fukumoto, my thing at this point regarding your office and I understand your situation there's a lot of new support staff, I would say for me my concern, my calls that I get from the, throughout the County not just Lanai, has been about progress payments to the grantees. And so, I'm going to ask you if maybe makes sense for you and your whole staff to meet with groups of grantees and explain how this payment process can be done smoothly and timely so that those agencies can receive the reimbursements back and not affect their cash flow requirements so they can continue to operate and take care their payroll needs.

MS. FUKUMOTO: Right.

COUNCILMEMBER HOKAMA: So, any comments, please?

MS. FUKUMOTO: Uh-huh.

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: I'm glad you brought that up. In the process of payments, we're noticing that there's a lot of having to train so that the paperwork is appropriate and complete before we send it on to get paid. And there's a lot of back and forth, you know. There's receipts that we can't even read the numbers, totals don't add up, and so you know part of it is, I believe, a training process that I think . . . as we're going and revisiting the grants application process and the training we are going to be enforcing more of and teaching everyone how to process. If everything comes nicely packaged and we're ready to submit, we submit asap. But this back and forth of getting all the paperwork lined up so that we don't get it back from Finance because there's something missing, you know. That's really what we're trying to do because for me it bothers me when my staff spends extra time trying to get a payment processed.

COUNCILMEMBER HOKAMA: No, I understand that.

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MS. FUKUMOTO: Yeah.

COUNCILMEMBER HOKAMA: And I would say consistency regardless of which employee in your office is . . . needs to temporarily handle that grant process.

MS. FUKUMOTO: Uh-huh. Uh-huh.

COUNCILMEMBER HOKAMA: That that person does it just like the other person that had it originally. I think consistency is a strength for your office right now to process the grant payments because I can tell you I'm sure the other Members will receive the calls I'm getting because they're on the edge of the cash flow situation for these entities. But one of the things that you could also help the Feds require, if you take Federal dollars, single audits.

MS. FUKUMOTO: Uh-huh.

COUNCILMEMBER HOKAMA: Are we going to, are we requiring audits of those organizations to either verify tax status or verify that they've utilized the funds appropriately?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Well, every application for grant, every vendor has to comply with the Hawaii Compliance Express, you know, so we do check that they are current, and we cannot process a payment without that verification. So, we do that at the front end when the contract is actually committed to and right before payment. So, yes, the grantee has to comply --

COUNCILMEMBER HOKAMA: Uh-huh.

MS. FUKUMOTO: --with respect to that. With respect to an audit, you know, there are some monitoring things that each grantee is required to do -- quarterly reports and such. You know, we follow the guidelines with respect to proper payments. We, in our office, we do not generate the audit. I mean, I think that would be a conflict of interest that we're auditing our own. We are monitoring as much as possible what grants do come through the office.

COUNCILMEMBER HOKAMA: I would be 'cause I'm going to propose something but I'm not looking at a grant from a certain dollar amount level.

MS. FUKUMOTO: Okay.

COUNCILMEMBER HOKAMA: You know there are agencies where unless they kon pong I guess is our word, partner, as a hui they may be if they're all doing the same kind of things, they can get one auditor and spread the cost. But after a certain dollar amount, I believe the entity ____ us an audit to verify the use of public funds. And if they say they're a nonprofit, then verify your nonprofit status as approved by the State

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or Federal governments. And then, we can also tell them they qualify for those funding sources too.

MS. FUKUMOTO: Right. Right.

COUNCILMEMBER HOKAMA: That is part of the other side of the advantage – the qualification of Federal dollars or State dollars. And so, you have a Specialist in your office currently that is, last question, Chair, yeah, seeking these additional opportunities of other governmental funding or foundation funds? You have someone who is assigned by you to go and search to see if there's . . . *(inaudible)* . . . other pots of money that we should try and cap for community benefits?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: We do not have an assigned person at this point. As soon as I took office, the immediate need was for us to establish our what you would call financial benchmarks. The challenge has really been that last fiscal period the new established grant funding for various districts created this, you know, separate layer of making sure, you know, we still have monies in certain districts. My immediate need was to get balances for every Council person and whatever district that they were in. Moving forward, you know, as we gain traction and having accomplished just some benchmark things within the office, there's no assigned person but, in general, with respect to every specialist, I'm asking them to possibly find and seek other opportunities outside of what we currently have, which is just County funding. Yeah.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Member Lee?

COUNCILMEMBER LEE: Thank you, Madam Chair. Good morning, Kay.

MS. FUKUMOTO: Good morning.

COUNCILMEMBER LEE: I really don't have any questions for you, but I do have a couple of comments following up on Mr. Hokama's questions. You know, the Department of Housing and Human Concerns oversees the most grants --

MS. FUKUMOTO: Right.

COUNCILMEMBER LEE: --in the entire County system. And on the application itself, it asks the applicant to list other sources of funding. So, you don't really need a person to check on those things because it's on the application itself. And secondly, we require an annual audit. Now, you may run across a brand new nonprofit that you want to fund. Well, what we would do was have them be umbrellaed by a current nonprofit and that nonprofit has a history and status with the County so that they can take care of the annual audit. And normally, they would mentor and oversee this new nonprofit maybe for a couple of years before they wean off and go on their own. But those are a couple of things. And even if you talk to the Housing and Human Concerns folks, they probably could give you other suggestions on how to expedite the processing of grants.

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Our hang ups were generally internal like Corporation Counsel used to take an awfully long time and then Finance as well. And it's usually because they're short-handed and they get 'em all at the same time, you know. They get maybe a hundred grants from us at one time and maybe another --

MS. FUKUMOTO: Right.

COUNCILMEMBER LEE: --75 from you guys and all the other Departments. So, they're just kind of overwhelmed at that period of time. That's all I have to say. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Member Molina?

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair. And thank you, I appreciate your two-two format, yeah. You know, two rounds, two questions each so I'll try to adhere to that so. But anyway, good morning, Ms. Fukumoto, and thank you for that very thorough presentation. I don't have too many questions but just basically looking at this upcoming Budget year, and I know it's through the Mayor's Office budget, anything you see for your, I guess, subsection of the Mayor's Office or sub-Department? Are we looking at a potential additional requests for funding for anything that through your office?

CHAIR RAWLINS-FERNANDEZ: Director?

COUNCILMEMBER MOLINA: And I guess I'll ask my second question at the same time. Who's your Ag Specialist too? And I appreciate Chairman King bringing up the subject of a possibly an Agriculture Department since now with all of these lands available I think the need for an Ag Specialist is important. I think Mr. Yamamura retired now, yeah, --

MS. FUKUMOTO: Right.

COUNCILMEMBER MOLINA: --so anyway, you can go ahead. Thank you.

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Thank you for the question. We currently do not have an Ag Specialist. We're in the process of that hiring process. With respect to I think, you know, moving forward on any agricultural concern, you know, with the change recently in our Ag economy there's definitely a need for coordination. Whatever . . . if you have a large landowner doing something, we definitely want to make sure that the smaller farmers have a voice as well, you know. So, I do want to encourage discussion about where we move with this Agricultural Department . . . and I'm sorry, your first question --

COUNCILMEMBER MOLINA: Yeah.

MS. FUKUMOTO: --with respect to . . .

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COUNCILMEMBER MOLINA: Basically, the first question was anything, are you going to be coming to us with a consideration for any additional funding through the Mayor's Office for your Department?

MS. OKAMOTO: Right. I have my request in but, obviously, until the budget comes down things change constantly. And so, I would, you know, would like to, you know, come and talk about that if there are any changes that I have initiated. If it does come through the Mayor's budget, I would certainly love to come before the Council to speak about them. But at this point, everything is just request until the budget comes down.

COUNCILMEMBER MOLINA: So, nothing is final. I just wanted to pry in earlier, you know. Inquiry minds want to know, yeah. So, and I appreciate you wanting to do these I guess quarterly visits with us. I think it's important we keep an open-door policy with the Administration especially your Department. So, look forward to doing that with you in the near future and, again, appreciate you providing flexibility for grants throughout our community. You know, we have sometimes have organizations that may be missed the Administration's deadline but I'm assuming that you would provide some flexibility to maybe allow for some exceptions to the rule. So, I guess I would present on a case-by-case basis. So, okay, but thank you. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Sinenci?

COUNCILMEMBER SINENCI: Mahalo, Chair. Thank you, Ms. Fukumoto, for your presentation, for being here. Yeah, and so, my first question was kind of on the lines of Member Molina about the district funding and how Office of Economic Development helps the communities, each of the communities, what kinds of funding that they provide for the district communities and what is the Department's oversight at picking those grantees?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Thank you for the question. With respect to I think there was a big transition . . . well, I felt that there was a big transition from last budget when we did allocate district funding. And there have been some challenges because there were districts that ran out of funding and there were still projects that were coming. And in the past, you know, there was a bigger fund and we weren't . . . there wasn't district-related accountability, you know. It was whatever projects came forward and there was then, you know, a look to see how, number one, we always have to look at if they qualify, number one, right, because we have various grants in our office that are either environmental, agriculture, economic development, and culture. Sometimes we would get these requests and they were more like human services related grants, you know, and so we would have to encourage them to go elsewhere because our grants were limited to our scope. With respect to, I think when it became district funded, you know, that sort of was I think the criteria when we started to get grants now that used to be in a bigger pot and we never had to worry about districts we then had to separate them into districts and see which districts would then be funded. Now, just

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as a background, when there was a bigger pot and there were projects being funded, you know, obviously, the grantees that had line-item provisos, line-items in the budget or they were proviso'd, those you know would get the funding and they would process the grant applications. But there were many grants and grantees who were not necessarily line-itemed or proviso'd, but they continued to do projects within their district over many years. And so, we have started and are trying to finalize a listing of grantees who have received funding over a stretch of five years so that, you know, it's been consistent that this particular grantee has gotten this amount of funding over this year. We're working on that right now as we speak trying to complete it before the budget goes down so that you all will see that these particular organizations were funded consistently over a period of time. And then, there are grantees within separate districts that were getting consistent funding also, and we would like you to know that. You know, it's easier if the district funding is not proviso'd because then, you know, we have some flexibility as to projects coming in. When . . . if you, as a district, proviso everything, there's no room for any new things coming and, you know, that of course from an economic development standpoint or any standpoint – environmental or any, you know, we'd like to keep flexibility with some cushion of not having proviso'd. But that's essentially, you know, moving forward that's essentially what we would be doing is looking at where, what the projects are, carving them up into districts and then seeing, you know, where we can fund them.

COUNCILMEMBER SINENCI: Thank you. My second question, on Granicus Item 3, there's a list of funds that will be unencumbered from the FY 2020 Budget.

MS. FUKUMOTO: Uh-huh.

COUNCILMEMBER SINENCI: Is that, meaning that those funds will carry on till the next year? Can you clarify?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Well, that was a listing as of the date of that letter. We're still processing grants and so there are still grants being, you know, lowering that amount. However, if there are, is any funding left over, I believe it just gets sent back to the General Fund.

COUNCILMEMBER SINENCI: Okay. Thank you.

MR. UEOKA: Chair?

CHAIR RAWLINS-FERNANDEZ: Mr. Ueoka?

MR. UEOKA: Generally speaking, funds that are not encumbered in a fiscal year lapse on June 30th of that year and just turn into Carryover Savings unless there's CIP then they lapse unencumbered on December 31st I believe. Thank you.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Members, that first round took about 40 minutes. So, if . . . I'm wondering if you have no objections, maybe we make a two-one format. Okay. So, we'll have one question in this round and then additional questions the Committee will collect, and we'll get in writing. Chair King?

VICE-CHAIR KING: No additional questions, Chair. Just thinking you might want to limit it to just the first round because we're not going to get through this agenda if we don't. So, I don't know if anybody got any pressing need but, otherwise, I'd be happy just to send any thoughts on paper.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair King. Mr. Hokama and then Ms. Paltin.

COUNCILMEMBER HOKAMA: Chair, I can support your position. This is just a general overview so, for me, the work starts when we get the Details. But I will ask you to forward on our behalf as a Committee a written question to Ms. Fukumoto's office how shall we use the Office of Economic Development to look at redirecting the driving factors of our economy? Okay. We'll need to start making adjustments before our residents turn against the tourists. Okay. We're getting signals. We need to pay attention to the signals and so part of it is how do we readjust our drivers. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Hokama. We'll get that question and response by Ms. Fukumoto. Ms. Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I just had a question like for your Department is the goal to eventually have all these grants and awardees become self-sufficient in the future like, you know, how there's the first Fridays or the Friday town parties? Is the goal to like continue to supporting them on even the Made in Maui County Festival? Are we looking at eventually having them become more self-sufficient or is it the goal to just, you know, continue to prop it up?

CHAIR RAWLINS-FERNANDEZ: Director?

MS. FUKUMOTO: Thank you for the question. There is a sustainability question within the grant application and, you know, having just stepped into this office and just briefly doing an overview of all the grants that we currently have, I would like to look for a more, you know, having grantees be more sustainable. So, definitely moving forward I would stress that. And you know, I think part of economic development is to be the driver, to help create or look for the diversity in our economy so that we're not, you know, just relying on one specific industry. And, you know, being able to fuel that driver for the next to become, you know, more of a diversified economy I'd certainly like to add the fuel to that fire and help it grow and then, you know, have it become sustainable and, you know, on their own. So, we would . . . we will definitely be looking at that from my Department, yeah.

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COUNCILMEMBER PALTIN: Mahalo.

CHAIR RAWLINS-FERNANDEZ: Members, any other pressing questions? Okay. Member Lee?

COUNCILMEMBER LEE: Pressing comment. You asked about actors, men and women actors, you know. In case you run out, you have nine over here. Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee.

COUNCILMEMBER SUGIMURA: Chair, one . . .

CHAIR RAWLINS-FERNANDEZ: Oh, Member Sugimura?

COUNCILMEMBER SUGIMURA: This is a question maybe to add to Mr. Hokama's. In our current Budget on page 20, under OED – there is grants and disbursements of visitor education. So, in there was \$200,000 and it specifically asks for campaigns targeted at visitors that will mitigate visitor impacts on infrastructure and the environment. It talks further . . . further talks about topics may include but not be limited to sun screen, reef health safety in and around the ocean, hiking trails impact, illegal short-term vacation rentals on residential housing, identifying illegal vacation rentals and learning to be respectful guests to culture and the environment. So, I'm wondering if you could have a report back. I did, when I did meet with Sheri from MVB, she did show me a video that they put together, I mean, very impactful. So, I'm wondering where is it being shown, what kind of future thoughts are they having regarding this because I think it's important in terms of education of visitors. I just watched the Planning Commission meeting and it talks about exactly that as a condition where short-term vacation rentals had to have some kind of handout to give to their guests on this kind of information. So, I wonder if there's some partnering that can be happening --

MS. FUKUMOTO: Uh-huh.

COUNCILMEMBER SUGIMURA: --with the Planning Department on what they're doing, and the requirements being put on these new short-term vacation rentals . . . just so that they're safe, you know, --

CHAIR RAWLINS-FERNANDEZ: Uh-huh.

COUNCILMEMBER SUGIMURA: --and there's no abuse. So, anyway, if you could send a letter in that regard.

CHAIR RAWLINS-FERNANDEZ: Okay, we'll send that in writing.

COUNCILMEMBER SUGIMURA: Thank you.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Sugimura. Okay, Members. Thank you, Director Fukumoto for your presentation and for fielding our questions.

ACTION: DEFER pending further discussion.

ITEM 24(6): PRE-BUDGET SESSION PRESENTATION (OFFICE OF THE COUNTY CLERK)

CHAIR RAWLINS-FERNANDEZ: Now, I'll invite our County Clerk's Office down to get set up. And while they're getting set up, I'll . . . now that we had our first presentation, my thoughts are that we'll have our County Clerk do the presentation, we'll break for our morning recess, and then we'll come back and do one round of questions and then we'll call up our Auditor to do their presentation and a round of questions. Okay. Mr. Nishita, are you ready?

MR. NISHITA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay.

MR. NISHITA: Good morning, Committee Chair Rawlins-Fernandez and Members of the Economic Development and Budget Committee.

CHAIR RAWLINS-FERNANDEZ: Good morning.

COUNCILMEMBERS: Good morning.

MR. NISHITA: Thank you for allowing me the opportunity to present to you today on our proposed Fiscal Year 2020 budget. We know how valuable your time is so we're going to try to keep this overview brief today. The Office of the County Clerk serves among other responsibilities two essential functions for our County. Our Legislative Division supports the legislative activities of the Maui County Council. The Legislative Division assists in the management of the County Council's meeting schedule and calendar. They prepare Council meeting and public hearing agendas and the relevant legislative materials to be considered at each meeting or public hearing and prepare Council meeting and public hearing minutes and appropriate follow-up correspondence. They procure services and administer the codification of ordinances and the publication of the Maui County Code and Charter. The Legislative Division also indexes, retains and retrieves official documents of the County as required by law. The Elections Division is primarily responsible for voter registration and early voting, which includes absentee walk-in voting and absentee mail-in voting. Other functions include but are not limited to candidate filing activities and petition reviews. The Elections Division of the Clerk's Office registers voters in the County of Maui. In partnership with the State and other counties, the Elections Division administers all Federal, State and County elections conducted within the County. They oversee the maintenance, storage, and operation of voting equipment; resolve questions related to the electoral process; processes, indexes and retains all voter registration affidavits; issues absentee ballots

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for Primary, General, and Special elections; and issues Certification of Elections. Our Elections Division also participates in community outreach activities. Past activities have included events, such as voter registration drive throughs, speaking to middle and high school students, attending Barrio Fiestas or Upcountry Fairs. Office of the County Clerk staff works extremely hard on behalf of the County and the size of our staff fluctuates in election and non-election years. We also assist in recruiting hundreds of election day volunteers to work across the County on election day, and their service to our office and Maui County residents is invaluable. Here's a snapshot of our Fiscal Year 2020 proposal broken down by accounts. Our "A" Account being salaries, wages and premium pay; "B" Account being operations; and our "C" Account being equipment. The total we have requested for Fiscal Year 2020 is \$1,633,424. Just to put this in perspective this is a comparison of the past few non-election fiscal years. We classify even fiscal years as non-election fiscal years because they end before the actual Primary and General elections take place. Thus, in this case, Fiscal Year 2020 will end on June 30, 2020 while the Primary and General elections will take place in August and November of 2020, respectively. As you can see, our overall Fiscal Year 2020 request is essentially flat to what was approved by the Council on FY '18. For further information, this next slide is a summary of our FY '20 proposal broken out by Index Codes for our "A" and "B" Accounts, and the equipment request in our "C" Account. In total, our office is requesting \$1,633,424 for Fiscal Year 2020, which is approximately as I mentioned previously flat to what the Council appropriated in FY '18. And before I conclude the presentation to you guys, I just wanted to recognize the staff of our office and thank them for the amazing work that they do. Most of what they do on a day-to-day basis goes on unrecognized, but I see how hard they work each and every day and the dedication and perseverance they exhibit on a daily basis, and I'm truly thankful for their service to the County. Oprah Winfrey once said, surround yourself only with people who are going to lift you higher. I can honestly say that all of the staff in my office encourages me, they challenge me, inspire me, and support me and I couldn't do any of this without their tireless efforts. And given that we have limited opportunities to thank them publicly, I wanted to take this opportunity to thank them. Thank you, Committee Chair and Members for taking the time to hear from my office today, and for all the work you put into strengthen and build our community. Your efforts don't go unnoticed. And on behalf of my office, thank you for all you do to make Maui No Ka Oi. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Nishita, for a six-minute presentation. Good job and very quick. So, Members, I'd like to take our 10-minute morning break now, and then we can set up the presentation for our Auditor and then when we come back, we'll start with Committee Vice-Chair King.

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

CHAIR RAWLINS-FERNANDEZ: Okay. All right. We'll do one round of two questions each and then we'll take our morning break. We'll start with Committee Vice-Chair King and then we'll go to Member Sinenci.

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VICE-CHAIR KING: I don't really have any questions because I actually sat down with the County Clerk's office and went over this budget already and everything seems in order. So, I would just like to return your thanks and gratitude to your office because you started off as your . . . holding, upholding the integrity of the office. I'm good. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. I, too, met with Mr. Nishita prior and but I just wanted to make a comment that when he went through his budget the alternating fiscal years with election years and non-election years. So, that was pretty interesting where you almost . . . you had these temporary workers during the election and then none on the non-election year. So, it kind of . . . his budget kind of balanced out so to speak between those two years. So, I just wanted to make that comment if you wanted to respond.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Sinenci. Did you want to make a comment . . . respond to that? You don't have to. Okay, Member Molina?

COUNCILMEMBER MOLINA: Thank you very much, Madam Chair. And good morning, Mr. Nishita. I think my line of questions might be longer than your presentation, but I appreciate what you do certainly. And Madam Chair, since Members King and Sinenci didn't have their two questions, can I take their two questions?

UNIDENTIFIED SPEAKER: No.

COUNCILMEMBER MOLINA: Oh, okay. I _____ up objection. No, I just have a couple questions. Might be a little bit long winded but just something I need to ask you. My understanding is you're asking for an Admin. position when you've never had one in the past. Can you just kind of justify it because my understanding is some of your personnel have been doing the duties of an Admin. position so now why would you want an Admin. position?

MR. NISHITA: Thank you, Committee --

CHAIR RAWLINS-FERNANDEZ: Mr. Clerk?

MR. NISHITA: --Chair Rawlins-Fernandez. And thank you for the question, Councilmember Molina. So, what we're asking for is a re-description of a current position so just to make that clear not a new position that we're asking for. And the re-description is on an Office Operations Assistant II position. When the previous County Clerk and I had come forward with that and was approved by the Council, that position was viewed as a . . . essentially a lot of the duties to function for that position was as a private secretary to do calendaring and appointments and emails and things of that nature. And as part of succession planning efforts, in coordination with alleviating some of the duties and overtime responsibilities from our Supervisors, I view this as a necessary step in that direction to make sure that our office is set for the future. One of our

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Supervisors has I think about 41 years of experience, almost all of it entirely with the County Clerk's Office. And another one, I believe, is almost 30 years of experience all with the County Clerk's Office so, I would love for them to stay for the next, you know, 20, 30 years but we know that that's not realistic and, you know, in order to set up our office to succeed in the future, I believe that's a step in the right direction.

COUNCILMEMBER MOLINA: Okay, thank you. And my next question is, typically you have seven permanent election staff during an election year. Now, also, are you going to be seeking seven for a non-election year? And if so, can you tell us why?

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

COUNCILMEMBER MOLINA: 'Cause typically, you have three in a non-election year as brought to my understanding.

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Committee Chair Rawlins-Fernandez. If I could just get clarification on the question? Was that on the permanent staff or was that on the temporary staff?

COUNCILMEMBER MOLINA: I believe it's permanent. Seven election staff during a non-election year so you. . .that's what you're requesting seven permanent now for a non-election year? I just wanted to get clarification on that request.

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Madam Chair. Let me take a second to pull up the proposal but any permanent positions that we have, all of our positions are civil service. All of our permanent positions, I should say, are civil service employees so they don't essentially come and go with election and non-election years as our temporary election clerks do. Looks like we have. . .I'm not counting seven, as you are, but all of our election staff is responsible for voter registration activities in the non-election years. We also underwent a major shift in our voter registration system. So, if you can imagine some of the maybe for the returning Members some of the problems that you may have faced in transitioning to Granicus, our election staff transitioned to a new Statewide voter registration system and for the first year we implemented it in 2018. And if you can imagine Granicus on a Statewide level and all of the issues and things that have to be worked through and they did a tremendous job preparing for that, implementing that, and it actually indicated in my response to the Committee, written response, we did see overtime savings as a result of the implementation of the new Statewide voter registration system. So, there's lots of activities that we have to do in a non-election year, including updating standard operation procedures, you know, voter registration activities. We have . . . we receive about 35,000 I believe declinations from the Department of Motor Vehicles every year. It's, you know, planning, coordination with other State and government agencies. We have Department of Homeland Security coming in, in April, along with our Election Infrastructure Information Sharing and

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Analysis Center to come and help us institute best practices and review our current cybersecurity measures in place with Information and Technology Services and our own staff. And so, there's a lot of things that have to be done in a non-election year to make the whole thing work, including the opportunity for Initiative petitions, Charter amendment petitions that may be submitted to our office.

COUNCILMEMBER MOLINA: Okay. So, I guess it's looking ahead and having these seven during the non-election cause typically, you know, in a non-election year, you just have the three Legislative staff, yeah. And so, any. . . finally, just please do outreach with the State Elections because since the State is oversight, I don't know if you have already but in my opinion, they should be providing some additional resources for our office and, you know, I'm glad you brought up the Granicus too because I brought up that same question with Council Services about the, you know, staff having to take on that additional responsibility. So, anyway, and I'm hoping that you do some research, if you haven't already, to look at other options besides Granicus. So, anyway, but just quickly, have you talked to the State Election Division about providing you some additional support?

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Madam Chair. Yes, we're in constant communication with the State and the other counties. You know, one thing that Councilmember Hokama who mentioned to me I think it was around 2015 when he was instituted as President of NACo was to really communicate with the other counties, you know, not just in Hawaii but nationwide. And we have leveraged, you know, his name and his resources as NACo, former NACo President to get information on best practices from what other counties are doing, and we share that information with the other counties in the State as well as the State of Hawaii. And not only best practices do we learn from them, but we also learn what not to do, the mistakes that other counties have made or maybe the attitudes or the stances that they take on things. But, yeah, to just kind of go back to your original question, the State has responsibilities set forth in State law and Hawaii Administrative Rules and the counties have their own responsibilities set forth. And sometimes the things overlap but we do a fairly good job, in my mind, of working in coordination with everyone and making sure that everyone pays their fair share.

COUNCILMEMBER MOLINA: Okay.

MR. NISHITA: Thank you.

COUNCILMEMBER MOLINA: Thank you very much, Mr. Nishita. And thank you, Madam Chair, for the flexibility.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Molina. Ms. Lee?

COUNCILMEMBER LEE: Thank you. I'll make mine short unlike the previous speaker. Josiah, when do you think is the time that we're going to have an all-mail system?

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And are we going to. . .are we going to need a Charter amendment and what are the steps involved? Okay.

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Madam Chair. It's a really good question. A change would need to be made in State law to do all-mail elections. I would just note that that's for normal primary and general elections as we consider them. Any special election that were to take place if there was a vacancy in Council or in the Mayor's Office. For example, the County would have the sole discretion as to what kind of special election we'd like to do, and in the past, the counties have utilized all-mail provisions to hold those special elections. But for the normal primary and general it would take a State law change. Kauai did get approval back I want to say in 2017 or so to go to all-mail in 2020, and we've been pushing for that for some years now. There are two bills before the State Legislature right now. One is to implement all-mail Statewide in 2020 and the other one is to implement mail Statewide in 2022. We've seen bills like this progress all the way in Conference in the past and then die. So, I really can't tell you right now the future of it, but it definitely looks like the State is moving in that direction. Just the timing of it I wouldn't be able to tell you at this point.

COUNCILMEMBER LEE: Thank you. And one last thing, if you decide to get a new printer, I'd be happy to support you. It's all fuzzy this thing is all fuzzy, but I know you're trying to keep a flat budget but sometimes you have to spend a little. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Member Hokama?

COUNCILMEMBER HOKAMA: Chair, thank you. I would say in my years of hanging around this place it goes multiple decades. Clerks has been a very consistent component of the County and the Council. Very consistent in its quality, its output, and it's amazing what the, how small they used to be and was able to do all the work of the County, including records, keeping of the records. So, for me, I have no questions. I trust in our Clerk. I reviewed his numbers. Again, he's being very frugal, but I think he budgeted appropriately and is looking at the right internal adjustments. So, I would just say that I wish everyone else would follow his example. Thank you.

CHAIR RAWLINS-FERNANDEZ: I agree. Mahalo, Mr. Hokama. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I just was wondering about the structural integrity of you guys office, the back window. Does it leak?

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Madam Chair. Yes, there's leaks all over the building. We have multiple leaks in our office. But I believe the Administration is undergoing a project right now to kind of seal up some of the outside. Whether or not that addresses all of the issues I guess remains to be seen but if you see individuals on scaffolding outside,

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I believe that's what they're working on right now but, yes, we do have some leaks in our office.

COUNCILMEMBER PALTIN: So, you don't have to cover that in your budget because the Administration is doing it?

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Madam Chair. We cover any like internal so, you know, if some ceiling tiles kind of get messed up or if we have to, you know, repaint or something like that, we'll cover that for inside the office. But, yeah, the outside of the building, I believe, is covered by Public Works.

COUNCILMEMBER PALTIN: Okay. Yeah, looks like it should get addressed that's why.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Sugimura?

COUNCILMEMBER SUGIMURA: So, from my years of experience and listening to the Clerk's Office, for real, they are, you know, very frugal. They have staff that has been there for years, they know what they're doing, and I don't think we need to really question his budget. I did have a question regarding what happens election to election which he answered that today as well as when I talked to him previously. And I would hope that, yeah, more Departments are like you where you have the Administrative strength so, thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Kama?

COUNCILMEMBER KAMA: Thank you, Chair. I just have a real curious question. You know, this past election was the first time that our County ever had walk-in voting. Can you share a little bit of what that was like?

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

COUNCILMEMBER KAMA: Same day.

MR. NISHITA: Thank you, Madam Chair. Yeah, I think your question is centered on election day registration.

COUNCILMEMBER KAMA: Right.

MR. NISHITA: In 2016, I believe, they implemented that for during our early voting periods. And then in 2018, was the first time it was implemented for election day. You know, in general, I think the community was very appreciative of that change in State law. I think we had in the general I want to say around a thousand people or so that came out to register on the day of and vote that day. So, in years past, those individuals wouldn't have had the opportunity to vote on the day of the election. So, I think, in general, the community was supportive of it. It's just like anything with, you know,

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the best analogy I can use is like going to the DMV or going to get your car safety checked at the end of the month.

COUNCILMEMBER KAMA: Yeah.

MR. NISHITA: You wait till, you know, the end of the month you're going to have to wait in line.

COUNCILMEMBER KAMA: Yes.

MR. NISHITA: It's going to take a little bit longer --

COUNCILMEMBER KAMA: Yes.

MR. NISHITA: --because a lot of people are coming to do it all at the same time and if, you know, you come earlier then things will be a lot easier for you. So, you know, people do have to wait if they wait till the last date to address any of those issues. But beyond that, I think people were appreciative of the opportunity.

COUNCILMEMBER KAMA: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Okay. I . . .I would like to thank your office for the, your more aggressive voter registration ideas last year. I think they are really helpful in getting out the vote and mahalo for your important work that you do at the office. And if there aren't any further questions, . . .

COUNCILMEMBER HOKAMA: Just one quick question.

CHAIR RAWLINS-FERNANDEZ: Sure. Member Hokama?

COUNCILMEMBER HOKAMA: I apologize. I do have one question that just came to me because I brought this up at the Capitol yesterday. Are you already making your pre. . .not pre, are you already anticipating making plans how to deal with reapportionment that will come in a few years?

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Madam Chair. Yes, we are, you know, beginning, initial preparations. Reapportionment will start in 2021 so we are still a few years out but we are in coordination with State Office of Elections to make sure that, you know, those plans are under way, and then also working with them on their budget request to the State Legislature to make sure that the appropriate funding is there for, you know, like GIS Analyst and the like consultants that may be needed to conduct the reapportionment.

COUNCILMEMBER HOKAMA: Okay. And that's why, Chair, I made it a point that we must make sure that rural Maui County is counted accurately because it will make a

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difference on where the lines are drawn for the various important State Districts, and it's something that I believe the Clerk is aware of. So, I appreciate his already pre-planning efforts to keep this County ahead of the ball. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. I do have one question. The Honolulu City. . .no, the City and County of Honolulu is having a special election and I understand that our Clerk's Office is helping with that. My question is two-fold. Are other Counties also assisting with the special election and as far as helping to fund this process? Is that the \$250,000 request or is the City and County helping with that?

MR. NISHITA: Thank you, Madam Chair, for the question. To get to the second part of your question first, the \$250,000 that's allocated in our budget is specifically only for Maui County's special election. So, none of those funds would be used for any other County other than if we were to have a special election in the County of Maui. To get to the first part of your question, every other County in the State of Hawaii is assisting with the special election. As part of our kind of coordinated efforts, you know, we essentially have an informal agreement amongst everyone that if we have a special election that we will all assist each other in whatever ways possible. As of right now, City and County of Honolulu is paying for the staff that's going over to assist them on special election day and as well as they've opened up the opportunity for us to actually see all their operations in action, if we wish to do so, as well as looking at how they've planned and implemented the special election for the City and County of Honolulu in the event that Maui County were to ever have one that we'd be better prepared for it. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Chair King?

VICE-CHAIR KING: Yeah, just to follow up on that. That was a good question. Thank you. So, the City and County of Honolulu isn't their Council - they have voting districts? They have district voting?

CHAIR RAWLINS-FERNANDEZ: Mr. Nishita?

MR. NISHITA: Thank you, Madam Chair. Yes, my understanding is they're by representative district.

VICE-CHAIR KING: So, it's actually a very small. . .it's a district that you're going to really help with so I just wanted to kind of make that point because when we ask for help it's going to be a daunting task for if we ever have a special election because it's Countywide. So, we should be willing to help our neighbor island sisters because when we're going to need help, we're going to need their help unless we change our system. Thank you.

CHAIR RAWLINS-FERNANDEZ: Right. Okay, Members, I will now thank Mr. Nishita for his presentation and for responding to our questions. We will break for our morning recess.

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COUNCILMEMBER MOLINA: Madam Chair, your recommendation is deferral?

CHAIR RAWLINS-FERNANDEZ: Oh, yes. Oh, and the other one too. Okay, sorry. Mahalo, Mr. Molina. Okay, Members, I will defer EDB-24(6) and EDB-24(4), which is the Office of Economic Development, if there are no objections.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay. Mahalo, Mr. Nishita. Okay. It is 10:31; I will recess for a ten-minute break. Please be back in your seats by 10:41 and we will start with the County Auditor. Mahalo, Members. Without any objections, I will now recess. . . . *(gavel)* . . .

ACTION: DEFER pending further discussion.

RECESS: 10:31 a.m.
RECONVENE: 10:42 a.m.

**ITEM 24(2): PRE-BUDGET SESSION PRESENTATION (OFFICE OF THE
COUNTY AUDITOR)**

CHAIR RAWLINS-FERNANDEZ: . . . *(gavel)* . . . Will the Economic Development and Budget Committee please return to order? It is March 14, 2019 at 10:42. Oh, what did I say, 14th, sorry, it is March 19th at 10:43. Okay. We have with us from the Auditor's Office Mr. Lance Tanaguchi [*sic*]. Are your ready to begin?

MR. TAGUCHI: Thank you, Chair. Thank you for this opportunity to discuss the Fiscal Year 2020 Budget for the Office of the County Auditor. As you are aware, the mission of the County Auditor is to serve as a catalyst for positive change in the County government through focus independent audits and examinations, advocate for efficient and appropriate use of public resources, increase government transparency for the purpose of bringing higher quality life to the citizens. Our office is responsible for promoting economy, efficiency, and improved service. Our office currently consists of myself, two Senior Analysts, and an Administrative Officer. We're currently are recruiting for an additional Audit Analyst. In the Fiscal 2020 Budget, we are requesting for your consideration a part-time office Support Clerk to assist our Administrative Officer as well as provide secretarial support for the Cost of Government Commission. I prepared a chart for you. I think it's before you. The chart serves as a . . . it's like a template for the office and where I'm trying to move the office to. First of all, I think you're well aware of the Government Transparency & Efficiency side of the chart where we do performance auditing. We also oversee financial audits for the CAFR, Department of Water Supply and the Single Audit. And but what's relatively new is the other side of the ledger, which is the public engagement. Public engagement is something that I haven't done a lot of in my initial

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term. I believe at this point in time I want to, I feel comfortable in moving forward with trying to engage the public more than in my previous term. And the methodology to do that would be – I’m looking into a Fraud, Waste & Abuse Hotline. This will help the public and have a place to file their complaints and concerns. Prior to this, I didn’t consider it only because one of the key points about having a hotline is that the support to respond to those calls has to be in place before you even think about opening a hotline, otherwise, people will get frustrated that their calls are not being answered. So, I’ve been looking into a way to get that accomplished and probably the most efficient way we’ve been looking at is to outsource some of the call answering. Another aspect of public engagements, which I’ll be doing more of in this second term, is speaking engagements. I’ve been asked by professional organizations and community groups to speak. In the past, I hesitated to speak to them because most of my . . . most of the things I wanted the public to see was within the covers of my report because I stand by my report. I’m very careful in what is said in the report. What I’ve found that to engage the public better, there are areas I can talk about and not necessarily do an audit on, but I need to be careful because I don’t want to infringe on any type of independence that may be necessary for future audits. A good example of like things I talk about here in the Chamber which I could be, I would be able to talk about in public would be things like when we talk about the unfunded liabilities and the risk that it brings to the County and the importance of us being diligent to fund these types of things. These are things that are common sense ideas, but I think it helps to make the public more aware of it so that it remains top of mind, so they understand why there are increases and why government asked them to support government activities. And the final part, which I haven’t done any of yet, but I’m looking at a possibility of doing something like it in the future would be public surveys. There are other offices, my counterparts like in the City and County of Honolulu where they contract a third-party person and they oversee that person to create what I would call public surveys. I think if you go to the City Auditor of Honolulu’s website, you’ll see these reports called Citizen-Centric Report. And there’s a large report called Service Efforts and Accomplishments Reports. These reports are a combination of surveys which are contracted by the Auditor to engage the public as well as taking some of the information from the CAFR or the Comprehensive Annual Financial Reports and other reports, and by utilizing those tools they condensed the information into a more digestible form for the public. The Citizen-Centric Report is pretty much just a short report to say how is the City and County of Honolulu doing in certain area. It does not answer specific questions, but it gives a flavor of whether they’re doing better, whether they’re doing worse and I believe by having the City Auditor contract that report it helps in the terms of public confidence on how fair and independent the report is. So, it gives a layer of comfort, I believe, to the public that the reports are more accurate and represent better how they actually feel. And I’ll end my presentation at that point.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Taniguchi [sic] for your speedy presentation. Members, I’m going to start with Member Kama and then we’ll work our way down. Okay. Member Kama?

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COUNCILMEMBER KAMA: Thank you, Chair. So, did you mention during your presentation or did I not get it what was your overall ask?

MR. TAGUCHI: Oh, I did not give the details that I provided to the Administration.

COUNCILMEMBER KAMA: Okay.

MR. TAGUCHI: Maybe I should have. I do have one available. I tried to keep focus more on the larger areas. If you want, I can go through the information that I have collated for the . . . in response to the letter that was sent to me from the Committee.

COUNCILMEMBER KAMA: Chair, if that's okay, he can probably just send it to us as opposed to him having to take the time to answer it.

MR. TAGUCHI: I did not --

COUNCILMEMBER KAMA: Okay.

MR. TAGUCHI: --send it in writing yet. I was going to do that after this meeting.

COUNCILMEMBER KAMA: Okay.

MR. TAGUCHI: But maybe I can help you a little bit in terms of total overall budget for my office is about 1.3 million. Majority of that is salaries and wages. I do pay rent expense which is minimal. There's office expenses.

COUNCILMEMBER KAMA: Uh-huh.

MR. TAGUCHI: Embedded in my budget is approximately \$30,000 for the Cost of Government Commission. Cost of Government Commission uses that money primarily for airfare from Maui-Molokai, supplies, and the biggest cost for them is they employ an outside technical writer who's contracted through my office to support the Commission. Other than those areas, the biggest request from my office is for audit services. Audit services, I believe last year was about \$450,000 in appropriations. Audit services encompass the third-party auditor for the CAFR Audit, Department of Water Supply and the Single Audit. We also have another category which is used for professional services that may be needed by our office during the course of an audit. In the past, I have not expended those funds and if those funds are not needed, in other words, if we don't need an attorney or we don't need an engineer, I will not spend the funds. That amount in Fiscal Year 2019 was approximately 200,000. I need to explain a little bit about why that amount is there. The amount is there because depending upon the audit engagement or the audit that I select, I may need professional help or additional audit services to help me accomplish the audit. Our office has a limited amount of resources. We don't have engineers; we don't have attorneys. So, for example, I'll be looking to start up the audit on the deferral agreements. In anticipation of the audit, I've gone out for a . . . I'm in the process of a professional services procurement to procure an outside attorney. The outside

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attorney will be used, if necessary, to help me analyze opinions from whether it's from the Corporation Counsel. Also, I would rely on that person in case I need to subpoena anything 'cause I don't really have that kind of ability within my office. The professional services allows a layer of independence for my office. Yes, I could come back to Council for a budget amendment to give me more funds. However, in terms of independence for our office, I would rather that, that funds be available because if the auditee is the Council, I don't know how the public will view me asking the Council for additional funds to continue an audit on the auditee. For those reasons, I'll leave an amount and allowance in there for those situations. I will not spend that amount unless I need to, but I feel comfortable that it's there so that if need to I can move forward. In terms of procurement, the Council Chair has the last say in any procurement because the Council Chair is the Chief Procurement Officer. I do not have that authority because the State hasn't provided an authority for the Auditor to procure. So, there's still a check but I feel more comfortable having the funds available and, once again, I haven't used those funds, but I may in the upcoming year.

COUNCILMEMBER KAMA: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Kama. Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you, Mr. Taguchi. I wanted to ask about in the Charter I always wondered why you have a connection to the Cost of Government? On Section 3-9.3, Cost of Government Commission, it says in the first paragraph that the Commission shall be advisory to the County Auditor. I just wondered about that because you're independent from us and the rest of the County government, and what is that they advise you on? And how you . . . how does your Department be responsible for the \$30,000 for Cost of Government? Why is it not at another division?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you for the question. The language in the Charter was set by the Charter Commission at that time. I did briefly look back into the minutes of the Charter Commission to get a better understanding. My understanding from reading the Charter Commission minutes was that they felt that the Cost of Government Commission would have separate, I guess, responsibilities and duties from my office. Early on going into the . . . when I was establishing the office, I believe the Cost of Government Commission wanted, felt that it was their role to oversee the County Auditor, to evaluate the County Auditor, and I didn't believe that that was what the understanding from the Charter Commission. So, my position was that the Cost of Government Commission is not the overseeing entity of the County Auditor and should not evaluate the County Auditor. The County Auditor is appointed by this Council. So, this Council, in the end, because of its appointing authority would be the one to evaluate and re-appoint or not re-appoint the County Auditor, and I think that has taken place. I respect the Council's decision, past Council and this Council's decision to rely on a peer review process because that's the process that I suggested early on because a peer review process helps keep the independence between the

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County Auditor and the Council because it's a third party professional organization or peers reviewing the work of my office, and that, we have completed from November of this year and was transmitted to the Council. So, to shorten the answer, I don't really know exactly why but the way I read the Charter and the Commission meetings it was that it was not to oversee the County Auditor. It was more of a separate organization. I have chosen to make sure that I do not oversee . . . I do not dictate to the Cost of Government Commission what they look at. It is totally up to them. They look at what they want to look at. And my support for them is limited to administrative-type supports and procurement. I hope that answered the question.

COUNCILMEMBER SUGIMURA: I always wondered if we should delete that sentence in the Charter but it's probably harder to do that then worth the effort 'cause it's not accurate. There's other sections of the Charter I look at that is not accurate, it's outdated but so be it. Thank you for the explanation.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Taguchi, for being here. Stoked to hear that you're going to be taking up the deferral agreements soon. Wondering if you have any timeline on that?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: I do not have a timeline on it because I haven't really started the initial investi . . . I haven't even assigned the audit yet. I did not move onto the audit because my auditors were looking at . . . were performing other audits at the time. Also, the timing of that audit was a little more difficult because during the process of that, you know, we were in the election season. I didn't want to . . . the Charter clearly says that I am to stay away from any type of, you know, . . .

COUNCILMEMBER PALTIN: Political.

MR. TAGUCHI: Yeah, support of any candidate or not support any candidate. So, I wanted to make sure that I stay totally clear of that. We will be moving forward but I need to complete the current audits that we're on and then we'll move forward. But until that it's getting close to that point where, you know, I'll start to move forward.

COUNCILMEMBER PALTIN: So, I was wondering if you feel your audit outcomes to date have been taken seriously and your recommendations have been implemented so far on the audits you have completed?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you for the question. We'll have a better handle on that when I revisit the auditees. We generally revisit after about three years or so. We need to have enough time for them to try and implement some of it. But just on a quick, if I can just note one thing. Some of the things that are . . . end up as recommendations in

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our audit. Some of the auditees actually they start to implement. In fact, there have been cases where like with our pCard audit and others that the auditees starts . . . they recognize that it's a problem. And they actually start to change their processes and implementation and they actually begin on resolving the issues that we were finding. One such case was, you know, our first audit we had made the recommendation that the money set aside for the unfunded liabilities be sent to the EUTF as soon as possible to take advantage of their interest that are earned on it because being kept in the County coffers it earned like 1 percent where the EUTF is earning approximately, at that time, 8-9 percent. So, that recommendation was to send it early and it was supported by this Council. I think Council actually put a proviso in the next budget that the Administration had to send it early, and it was embraced by the Finance Director who sent it early. So, that recommendation alone results to close to maybe on an average 750 to a million dollars in additional interest annually for this County. So, that's an instance where it was taken up and implemented immediately by both the Administration and the Council. So, I think there are some significant things that we've done. Some of the other more contentious issues we'll find out as we go back to and revisit those findings.

COUNCILMEMBER PALTIN: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. Mr. Taguchi, I would say, yeah, I'm pleased with your efforts as our Auditor. I know you have a lot of considerations to consider before your final decision on what you're going to plan to audit for the upcoming fiscal year. So, I appreciate that. What peaks my interest this morning at this point in time is your request for supporting staff for the Cost of Government Commission because if we know our history, that was before we had an auditor. Okay. And normally Finance in the past had an internal auditor to take care of certain needs for the Administration. So, quickly, I would say couple things here. One, you are out Procurement Officer of a sort because you have full authority to hire special counsel without anybody else's approval. Okay. So, you have some procurement authority. But by State law it's either the Council Chair or the Finance Director that is the County's Chief Procurement Officers. So, I understand, in general, what you're saying. But, for me, regarding your request for additional staff support I'm glad that my colleagues look at the Charter. So, when you look at our Charter, Section 3-9 on what is the County's policy, 2. and 3. are things that I find intriguing because *2. is eliminating duplication and overlapping of services, activities, and functions. And 3. is either consolidating services, activities, and functions of a similar nature.* To me, now that we have a County Auditor by the citizenry requirement of the Charter, we don't need a Cost of Government Commission any more 'cause you're it now the authorized entity by the people of this County to have arm length separation from both the Administration and the Council . . . arm's length separation, okay, for a purpose. Cost of Government is a mayoral appointee consideration. There's a bias in there that's confirmed by us. There's a bias in there. I consider that more political than you being by law and Charter to have arm's length distance from us. Okay. And I appreciate why we also have a physical distance between us where your office is

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separated from the Admin and the Council. I think that is on purpose to keep the integrity of the Office of the Auditor. So, hearing you need more support for the Cost of Government Commission I'm not going to be too supportive 'cause I think that is expanding areas where we already have the services of your office. That's your job now. So, if you ask me you need one more auditor, I can be open and supportive of that but not to keep going the Cost of Government Commission as an advisor. I don't think they need to be existing any more. I would vote to have it on the Charter to abolish. You have any comments?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Intriguing question. Regarding the Cost of Government Commission, I mean, they, they're currently in the Charter exist. The part-time position that I'm requesting, you know, only a portion of the hours would be used to support the Cost of Government Commission. I would say that no more than if even 25 percent of the person's time is going to be utilized to support the Cost of Government Commission. The reason for incorporating that duties to support the Commission in terms of like agendas and minutes and things like that is because currently the Cost of Government Commission employs a technical writer. In this case, the technical writer currently is an attorney. The rate charged for the services for doing things like agendas and minutes and things like that or helping to administer the meeting I believe it would be taken as a County as a whole it would be more cost effective to utilize someone, a part-timer, in my office. The reason why I need a part-timer as opposed to trying to contract someone for just that limited, limited scope is because having a half-time employee allows me flexibility. So, for example, I'm able to adjust the workload of that part-time employee because currently, my Administrative Officer has a lot of responsibilities. If you can imagine because we're so small our office, you know, our office is like I think 2/10ths of a percent of the County's budget, we don't have the necessary staff to have people that specialize in procurements or specialize in processing of payments. I have one person and she does a terrific job but she's been very much stressed. And I think I need, I know I need to reduce her load so this position will be helping her in things like procurement, pCard processing, timesheets, and all of these things because it's very difficult to have one person, in this case, the Administrative Officer, to know and understand all these applications. I think in most departments, there are a number of people that would help. In fact, our Administrative Officer actually has to do a lot of the computer... when there's computer trouble we ask her, and she goes around and tries to find out the best she can whether it be through the Office of Council Services or the third-party people that you hire or maybe people in the ITS. So, the emphasis of this position is more to help the Administrative Officer. I just saw it as a way to reduce overall costs by having this person doing the minutes and things like that for Cost of Government. I understand your concern.

COUNCILMEMBER HOKAMA: So, you're looking for an LTA so you can have that flexibility and adjust the scope of responsibility and hours of work?

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MR. TAGUCHI: We currently have it as part-time because it would require about like 20 or so little bit more hours. If we can get away with an LTA, then that will be another possibility.

COUNCILMEMBER HOKAMA: I mean, that's for maximum flexibility then you don't need to go through the civil service process.

MR. TAGUCHI: We would . . . my office . . . everyone in my office is not civil service.

COUNCILMEMBER HOKAMA: I understand that.

MR. TAGUCHI: They serve at the pleasure of the Auditor. So, in that port, that's not as a complex a process. A lot of it is going to depend upon the amount of work. We're targeting like 20 hours for part-time but we're not sure. It might go over in the beginning and then less later. I can try and kind of consider a L - limited term appointment but the reality is that the position is going to be required throughout the entire existence of the Office of the Auditor, I believe, because we're going to have payroll, we're going to have computer problems, we're going to have procurement. Even more so because we're moving, in my understanding, to a new . . . is it, HR payroll system. It's been taking a lot of my . . .

COUNCILMEMBER HOKAMA: I need you to audit that.

MR. TAGUCHI: And that could be a consideration. But that's the reason why we look forward to be part-time versus a limited term.

COUNCILMEMBER HOKAMA: No, but I was intrigued because you just told this Committee earlier, a while ago, about third-party considerations. I have no problem with looking at qualified third-party considerations to assist your office . . . for specific requirements that they're going to address specifically for you to create the results you need.

MR. TAGUCHI: Councilmember Hokama, are you referencing like this limited term appointment position or. . . ?

COUNCILMEMBER HOKAMA: I'm open to many things within the Office of the Auditor --

MR. TAGUCHI: Okay.

COUNCILMEMBER HOKAMA: --to go to qualified and/or licensed and thirty party entities to provide you with that non-biased perspective of a certain function or operations of this County.

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Yeah. And thank you. And that is why we appreciate the Council's consideration of the Professional Services amounts in our budget because it does allow

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us the flexibility to do exactly what you said to get the technical expertise. For example, if we did an IT audit, we could hire a third-party person with that capabilities because we do not have that capability within our office. So, I appreciate the support.

COUNCILMEMBER HOKAMA: Because for our County that's going to be the rail issue. Okay. A whole IT change in adjustments. We're years behind and way over budget. So, for me, for this County it's almost like the rail for Oahu. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Member Lee?

COUNCILMEMBER LEE: Thank you, Madam Chair. Lance, so how much more are you asking for the last year?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you for the question. My request for 2020 is pretty much a flat --

COUNCILMEMBER LEE: Flat.

MR. TAGUCHI: --budget.

COUNCILMEMBER LEE: Okay, that's all I need to know.

MR. TAGUCHI: Okay.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Lee. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. And Mr. Taguchi, first of all, thank you for your work you and your staff. Small staff, I guess, yeah. Just a quick question regarding this consideration for an LTA or a part-time employee whatever you want to call it. My understanding the person that's currently you're contracting out to do the minutes and agendas will be moving soon? I was told that by a family member. So, is that part of the consideration for rather than, you know, hiring out somebody new, just your preference to just go with a part-time employee? And I presume the workload has increased in your office?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi? The current vendor, yes, I believe will be moving. But the contract will be coming up anyway, so we would be going out on behalf of the Cost of Government Commission to engage another writer. As I said before, the decision to try and incorporate some of those duties within the part-time position that we wanted within our office was basically purely because I felt that having someone just handle that secretarial administrative type of work would be cheaper for the County than to have the technical writer do it. So, it will provide more flexibility too because I think it's a matter of using the right experienced person to do the job rather than to have someone with a higher greater deal of experience handling those tasks. So, yes, that was part of it. Regarding a specific vendor, no, because the contract was coming up. So, rather that vendor or another vendor bids they could

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either bid to do everything or we could isolate the bid more down to more of the report writing, the emphasizing the report itself.

COUNCILMEMBER MOLINA: All right. Thank you for that response and I appreciate all your hard work because I know being an Auditor and your background as a CPA you do a lot of detailed work and you certainly have presented to us now and in the past when I worked with these budget analysts. Very thorough and detailed answers. You're one of the few people I know that can give a ten-minute response to a ten-second question so, but I say that as a form of flattery. Thank you, Mr. Taguchi. Thank you, Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Thank you, Mr. Taguchi. First question was what audits are you currently working on?

CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you for the question. Currently, we are in the technical review phase for the audit on the County vehicles. That audit is more focused towards the use of the GPS systems that were put in place into County vehicles. The audit . . . we have another audit that is in process but I'm reconsidering whether or not to move forward with the audit or to . . . to continue it or to discontinue it. Primarily because if the actions of the auditee resolve some of the problems that we saw then it may not be the best use of my resources to move forward with that audit. On the plan that I presented for Fiscal 2019, there is the, once again, the deferral agreements, which hasn't started yet. And the other one was, I believe, a look at some timeshare enforcement act. The timeshare enforcement one I haven't made a decision to move forward with the audit only because I'm trying to keep aware of the Department of Planning's effort because my understanding is the Department of Planning has hired a third-party defender to isolate out people that may be violating vacation rentals. I want to see how that moves forward in terms of both their ability to fine these people that do illegal vacation rentals, and also enforcement. I believe they're still in the early stages of the enforcement, I believe, so I haven't seen any results of that yet. But I'm looking at that and monitoring that to see if it makes sense to move forward with that audit. If we decide to cancel or not do an audit, then I will come back and amend the audit plan. Once again, I always look at it as where's the most efficient use of the resources that I have because my resources are limited. In Fiscal 2019, the Council provided me an additional auditor. I'm currently, as I said, recruiting for that position. I did not recruit earlier because I wanted to make sure whether this Council would support my reappointment. I did not want to hire somebody if I had my appointment terminate at the end of this June. Wouldn't be fair to that person. So, with that additional person, it should give me a little bit more capacity to do audits.

COUNCILMEMBER SINENCI: Follow-up, Chair. So, with an additional auditor, how many audits would your office be able to conduct?

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CHAIR RAWLINS-FERNANDEZ: Mr. Taguchi?

MR. TAGUCHI: Thank you for the question. From looking at other audit shops, it really depends upon the scope of the audit. If you can imagine like for the State Auditor's Office looking at rail, rail is a massive project. It takes up many of his auditors. In fact, I think he was awarded like almost a million dollars to conduct that audit. So, it really depends on the scope of the audits. My audits, in general, has been larger in scope so, looking at my counterparts it generally takes nine months to a year, I think, to perform an audit. We also gotta consider that each one of my auditors have to go through, earn what we call CPE or continuing professional education credits. There's a strict standard that must be met for yellow book standards. So, they have to go to these seminars and learn. And it's good in terms of building the audit expertise within an office because it's difficult to find performance auditors. So, that being the case, I guess the general rule of thumb would be one audit per auditor. In the past, I included myself and I found that that's not really a possibility. I've learned that it's very difficult for me as a County Auditor to take on an engagement myself primarily because there's a lot of oversight, reviews that are required by our standards, and also I think it's a more effective use of my time to kind of do more public engagement to let people know that, you know, there is an auditor, we do have these things, and it also allows us to get a lot more better insight into areas that we can audit. One of the best insights, in terms of where we look to do performance audits, comes from employees. As you can imagine, employees within the department are the ones that do their work day in, day out. I believe that our office and myself we have a good rapport with County employees. I think they know me. They're comfortable that whatever they disclose to me will be held in confidence, so we get a lot of good information that way as well. And it's for my time I think it's better spent trying to get that contact.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. Members, if you have any additional questions, please send it to Committee and we can get our response from Mr. Taguchi in writing.

ACTION: DEFER pending further discussion.

CHAIR RAWLINS-FERNANDEZ: Okay. So, we're going to start the next presentation – Department of Management. And I'm gonna . . . if there are no objections, I'm going to call a brief recess . . . call of the Chair. Mahalo. . . . *(gavel)* . . .

RECESS: 11:23 a.m.
RECONVENE: 11:26 a.m.

CHAIR RAWLINS-FERNANDEZ: . . . *(gavel)* . . . Will our Economic Development and Budget Committee please return to order? It is 11:26 on March 19th and we need to first defer the County Auditor item. If there are no objections, I will --

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COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: --defer EDB—24(2). Okay.

ITEM 24(8): PRE-BUDGET SESSION PRESENTATION (DEPARTMENT OF MANAGEMENT)

CHAIR RAWLINS-FERNANDEZ: And we are now on EDB-24(8), presentation . . . pre-budget session presentation from the Department of Management. We have with us Managing Director Sandy Baz; IT Specialist Jacob Verkerke.

MR. BAZ: Chief Technology Officer.

CHAIR RAWLINS-FERNANDEZ: Thank you.

MR. BAZ: Thank you.

CHAIR RAWLINS-FERNANDEZ: Chief Technology Officer Jacob Verkerke. And, hopefully, we will be joined by Ms. Erin Wade. Oh, no, we won't. Okay. Okay, Mr. Baz.

MR. BAZ: Thank you, Madam Chair, Members, aloha and good after . . . morning still, I guess. We have a few more minutes before morning. I will be presenting basically in response to the notice and request for information, letter dated March 11th and will be going off of that information. Our CTO Jacob Verkerke will be providing more detailed overview specifically of his Division so to go over with that. So, just in general, the County Charter does describe the details and functions of the Department of Management acting as the principle management aid to the Mayor; supervising administrative functions to the agencies, departments and boards assigned by the Mayor; evaluating management performance of each agency; prescribe standards of administrative practices to be followed by the agencies under my supervision as well as supervise and coordinate the functions described in sections of the responsibilities of the Mayor, which were related to budget and management of the Departments; and to perform all other duties and functions assigned, which is sometimes majority of the job but we'll work on that. So, and strategies to implement the Charter requirements. We do work directly with the Department heads establishing communication channels and management. We have management meetings that we work on both individually with the Departments as well as a bi-weekly meeting with the group itself. We are looking specifically on a regular basis identifying, developing, upgrading, or implementing necessary organizational policies and practices. And this is something that, you know, we would . . . I've started on a little bit but will be focusing more on once the confirmation processes are through and once we're more established and the budget gets presented then I'll have more time to focus in on those kind of things as well as the overall performance management of the Departments themselves. I do take that on as a big responsibility to make sure that the Departments are performing to the expectation of the Mayor as well as the Council and the community, and that's,

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you know, my kuleana too to implement that. And utilizing performance-based form of management to promote efficiency, accountability, transparency, and productivity in County government. Again, same kind of issue is really, you know, what is it that we're doing? Can we do it more efficiently and effectively in performing services that are required by the Charter that we are implementing in this County? So, those are the strategies that we have to achieve our goals. As far as operational aspects of our Department goes, we have responsibility of the ADA, which is Americans Disabilities Act implementation both as employees and as well as public interface because we are a public agency. We perform annual community customer satisfaction surveys. We have CIP – Capital Improvement Program management responsibilities that are, have been revised under my administration of this Department to really focus in on . . . I will get into the details later about the CIP, that Program Coordinator's responsibility in making sure that they're looking at the Countywide aspect in developing the Fiscal Year '20 Budget. He was very intricately involved in that process and looking at that. So, that's a very enhanced piece of it. We also manage any Equal Employment Opportunity filings, claims as well as affirmative action. I have an employee in my Department that specifically is an EEO Specialist that does take all those complaints into effect and does investigations and reports. We do have management of the fleet management system that is the system that we put into place in our County vehicles to monitor their activities and functions as well as the vehicle usage policy. We have, of course, our IT Services Division, which Jacob will go over the details of in a little bit as well as the implementation of the GIS. We've actually worked at kind of combining those opportunities so that that function or service to the County, in general, is enhanced. Performance management program administration, again, you know, looking at the Departments and working that functionality out. We have started executive strategic planning process. Last week was our initial kick-off of that. And looking at those functions and responsibilities of the County Division of Mayor Victorino in implementing those and how then the County departments will be presenting those. And last, and sometimes most time-consuming is Violence in Workplace Action Plan administration. Those are responsibilities of the Department of Management too. According to that Violence in Workplace Action Plan, those get reported to Department of Management. Many of them are interviews and investigations are done at the Department levels. There are some that come, and those responsibilities of that investigation needs to be held in my office as well as with the Department of the Corporation Counsel. But all complaints are filed within my office and reviewed with Personnel and Corporation Counsel according to the Plan that we have. The structure of our Department is that we have a Managing Director, of course, a Deputy Managing Director, IT Services, Maui Redevelopment Program is a new addition to our Department, as well as the management structure. We have, basically, Project Specialist, Executive Assistants. They're not like your Executive Assistants or Executive Assistants in the Mayor's Office but that is their title. Their more functionality is based on specific project management and different functions that we require them to do. And, we have, of course, our Capital Improvement Program Manager . . . our projects, our Civil Engineer VI that looks at the different aspects and helps assist with Departments in their development of County projects construction-wise. And, so that's the basic structure of our Department, and we can get into more details and try to make this quick and brief, Madam Chair. If you want

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me to go right into responses to the questions, I can do that or if we can, you know, like the three to five strategic goals, objectives, those kinds of things. I can go into those if you'd like.

CHAIR RAWLINS-FERNANDEZ: Yeah. Go ahead.

MR. BAZ: Okay. All right. Thank you. So, it was requested that we identify the Department's top three to five strategic goals. And the number one goal of my responsibility is evaluating the management performance of each agency, you know, looking at the Department's functionality and making sure that they are meeting the needs of the requirements of the services that are expected of them. And providing management and effectiveness, you know, training and sometimes it's a matter of just the one-on-one conversation that I need to have with the Departments and, you know, any advice about certain functionalities and, you know, what I would do in a situation or it's actual training that we're working on. And we have started the process of looking at ways that we can enhance the supervisory responsibilities and effectiveness of the Department Directors, the Deputies, and then ultimately the Departments themselves. We are, you know, many of the Department Directors have been either the Director, Deputy in the County for a long period of time. But, you know, even if they have been and some are new, but even if they have been around for a while, we want to make sure that they are trained with, you know, best practices currently and things like that. So, from IT standpoint, you know, delivering a mature and effective IT services in alignment with the organizational initiatives. And Jacob will get into details about the functionality of that and the responsibility that they have to make sure that the Administration is, has the technology to be able to operate. You know, in today's age we can't operate without that technology. It's a dependency that we have so we need to make sure that it is something that is developed and that it is effective. And then for MRP their main goal is to orchestrate key infrastructure projects that catalyze the private sector to reinvest, right. And you all know the Civic Complex project is, that's the major goal of that project is to make sure that we have the County infrastructure in place to facilitate the reinvestment of that community in Wailuku to make sure that we are revitalizing that. I mean, that's whole key factor to that is the revitalization of Wailuku. So, objectives that will be implemented to meet those strategic goals and tender results. Quite a few, if you look in our budget document that will be presented, but I did highlight a few of them. Conduct evaluations on the management and performance of each agency on an annual basis. So, there will be formal reviews by my office of each agency, each Department. And I will do also performance evaluations of their actual Directors and Deputies making, you know, sure that we're highlighting the successes that they've been doing and looking for areas of opportunity to improve in each of these different aspects. Another strategy is to, objective is to improve executive management capacity by providing advanced management training to all Directors and Deputies each fiscal year. And so, we're looking for those opportunities whether it be through national organizations like NACo or ICMA and those kind of aspects as well as individual trainings that may be able to be partnering with the college and their aspects in trainings that they have available for strategic management pieces. We want to increase the ease of access to services through online access and self-service portals. One of the factors that we

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have been doing and I appreciate Department of Finance and their efforts they've done recently to increase the availability of a kiosk in the different facility and public facilities to be able to increase the audit. It's a physical thing but it's still an online type of access and it really helps increase the services we provide to the community. More efficiently, we can provide those services via online portals than the less, you know, eventually, hopefully less staff that we have to have, you know, doing that. MAPPS is going to be a big implementation of that piece and we can get into details of that. But the online access information, I think, is going to really create a help to create an efficient and effective government in providing that aspect. We always are going to have to be aware of those that don't have online access and so we always have to make sure that we're providing the opportunity to have that face-to-face interaction and, you know, services provided but we're working on those kind of things. And then for MRA . . . MRP redeveloping the Wailuku Municipal Parking Lot with opportunities for mixed use development that will create an activity generator. And again, that's you know the whole goal of the MRP's program and this project that they have. For unencumbered funds for Fiscal Year 2019, we do project that approximately 1 percent of our funds allocated to Department of Management will remain unspent. That is about \$100,000 or \$150,000 or so around that factor of our total budget. And Department of Management's when you get into it is \$11 million just in themselves. So, we feel 1 percent is a reasonable amount. It allows for a little bit of flexibility, not very much in case of emergencies and things like that. But, basically, that's what we're working on. And so, as far as fixed cost and discretionary cost, when we look at the Department of Management's Admin. Program and Maui Redevelopment Program, discretionary cost are generally related to the professional services and training categories in our budget. And these include contracts for the Network Fleet Management, SeeClickFix, the Clean & Safe Program, and the Wailuku Redevelopment mitigation programs, Discretionary costs for IT. Services include training, travel, professional services, some supplies that they have as well as expansion hardware and software generally considered discretionary. The rest of the costs in all of the programs in Department of Management would be considered fixed costs. We went through and identified cost saving measures that we have either implemented or started to implement and those I won't read through, Madam Chair, but you can see that we have been working on cost savings measures and my, you know, role in the prior Administration's Budget Director, you know, I had a lot of involvement in that and role in Management will continue for sure as well as expanding that, you know. We gotta make sure that we're prepared for impending down turn in economy, you know, that it's something that we need to be expecting. Whether or not it happens tomorrow, whether or not it happens five years from now, we need to be prepared in our management aspect of being able to deal with those kinds of situations. So, Madam Chair, that's my presentation. If you wanted to go over some general administration questions or if you want to go directly into IT Services, we welcome to do that, and then we can take questions for both.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Baz. We'll go with Mr. Verkerke's presentation.

MR. VERKERKE: Thank you, Madam Chair. As you see, I have staff for the real technical stuff. Thank you. Thank you for the opportunity to tell this Committee a little bit

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about ourselves. Some of you may be quite familiar with us, some of you may wonder who we are and what we do. So, my presentation today we'll try to paint a picture of who we are, what we're doing, how we're doing in perspective of an independent review and how all of this impacts our expectations for next year's budget. These are the five points in the slide, and we'll go back to this content pages. We move to the various slides. First, the description of who we are. I believe you have a printout of this if it's kind of small to read this. We, of course, a Division of the Department of Management. We're responsible for providing IT Services to the entire organization in support of the various departmental and administrative strategic initiatives. We have six main sections organized mostly by the sphere of influence; customer service provides exactly that to all the employees in the County. The second section is Public Safety Services. They are specifically focused on the larger support items for the Departments of Police, Fire and Prosecuting Attorney 'cause there is a lot of overlap there, a lot of integration between the information systems they need to be able to share information and collaborate in many ways so we've created a section specifically focused on that. Information Security Services is our cyber security team. With the support that we've received over the year from the number of years from a number of services we've been able to build a security operation center and to implement a number of cyber security preventive measures. The job will never be done. People will always come up with new ways to threaten the security of the County's information and operations. But we are in a pretty good position at this time I believe with what's been implemented. Enterprise GIS Services section of course does exactly that. They're responsible for the administration of the Enterprise GIS architecture and the data that's being contributed by a number of departments into that enterprise capability and they are gearing up to present a lot of that information out on an online capability to the public as well. The Technology Operation Services section are the guy that make sure that the lights are on, the discs are spinning, that the computers work, they're responsible for backups, they're responsible for resiliency. We'll talk about that in a little bit. And then Application and Information Management Services they manage all the applications that we support, perhaps with the exception of the typical desktop applications like Word and Excel and stuff that falls under the Customer Services and Support Section. But we will find that there are crossovers between larger applications such as IFAS and similar applications that crosses these boundaries. Service Assurance [sic] support are our Project Managers and our IT Services continuity person to make sure that we have everything in place and that we exercise our capabilities that we can recover from a number of events that we have to be prepared for and, of course, there's an element for administrative support. The scope of what we do – we offer more than 40 services. They're organized in our service catalog and that's continually being updated. The request, the demand for more services is never ending so there are services being added. Those services then cover the more than 400 to 430 Enterprise Applications that we support in 17 Departments. That's a number that is not intuitive to most people to think of IT, but it goes into a lot of operational requirements within Departments. We think of ourselves as an IT group that supports perhaps as many as 25 different lines of business spread out over the 17 Departments that we support. And each line of business may have the need for a number of different computer applications or capabilities that are not necessarily just software and that they look at us for to support. The County has about 2,600

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workstations connected to 314 Virtual Servers. These Virtual Servers run all these applications on 25 Physical Servers. So, the Virtual Servers are really a software incarnation of the traditional servers. That allows us to bring the resilience and redundancy because we have the tools in place now to move these Virtual Servers kind of electronically over the network between the three data centers if we have problems in a Data Center or if we need to perform maintenance on some of the physical servers in one particular Data Center we can move the computing power through these Virtual Servers to another Data Center and keep going and reduce the number of interruptions. Those three Data Centers are located all on Maui. That is the one aspect that concerns is the local bid that's vulnerable on Maui. But the connectivity between islands the submarine fiber is aging so that introduces another risk if we were to move it off island. So, we have to pick our least risk solution and that kind of changes all the time. The network that connects all these Data Centers, computers, and more than 70 locations where County operations take place. It consists of 250 switches because we need to cover three islands. And we rely on the network that Mr. Pacheco of the Police Department has built for his radio communications. We share technologies so we are able to provide redundancy to each other, and especially for Molokai, Lanai, and Hana that has been hugely beneficial to our ability to provide services there. Over 750 printers. I'm just throwing a lot of numbers at you and I'm just trying to create the impression that there's a lot of things going on that we need to maintain that is not necessarily top of mind. For the cyber security, we have seven different firewalls and at least 10 Specialty Appliances to make sure that we do everything we can to prevent disruption, loss of data, corruption of data from cyber-attacks. We've been getting a lot of support through the State from Department of Homeland Security grants that has allowed us to build this up. Hopefully, we'll have a chance to do our annual presentation on how well we're doing with that. There is a self-assessment that gets done and maybe we'll have a chance to, in executive session, give you more details on what our cyber protection status is right now. The size of the Division – our current budget is \$11 million, that is 1.8 percent of the County operational budget, which is estimated based on the budget documents for the current fiscal year, the closest \$600 million. The industry standard for IT budgets is about 3.5 percent, an industry we're looking at is mid-size government agencies and mid-size both in the size of the staff as well as the size of the budget. The staff we have 48 FTE's, which is 1.7 percent of the County workforce. Again, the industry standard for the same peer group is 3.6 percent. Salaries make up 32 percent of the IT budget right now. The industry standard as published by the Center for Digital Government is 46 percent. And the IT spent per County employee is about \$4,000. The industry standard is about \$7,500. So, we're doing a lot with comparatively is not comparing favorably with what's the norm in the industry that we're part of. The workload is about 7,500 on the service requests per year. This includes a lot of Countywide IT purchasing with the exception of course of the Legislative side or the House. We manage the IT purchases for every Department. Even Department of Water Supply has their own staff, but they adhere to our standards and they use us for getting the best pricing that is available. We have 6,100 incidents called in to our Help Desk every year. Those are the things that are not working. The service request is like help us do something else or do something better. Incidents are, you know, help us keep doing what we were doing. A lot of it is people forgetting their passwords and we're

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working on solutions for that. We have about 600 changes per year and that's to upkeep the maintenance on the infrastructure that we're responsible for. We have to update, we have to reconfigure, we have to introduce new equipment, new software, those are all part of the changes. We have at least 52 projects in progress or pending. And projects are more than the typical service request that help me do something right now. These are things that go through deliberate process with project charter and resource and risk analysis and everything like that. Okay. So, how are we doing that? Sorry about the small font here but I tried to get this all on one slide. So, hopefully you have a print out and you can read it better. So, you may know in 2013 we hired Gartner to do a strategic assessment of the IT Services Division. And they came up with a number of rankings and a number of errors that they analyzed what we did. We asked them last year to provide an update. We wanted to see how we were doing. We also wanted to update our strategic perspective because there was a new Council, new Administration coming in. We wanted to kind of have somebody tell the organization how we're doing on the things. We made small improvements in most of the areas of analysis. The two areas where we fell backwards a little bit is executive leaderships so, you're looking at him and application delivery. And the explanation provided based on the analysis that Gartner did is it ties back to resources. And we'll talk some more about that. And the budget request I submitted definitely is helping to address the resource issue. And the resources are not just staff but also financial resources. The biggest challenge that we have, and we'll talk about that a little bit more in a little bit is how to balance demand and supply. The demand keeps growing no doubt about that, you know. The reliance of this organization, any organization on technology is increasing. The expectation of the public as to the technical, technological competency of this organization is growing. So, we need to try to meet that. But we can only do so much with what we have. So, that's the areas where we fell back a little bit. Here's a different way of showing that. These are two graphs showing the same data. I like that spider web graph but it's probably easier to understand the numbers in the bar graph. As you can see, the blue line is our peer group again. There's out of the seven areas of measurement, we are matching our peer group in two. There's one that's quite close. Others we've fallen short. Even though we have improved clearly the peer group is also moving forward and not just waiting for us to catch up with them. So, there's a lot of work and, unfortunately, we have not been able to exceed our peer group anywhere yet. What does this mean? For the overall posture of IT, again, Gartner has devised this graph showing five levels of maturity for IT organizations. Five years ago, we were barely in Level 2. We are now kind of in Level 2.5 moving into 3 so that's our goal to keep improving and keep moving into Level 3. Level 2 is enabling so we make it possible for the organization to do what it needs to do minimally. We want to be contributing so that we can help the organization move forward, expand its services through the use of technology internally as well as to the public. Levels 4 and 5 are typically not within reach of a government organization with a few exceptions of course but that's more in the commercial sector where people really have a competitive motive to drive investment in IT. Okay. So, all this analysis and how we're doing resulted in some strategic plan and initiative recommendations. The four main areas here are the Strategic Priorities that were identified and ties into the question from the Chair -- what are your objectives? These priorities line up with what we have adopted over the years as our

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strategic framework, which is to balance score card. The balance score card is organized in four perspectives. It's a service perspective and operational perspective, a learning and staff perspective, and a financial perspective. So, these strategic priorities are aligned with that approach. Now, each of these priorities then is supported by IT initiatives, our immediate goals to accomplish our focus areas, if you will. Now, there's 11 of 'em. We won't be able to work in the recommendation out of the update of the strategic plan was definitely to spread out over five years to accomplish these 11 initiatives. However, some of the initiatives that were actually kind of put off to year three perhaps and year four are areas that we're working on already. So, when we get to the implementation plan that we have, you'll see some of that already reflected. I won't read all of 'em but some of the key ones is to improve business engagement to develop what's called a business relationship management, program or capability. The purpose of that is to help us align with the needs of the Departments better than we are now and, hopefully, that will be a key component of managing the imbalance between demand and supply. If we can work with the Departments early on and work with the Administration and be aware of the strategic initiatives within the Administration, within the Departments, we can, hopefully, then allocate our resources and develop our priorities to support that better than what we are able to do now. In the absence of a solid business relationship management program, it's kind of haphazard how to . . . major projects and other requests come into us it's often driven by what the result of the annual budget processes. Hey, we've got money, IT, we need you to do this right now. Not so fast. We don't even really know what it is that you're asking for, and that makes it very difficult for us to prioritize and allocate the proper resources. The second part under the first column – increase IT governance is another attempt, another component of putting more structure to how we manage that demand and supply. So, I'll skip over this. This is the areas of organizational competence. What's listed in green boundaries is what we're focusing on. It may be interesting to you. It's very important to us but we'll go through that. So, what does this mean for what we are trying to do in the next couple of years? Under these various initiatives that were listed under the strategic priorities, we have these planned activities that we'll be working on in May of this fiscal year through next fiscal year and perhaps it spills over a little bit the year after. We are . . . I won't read 'em all. It just comes down to how can we support the needs of this organization with the resources we have with the expectation that exists how do we find a way to balance that, how do we improve our competency in meeting these? And these are the kind of, the various areas – the four to four strategic priorities that we will be working on. And you will see that show up in the narrative for the budget request that we have for FY '20.

CHAIR RAWLINS-FERNANDEZ: Mr. Verkerke, can I give you five more minutes to conclude -

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MR. VERKERKE: Yeah.

CHAIR RAWLINS-FERNANDEZ: --your presentation?

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MR. VERKERKE: So, I'm now worked through the boring part and this is what you have been waiting for. The question about unencumbered funds – in FY '17 we had \$320,000 worth of Carryover Savings; \$270,000 of that was wages; and, of course, we're prohibited of using that for anything but wages. So, really, there's only 1/6th of that perhaps .6 percent of our operational budget was not used. FY '18 it was even less than that. We were down to only about 8,000 of non-salary money that was not spent. So, we used everything that you gave us. It's not like you've given us more than we can handle. This year we expected to be, again, below 1 percent. For FY '20 the total asked is about the same as what we have this year about \$11 million. Fixed cost on that is about 85 percent between wages, maintenance contracts, replacements. And the discretionary amount is 15 percent. You asked me about cost saving measures and I'm being somewhat fictitious in my response here because all we do is trying to make as much use of the funding and the resources that we have. We don't have a lot of non-cost saving considerations in how we manage our budget. We have to meet expectations and demands that well exceed our resources. So, we have learned how to rob Peter to pay Paul. The same thing about staffing, we're about a half of the industry standard so the staff works very hard and has learned to be as efficient as they can be in trying to meet the expectations of the ordinances.

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. VERKERKE: Thank you.

MR. BAZ: Thank you. So, Madam Chair, just to let you know my Redevelopment Program Administrator Erin Wade is not available. She had prior commitments. So, I'll be here to, hopefully, answer any questions you may have, if not, we can get those in writing and provide those.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Baz. Okay, Members, it's 12:04. Yes, Member Hokama?

COUNCILMEMBER HOKAMA: If I may just suggest for your consideration, you know, I'm as hungry as everybody else but I would prefer to finish this Division and then have a good break for the mid-day and then return to finish up with the balance and Finance please. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Hokama. So, I'll now open the floor up for questions starting with Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. My first question is for Mr. Baz. You mentioned that you have a Civil Engineer VI position under your Department, and I was wondering how this position will assist the other Departments when looking at construction or CIP projects?

MR. BAZ: Sure. Thank you, Madam Chair and Member Sinenci. Thank you for the question. So, our Civil Engineer VI is a person that's been in our office for a number of years. They work specifically with Departments that may not have Capital

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Improvement Project Managers or Civil Engineers. One of the projects that they worked on, well, the first project he worked on was the Kulamalu Affordable Housing project and helping that facilitate to construction. He is currently . . . he has done other cost saving measures looking at where the Council reduced the funding for the Molokai Public Works baseyard. He was able to work with the Department to facilitate in reducing the actual cost of construction for that. He has worked on a number of different . . . small projects. Currently working on the construction of the new service center at Target, you know, the whole Maui Business Park, Phase II area, for the DMV relocation and that kind of stuff. And then he's also assisting with the Wailuku Civic Complex construction getting those plans in place. We have initiated the construction contract for the first, Phase 1A, and that's being overseen by him as well. So, that's his basic functionality.

COUNCILMEMBER SINENCI: Thank you. Chair, follow up question?

CHAIR RAWLINS-FERNANDEZ: Yes, please.

COUNCILMEMBER SINENCI: You went over a couple of Department's objectives, did you cover No. 4 under Energy and your Department's just some plans to incorporate technology to address fossil fuels and --

MR. BAZ: Sure.

COUNCILMEMBER SINENCI: --and less some carbon footprint?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Thank you, Madam Chair. Member Sinenci, no, I did not. Good catch. So, Energy . . . the position of Energy . . . actually, I don't even know what his old position title was has been vacant for quite a while, and just recently was combined with our Capital Improvement Program Manager, which is a different position, and that person is responsible for the Capital Improvement Programs that I talked about earlier as well as the Energy. What they're working on is working in conjunction with the Office of Economic Development. They have hired an Energy person on their side of things as well, which they're expecting to start, basically, about same time as the Energy Conference if it comes out. So, that we're looking at working in conjunction with them on reducing the . . . the major functionality we're working on is reducing the County's dependency on fossil fuels forever. Operational standpoint, you know, we've done projects that help our community centers, our Fire Departments, our Water, wastewater systems to reduce their energy usage mostly through photovoltaic but for the fleet management piece of it, we're looking at implementing, you know, there's a State law that requires us to look at implementing either electric or hybrid vehicles. But, currently, we don't have the infrastructure to do that right now but we will be focusing on that in the future making sure that the new projects that we develop have those infrastructures built in as well as working with Public Works and our fleet management because they're the ones that maintain our vehicles and seeing the

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ability to use renewable fuels as well in our current vehicle system. So, we are working towards those goals.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. No questions for Mr. Baz but just maybe one for Mr. Verkerke. This is referring to Slide No. 7 with regards to the Gartner assessment of the County. In your initial comments on that, I know you were kind of . . . a little bit in my opinion, just a little bit too hard on yourself because overall, you've done a wonderful job in this area for the County over the years. My question is more related to the application delivery, which I guess they're suggesting improvements need to be done. Can you elaborate? I know it says, while there have been efforts to effectively deploy new applications and projects, many challenges, i.e., delays, crossovers, have arisen due to chronic staffing constraints and ineffective business relationship management. Can you comment a little bit more and what you would like to see from us maybe during the Budget to, I guess, help you improve in this area?

CHAIR RAWLINS-FERNANDEZ: Mr. Verkerke?

MR. VERKERKE: Madam Chair, thank you. Yeah, it ties into a comment I made earlier. Application delivery is how we would try to meet the expectations and the demands from the Departments, but we don't always have the ability to plan very well for that when request come in for solutions because funding has been provided either in this budget or through a grant somewhere else. So, then we end up scrambling trying to meet the expectations of Departments to say, hey, our funding will lapse if you don't work with us now. And we then find ourselves having to spread our staff resources fairly thin over a number of active projects and these new projects. So, then we end up perhaps sometimes having to bring in additional professional services above what was anticipated, or we may have to delay or stretch out the implementation so that we can kind of move people around during different stages. So, that's kind of a combination of this, you know, being more engaged with the Departments and having the resources to meet everybody's expectations.

COUNCILMEMBER MOLINA: Okay. Well, thank you. Keep up the fight. And, you know, couple of categories that I was really pleased with was the risk and management, you know, security was, you know, with technology the ever changing, you know, needs for different software and equipment it just constantly changes and I know you're doing your best to keep up with the changes. But while at the same time you were getting good marks, positive remarks for security and risk management along with infrastructure and operation so . . .

MR. VERKERKE: Thank you.

COUNCILMEMBER MOLINA: Thank you, Mr. Verkerke. Thank you, Madam Chair.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Chair King?

VICE-CHAIR KING: Hi! Thank you. You know, I sat through the IT presentation, this is probably my third time so, I'm pretty familiar with that and with where we're going. You know there's some challenges, but I think you've explained them well and I'm looking forward to implementation. But on the management side, I mean, I didn't mean to say "but" but on the management side, I really am glad to hear about, you know, you talk about offering training and ongoing assistance because no matter how long you've been in an office, there are always new methods and always new technologies coming out, and we're learning new things about how to operate. I think, I'm hoping there is a . . . maybe you can speak to this, that there is more of an effort than we've seen in the past to not work in silos and to work across departments to allow some form of authority by the Managing Director so that, you know, you don't feel helpless like there's nothing you can do 'cause no one has to listen to you 'cause that's what I've seen in the past. You know, when I talked to the previous Managing Director he said, I'm trying to get them all into strategic planning, but nobody really has to listen to me because they weren't hired by me and they know they can't be fired by me. But, you know, regardless of what the hiring structure is I think we want to see, you know, that, that authority is there because somebody has to be accountable. And so that's what we're looking to, you know, you for is that, that accountability. I mean, you can just speak to that a little bit.

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Madam Chair, thank you, and Chair King. Yes, so as I mentioned during the confirmation process, the Mayor has directed that all of the departments they do report to me, right, so, you know, I am responsible for the management of those departments on a daily basis and that cross collaboration and training and all of those pieces. And my management philosophy is making sure that they have the resources and abilities to get the job done the best possible way that they can. And then the training, you know, is a big part of that. Communication – making sure that they know that they have ability to come to me at any point. I have, you know, on many occasions, even the last couple of months gotten multiple departments together to be able to facilitate communication because a lot of what we do is, you're correct, not just a single department. A lot of what we do affects multiple departments. And sometimes they don't realize that so they may be have been operating, you know, with this in mind and just operating though I don't want to target any specific departments but, you know, operating that they think that they're doing what they're supposed to do and not realizing that it has a significant impact on another department. And so, having them make sure that they communicate everything that they're doing to me so they have to provide me with bi-weekly written reports as well as our communication meeting so that I then I can help and say, hey, you know, you need to really involve this department in this aspect of what you're doing because you may not think it has an effect on them but it does in their operations. So, that's the kind of pieces that I'm working on right now.

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VICE-CHAIR KING: Okay. And then also, I hope that we can, you know, that you'll be involved in trying to clarify something that came up earlier, which is you know we have this Environmental Protection Sustainability Division of Environmental Management, and then we have the Environmental Protection Management grants and the Environmental Coordinator in OED. Then, you know, we have various other efforts being made toward environmental, you know, in some of other departments so if we can get those collective offices and personnel to start working together. We heard at the HSAC meeting yesterday about the urgency of, you know, we have to act now. We don't have a choice. The problem is we do have a choice and if we don't do nothing, we're going to be in really bad shape, you know. And so, we have to make the right choice and is the issue. So, I look forward to, you know, the Council supporting your efforts to solidify that office or at least the efforts across those people so we're not . . . So, we're working with the State and other counties on a solid plan moving forward, and we can all support each other.

MR. BAZ: Thank you.

VICE-CHAIR KING: I think we've been told that we're the only County, so far, that has not put up the resolution to end use of fossil fuels, you know, by certain dates. So, that's one thing that I'm kind of . . . we've been looking at it. I think we just haven't put it on the agenda. But just coordinating those kinds of things with the other counties, I think, is really important.

MR. BAZ: Thank you, Madam Chair. The EP and S Program within the Department of Environmental Management I think we need to I think globally we need to look at that and see if that's the right piece of it. Maybe we should look at a Charter amendment to try to change that, expand the scope of that idea. It is something that, it's one of those things that affects all of our departments, even IT has to deal with things related to that. You wouldn't think that but it's true.

VICE-CHAIR KING: Right.

MR. BAZ: And so, yeah, we'll definitely . . .

VICE-CHAIR KING: Okay.

MR. BAZ: And as a Managing Director, I have to coordinate those whether --

VICE-CHAIR KING: Okay.

MR. BAZ: --it's in my office or not.

VICE-CHAIR KING: Okay. Because, you know, the problem for me is that we have this program in DEM that's \$7 million. And then we're trying to add another program in office on top of that. And plus, we have this program in OED and so, you know, if the goals are the same, we should be able to solidify the personnel and make sure that we're not over spending with those efforts.

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MR. BAZ: Yeah, real briefly, Madam Chair. The EP and S Program as it exists today is really just the same program that's been operating in Environmental Management for years.

VICE-CHAIR KING: Right. But they didn't take 7 million out of their other budget and put it into that. They asked for an additional 7 million. So, it's not really the same, you know. It's additional monies.

MR. BAZ: Well, a lot of that . . . I beg to differ a little bit. There was some expansion to that for sure where Solid Waste, you know, have been having a deficit anyway in their operations. But the actual grants and programs that are run by EP and S, the abandoned vehicle and the landfill diversion programs. A lot of what they're doing is landfill diversion programs. If you look at what they do, that's the focus of what they have been doing. So, it definitely needs to be expanded in that area you focus for sure. I just leave it at that. I agree with you.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair King. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you. Mr. Baz, I appreciate what I heard from you this morning so I would say just keep doing what you're doing. And it was interesting about the comment that departments many times may not see how they impact other departments.

MR. BAZ: Uh-huh.

COUNCILMEMBER HOKAMA: Just look at the permit system. You need so many departments to sign off how can they did not say they impact one another especially when we hear it from those that are waiting permit approvals. But I appreciate your efforts. My question is maybe more for Mr. Verkerke and I will just want to preface that my comments by saying I appreciate your candid review of your own Division, Mr. Verkerke. And, you know, one Member said, maybe you're too hard on yourself. I thought you were very candid about it, and I appreciate that candidness and realization that this is a big thing for us. And I will just say that, you know, I like where you're going because in my recent discussions with Secret Service and the FBI cyber security is one of the top national issues regarding infrastructure. So, I applaud you for taking us to this new level where you have been recognized by the consultant for that improvement, and I commend you for that. And when appropriate, Chair, I would really like him to talk about, in executive session, because of the sensitivity of hacking is about how we may want to look at keeping offsite, which is also off-island a back-up system that is in a secured environment because I understand what he's saying, Chair. The data is critical, is valuable, and down the road I see this is a potential revenue source for the County for certain appropriate uses. So, what Mr. Verkerke's division is doing is critical to, I would say, our future. Part of though is that I want to ask you about is since you made mention, is there a good coordinated understanding effort between you and Maui Police Department regarding cyber

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security, Mr. Verkerke, as well as the use of their network for communications or transmission of data?

CHAIR RAWLINS-FERNANDEZ: Mr. Verkerke?

MR. VERKERKE: Madam Chair, I'm not sure that I'm able to answer the question completely. As far as the infrastructure use by the Police Department, it's under our responsibility to maintain that. And we have over the last few years been able to blend that because as you will recall that was quite separate a number of years ago and bring that under the protection of the cyber security counter measures that we have implemented. But we are not really at the point where we coordinate and share efforts for cyber security forensics at this point. My staff went to a recent presentation on that and number of police departments were present at that. The police department, Maui Police Department was not and so we are in the process of following up to find out if perhaps they are already at that level or if there's a resource issue or what have you. Fortunately, we are able to rely on FBI and DHS resources and we are also, of course, a member of MS-ISAC, the Multi-State Information Sharing Initiative. That does a lot of forensic work for us and we have been able to get their assistance even when the appearance of contamination, if you will, was within our environments. So, in that sense, they are relying on us to take care a lot of that, but we have not been able to develop a great deal of competency in the forensic work.

COUNCILMEMBER HOKAMA: Okay.

MR. VERKERKE: It's a different specialty and we're really focusing on trying to keep it out and relying on others to determine what may have happened if something gets in.

COUNCILMEMBER HOKAMA: Follow-up, please?

CHAIR RAWLINS-FERNANDEZ: Yes, please.

COUNCILMEMBER HOKAMA: I'm making assumptions, Mr. Verkerke. So, this is more about the external what we call intrusion to our system more than the internal issue for us? Because I know you have to do it both factors – the external penetration or the hackers and then as well as the internal components. So, is it more about the external you're speaking to at this point?

MR. VERKERKE: We are working on both aspects but the funding that we have access to through DHS grants is right now focused more on preventing intrusions.

COUNCILMEMBER HOKAMA: Right.

MR. VERKERKE: Internally, we are making upgrades to our internal access and identity management systems to try and increase level of security there and reduce the risk of inappropriate use by internal staff, which is still a very large component of problems that people experience. And so, we have access to a program to educate the staff

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through CERT, I think, or SAMS, one of these national security organizations it's called secure into human. Because the weakest link, as I mentioned previously, is us.

COUNCILMEMBER HOKAMA: Yes.

MR. VERKERKE: So, we need to work on that.

COUNCILMEMBER HOKAMA: Okay. And one just _____. Maybe just need one software where by all our computer things after 36 months goes automatically locked out if you're not continuing use where the user knows the password but nobody else knows the password, right? Because I made that change myself and while it's a pain for me not to redo my password at least I know whenever I leave within 30 seconds it's going to lock up. So, you know, I think that was just simple steps we all can do.

MR. VERKERKE: It's the simple step, it's an obvious step, it's also a step that gets us criticized the most. We had a pilot project and the backlash was tremendous so we're trying to find the right balance between security and convenience because locking somebody out when they just turn to answer the phone and have to come back in it frustrates people to know. And if they haven't experienced the consequences of some type of contamination, they will not be sympathetic. So, we're working on it. We have a pilot project and we're trying to find the right balance between that. So, we are definitely looking to implement that Countywide.

COUNCILMEMBER HOKAMA: Thank you, Mr. Verkerke.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. My question is for Mr. Baz . . . or my two questions. The first one is, you know, with the sea level rise and things like that, for emergency funds you mentioned \$100,000 in reserve. Do you know if that was enough for recovery from the Hurricanes Lane and Olivia in this past year?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Madam Chair. Member Paltin, thank you. I'm not sure what . . . I don't remember anything about \$100,000.

COUNCILMEMBER PALTIN: In your presentation you said that there was \$100,000 for emergencies in your budget.

MR. BAZ: Sorry, in the Department of Management's budget? Yeah, we don't have \$100,000 in reserves. I apologize if that was presented that way. The . . . we have an Emergency Fund . . .

COUNCILMEMBER PALTIN: I have another question.

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MR. BAZ: Okay. All right. Well, real quick though, sea level rise is an important issue. We do emergency reserves and emergency fund should we have a major disaster that we need to deal with and we come to Council for approval of use of those funds. We do have a training with all of the Director s beginning of next month to go over that issue specifically, we have somebody coming from Honolulu coming in to explain to us the details of that and how we can start being better prepared like from the department levels. Sorry.

COUNCILMEMBER PALTIN: So, in your discretionary monies it said like about the SeeClickFix Program and I was wondering are you gonna continue that on because it seems like my experience with that program there's not like big buy-in from all the departments to respond or address to the issues reported in that.

MR. BAZ: So, Madam Chair, Member Paltin, there has been departments that have not utilized that to the extent that it's required, and I have talked to them about that. At this point, between that and our request for services, our RFS system, those are the two best things that we have going. Once the MAPPS project is implemented, we do have a 311-customer service type of thing. Portion of that program that we could probably get rid of SeeClickFix and RFS, definitely RFS, it's meant to replace RFS because RFS is built on the KIVA system. So, but we're not quite sure yet if it will have those capabilities. I know the constituents like that. I've heard from constituents who appreciate that they can just go on their phone, take a picture of something, do couple minor answers or questions and it gets presented to the departments. We did have some struggles with new employees in the departments doing different functions and weren't . . . that the information was getting to them properly and we're finishing on resolving that. Hopefully, we'll have it all resolved very shortly.

COUNCILMEMBER PALTIN: Yeah, I like the reporting side. It's just the responding from the department side that's a little bit lacking.

MR. BAZ: Yeah, and yeah, I understand. I have addressed that with the departments and will continue to address. So, if there is concerns that you've heard, then let me know.

COUNCILMEMBER PALTIN: Okay. Thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. So, Mr. Baz, one of my passions are veterans and I know that the Veterans Council and all of that is under Department of Management. So, who's responsible for it? You've had some changes in personnel.

MR. BAZ: Yes.

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

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MR. BAZ: Thank you. Yeah, thank you, Madam Chair. So, basically, myself and my secretary is handling the grant piece of, you know, making sure that they get paid. I review their activities and their request for payment, looking at the different functions. That will be, I have a new staff member, the position closed today, that we will be assigning that to . . . as you know there was positions that were vacant that we only recently got authorization to fill. So, I will be filling those shortly. So, it most likely be the new EA.

COUNCILMEMBER SUGIMURA: Thank you. And I do hope that last budget session we included money so that the veterans – Korean War veterans and the Vietnam vets had money because at the War Memorial Gym for the candle light service they were, Parks is not able to provide them tables and chairs so additional funds were put in. I hope that, that stays whole. That was a brand-new thing that was started last budget, or this budget session.

MR. BAZ: I remember that. But I'll check on it and will make specific implementation on that and where that was funded.

COUNCILMEMBER SUGIMURA: So, I guess there . . . what they would get was 18,000 that went up to 20 to accommodate them. 'Cause I just spoke to them, the Veteran's group, the Vietnam Veteran's group and they did say that they will have to rent tables and chairs this year.

MR. BAZ: Okay. All right.

COUNCILMEMBER SUGIMURA: So, just make sure that, you know, they're covered.

MR. BAZ: Sure.

COUNCILMEMBER SUGIMURA: And I went to your presentation, Mr. Verkerke, and the one thing that I wondered about, and I just lost the page, is the Garrett [sic] group . . . Gartner's, so can you explain to me the IT Services Division's strategy overview . . . I'm sorry, the IT assessment update on Page 9 where it says, Maui's IT Maturity is observed to be currently operating at Level 2 maturity (Enabling). This Executive View score is 2.5. So, does it mean that they have a ways to go? We're not enabling you to achieve what you need to do? I'm just wondering from a fiscal perspective.

CHAIR RAWLINS-FERNANDEZ: Mr. Verkerke?

MR. VERKERKE: Madam Chair. Thank you for the question, Member Sugimura. We believe that we should be operating at Level 3 at a minimum to be contributing to the success of this organization . . . do more than just enable. And so, at the executive score of 2.5 we were kind of creeping out of that Level 2 into Level 3. We believe that we should, at a minimum, be in Level 3. What that's going to take is for us to build that business relationship management program, the business in this case for us, the business we work with our various departments and that governance structure that will provide

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clarity to people as to how strategic ID decisions are made and how they are in alignment with organizations to teach it. That will take support, it will take resources to do that because these efforts don't just stand on their own. We need support for that, and it will also, of course, require that we figure out how to prioritize the use of the resources that are made available to us to accomplish these goals. And if we are always falling short of expectations, because we don't have to be so supportive whether it's staff or financial, then we will be kind of constraint from moving into that contributing level. Beyond that differentiating and transformational, like I said earlier, local governments don't really operate an area because that's more of the competitive support that IT provides to private sector businesses. But it doesn't mean that we shouldn't aspire for that because there's certain aspects of that Level 4 that would really help the County to be the kind of County that the community is probably looking for. How come you don't do this? How come you don't do that? But there is a price tag with us, so we need to find the balance.

COUNCILMEMBER SUGIMURA: So, tied to that is, when I first started, I thought open data. I had a whole discussion about open data for government to be. And Sandy has a passion for that too so, just wondering where we are on that and when is MAPPS going to start, and how are we . . . and Workday starting?

MR. VERKERKE: So, open data if we look at Slide No 12, it's one of the initiatives as part of the Strategic Priorities. It's something that will depend on some of the other initiatives being completed and achieved. But we are, as part of MAPPS, we've created that enterprise GIS capabilities. We have collected, I think, enough geo-spatial services, enough geo-spatial products to activate what's called RGS Online website where these services will be presented. In order to do open data, we need to within IT it's hard for us to decide what is relevant data. So, we need to find out from the community and from the business what is the data that they would like to present as open data or have available, and then we can work with the departments and the community on that. We are beginning to get to the point where we have the technical capability but then it comes back to resources 'cause that's an effort that requires us to either hire somebody to help us with that or to find resources internally. And again, it gets to that trade off point, you know, what is more important. It is part of our strategic plan. We will work on it. We should have something in the next six months at least for geo-spatial, data sharing but that's just the tip of the open data iceberg, and that's going to take resources. It all comes back to resources. Thank you.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Kama?

COUNCILMEMBER KAMA: Thank you, Chair. I just have one question for Mr. Baz and one for Mr. Verkerke. So, my first question is to Mr. Baz, in your presentation, in the strategies it talks about the accepted practices that you would implement to be able to complete the mission of your Department. And I was kind of looking for something that has, that says developing a collaborative or cooperative or communicative

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relationship with the Council to be able to continue that. So, is this an appropriate place for that or is that no need to be said?

CHAIR RAWLINS-FERNANDEZ: Mr. Baz?

MR. BAZ: Thank you, Madam Chair, and Member Kama, thank you for the question. I guess . . . the short answer is the Department of Management is . . . major kuleana is working down with the departments themselves. The longer answer is that, yes, definitely to facilitate that operation we need to have a good relationship definitely. And then enhancing that, you know, working with the Mayor, you know, the Mayor is our CEO right. He's our Chief Executive. He's the one that is our top elected official as you all are elected officials. And generally, we leave that . . . try to leave that communication between elected officials. There are, of course, requirements that we have like this type of presentation specifically that work, make sure that you have the information required to make good decisions and that's been a goal of mine, you know, ever since I started 2011 was making sure that you had the best information possible to make good decisions. 'Cause that's your kuleana is making, you know, those policy opportunity and decisions. So, making sure that we have a good communication and relationship is important. I think it's a team effort between the Mayor, myself as well as our Chief of Staff, and our Budget Director too to a certain extent. If you want to look at management's role or the Administrative branches' role in that communication and that relationship, it's really going to be the four of us making sure that that relationship is good, making sure that there is an opportunity to communicate and accomplish the mission of the County itself. So, thank you for pointing that out. I appreciate that.

COUNCILMEMBER KAMA: Thank you. I'd like to do that more often. Thank you. So, Mr. Verkerke, where does, where do or where does the County store its IT data? Or to whom does it store it with?

CHAIR RAWLINS-FERNANDEZ: Mr. Verkerke?

MR. VERKERKE: So, it's all stored within our . . . I should back up a little bit. Most of it is stored within our data centers and we replicate it between the data center. So, if something catastrophic should happen to one data center, we have a backup in another data center we can continue. But as we move into cloud-based solutions, which really means that somebody else hosted them, we get to it through the Internet, the data will be stored by whoever is hosting that via the application vendor or sometimes they rely on commercial data centers. And when we select a particular application and consider it for a cloud-based solution, we go through the analysis of what are there protective measures, what are there backup strategies? Do they have offsite backups to other data centers like we have on the island here? So, and more and more it's moving into the cloud because the growth of data out strips our ability to expand our own internal capacities especially with the prevalence of video through body worn cameras and security facilities and what have you. And even in the permitting things there will be lots of pictures and everything else so, everybody's cell phone is a source of data and now the cell phones have such a high resolution it

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makes a beautiful picture, but that picture is a large file for us to store. So, that's kind of the challenge that we're dealing with. So, another strategy that we're considering is, you know, the data we store not everybody accesses it every day. Some files, you know, people use daily and some files are just there for historical purposes because we require to keep it. So, we can organize our storage in tiers – high usage, medium usage, and low usage. And the low usage then may go into the Cloud because the retrieval time will be a little longer but it shouldn't matter because we so rarely access it. And then, we're analyzing now whether the cost benefit works out in our favor to do that.

COUNCILMEMBER KAMA: One last follow up, Chair? Are the data centers located here or elsewhere?

CHAIR RAWLINS-FERNANDEZ: Member Kama, --

COUNCILMEMBER KAMA: I'm sorry.

CHAIR RAWLINS-FERNANDEZ: --I think that may be an issue that we would have to go into executive session.

COUNCILMEMBER KAMA: Oh, I'm sorry.

CHAIR RAWLINS-FERNANDEZ: Because it's cyber security, I believe.

COUNCILMEMBER KAMA: Okay. I'll retrieve my question. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Kama.

COUNCILMEMBER KAMA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: So, it's 12:52 . . . 42. If there are no more burning questions, if there are no objections, I will defer EDB-24(8).

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. Mahalo for your presentation, Mr. Baz and Mr. Verkerke.

MR. VERKERKE: Thank you, Chair.

MR. BAZ: Thank you, Chair, and thank you, Committee.

CHAIR RAWLINS-FERNANDEZ: Thank you. Okay. And then if there are no objections, I'd like to ask Members to return after our lunch break at 1:45.

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

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CHAIR RAWLINS-FERNANDEZ: Two? Okay. All right. We'll recess for lunch until two. Please be back in your seats at two. Okay. So, if there are no objections, I'll now recess our meeting. Please be back by two. Mahalo. . . . *(gavel)* . . .

ACTION: DEFER pending further discussion.

RECESS: 12:44 p.m.
RECONVENE: 2:03 p.m.

ITEM 24(5): PRE-BUDGET SESSION PRESENTATION (DEPARTMENT OF FINANCE)

CHAIR RAWLINS-FERNANDEZ: Aloha. We're the Economic Development and Budget Committee please come back to order. It is 2:03 p.m., on March 19th and we are on EDB-24(5). The last presentation for the agenda is by the Department of Finance. We have with us Director Scott Teruya --

MR. TERUYA: Good afternoon, Chair.

CHAIR RAWLINS-FERNANDEZ: --and Deputy Director May Anne Alibin. You can correct me, sorry. Okay. So, you will have this presentation by Department of Finance and then EDB-1 and then that will be it for our agenda. Mr. Teruya, are you ready?

MR. TERUYA: Yeah, thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Great.

MR. TERUYA: Good afternoon, Members. My name is Scott Teruya, Director of Finance along with May Anne Alibin, Deputy Director here this morning, this afternoon. I apologize. First of all, I'm a little over/under five minutes. I'm going to keep it quick. First of all, the vision. The vision of the Department of Finance is a model for good government by delivering excellence every day. With a mission to preserve the County's strong financial position by creating and implementing responsible and financial and service delivery strategies. No. 2, to effectively manage the County's financial resources and obligations and provide timely analyses, reports, and recommendations that will ensure optimal economic solutions. There's always No. 3, to deliver superior customer service in the purchasing motor vehicle licensing/real property assessment and tax collection program areas. The values of the Department of Finance we practice by mentioning the word "Aloha", and embracing the following: Ala, "L" for Lokahi, "O" for 'Oia'i'o, "H" for Ha'ah'a, and "A" for Ahonui. The organizational chart for the Department and under the Director and the Deputy Director of Finance are five programs. As we go across, we cover the Administration Program also known as the Director's Office; the Treasury Program; Accounts Program; Purchasing Program; and the Financial Services Program, which includes two Divisions -- Division on Motor Vehicle and Licensing and the Real Property

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Assessment Division. First of all, the Director's Office, also known as the Administration Program. We're responsible for the overall financial administration of all County Departments. We establish policy and provide oversight direction and support for implementation of review of policies and procedures for all the five operating divisions under Finance. We also provide a wide range or other types of interdepartmental support, including fiscal control budgeting, economic, and strategic planning; internal auditing, internal controls and financial analysis. The Director's Office consist of 8.8 EPs, I guess equivalent personnel with one vacancy, which is the Internal Control Officer at this time. The next Division is the Treasury Program consisting of two different sections. One, the Investment and Banking section, which provides a centralized management and investment of the County's cash; ensuring that its investments are secured and adequately collateralized along with debt management responsibilities, and billing and collection for various County charges. And No 2, which is the Real Property Tax Fee Collection section, which collects all of the real property taxes and fees, administers the Tax Relief Program, and oversees the tax sale of properties with delinquent taxes. This Division has 14 EPs and one vacancy – the current Accountant III. The Accounts Program provides a centralized accounting and financial reporting of all County operations. Additionally, this program administers the County's accounts payable, fixed asset and payroll responsibilities, and preparation of the CAFR, also known as the Comprehensive Annual Financial Report. This Division is tasked with the HR Payroll project that is scheduled to go live in about 13 days, April 1st. We're going live with the pay checks to be processed using the new system on April 15th. This Division processes over 61,000 pay checks per year for the 2,600 County employees or thereabouts. This Division has 18 EPs and no vacancy. The Purchasing Program administers construction bids and all purchasing contracting activities for goods and services for the County. Also, this program provides technical assistance and advice relating to purchasing and contracting to all County departments. As you can see, how much they process over 1,400 requi . . . 14,000 requisitions and 25,000 pCard transactions. This Division has seven EPs and no vacancies. The Financial Services Program is the largest program within . . . under Finance. It's comprised of two Divisions. One, the DMVL and the Real Property Assessment Division. The DMVL issues new and renewal driver licenses; new and renewal State IDs; motor vehicle registrations; various County businesses licenses; disabled parking placards; taxi driver permits; and dog and bicycle licenses. DMVL has seven service centers throughout the island, I mean, throughout the County of Maui. DMVL also collects payments on behalf of Department of Water Supply and DEM for refuse, sewer fees, respectively. DMVL has 73 EPs and five vacancies. The Real Property Assessment Division is responsible for appraising and assessing all real property in the County. They also maintain County records, administers various exemptions and use programs, maintains the County's GIS system, base map, and establishes tax map key numbers for parcels that are designated on the GIS map. The Real Property Assessment Division has two locations in the County – one at the Maui Mall and one on Molokai. This Division has 44 EPs and three vacancies. As a budget overview, I just have a simple matrix showing the five Finance programs and the EP counts over the last four fiscal years so you can kind of see the relatively flat over the last four years with a total of 164.8 positions and 10 vacancies overall in the Department. And all of 'em are in recruitment. The

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Finance Division is primarily responsible for collecting and receiving all of these revenue funds from the various sources with the line _____ being the real property tax program . . . taxes which basically make up . . . tell me how it's _____ that, but the real property taxes are about 43 percent of the revenue which in Fiscal '19 is about \$321 million. So, that's just the break up, general break up. Here's an illustration of the real property revenue that collections at the Treasury program brings in. Over the last 13 years it shows the increased pattern. Since Fiscal '12 about 4 percent per year. This is an illustration of the amount of interest your Treasury Program bring in every year. It's the last five years and you can see the increase in the amount of interest that the County is earning from the Treasury Program. In FY '15 is the further most bottom line. I'm only saying that because I'm colored blind and I can't tell you the colors but the furthest down is the FY '15 and then '16, '17, '18, and '19 is going up and we're projected to be hitting the amount of interest in FY '19, the current fiscal year at \$7.5 million in interest. Here's a chart just showing we have approximately 188,000 registered vehicles in Maui County. The exempt vehicles that you see in the middle column are for like Federal, Civil Defense, Federal government, County government, that they're exempt from paying the taxes. But we have about 188,000 vehicles registered in County of Maui. As of October 1st, 2020, there's a Federal requirement for travelers to have a star on their driver's license. I'm not sure if everybody is aware of that. The DMVL is expecting about 61,000 people coming in that short period and, you know, that is of some concern as far as what your wait time will be at the DMVL. I know we created those kiosks to divert traffic but there is a very big Federal mandate from Homeland Security to have this 61,000 renew their license so that's going to be their challenge in this current . . . upcoming fiscal year. So, just some rough numbers for you guys but, basically, it's a 200 percent increase in the driver license renewal that they normally see. So, it's going to be a big undertaking for them. There's about a 4.86 percent to be more exact increase in the gross taxable value. In the Fiscal '20 assessments that was recently mailed out to all of the property owners, for those people who signed up for eNotice they received a notice probably last Friday. I mean, if you haven't received it yet, you should be either getting it shortly or should be giving a call to the Real Property Assessment Division. So, we had a record high; we had a \$51.7 billion in assessment in the coming fiscal year. Here's a table showing the three-year historical, actual, and current year or budget, which includes both general and grant revenue funds as of the end of February 2019 the year-to-date expenses for the . . . for us is at \$10.5 billion out of the 13.7 billion for the finance. So, out of this what we're looking at is mostly it's all fixed cost. I mean, the travel is a discretionary item, an adopted item in Fiscal Year '19 is at \$98,000 thereabouts. And I'm not sure if I'm over/under but that concludes, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Teruya. Okay, Members, I'll now open the floor to questions starting with Member Kama.

COUNCILMEMBER KAMA: . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Kama. Member Sugimura?

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COUNCILMEMBER SUGIMURA: So, just wondering about the payroll. I asked IT when is the work day or payroll going to be active and I just wondered where we are . . . or go live I guess.

MS. ALIBIN: Madam Chair? May Anne Alibin, Deputy Director of Finance. In answer to that, we are going live with the payroll. So, there's going to be two phases as far as Council is concerned. There's the payroll processing and then also the time tracking. So, the payroll is going to be live April 1st, so they'll be processing it for the first pay day of April 15th. For the time tracking system, which includes your time off request, time approval and all the other requests through the current ADP system it's still to be determined.

COUNCILMEMBER SUGIMURA: So, what does that mean? You're going to be running two payroll systems simultaneously?

MS. ALIBIN: Madam Chair?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

MS. ALIBIN: Yes, we are going to be running in parallel to process the pay checks. But as far as your time tracking where you're going to put in your time and the amount, it's gonna . . . you're still going to be using the current ADP.

COUNCILMEMBER SUGIMURA: And it's going to phase out one day.

MS. ALIBIN: It will be, yes.

COUNCILMEMBER SUGIMURA: Um . . .

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin? May I ask you to move just a little bit further behind the mic. Mahalo.

COUNCILMEMBER SUGIMURA: Okay. So, we're going to be ready for April 1 to go live to get our first pay checks on the 15th, correct? That's what you said.

MS. ALIBIN: Madam Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Alibin?

MS. ALIBIN: Yes, that is correct.

COUNCILMEMBER SUGIMURA: Okay. And payroll-wise we're all fine?

MS. ALIBIN: Yes.

COUNCILMEMBER SUGIMURA: Okay. Yes, Mr. Teruya, you look like you want to say something.

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MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director Teruya?

MR. TERUYA: Yeah, just a comment. The Phase 2 or the 1A whichever way you want to go it involves time tracking. I think you mentioned that we are slated to go shortly and one of the items are critical test will be . . . we received a temporary transfer from the Police Department to Finance as an Accountant position, and we just received the list I believe today to hire. That position is only good till June 30th and will revert back to the Police Department. So, as far as the lead for the time tracking piece that is one of the biggest questions that we're going to face. Whether or not if that person goes back to where they came from or that position is no longer available. Thank you, Chair.

CHAIR. RAWLINS-FERNANDEZ: Mahalo, Director.

COUNCILMEMBER SUGIMURA: Do you need that position? 'Cause if April 1 we start and you have that person till what June 30th, is that what you just said?

CHAIR RAWLINS-FERNANDEZ: Deputy Director?

MS. ALIBIN: Madam Chair, the complexity . . . the issue on the time tracking phase is actually because of the complexity of our bargaining unit contracts. And so, we have thousands of rules that this time tracking lead is going to be taking a look upon too so that's one of the, I believe one of the hurdles with coming in live with the payroll system and then the time tracking at the same time was because all of the complexities that we have with our rules.

COUNCILMEMBER SUGIMURA: With the unions.

MS. ALIBIN: Yes.

COUNCILMEMBER SUGIMURA: It's huge, right. That's why we had all those spiking problems and, is that right, with some departments but . . .

MS. ALIBIN: Yes.

COUNCILMEMBER SUGIMURA: Or a department.

MS. ALIBIN: Yes.

COUNCILMEMBER SUGIMURA: So, you're going to lose that person . . . to keep track of that?

MR. TERUYA: Chair?

COUNCILMEMBER SUGIMURA: How does that . . .

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MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: That is the problem or the situation we're going to face is that position is transfer, temporarily transferred just to June 30th. That position reverts back to the Police Department on July 1st. So, we are either going to have that person no longer there so we're going to have to figure out do I reallocate another position there or what are we going to do? So, we're in that discussion now. We're going to hire for the position and take that position as far as we can that we're giving it. And at that time . . . in the meantime, in the interim, we're gonna have to identify how we're going to handle this situation moving forward. And as I mentioned, as most people mentioned, we haven't received our 2020 budget yet that's approved by the Mayor, so we'll cross that bridge when we find out what that is.

COUNCILMEMBER SUGIMURA: So, you'll let us know. Sounds like an important position. It's our paychecks, right, you're talking about and our leave . . . that whole tracking thing especially with the unions. That's it, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you for the presentation. I had a question but let me know if it's not within your purview or if it's not appropriate. You know, with the sea level rise situation and the property taxes being collected, if let's say the condos or things that are falling into the ocean, do we still collect property tax if the situation is becoming beyond the control of humans?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Thank you, Chair. Thank you for that question, Member Paltin. Whenever you ask a question as to how it's going to affect, really, the real question for real property is, what is market willing to pay for something? We have oceanfront properties and that capture a lot of revenue, lot of . . . it cost a lot of money to acquire one but when something like sea level rise affects and the foundation is in jeopardy, how much is somebody willing to pay for a unit now? And really, we, as appraisers, are more hindsight or reflective of what the market will bear. So, in the situation right now, we haven't seen it but if the sales prices starts reducing, that's obviously going to be impacting more the revenue we collect. So, whether our choice is to harden and support the area and deal with the issues, or are you going to run from it? I don't know what the situation in every situation of around the County but in areas that you're going to harden and your protecting, I would say, you know, a lot of those condos in those low lying areas are going to be affected by sea level rise at some point. Thank you, Chair.

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CHAIR RAWLINS-FERNANDEZ: Mahalo.

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Member Lee?

COUNCILMEMBER LEE: No.

CHAIR RAWLINS-FERNANDEZ: No questions. Okay. Member Molina?

COUNCILMEMBER MOLINA: Thank you, Madam Chair. I'll try not to be too long. Just a couple of things. I know Member Lee is got an appointment, so I got to be respectful like that. We've been just chiding each other all morning long. Anyway, just a quick question, general question. You folks charging late fees for water payments, sewer and trash? Has that . . . I know for real property tax if you're late with your payments, you have to pay, I guess, interest?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TENGAN: Thank you, Chair. As far as real property tax, I can tell you for sure, that is, the late payment once you're late there's a 10 percent penalty and one month . . . 1 percent per month. As far as the sewer and water, I believe we're collecting them but I don't know if we oversee it so I can't tell you off hand the type of penalty that's arranged in those Departments.

COUNCILMEMBER MOLINA: Okay. And thank you for that update. And the buzz word for this Administration has been the emphasis on customer service. And I believe you're looking at maybe a possible flat budget for your Department, and I noticed on the slide too you've been keeping your hirings of personnel to a real minimum. So, I do plan to achieve this goal of improving customer service if you're looking at a flat budget 'cause I know some will take training which will cost extra dollars and so forth. But at the same time, I think we can appreciate the fact that you're trying to save the public some tax dollars and sometimes with regards to hiring more personnel. That does not always solve your problems. It's about management. Can you comment on that, Mr. Teruya?

CHAIR. RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Thank you, Chair, and Mr. Molina for that difficult question.

COUNCILMEMBER MOLINA: Sorry.

MR. TERUYA: Every Administration or Department is looking at doing more with saving money. I mean, I think, everybody is looking to that. One of the only ways that I can tell you that some of those things will be achieved is to look into new technology in certain areas. For us, Chair, if you don't mind, I want to at least mention that for the FY '19 remaining budget, I think as far as "A" savings, the Real Property Tax and the

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DMVL has forecast that they have about a maybe about a \$400,000 “A” saving budget between the two divisions. I believe DMVL is on track to save about 150,000 and Real Property at about 200 - 250,000 on their “A” budget primarily because of the vacancies. As far as the “B” budget, all departments or divisions are expected to be very close in spending all of their budgets with the exception of Real Property Tax in the sense that it is a contract regarding an error imagery that they may not be able to become completing our current fly over which delays the future contract which we have \$200,000 in the FY ‘19 budget to expend. The thought is that that will just might go, I mean, might be lapsed and maybe need to ask in next fiscal year for that money. We are not expected to cut that contract other than for them to fulfill the existing contract and just that the contract may take another fiscal year to get into . . . end one contract before we start another without running into two open contracts. As far as answering your question, you know, as far as customer service definitely one of the things that we were looking at is looking into leadership works, . . . *(inaudible)* . . . program with having more customer training . . . customer service training for the different divisions internally and that is still being explored as far as what kind of cost it’s going to be. Thank you, Chair.

COUNCILMEMBER MOLINA: Okay. Thank you, Mr. Teruya, and’ just a shout out to you and your Department, Real Property Tax, DMVL – Mr. Vila, I appreciate all you guys work. I know it can be a very daunting task at times but thank you all for your hard work. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Just a question for Mr. Teruya . . . in anticipation of the Mayor’s budget coming up next week, are you proposing any changes to the tax rates?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Chair, Madam Chair, sorry, as far as proposal of tax rates we have not been asked to participate in any rate proposals. In the past, we are here for your resources as to what you are trying to accomplish and that we can provide pros and cons or what is the situation if you do this, if you do that because, you know, I don’t expect everybody to be an expert in the type of classifications we have and the effects that you may have by increasing one and not doing another, so we’re here as resource to help you go through whatever you’re trying to deliberate and achieve. So, if we are in contact or in _____ whatever you guys are trying to do and we can assist, we definitely want to be there, but we have not been in contact with whoever is the rate changes for the FY ‘20. We have not been in that discussion, sir.

COUNCILMEMBER SINENCI: Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. Any other burning questions? Okay. Seeing none. I’ll thank Director Teruya and Deputy Director Alibin for their presentation. And if there are no objections, I will defer EDB-24(5).

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COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members.

ACTION: DEFER pending further discussion.

**ITEM 1: PROPOSED FISCAL YEAR 2020 BUDGET FOR THE COUNTY
OF MAUI (CC 19-61))**

CHAIR RAWLINS-FERNANDEZ: Okay, the last thing on our agenda is EDB-1. There's a copy of a memo from myself outlining the procedure of the Fiscal Year 2020 Budget. Staff is also distributing a memo which further explains the Fiscal Year 2020 Budget deliberation schedule with an attached revised schedule. I would like to start by saying that I am very excited to embark on this new journey with all of you. And I am grateful for the entrusted opportunity to usher in the new budget review process. Since reviewing the budget proposal as brand new to many of us, I feel confident that it is also an opportune time to look at the review process with open minds and to work together to achieve a balanced vision amongst our many minds, and even more importantly, a balanced budget that benefits this community we have all committed to serve. That being said, I took a conscious approach to setting up our review process to be very mindful of everyone's time and energy. I would like to review . . . I would our review of the budget to be focused on our priorities and concerns, highlights for the year and so have gone through great lengths to ensure that every one of us feels represented and acknowledged because in the grand scheme of things each one of us represents various groups of our community and it is through us that they will be fairly and fiscally represented. In order for us to keep sustainable working hours while conducting our business, it was apparent that the review process itself would need to be restructured. First and foremost, I felt that everyone involved in the budget approval process should receive training and guidance for reading and understanding the forthcoming budget proposal and the critical analysis that will follow on your own time. Most of us are on the level playing field in that arena with the exception of some, and so I would really like our Members and our accounting personnel to receive a first-time ever budget proposal review and training workshop to ease minds and forge ahead with confident knowing and self-assurance. Knowledge is power and the more knowledge you can gain by asking questions and thorough understanding the better we will succeed as a body to make important decisions that craft the health and well-being of our community. I am grateful to the Mayor for his willingness to lend the current Budget Director and former Budget Director to walk us through a budget proposal for the last fiscal year so that we can use it as a template for what to expect with the Fiscal Year 2020 budget proposal when it comes. With that level of expertise and training everyone will benefit – the Administration, the Council, the Staff, and most importantly our public. The Departments all worked diligently on the Mayor's proposal for months on end, and with a new Administration sometimes it can mean double time to get any changes accomplished from one Mayor's vision to the next. No one knows the budget proposal format better than the Budget Director and their staff.

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And we are lucky to have two – one former and one current and former working together under the same Administration. So, thank you, again, to the Mayor and these two individuals for their willingness to share their expertise with all of us. The workshop date is currently slated for March 27th and 9:30 a.m. Second, since time is of the essence, part of the new review process will be to streamline our communication time by putting everything in writing to Departments rather than question them on the floor. The intent of doing this . . . doing it this way is that we will garner meaningful questions, responses will be memorialized and posted on Legistar and the Administration and Council will maintain reasonable working hours. The goal is to work until 5:00 p.m. each day and only longer if we begin to fall behind. I would like to draw your attention to the budget calendar distributed today and attached to the memo dated March 19, 2019. Please observe the note at the top of the calendar printed in red. Although several calendar dates state the 5:00 p.m. end time, end of meeting time on the dates that we do not have district meetings it is very important that you do not schedule other obligations throughout the month of April. In order to review balance and approve the budget document in the hard . . . by the hard deadline, it is critical that your only priority be EDB Committee, should the need arise to stay later than 5:00 p.m. at the moment, at a moment's notice. I have made the commitment to you to try and keep reasonable working hours and am asking that you make a commitment to me to be available after hours if, if we need to work longer. Your attendance and participation is extremely important. So, just to reiterate, we will not have departmental personnel on the floor but will communicate, in writing, and transmit correspondence only through Committee during open session. I request your assistance in maintaining this goal so that we all share the same information retrieved and transmitted through EDB Committee during open meetings. My hope that by freeing up Department's review time before this body there will be ample time to respond expeditiously to our inquiries as well as to conduct other important business of the County. With normal working hours and your commitment, I hope we can remain diligent and committed to a balanced and regional budget and also feeling rested with coherent minds. I would like to see well informed, and well rested rational decisions decision-making throughout this entire process. Members, please follow along on your budget calendar before you and I will walk you through the review process as it currently sits. On March 25th, we will receive the Mayor's budget currently scheduled at 1:30 p.m. That first week is going to be very important for you and your office staff. I have intentionally made it a light work week because that will be your only opportunity to get familiar with and to analyze the budget proposal. Please use this time wisely and read the budget from beginning to end. You will be provided a worksheet template that can be used as a tool to take notes during your review. During your review, you will be looking for several things . . . five things: a) items that stand out to you as a change from the previous fiscal year; b) questions that you have for all departments; c) potential places to make budget cuts; d) compiling a list of your top five priorities; and e) compiling a list of your top five concerns. You will have the afternoon of the 25th after we receive the budget; the holiday on Tuesday, the 26th; the second part of Wednesday, the 27th; after a short training workshop by the Administration; all of Thursday, the 28th; and the second part of Friday, the 29th, after our EDB Committee meeting as well as the weekend to complete your review. While that sounds like a lot of time, you will need to use that time wisely to complete your

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analysis. The worksheet that you utilize during your review will help you to compile your exhaustive list of questions to all Departments as well as your budget proposal which will contain your top five priorities and your top five concerns. The examples of these templates have been provided to you today as well . . . and that's this one. Okay. Please prioritize your priority list, top priority as number one, lowest top five priority number five. And top concern as number one and lowest top five concern as number five. Your Departmental questions will be transmitted on another form template that you should also have before you today and will be due for Committee transmittal no later than Monday, April 1st. Your budget proposal will be due back to Committee by Monday, April 8th. Your Departmental questions will be compiled and sorted by OCS staff. They will filter out any questions that they can assist you with themselves and then transmit the rest to the various Departments. On Monday, April 8th, each Member will present their top five priorities and concerns proposal to the Committee and explain each item of it. There will be a time limit for each proposal presentation. After the proposals are presented, OCS will work with my staff after hours to compile all items from each Member's proposals and organize them into two priority lists working documents. One list of the Members' priorities and one list of the Members' concerns. These two working document lists will be populated in order of top concerns and top priorities assuming certain items might be shared priorities and shared concerns and will be used for the first round of deliberations starting Tuesday, April 9th. We will discuss every Members' priorities and concerns and eventually reach consensus on any proposed changes. Once we complete the first round we will be left with an unbalanced budget. This is where your worksheet will come in handy once again. My vision is that since every Member will have had an opportunity to express their top priorities and concerns, and we have reached consensus as a body, we will be able to move forward and work together as a team to identify items in the proposal to cut until we reach a balanced budget. Using the worksheet that you utilized in your office the first week, we will identify page numbers and line items that stood out to each of you and discussed reductions. This part of the review process will be similar to previous budget sessions called revisits. We will make the tough decisions at that point, but we will do that as a team. At any point during our deliberation on decision-making, if you have a Departmental question you would like sent, please ask your questions on the floor and the questions will be compiled by staff and sent to the appropriate department. Corresponding with the Administration will be a two-way street. I imagine there will be decisions that we make that will raise red flags for the Departments and I want to invite letters from them. If we make or propose a cut, that would truly adversely affect them. The letter can explain why the cut will negatively impact them beyond the ability to function correctly. And we will revisit the cut and weigh the justification together as a body should the need arise. My staff will be reaching out to your office staff to offer them training on helpful ways to organize the correspondence we will be receiving. If at any point during the review process you have clarifying questions about how to use the template provided to you today, OCS staff as well as my own staff are ready, willing, and able to assist. Please reach out. I would like this budget session to be successful and even enjoyable. Members, I will now open the floor for questions. Member Lee?

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COUNCILMEMBER LEE: Thank you, Madam Chair. I'm sure all of us have memorized what you just said --

CHAIR RAWLINS-FERNANDEZ: Sure.

COUNCILMEMBER LEE: --but can we have a copy what you read?

CHAIR RAWLINS-FERNANDEZ: Exactly.

COUNCILMEMBER LEE: Okay. And then I'm sure as time gets close to deadlines, you will remind us, right?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER LEE: Thank you.

CHAIR RAWLINS-FERNANDEZ: So, that's all on the calendar as well as in the memos that was distributed by staff just now. Okay. I think Member Molina and . . . someone over here had their hand up . . . and Member Sugimura.

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I certainly echo Member Lee's suggestion and if it was one of three, I guess dinosaurs of the Council, you know, this is something a new process.

UNIDENTIFIED SPEAKER: Speak for yourself.

COUNCILMEMBER MOLINA: Yeah, I speak for myself. I meant it as complimentary. If I was you, I don't know if it came across as such but, no, yeah, I appreciate the change. Change is always good to look at and will go forward and move along with the process but one thing that I guess has not changed is during this time frame from now till I guess May the Budget meetings takes priority, unless there's some sensitive items in other Committees. And one of 'em I would like to ask for consideration. As you know, this morning the Mayor called a press conference to announce the new . . . his nominee for the Department of Housing and Human Concerns and the Council has 60 days to act on it. And so maybe at some time we can talk about when it will be the best more appropriate time to have this discussion 'cause it's a two-phase process, yeah, Committee meeting and then Council, and then we have to . . . my guess is right now we have until maybe May 18th, May 17th to make a decision on this nominee. And of course, there's the Public Works nominee as well to consider which may be coming our way in the next few days. So, I just wanted to . . . I'll keep my reservations for those important matters. But thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. We'll definitely . . . we're working on the days for that first confirmation process. We have two days that we're thinking. So, we'll get together with your office to figure that out. Mahalo. Okay, Member Sugimura?

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COUNCILMEMBER SUGIMURA: So, I was going to say the same thing that Member Lee said, can we have your notes, which expands upon what you passed out to us. Did you say that Budget Director will be giving us a briefing?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER SUGIMURA: Training.

CHAIR RAWLINS-FERNANDEZ: Yeah, it's a training on how to review the budget. So, we'll be using last year's budget because I imagine the format would be very similar. So, that all Members can get the benefit of understanding the different documents – so, the Program Budget, the Budget Details, and the Legislative bills that come with all the budget and just be better prepared for that discussion --

COUNCILMEMBER SUGIMURA: That's the 27th?

CHAIR RAWLINS-FERNANDEZ: --on the following week. Yeah, the 27th at 9:30 a.m.

COUNCILMEMBER SUGIMURA: Yeah, at 9:30 a.m.

CHAIR RAWLINS-FERNANDEZ: Yes. And that will be Budget Director Yoshimura and Managing Director Sandy Baz.

COUNCILMEMBER SUGIMURA: And when the Mayor presents his budget to us, is that going to be upstairs in the Mayor's lounge or . . .

CHAIR RAWLINS-FERNANDEZ: Budget Director, would you like to respond to that question?

MS. YOSHIMURA: Okay, Chair. It will be here in the Chamber at 1:30.

COUNCILMEMBER SUGIMURA: Oh, Chamber, okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. You're welcome. Members, any other questions? Member Kama?

COUNCILMEMBER KAMA: Yes, thank you, Chair. So, when we're finished with our budget, the budget that we all got was that the Budget Summary? And that's what we all have. And that's not the complete overall. But when we're complete with our budget, will we get the complete, complete budget or we're going to get a summary such as that?

CHAIR RAWLINS-FERNANDEZ: Yeah, so the documents that we receive from the proposal is what Member Sugimura is holding, that's the Program Budget. And we also received the Budget Details and that's the really thick --

COUNCILMEMBER KAMA: Yes.

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CHAIR RAWLINS-FERNANDEZ: --binder that we all received.

COUNCILMEMBER KAMA: Yes, yes.

CHAIR RAWLINS-FERNANDEZ: Yeah, so we'll have that and we'll have a training on how to read both documents and how they correspond.

COUNCILMEMBER KAMA: Thank you, Chair, very much.

CHAIR RAWLINS-FERNANDEZ: Yes, absolutely. Member Paltin?

COUNCILMEMBER PALTIN: I think I have the one that Member Sugimura has. Are you going to us the other document?

CHAIR RAWLINS-FERNANDEZ: So, if your office doesn't have the Budget Details from Fiscal Year '19, then we can make sure that your office has one.

COUNCILMEMBER PALTIN: Okay. Cool.

CHAIR RAWLINS-FERNANDEZ: . . . *(inaudible)* . . .

COUNCILMEMBER SINENCI: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci?

COUNCILMEMBER SINENCI: Yes. I appreciate the color-coded calendar. As a new Member, it looks like we're going to the different districts, so I know planning and getting to these district sites is going to be a part of the budget process. So, and I, too, I also appreciate the graphic organizers so, mahalo, for that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Members, any other questions? Okay. Okay, so Members, if there are no objections . . . yes, Mr. Ueoka?

MR. UEOKA: Thank you, Chair. Just a reminder for all the Members that there are some sensitive materials in the Budget Details, mainly, employee numbers with salaries in them typically. So, it is not a document that is . . . it wouldn't be something that we would release because it is private material. So, just be cautious with it. Keep it in confidence. Thank you.

COUNCILMEMBER KAMA: Will do.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Ueoka. Okay. So, what I had read to you, you already have a copy of. That's in the memos that staff had passed out. Okay. So, if there are no more questions, and no objections, I will defer this item, EDB-1.

COUNCILMEMBERS VOICED NO OBJECTIONS.

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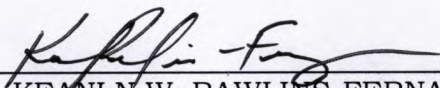
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ACTION: DEFER pending further discussion.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. The March 14th Economic Development and Budget Committee meeting is now adjourned. It is 2:45 p.m. Mahalo. . . .(gavel) . . .

ADJOURN: 2:45 p.m.

APPROVED:



KEANI N.W. RAWLINS-FERNANDEZ, Chair
Economic Development and Budget Committee

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Transcribed by: Jo-Ann Sato

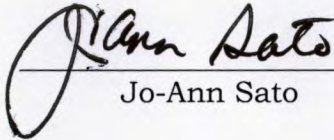
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CERTIFICATE

I, Jo-Ann Sato, 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 15th day of April, in Pukalani, Hawaii



Jo-Ann Sato