

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

Council of the County of Maui

MINUTES

April 17, 2020

Online Only via BlueJeans Link

CONVENE: 1:07 p.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly Takaya King, Vice-Chair
Councilmember Riki Hokama, Member
Councilmember Tasha Kama, Member (in 1:15 p.m.)
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: Shelly Espeleta, Legislative Analyst
Lesley Milner, Legislative Analyst
Chester Carson, Legislative Analyst
Kasie Apo Takayama, Legislative Analyst
Yvette Bouthillier, Committee Secretary

ADMIN.: Michele Y. Yoshimura, Budget Director, Office of the Mayor
Scott K. Teruya, Director, Department of Finance
May Anne A. Alibin, Deputy Director, Department of Finance
Marcy Martin, County Real Property Tax Administrator, Department of Finance
Didi Hamai, Secretary, Department of Finance
Mimi Desjardins, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Tapani Vuori
Mike Morris, YMCA
Sienna Jolie
Jennifer Suzuki
Anne Rillero
Edwin "Ekolu" Lindsey, III
David Jung
Thorne Abbott, Coastal Planners, LLC
Tom Croly
Rod Antone, Executive Director, Maui Hotel Association
Laurent Zahnd
Andrew Rodgers, General Manager, Ritz Carlton
Mark Deakos
Lucienne de Naie

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

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Aloha `auinalā kākou. Will the Economic Development and Budget Committee please come to order. It's 1:07 on April 17, 2020. I'm Keani Rawlins-Fernandez, Chair of the Economic Development and Budget Committee and today we have with us Committee Vice-Chair Kelly King...

UNIDENTIFIED SPEAKER: And then Council is gonna be... (inaudible)... at three .

VICE-CHAIR KING: Hello? Somebody needs to mute. Aloha, Chair. Long time no see.

CHAIR RAWLINS-FERNANDEZ: Aloha. Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha `auinalā kākou. Hau`oli o wau, ma `ane`i.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha, Madam Chair, and a pleasant good afternoon to you, my colleagues and the members of the public from wonderful Makawao. Thank you.

CHAIR RAWLINS-FERNANDEZ: Aloha. Chair Alice Lee.

COUNCILMEMBER LEE: Hola, qué tal? From Wailuku.

CHAIR RAWLINS-FERNANDEZ: Hola, qué tal? Member Riki Hokama.

COUNCILMEMBER HOKAMA: Yeah. Present, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Tamara Paltin. Member Paltin?

MS. MILNER: Chair, I don't believe she's logged in yet.

CHAIR RAWLINS-FERNANDEZ: Yeah, I don't see her. Okay. Hopefully she'll be able to join us. I'm hope she's not having any....oh, there she is.

MS. MILNER: She just showed up.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Hi. Sorry, I couldn't figure out --

CHAIR RAWLINS-FERNANDEZ: Aloha.

COUNCILMEMBER PALTIN: --how to get on.

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CHAIR RAWLINS-FERNANDEZ: Okay you got to turn on your video.

COUNCILMEMBER PALTIN: I'm gonna try something. Sorry.

CHAIR RAWLINS-FERNANDEZ: Okay, you might have to restart. But we'll --

COUNCILMEMBER PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: --keep going. We have testifiers, so you have time.

COUNCILMEMBER PALTIN: Okay.

CHAIR RAWLINS-FERNANDEZ: Member Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Good afternoon, Chair. I'm looking forward to hearing this meeting. So, thanks for doing this.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Aloha. And Pro Tem Tasha Kama is excused. She may join us in a little bit. And we have on the line from Corporation Counsel, Deputy Corporation Counsel Mimi Desjardins.

MS. DESJARDINS: Aloha, everyone.

CHAIR RAWLINS-FERNANDEZ: Aloha. And we have from the Office of the Mayor, Budget Director Michele Yoshimura. Aloha. And from the Department of Finance, Director Scott Teruya, and Real Property Tax Administrator Marcy Martin. I think? Oh, I think I heard.... . And it looks like Deputy Director May Anne Alibin. Okay. And then, Committee Staff, we have Committee Secretary Yvette Bouthillier; Legislative Analysts Shelly Espeleta, Chester Carson, Lesley Milner, and Kasie Apo Takayama. Mr. Carson, will you please turn your video on? Aloha, Mr. Carson. Today is our Legislative Analyst Chester Carson's last day with OCS and with all of us. And I just wanted to bid him a fond aloha and mahalo for all your hard work with OCS and for the Council. We're really sad to see you go. But we're happy and excited for you in your future endeavors.

MR. CARSON: Thank you.

CHAIR RAWLINS-FERNANDEZ: But sad to let you go.

MR. CARSON: Thank you.

COUNCILMEMBER HOKAMA: Must be Chair Sugimura overworked him.

COUNCILMEMBER SUGIMURA: He was super awesome. I'm sad to see him leave. But he's going to do well. Yeah.

CHAIR RAWLINS-FERNANDEZ: I wish we could all give you a lei and hug you.

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MR. CARSON: I'll come back when we're all done with the virus and get those hugs.

CHAIR RAWLINS-FERNANDEZ: Okay. We'll hold you to it.

UNIDENTIFIED SPEAKER: Promise. Promise.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Carson.

MR. CARSON: Thank you.

. . .BEGIN PUBLIC TESTIMONY. . .

CHAIR RAWLINS-FERNANDEZ: Okay so we have one item on today's agenda, EDB-1, Proposed Fiscal Year 2021 Budget for the County of Maui. We'll begin with public testimony. Oral testimony via phone or teleconference will be accepted from Maui County residents. Testifiers wanting to video provide testimony should have joined via the BlueJeans meeting link and testifiers wanting to provide audio testimony should have participated via phone conference. Both were noted on today's agenda. Written testimony is highly encouraged by sending your comments to edb.committee@mauicounty.us. Oral testimony will be limited to two minutes today. We do have a public hearing at 6:00 p.m. if you would like to have longer than two minutes. If you are still testifying beyond that time I will kindly ask you to complete your testimony. When testifying please state your first and last name. If you are testifying on behalf of an organization or are a paid lobbyist, please inform the Committee. I will post a link to the testifier's log in the chat so testifiers will be able to see where they are on the list. However, please be mindful that the use of chat during the meeting should be limited to the Committee's review of FY '21 Budget and should not be used to provide testimony or chat with other testifiers. If you are providing testimony, please be courteous to others by muting your microphone while waiting for your turn to testify. Participants who wish to view the meeting without providing testimony please view a live cablecast on Akakū, Channel 53. You can also visit mauicounty.us/agendas to access live and archive meeting videos. Okay. We'll proceed with public testimony starting with Tapani Vuori from Maui Ocean Center. Mr. Vuori? Please unmute yourself and you may proceed.

MR. VUORI: All right, this is Tapani. Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. VUORI: Okay. Very good. Mahalo, Chair and Members. My name is Tapani Vuori. I'm the General Manager here at Maui Ocean Center. First of all, thank you for this hearing. I really appreciate it. I support the purchase of Mā`alaea Mauka . . . *(inaudible)* . . . Pōhākea Watershed with Open Space Fund. On behalf of over 200 individuals who have signed the petition in a very short time that was submitted for your consideration. Along

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with the following organization, Kihei Community Association, Mā`alaea Village Association, Mā`alaea General Store, Maui Ocean Center and Sierra Club Maui Chapter. We here at Maui Ocean Center are very focused on water quality issues. It is very clear to us that healthy and fully functioning watershed is required for healthy oceans. We have data on water quality for over 20 years including major rain events in recent years. We have captured data on excessive nutrient loading and sedimentation coming from Pōhākea Watershed. Not only is there strong community support to see this become a reality but this is also a great fit for the intent of the Maui County Open Space, Natural Resources, Cultural Resources and Scenic Views Preservation Fund to protect these in perpetuity. We support the County of Maui purchase of Mā`alaea Mauka plus Pōhākea Watershed lands for the following reason. It can help with the ongoing sediment problems going into our bay. It will help with excessive nutrient loading entering our nearshore waters. It continues to keep our island beautiful as...*(inaudible)*... It will provide you with a _____. It will create a safer Pali trail parking. And with all the housing on the way it can help with the future road planning which we will need. And lastly it continues for emergency parking when the road closures and turnarounds are creating...*(inaudible)*... We humbly ask the support of all the Councilmembers to keep this item in the budget and allow the process to move forward. Thank you for your consideration. Aloha.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Vuori. Mahalo for your testimony.

MR. VUORI: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Next to testify is Mike Morris, followed by Sienna Jolie.

MR. MORRIS: Thank you for...can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. MORRIS: Okay good. I'm Mike Morris. I'm President and CEO of the YMCA and I have a million-dollar request in for a gymnasium here at the Y. The new gym space here at the Y in Kahului would help us with kids camps, especially on rainy days, for diabetes prevention programs, for youth and adult basketball leagues, for volleyball leagues, for large community meeting space, and for a great many other programs, and lord knows I could use that space right now. I could quadruple the childcare program we provide for first responders here at the Y on a daily basis. And this space for the Y has been in the making for about ten years and just about every obstacle has been thrown at us over that course of time and we've overcome all of them, until this obstacle. Believe me the job ahead of you is not lost on me. It is a daunting task and it will be complicated. So, I'm here to tell you as much as I think the community could benefit from this new building at the Y, if you feel like you need that money for a greater community need, I get it. I get it and the Y is willing to wait and I just wanted to let you know that we're thinking about you guys and the tremendous responsibility that you have right now. So thank you for your time.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Morris. Okay we have questions from Member Paltin and Member Sugimura. And before I call on you to ask questions, I apologize, Pro Tem Tasha Kama, mahalo for joining our meeting.

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Paltin and then Member Sugimura.

COUNCILMEMBER PALTIN: Thank you, Chair. I just wanted to clarify I had thought that I read in the program budget that the line item for the YMCA gym was for 400,000, but you're saying that you're requesting 1 million.

MR. MORRIS: I was, but I wasn't exactly sure how much the Mayor put in. So, evidently he's put in 400,000.

COUNCILMEMBER PALTIN: Okay.

MR. MORRIS: The original request that we put in was for a million. So, I'm sorry I hadn't seen a copy of the budget.

COUNCILMEMBER PALTIN: Thank you. Thank you for your understanding. And then, my second and last question was, is this gymnasium going to be built to like a hurricane rating standard and would it be...would you be open to it serving as a shelter for our people?

MR. MORRIS: Absolutely. You know, we're all about community service. The very first phone calls that I made when we shut down this building was to the Maui County Health Department and the State Department of Health asking them what we could do with this building . . . *(inaudible)*. . . So, we are certainly open to...

COUNCILMEMBER PALTIN: So, just clarifying, it is planned to be built at a hurricane rating standard to withstand like a category three, or is that not the plan?

MR. MORRIS: Yes. I don't know which category it would be set for to be honest with you. It would depend on cost for sure. We are open to doing that if we can raise enough money.

COUNCILMEMBER PALTIN: Thank you. Thank you, Chair.

MR. MORRIS: Sure.

CHAIR RAWLINS-FERNANDEZ: Thank you, Member Paltin. Member Sugimura?

COUNCILMEMBER SUGIMURA: Mike, that must have been the hardest thing for you to say and I just wanted to thank you. Thank you very much.

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MR. MORRIS: Oh thanks. Yeah, we've had a lot of discussions about it and we just feel like maybe the community needs out there are greater than this right now.

COUNCILMEMBER SUGIMURA: Your heart and soul is with the community. Thank you.

MR. MORRIS: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Mahalo again, Mr. Morris, for your testimony and for your thoughtfulness during this time. Mahalo for joining us today.

MR. MORRIS: Thank you. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Our next testifier is Sienna Jolie, followed by Amy Sato. Sienna Jolie?

MS. JOLIE: Oh. Do I start?

CHAIR RAWLINS-FERNANDEZ: Yes, please proceed.

MS. JOLIE: Oh okay. Aloha. My name is Sienna Jolie Racoma and I'm an eighth grader at Maui Waena Intermediate School. And I'm in the STEMworks AFTERSchool program. I'm here to support for Maui Economic Development Board line items. I've been in the STEMworks Program ever since sixth grade and this program has made such a huge impact on my life. Being in this program really helped me find out who I am and what I love to do and gave me many opportunities. This year in the STEMworks program I was part of media and robotics. Through STEM I've gotten many travel opportunities such as the STEM conference on O`ahu in sixth grade, the Student Television Network Convention in Seattle, Washington, STEM conference in O`ahu, being the co-host for HIKI NŌ in O`ahu in seventh grade and the Student Television Network Convention in Washington, D.C. this year which got cancelled when we were in Washington, D.C. These are the many opportunities I've gotten. From these opportunities I've learned not only the basic media skills, but life skills like teamwork, leadership and having a good work ethic. The best thing I've gotten from being in this program is friends. Without the STEMworks Program, I don't think that I would be the person I am today. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Jolie. Seeing no questions, thank you so much for joining us today. Next testifier is Amy Sato, followed by Jennifer Suzuki. Amy Sato? We'll come back to Ms. Sato. Jennifer Suzuki, followed by Anne Rillero.

MS. SUZUKI: Hi. Thank you so much for having us today. I'm testifying on behalf of the Maui Economic Development Board for their afterschool program STEMworks. I had a speech ready, but I think that what I really want to say that in this time of uncertainty that if we can offer our afterschool program for the kids when they go back to school next year, it will give them a sense of normalcy. As Sienna said it's a family. We have over 100

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students that come every day. We do robotics, media, CAD all kinds of different things, but we also learn to get along with each other and to take care of each other and even during this time when schools are closed, there's 30 of us still meeting every day. So, it is important. And please take into consideration funding us for next year. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Suzuki. Members, any questions? Seeing none, thank you so much for your testimony today. Anne Rillero is our next testifier, followed by `Ekelu Lindsey.

MS. RILLERO: Okay. Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes.

MS. RILLERO: Okay. Wonderful. Aloha, Members of the Economic Development Budget Committee. I'm Anne Rillero. I'm with Maui Nui Marine Resource Council and I wanted to say mahalo for being here during this really difficult time. Hopefully someday soon, COVID-19 will no longer be a pandemic and at that time I really think that the people of Maui County will be stepping outdoors and reconnecting with what's really important to them. Clean ocean water has been and will continue to be really right there at the top of the list. We value clean ocean water at the beaches where our keiki play, where our people fish, where swimmers, surfers, everybody, you know, enjoys the ocean recreation, is thankful for clean ocean water. Healthy coral reefs will also be at the top of the list. Our community needs the reefs to protect our shorelines from erosion, from beach loss, from sea level rise, from big waves and pounding storms and that's why I'm here today to ask you to include funding for Maui Nui Marine Resource Council in the 2021 Budget at the level of funding that was provided in 2020. This funding is needed to support the ocean water quality monitoring work that we're doing. We're monitoring 41 locations in South and West Maui. And we're gathering data that's quality assured accepted by the State Department of Health, by the EPA, by our community, by researchers and those who are working for clean ocean water here. The money will also support work in the Pōhākea Watershed above Mā`alaea where we're working to suppress wildfires by installing fire breaks which will help to reduce sediment laden runoff from flowing into Mā`alaea Bay. It will also support the oyster pilot project at Mā`alaea Harbor where we've installed caged non-reproductive oysters in the water to improve ocean water quality there. And it will also support research into corals that are best suited to provide survive ocean water and pollution and it will support education programs for our community. We've been able to draw on some federal money through grants from the National Fish and Wildlife Foundation and as a result we're able to employ Maui residents to work in the Pōhākea Watershed. This money comes with a catch however, it needs matching funds which is why County funding for Maui Nui Marine Resource Council would make a difference. Thank you very much for your time.

CHAIR RAWLINS-FERNANDEZ: Mahalo for your testimony Ms. Rillero. We have a question from Member Paltin.

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COUNCILMEMBER PALTIN: Thank you, Ms. Rillero. I just was wondering if you could provide to the Committee either right now or in writing the breakdown of each project's funding need.

MS. RILLERO: I can do that in writing. I don't have it right here in front of me, but I'd be very happy to do that and e-mail it to the Committee.

COUNCILMEMBER PALTIN: Right on. Thank you so much.

MS. RILLERO: Okay.

COUNCILMEMBER PALTIN: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Yes, that would be really helpful. Please e-mail it to edb.committee@mauicounty.us. And it's also noted on the agenda.

MS. RILLERO: Okay.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Rillero.

MS. RILLERO: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, our next testifier is `Ekelu Lindsey, followed by David Jung.

MR. LINDSEY: Aloha, Chair. This is `Ekelu Lindsey. Thank you for having me today and aloha, Members. I am testifying on behalf of Maui Nui Marine Resource Council and for the awesome work they're doing. Located here in Lahaina, we are direct beneficiaries of the work that we're doing with coral studies, with water quality studies and it's important work that needs to be completed. Because as we take a respite during these times, as nature takes that respite, it's important to continue the environmental work that's happening while people try to figure things out. So, we really appreciate the support that you've given to Maui Nui Marine Resource Council in the past so we can continue doing this trendsetting work. I don't think any, not many other people are doing this kind of work with oysters, the Pōhākea Watershed project and all the stuff that Anne recently talked about. But here in Lahaina being one of the last local people that is able to live on the beach on Front Street, it's important work for me because it is my kuleana that's been passed down to me to take care of the ocean. And with that comes the mauka side too. So, it's an important part for that. And I also want to extend a shout out and I'm not sure if this is the right store to go shopping in, but I'm going to throw it out there anyway for Maui Adult Day Care Center. Without the support that they get my aunt would not be able to go and so are a lot of the other kupunas as I go up there every day to go pick her up and see the support that they're getting and the care that they're getting so they can stay home. Because in my heart I cannot institutionalize her yet, but without that support from them, it becomes a lot more difficult for families like ourselves to keep them home. That is my testimony. Mahalo.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Lindsey. No questions. Okay. Thank you so much for your testimony today. Oh, sorry, we do have a question from Member Paltin. Member Paltin?

COUNCILMEMBER PALTIN: I just wanted to clarify on your testimony, they are continuing to test the water during this time when there is not a lot of tourists?

MR. LINDSEY: They're not...they have...like everybody else they're not, you know, they're stepping back, not testing right now, but if you look at the results and the testing that they're doing, because UH can't provide that, the continued testing, we got awesome baselines and in our area here, we're the highest, we're number one in turbidity. That's not a good thing. But no, they're not testing right now. Thank you.

COUNCILMEMBER PALTIN: Okay. It was my understanding that the Mayor had deemed them essential so, yeah, as soon as they can back to testing that would be awesome.

MR. LINDSEY: Thank you.

CHAIR RAWLINS-FERNANDEZ: That would be awesome. Mahalo, Member Paltin. Mahalo again, Mr. Lindsey. Aloha. Our next testifier is David Jung, followed by Thorne Abbott.

MR. JUNG: Hello, everybody. I just want to thank you all for serving our County. You've got probably the most difficult challenge trying to balance a budget in such horrible uncertain times with runaway unemployment. I just wanted to share a little experience of what we had back in 1987 on Moloka'i when Governor Waihe'e came to us and said we have to get people back to work on Moloka'i because of the tuberculosis problem with the cattle and because of the shutting down of the pineapple plantation on Moloka'i. We had to get fresh money into the island and Director of DBEDT at the time was Roger Ulveling and he brought up the point that a fresh dollar in an island economy kind of gets spent eight or nine times over. If we are just selling each other pizzas back and forth, pretty soon we'd run out of money. It's just absolutely essential we have new dollars coming into our community and it's not gonna come in to Maui through massive defense spending like O'ahu has. It's not gonna come in through massive State government like O'ahu has. Maui as hard as we've tried, we really are a one-horse island. We get most of our income through tourism and that's something that we need to protect. I was supposed to testify in favor of MVB funding, but I'm not going to. I think the crisis we have right now is so tremendous that we have to come up with a plan on how do we open up our island economy. All the other wonderful projects will never happen if we don't get our economy going. There are drive thru testing programs that are going on throughout the country. Walgreens has drive-thru testing. They're using the Abbott ID NOW program which gives you a result in 15 minutes. And I am proposing we have drive-thru testing at every airport that serves Hawai'i. Before people come to Hawai'i they should be tested. This is a 15-minute test. It's expanding rapidly. There's also a saliva test that's expanding rapidly. And I just wanna say instead of telling people stay away, let's take healthy people and support healthy people coming to our island.

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The enemy is not people from O`ahu coming here, it's the virus coming here. The enemy is not people from California coming here, it's the virus coming here. We have to pull together and we have to restore our economy. Thank you very much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Jung. Seeing no questions, we thank you for your testimony today. Aloha.

MR. JUNG: Mahalo.

CHAIR RAWLINS-FERNANDEZ: Next testifier is Thorne Abbott, followed by Tom Croly.

MR. ABBOTT: Aloha, Councilmembers. Thank you very much for allowing us to testify on these variety of issues. My name is Thorne Abbott with Coastal Planners, LLC. Can you hear me alright?

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. ABBOTT: Oh, great. I ask that you fully support and fund the Maui Nui Marine Resource Council for several reasons and the last speaker talked about funding the MVB and the question about, you know, whether that should be supported with \$3 million because it wasn't clear, quantifiable benefit necessarily from those dollars contributed. That is not the case with the Maui Nui Marine Resource Council, there's very clear measurable benefits. First off they measure 41 different sites. They do the water quality testing, 41 different sites on island. That's very different, far superior to what the Department of Health is doing. They have hundreds of water cleaning oysters in Mā`alaea Bay. And these kinds of efforts attract a lot of in-kind services. For example, `Ekolu and I were part of the coral reef recovery plan that the former Council adopted as a good community-based approach to having our reefs recover. We have 14 different members in that. You know, if you added up the costs of those 14 members, it's probably \$200,000 of in-kind services you received. They also get funded by the National Federation of...National Fish and Wildlife Federation. So those, like the last speaker testified, that's funding from the outside. That's from outside the island that's coming in and that's leverage money. So for every dollar you give to Maui Nui Marine Resource Council, they're getting more than a dollar in return and they can quantify that and qualify that. For example, there's NFWF funds, National Fish and Wildlife Federal funds require a matching grant. So, you folks are providing the matching grant for that. You're actually getting more money coming in. More money spent here on Maui for what you're investing than the actual investment. The last thing I'll say that tourists don't like to swim in muddy water, so hiring local contracts like with this NFWF money to put in storm breaks and firebreaks up in Mā`alaea is a great way to not only to stop the mud from flowing into the ocean and polluting the waters, it's also a great way to keep good fishing so that we can have subsistence and recreational and cultural fishing practices that are important to our community and provide for our own food. So, I very much ask you to support continued funding on the Maui Nui Marine Resource Council. Mahalo for your time.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Abbott. Seeing no questions. We thank you for your testimony today. Aloha.

MR. ABBOTT: Take care. Aloha.

CHAIR RAWLINS-FERNANDEZ: Next is 9 testifier out of 15. Tom Croly, followed by Rod Antone.

MR. CROLY: Hi Committee. Tom Croly. I'll be very brief with you. You're going to get a presentation today from Real Property Tax which I've been following these guys for 14 years and it's a very informative presentation. So, I hope that you have the ability to stay with him and understand everything that is going to be presented. I just want to highlight a couple things. One is just how out of control our real property tax situation has become over the past ten years. I want to point out that our real property tax revenues 9 years ago were \$207 million. You are going to hear today that there are \$370 million at the proposed rates from the Mayor. That's a 79 percent increase in a period of time that inflation only went up 14.7 percent and that Maui's population only increased by 12 percent. Last year, this Council increased the real property taxes as a whole by more than was ever done in history and I hope that everyone grasps just what Councilmember Hokama said. We are on the edge of probably a depression, okay. So, while at this moment, your revenues are not threatened because your tax base has already been set based on values a year ago, what those people who are gonna have to pay those taxes and how they're going to pay their taxes, that is very unclear going forward. So, I implore you to do everything you can to cut every possible position in the County and to save money everywhere that you possibly can and not look at today's presentation for real property tax as, oh, we have \$370 million, an increase of 12 percent that we can spend. I really want you to take a close look at reducing this number and not adding to this number. That's all that I wanted to say and again I appreciate this presentation that you're going to get from Real Property Tax. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Croly. Seeing no questions, thank you so much for your testimony today. Next is Rod Antone, followed by Lucienne de Naie.

MR. ANTONE: Aloha. Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. ANTONE: Okay. Great. I'm Rod Antone. I'm the Executive Director of the Maui Hotel Lodging Association. Having come on board just last October and I am a paid lobbyist registered with the County and the State. First of all, I'd like to thank the Council for the time and energy that you're spending and gonna spend on coming up with a balanced County budget. It's a grueling process consisting of long hours and lots of coffee and donuts and I appreciate your sacrifice. Mahalo. I'm here to testify that Mayor Victorino's proposed funds for the Maui Visitors Bureau remain intact with MVB for a number of reasons. The main reason is that since mid-March the State Department of Labor and Industrial Relations reports that 29,536 people in Maui County filed for new

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claims for unemployment insurance. Since mid-March I think the dates are the week of March 21st to April 11th, many of those folks work in the visitor industry. Many of them work for industries that support the visitor industry. Right now we have skeleton crews working at our hotels and resorts mostly consisting of security and maintenance workers. For example, Hyatt Resort and Spa in Kā'anapali employed 700 associates. Now they have 30. They have 30 working for them right now. It's the same at most properties. Despite what you guys might have heard from some people who say they work in the tourism industry, it is not going to be fine after this. Hotel management estimates that they are able, when they are able to open up, when the all clear is given for the State and when the all clear is given to other states and other countries, because we don't want sick people coming here if we're sick...I mean if we're healthy. They are going to be at 20 percent to 30 percent occupancy, which means they are going to bring back a smaller workforce to help with that occupancy. It's simple as that. So, we need MVB, we need their marketing help to work with the hotel marketing, to work with HCVB [sic] and HTA to get our occupancy back, to get our workers back. How much time do I have left?

CHAIR RAWLINS-FERNANDEZ: Time.

MR. ANTONE: Oh, that was time?

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. ANTONE: Oh, okay. Thank you, I'll have a more extensive report in my written testimony, and best of luck with the budget. I wish you guys well.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Antone. Mr. Antone, would you be able to provide this Committee information on which hotels and resorts received Federal stimulus money? That was a question that Members had asked earlier on and I was told that perhaps you would be able to provide that information to the Committee? So, if you would be able to it would be greatly appreciated.

MR. ANTONE: Sure. Can we clarify, are you talking about hotel operations getting Federal money or the workers getting Federal stimulus checks?

CHAIR RAWLINS-FERNANDEZ: Not individuals. The hotels and resorts...

MR. ANTONE: Not the individuals, so the operation. Okay. Does it matter if the, like it's the corporations on the mainland that are getting it and it trickles down? Or is it do you want to know locally what they're getting and how much?

CHAIR RAWLINS-FERNANDEZ: Whatever information you are able to provide us. That would be awesome.

MR. ANTONE: Okay. Great. Thank you very much. Aloha.

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CHAIR RAWLINS-FERNANDEZ: Awesome. Mahalo, Mr. Antone. Mahalo again for your testimony today. Next testifier is 11 out of 17. Lucienne de Naie, followed by phone number ending in 3113. Ms. de Naie? We'll come back to you Ms. de Naie. Phone number ending in 3113? You are unmuted and can proceed with your testimony.

MR. ZAHND: Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes. Please provide us your first and last name.

MR. ZAHND: Yes. Aloha. I'm Laurent Zahnd. Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Okay, now we can hear you.

MR. ZAHND: Okay. . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Mr. Zahnd, I'm sorry, it's coming in broken up and we cannot understand you. Would you be able to find better signal?

MR. ZAHND: Can you hear me?

CHAIR RAWLINS-FERNANDEZ: Yes.

MR. ZAHND: Okay. So, I'm going to be brief. So, I think it's very important to...

CHAIR RAWLINS-FERNANDEZ: Mr. Zahnd? Okay go ahead. I muted your phone number because it's creating feedback. So, you can only have one audio testify.

MR. ZAHND: Okay. . . .*(inaudible)*. . . that's giving me the feedback. Oh can I...speaker. Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Please proceed.

MR. ZAHND: Yeah. Okay. So, I'm going to be quick. I think it's crucial that we focus on a tourism strategy for post COVID. Like Rod said, it won't be so easy to recover from this. A lot of people say, oh we need to cut the budget from the Maui Visitors Bureau to give it to agriculture. I totally get that. We need self-sustainability. But if we want tourism to be able to recuperate after that, we need to create a task force of public and private sector and discuss ways to build a COVID safe tourism and communicate it to the world, be the first ones to communicate it when things go back to normal, so that the tourism economy can get back on track as soon as possible, because we're depending on that. There's tens of thousands of families who lost their jobs and if we don't act fast, it will take years to recover. So, I insist that there is a need for budget, but there is a need for rethinking the strategy because it's not just about getting budget and keeping the old same marketing, because that won't work. So, we need to really think about what people need in the post-COVID world and communicate to them to fit those needs. And that's the work of a task force that needs to be assembled fast. It costs nothing actually I'm

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sure. All the professionals would be happy to come around the table and brainstorm about that.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Zahnd, for your testimony. Seeing no questions, we'll thank you for your testimony today. Okay we have Andrew Rodgers, followed by Mark Deakos, who is our last testifier signed up. Mr. Rodgers?

MR. RODGERS: Aloha and good afternoon, Council.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MR. RODGERS: Thank you so much for allowing me to speak today. And I'm just calling you from beautiful Kapalua and a very quiet Kapalua. I'm the General Manager of the hotel here for the Ritz Carlton and today started our fourth week of closure for our hotel. I've had to lay off or temporary furlough 96 percent of my employees, which is roughly 679 people. And we'd really just love to get them back to work. And yesterday when I read the paper and saw that there was a proposal to reduce the funding for the Maui Visitors Bureau, it seemed just a little bit counterintuitive to what we're facing right now to get the island back up and running and getting people back to work. And for an economic council obviously I think everybody is thinking the same way. That everybody needs to work, needs to get back out and contribute to the society. And it's a long row to hoe. I was just talking to some of my colleagues earlier this week in China that have been facing this COVID issue and those hotels over there are still running single-digit occupancies or in the twenties. With very, very limited amount of business and these are the landlocked areas and so I can only imagine as we look forward for a destination like ours that takes five hours minimum to get to, that once we're able to bring people in safely, it's going to be a slow recover for our industry. And so, I just wanted to just to mention that I think that any help that we can get and support that the Maui Visitors Bureau and the good work that Sherry and her team are doing would be definitely assisting and repositioning and getting people back to Maui so that we do have that business, but most importantly that we can put our people back to work. So, thank you very much for your time and your consideration. I appreciate it.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Rodgers.

MR. RODGERS: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay, no questions. Thank you so much for testifying today.

MR. RODGERS: Thank you.

COUNCILMEMBER SINENCI: Chair?

CHAIR RAWLINS-FERNANDEZ: Our next testifier...oh I'm sorry, I didn't see you. Member Sinenci, do you have a question for Mr. Rodgers?

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COUNCILMEMBER SINENCI: Yeah. Thank you, Mr. Rodgers, for your testimony today. And so, I guess this afternoon we're receiving a report from our Finance Director and maybe looking at what kind of stimulus package from the CARE [sic] the County will receive. My question is will your hotel receive any stimulus for recovery?

MR. RODGERS: No, sir. We will not.

COUNCILMEMBER SINENCI: Okay. Thank you.

MR. RODGERS: Yeah. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. Our next testifier is Mark Deakos.

MR. DEAKOS: Greetings, Councilmembers. Can you hear me okay?

CHAIR RAWLINS-FERNANDEZ: Yes. Thank you.

MR. DEAKOS: I'm Mark Deakos. I'm a Marine Biologist on Maui the last 24 years. I just want to echo the support for the Maui Nui Marine Resource Council's work. The Pōhākea Stormwater Management Plan to install firebreaks at Mā`alaea is critical for several reasons. The fires here in Hawai`i need a manmade spark, 80 percent are likely caused from power lines in areas that are difficult to keep clear like Mā`alaea. So, preventing those fires with firebreaks, not only saves the lives and the property, it also prevents hundreds of thousands of acres of exposed soil and ash that eventually make its way into Mā`alaea Harbor, but also flows over the Pali and those currents push that sediment up north onto the Olowalu reefs. So, those fires are devastating for our reefs. It's critical as others have said and your funding leverages the Federal funds at a greater than a one-to-one return. So, it's a very good investment. So thank you, and please support that work. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Deakos. Seeing no questions, mahalo nui for your testimony today. Okay. I see that our OED Director, Ms. Fukumoto would like to testify but would it be okay to testify on Monday? Would you mind holding off until Monday to testify?

MS. FUKUMOTO: Sure I can.

CHAIR RAWLINS-FERNANDEZ: Okay, great. Mahalo, Director Fukumoto.

MS. FUKUMOTO: That's fine.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Is there anyone else on the line that would like to testify before we close public testimony?

MS. de NAIE: I would like to testify. I don't know if you guys can hear me.

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CHAIR RAWLINS-FERNANDEZ: Yes, I can hear you. Please provide...

MS. de NAIE: You couldn't hear me before, I guess.

CHAIR RAWLINS-FERNANDEZ: No, we couldn't hear you.

MS. de NAIE: I'm on the phone.

CHAIR RAWLINS-FERNANDEZ: Okay. Please proceed.

MS. de NAIE: Thank you. Thank you for this opportunity. And thank you all for going over this budget and asking so many great questions. I read a lot of the questions you sent the departments, terrific questions. I wanted to testify today certainly in support of Maui Nui Marine Resource Council and it appears that the budget amount they had last year the \$225,000 was in a category that got moved over to the sustainable, you know, Climate Change and Sustainable Resiliency Fund and there's just a lump sum in there for \$1.9 million for environmental programs and I think what the Council really needs to know is are they included in that sum? So, maybe the Mayor's Office could give some insight into that because it's just hard to know. They had a specific listing before, as did other good things like fire ant eradication and now those specific titles are gone and there's just this lump sum. I'd also like to support very strongly Councilmember King's request to begin to use the open space funds for negotiations to actually acquire the Mā`alaea Mauka Pōhākea Watershed lands so that with these fire management and sediment management plans we would have one landowner to deal with. There are Federal monies available. They are not dependent on the Trump Administration. The price of the land is sort of negotiable because it depends on whether you want the three wells that come with it or don't. The price is real different, several million dollars different without the wells. And I think this is a tremendous opportunity to fix a long range problem that if we don't tackle it we're just going to see our whole water quality degrade year after year which is not where any of us want to go, because eventually we will have an economy that returns. We will have the boats leaving Mā`alaea Harbor with whale watchers and sunset cruisers and we just want to have a nice ocean for people to use. I also wanted to mention real quickly that there's some funds in to...oh sorry, okay. Well thank you all for your considerations and I'll talk to you Monday.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. de Naie. There's also a public hearing tonight at 6:00 p.m. if you'd like to join us.

MS. de NAIE: I'll try. It's a little hard with my connections here, but I will try. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. de Naie. Okay. Is there anyone else on the line that would like to testify? Hearing no one speaking up, if there are no objections, Members, I will now close public testimony.

COUNCILMEMBERS: No objections.

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. . .END OF PUBLIC TESTIMONY. . .

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. And we did receive written testimony that Ms. Bouthillier collected for us as of 12:00 p.m. today that I will read into the record on Monday. Is there any objections to receiving the written testimony?

COUNCILMEMBERS: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay. Did I close public testimony? Okay. I think I did.

ITEM 1: PROPOSED FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI (CC 20-56 and CC 20-114)

CHAIR RAWLINS-FERNANDEZ: Okay we're gonna move on to our EDB-1, Proposed Fiscal Year 2021 Budget for the County of Maui agenda item. We will be receiving the certification of the net taxable real property valuation for the County of Maui from the Department of Finance in accordance with Sections 3.48.135 and 580 of the Maui County Code. Copies of the real property tax certification booklets were distributed to Members' trays on the 7th Floor. For the public's benefit the information is available at www.mauicounty.gov/1108/assessed-values. In the event the Members do not have copies of their booklets with them, I've asked the Department to share information on the screen as they are speaking to them. Okay. So we have again, Director Scott Teruya and Deputy Director May Anne Alibin with us today to provide that presentation. Director, would you like to start us off with some opening comments? Oh, let me see if you're muted. Okay, now you're unmuted. Please proceed.

REAL PROPERTY TAX CERTIFICATION

MR. TERUYA: Thank you, Chair and Members. Good afternoon. Again, I think this is very important for the Members to have so thank you for allowing us to share the information. So, once again, similar to last year and the years in the past we are here to present the Council with the certification for the fiscal 2021 year net taxable real property valuation for the County of Maui in accordance with the Maui County Code. So, as you all know, on or before April 19th of every year, preceding the tax year, the Director of Finance shall file with the County Clerk a list of all property assessments made within the County of Maui. And this list is known as the certification roll and identifies properties assessed by its tax map key number. Real property shall be assessed and levied thereon as of January 1 of this year, meaning January 1, 2020 for the upcoming fiscal year and it sets the basis for the Council's deliberation of the upcoming Fiscal '21 Budget. At the time the Mayor submitted his proposed FY '21 Budget to the Council, certification was not completed and this certification, the difference is the number of appeals that is logged with the County. The appeal period is March 15 to April 9th of every year. Therefore, the Mayor's proposal is absent of that

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calculation. So the Fiscal Year 2021 net taxable value for real property revenue projection is based on \$54,758,991,465 or an increase of about 7 percent over last fiscal year. The net value is multiplied by the Mayor's proposed tax rates will generate \$368,159,316. After deducting \$494,410 for the circuit breaker and adding \$2,676,761 for the minimum tax, the grand total from Real Property Tax will produce with Mayor's proposed rates an amount of \$370,341,667 in revenue. So, it's up on the screen right now and I'll go over it very shortly. As you mentioned, Chair, the assessment list is available to the public on the County of Maui website. So, with assistance of the staff at Real Property we certified the roll earlier today, April 17, 2020. It is a snapshot of the County's valuations as of January 1, 2020 using sales periods...sales with the period of July 1, 2018 till June 30, 2019. So, before you is the spiral handbook for those of you who are able to obtain it, others of you might be looking online, but I'll go over the booklet at this time. So, first of all thanks to the Real Property Assessment staff for putting it together last minute. Madam Chair and Members, if you open your booklets you'll see the opening page, the table of contents, and I'll go into Page 1. On Page 1 it's shown on the screen, I'm wondering if you guys see it.

CHAIR RAWLINS-FERNANDEZ: We can see it. Mahalo.

MR. TERUYA: Okay. Thanks. I'll go really brief in the matter of time. Page 1 shows you a detailed summary of all 11 classifications, land classifications and its correlated land class description, the certified value for tax rate purposes, the proposed tax rates per classification and the related tiers if applicable. So, for there you will see two classes. Class one, Non-Owner Occupied has three tiers in it and the short-term rental class has two tiers. You can get their summary. On the net totals on the very bottom is the 54 billion number is the assessed values in total. And over to the right is the estimated revenues when you apply the tax rates, the proposed tax rates and that will amount to your net total for real property tax of \$370 million thereabouts. The next page, on page number two, this page and the next nine pages I believe will be certified summaries by classification. If you look at the top on this page it says zero on Timeshare. So, first the number one, this is the gross valuation for this classification. For number two, it's the total exemptions if there are any. Number three is the net taxable value. Number four is the total valuation under appeal for that classification. Number five is the taxpayers' valuation. Number six is 50 percent of value appealed that must be deducted for tax rate purposes, that is by Code, County Code. And number seven is the net valuation for tax rate purposes. So, the next nine pages I believe would be similar information for the following pages for the different classifications. So, I'll quickly go through it. The next one on Page 3, if you look at the top, that's the statistics for the Non-Owner Occupied classification. Page number four is for Commercialized Residential. Page number five is for the Short-Term Rental classification. Page number six is for the Apartment class. Page seven is for Commercial. Page number eight is for Industrial. Page number nine is for the Agricultural class. Page 10 for Conservation. Page 11 for the Hotel/Resort. Page 12, I'm sorry Owner Occupied. Page number 13, this is the aggregate total of all the 11 classifications. So, moving on to page number 14 is something that in previous years I've told the Council it's a good page to bookmark. It has a lot of information here that are useful for your purposes. It shows in the first column, or second column, it says number of PITs that's actually classifications. So, it

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identifies the number of parcels per classification. So, if you're just briefly looking at Timeshare, there's 2,479 units in Timeshare. The tab over one column is the valuation. Column after that shows the number of exemptions in valuation per classification and then the taxable value. As we move to the middle of the page, that is the classifications of the number of appeals per classification and the amount in dispute. The difference between the County's assessment and the taxpayer's alleged value. So, that is the number in dispute. So, you can see here that we are at 1,096 appeals this year. It's slightly lower than last year, but the amount in valuation in dispute is larger. Over on Page 15, this is a pie chart to illustrate the percentage of appeals per classification and below is the actual number of appeals filed per classification and its respective percentage of the total. So, you can see that the Timeshares is the largest class filing appeals at 47 percent of all appeals. Page number 16, this shows you the net taxable values for Fiscal 2021 and the previous nine fiscal years. The past eight years you can see that the net taxable values have increased and currently at an all-time high of \$55.3 billion in net property valuation. If you look at the bottom portion it will basically show you the percentage change from the prior year so it identifies that we are at a 7 percent increase over the previous fiscal year. On page 17, this is a histogram that shows the certified values for tax rate purposes for the Fiscal '21 year and the previous nine years. Unlike the previous page this illustration takes into account the tax appeals and are used for budget purposes. Again, the certified values for tax rate setting purposes are at an all-time high again at \$54.8 billion. Madam Chair, that is all I have to present for certification. You would be following Section 2, I don't think you want me to go over it, it's 59 pages, but it's just a lot of supporting documentation and statistics for the Members. I won't go into it unless there are questions relating to it. What I did on the second presentation on the very last page Chair, Page 59 identifies your proposed tiers in these classifications and you can identify how much valuation for each classification that you ask for the tiers, so if you need to do your own calculations, you would probably go to that last page to see the tiered values that you have requested Chair. That's all I have at this time.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director, and mahalo nui again from, on my behalf and behalf of the EDB Committee for working so hard to complete this booklet on your birthday yesterday. Happy belated birthday.

MR. TERUYA: Thanks.

CHAIR RAWLINS-FERNANDEZ: So, we will ask Members for questions starting with Committee Vice-Chair King and then I'll go to Member Sinenci and then we'll work our way right.

VICE-CHAIR KING: Chair, thank you very much, but I don't have any questions at this time. It is a little difficult without having the hard copy because we've been in constant meetings, but I appreciate the information and when I get into the office hopefully this afternoon, I'll be able to peruse it better. Thank you. Thank you for the presentation, Mr. Teruya.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Sinenci?

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COUNCILMEMBER SINENCI: Thank you, Chair. I wasn't sure if this was the time to ask the Director about any information from O`ahu as far as the CARES Act.

CHAIR RAWLINS-FERNANDEZ: We can...we'll wait for that question. We'll hold off on that question for now. If you have any questions on the presentation and then I'll ask Director if he'd able to provide comments on the Federal funding.

COUNCILMEMBER SINENCI: No questions. Just happy belated.

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

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Just a couple of quick ones to help me understand the presentation. You mentioned, Mr. Teruya, the assessment values were up 7 percent, so of that 7 percent increase, how does that translate into the revenue from last year? And the other question is what percent of the appeals do you anticipate resolving this fiscal year?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Thank you, Chair. First of all, the values, the revenues we have projected represent right here at \$370 million I believe it's an increase of 3.43 percent in revenues. The values have gone up 7 percent, but the Mayor had adjusted the rates accordingly with several cuts. If you look at it overall and you look at the revenue for the class, you'll see that the Owner Occupied class has a basically 10 percent reduction in what we have here as far as the rate change. So, whether or not your value goes up or down, I guess the question will be according to his proposal should your values go up 10 percent there would be no change in taxes. If your values would have sustained the current rate over, I mean, same value over last year, you would be ultimately paying 10 percent less in taxes. So, and the other categories, there are some changes in every category, except maybe Timeshare had no proposed changes. It's a little difficult to do the analysis on the Non-Owner Occupied because you had four classifications collapsed into one so it's very hard to do some scenarios as to how much more or less you would be paying in that class . . .

COUNCILMEMBER MOLINA: Mr. Teruya, yeah, yeah, that's fine. Thank you, thank you. And just the other question in interest of time for the other Members, the appeals, how many of the appeals do you anticipate getting resolved?

MR. TERUYA: When you mean resolved, you mean --

COUNCILMEMBER MOLINA: This fiscal year.

MR. TERUYA: --adjudicated or winning in our favor?

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COUNCILMEMBER MOLINA: Just how many you think, just a general estimate, how much you think we are likely to win.

MR. TERUYA: Well, majority of the cases are usually won by the Department. We anticipate hearing all of our appeals, but then again because of this pandemic, the question will be, how does the Board of Review going to be doing their business in conducting their cases virtually or however it may be? So, that may be a challenge I'm sure all four counties will have. But I would assume by Code you are required to take out 50 percent, so usually that's a pretty safe estimate. We don't have a lot of, under litigation, like we had in the past. We had some cases clear up so I have a litigated report in there in the second presentation if you need to look at that.

COUNCILMEMBER MOLINA: Okay. All right. Thank you.

MR. TERUYA: Go ahead.

COUNCILMEMBER MOLINA: I'm sorry, that's okay. Thank you for your response. I appreciate the clarification. Thank you, Madam Chair.

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

COUNCILMEMBER LEE: Thank you, Madam Chair. Scott, you know, all the years I've worked on the budget, there was only one number we waited for, and that is the adjustment, yeah? Because that told us how much more we could add to the budget. So, the adjustment is \$2,676,761? Is it?

MR. TERUYA: Chair Lee, I'm sorry, where did you get that number from?

COUNCILMEMBER LEE: From you. On Page 1, at the bottom. Almost the second-to-the-last line.

MR. TERUYA: Yeah. No, that is only for the minimum tax. You look at the very last line, it's \$370,341,667 from real property tax.

COUNCILMEMBER LEE: No, okay. Every year, the Mayor would propose a budget which we would receive in March, but those were not really hard figures. So, after the certification is done in April –

MR. TERUYA: Okay. I get it, I get it, I get it.

COUNCILMEMBER LEE: --you folks would give us the numbers that show us we had another 2, \$3 million to spend on top of what was proposed. That was normal. Okay. So, where is that number?

MR. TERUYA: Okay. I get what you're saying. The Mayor's proposal comes from us, really from Finance and Real Property as to the best estimate we can get. In previous years

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we've been lucky in the sense that we've been pretty close or a little under. We are short for the Mayor's proposed, \$5,140,392.

COUNCILMEMBER LEE: Where is that?

MR. TERUYA: That's in my notes. That is the difference between the Mayor's proposal and the actual number you get from certification. The Mayor's proposal is the best estimate that we can give you. We normally try to be pretty conservative, but the numbers are just an estimate. This is the actual.

COUNCILMEMBER LEE: Okay, okay, okay. So, Scott, you're saying that the budget that you gave to us is over by \$5 million, so in order to make it balance without adding anything, we'd have to shave off, we have to reduce it by \$5 million. Right?

MR. TERUYA: That is correct.

COUNCILMEMBER LEE: Okay. So, that's the kind of number we need. I mean that's, you know, all these years, that's the number we wait for and never in my life have we been under \$5 million, especially since we increased the Mayor's budget last year by what 30, 40 million. So, I was thinking we should've had a whole, a sizeable Carryover/Savings because we increased his budget, his original budget by thirty or 40 million. So, are you saying that you folks spent all of that plus \$5 million?

MR. TERUYA: Chair, no, that has nothing to do what we've done. It's just a projection that we came up from Mayor's proposed budget from Real Property Tax and it was not met. There's from the time you have appeals from the time that we finished our budget in early March till April 9th, that happened when you meet with taxpayers and there's adjustments, there are adjustments in categories where the revenue were changed. If we do our final calculations and the numbers goes down because the benchmarks came in lower, valuations would come lower and that's not the time the Mayor has for final valuations. So, whatever happened between early March when the Mayor submitted his proposal for completing of the budget, until April 9th when the appeal period finished, then you get certification. And this is your actual numbers for rate setting purposes. As I mentioned the Mayor's proposal is just a best estimate at the time.

COUNCILMEMBER LEE: I know, I realize that. I realize the whole budget is the best guess, best estimate, but what I'm saying is, the bottom line is \$5 million was overspent last year. We're over budget \$5 million.

MR. TERUYA: No, Chair.

COUNCILMEMBER LEE: No. Okay. So, we're not short \$5 million. What does that \$5 million represent again?

MR. TERUYA: That's just the difference between the Mayor's proposed budget and what is actual based on certification.

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COUNCILMEMBER LEE: The Mayor's proposed budget now and actual certification?

MR. TERUYA: Yeah. That's the only difference. It's not money lost, money that was spent. It's just for the next fiscal year's budget that the Mayor came up with a proposal of 375. The actual number from Real Property Tax came in at 370 for next fiscal year at the Mayor's proposed rates.

COUNCILMEMBER LEE: Okay, so, Scott, we have to reduce the Mayor's budget by \$5 million then. No? We don't have to make any adjustment, with this new number, we don't have to make any adjustments to the current proposed budget?

MR. TERUYA: Chair Lee, if you wanted to...if you were to just simply say, okay we're gonna use the Mayor's expenditures, you would have to bring the revenues up to match it.

COUNCILMEMBER LEE: That's what I'm saying. It's short \$5 million. Right? Oh wow, I mean, you know, what's so hard about saying yes or no. Go ahead, Michele.

MS. YOSHIMURA: Chair, so if you look at the budget bill itself, on Page 1 where we have the estimated revenues, the real property taxes, we have estimated revenues at \$375-plus million. What we're saying today is that number needs to be adjusted to the \$370 million. It has nothing to do with any of the other revenues or Carryover/Savings, it just has to do with what was estimated for real property tax collections. What we didn't have...

COUNCILMEMBER LEE: Michele, okay, I got that, please don't repeat it. I got that. So, we don't have to make any...let's say, we didn't even make any changes to the year budget, the proposed budget. We made zero changes. So, we don't have to adjust that budget by \$5 million? Because you have \$370 million, you thought you were gonna get \$5 million more, but you got \$5 million less. You thought you were gonna get \$5 million more, but turns out you're gonna get \$5 million less. So therefore, if we weren't gonna add our own things, or make any of our own changes, we would have to adjust your budget by \$5 million.

MS. YOSHIMURA: Correct.

COUNCILMEMBER LEE: Okay. That's all I needed to know. Thank you.

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

COUNCILMEMBER HOKAMA: Wow, it was just like fifth grade. Okay. Director, thank you. I get it about your comments. So, just couple questions from your short presentation. Under the RPT Stats Chapter, which is I guess the second part, on Page 2, you mention tax rates comparison by County and for those of us that are ma'a about taxation for RPT, you know that is only a, half the requirements of calculation of taxation amounts. So, wouldn't it be wise to share with us also a valuation comparison by counties?

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Because that is the State government's biggest, I would say, shortcoming. They only talk about tax rates, but nobody seems to talk about property valuations which is an equal component to the tax bill. Do you have any comments for us?

MR. TERUYA: Chair, Mr. Hokama, I don't have the values for the other counties. I understand what you're saying. On Page 2 you see tax rates a lot larger in jurisdictions like Hawai'i County and the reason why their rates are so high is their values are much lower than ours. So, and I think that's what your question is. My understanding, this information was the last that we got from all the counties. None of the counties had proposed any changes in their tax rates. So, I believe all of the other three counties, their valuations have gone up. So, unless they adjust their tax rates down, they're expecting to collect more money for this upcoming fiscal year. What the Mayor had done in our situation was because of the issue, we were only in the start of the COVID-19 responses, he made some adjustments to categories that he felt needed the relief and therefore reduced the Owner Occupied classification by 10 percent, reduced the Hotel/Resort classification by 15 percent because he thought they were in big relief. The other counties are not in our same situation where we are, where we separated Hotel/Resort from Short-Term Rentals. So they start reducing one of the relief for hotels, they're gonna give the relief to short-term rentals . . .

COUNCILMEMBER HOKAMA: Yeah, I understand that. And yeah, so that's our advantage currently. So, I appreciate that option for Council. On the last page when you talk about additional tiered values, Page 59, if the Committee would like to consider some kind of additional tiers under Commercial, how long would it take for us to do a test run calculation, whereby can it really be considered for Fiscal Year '21 revenues? Because I know it's not easy to just run one calculation.

MR. TERUYA: The answer is yes, but for rate purposes and you guys setting to find out what revenue would be, it takes...it's not a simple spreadsheet calculation because you gotta understand the value bands within those ranges so that would need to be generated by Real Property. It wouldn't be a simple try-to scenario, try-to scenario by the second, it would take some time. So we tried to generate that just for advance for you.

COUNCILMEMBER HOKAMA: Right, right. And again, I know we gotta talk about because if we want to support small businesses, I don't need the shopping malls and shopping centers to get the big advantage when we're trying to help small businesses. So, I understand some of your comments regarding your response. My last one at this time, I just want to check, do you have any type of forecasting or thoughts you could share with us as in regards to, as it impacts Fiscal Year '22's preparation? I'm captivated increase in appeals, I mean, I'm anticipating some lower valuations of property, but the key component for me is, what would be the Administration's position regarding forbearance on RPT taxes?

MR. TERUYA: Thank you, Chair. In response to Mr. Hokama's question, right now we haven't talked about any program to relieve property taxes. You gotta understand as well we have bills as well that we need to pay, so if you gave me the option not to pay my taxes,

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I would probably say, sure. But, you know, we can't have everybody have a holiday on their tax payments because we have obligations as well that needs to be met.

COUNCILMEMBER HOKAMA: Well, I agree and I shared with the Committee that we have got about at least one third of the cash already committed to debt service, principal and interest, and obligations. So, I understand what you're saying. I'm just asking the question is that part of a consideration, 'cause if you say yes to me today, I'm gonna have to cut more because we're not gonna start forcing the collection of taxes for pay the cash bills and that's a concern for me, liquidity. So, I just asked the question, if we're gonna make an adjustment on taxation and forbearance because the Feds are considering this, but at the end of the day is we need cash to pay bills. Wouldn't you agree?

MR. TERUYA: Chair and Mr. Hokama, thank you for the question. I cannot speak on behalf of the Mayor. We have not crossed that line where we even discussed that question yet. I'm sure, even the City and County of Honolulu has talked about it, other counties are looking at it, but if it was clearly my question, right now, my recommendation would be no. We have too many obligations to pay and to forego paid collection, et cetera, I don't think that's in the best interest of the County, especially from somebody who wants to borrow . . . go out for bond in September and we're letting people not pay their property tax bills, I don't think that will be a favorable consideration going out for bond.

COUNCILMEMBER HOKAMA: I appreciate that response 'cause my concern is the bond raters at this time also and how they're gonna be looking at our various expense accounts and trust accounts. So I appreciate that comment, Director. Thank you, Chair. I appreciate my opportunity.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. I'm just going off of last year's booklet, because I never had a chance to pick up this year's booklet and I realized the amounts and everything are different, but just to catch an idea, you know when Member Lee, or Chair Lee was talking about, so it was the assessed value in January that was high, but the certified value that came through in April is lower than the assessed value, is that how come that the revenue projection is lower? Is that what happened?

MR. TERUYA: Okay, Chair. Thank you for that question. The valuation date is January. What happened from the time that the Mayor had his last projection to the time we certified, the values are not as high, for whatever reason. Whether it's a calculation, there's a reevaluation on something that maybe somebody had a question on prior to appealing and they resolved it with the appraiser, those are things that happens every year. It just so happened in the previous years we were too close to our mark, so now it looks like we did something wrong. There was nothing wrong, it's just the process and this year was a bigger variance. There's more appeals than we expected in valuation. That also you're never gonna know until certification occurs. So, it just so happened that we were not as accurate as previous years.

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COUNCILMEMBER PALTIN: So, the valuation on January 1st versus the valuation on April was different, is that kind of what you're saying?

MR. TERUYA: No, well sort of, but no it's actually from the time we gave the Mayor the last projection sometime in early March, from early March to April 9th the valuations were readjusted for whatever reason and it happens every year. When you file an appeal prior to filing an appeal, you speak to the appraiser. At that time if the appraiser feels that there was need for change or adjustments, he has that opportunity prior to April 9th to make that change and that is the only difference that happened. It's nothing between January 1 and the Mayor's. From the Mayor's proposal till April 9th valuations changed plus there's actual appeals being counted.

COUNCILMEMBER PALTIN: So, it's kind of taking into account the appeals and the deadline for the appeals is April 9th?

MR. TERUYA: Correct.

COUNCILMEMBER PALTIN: And then on Page 14, from last year it looks like the total in dispute was about 900 million and then this year I thought it said like a little bit over 1 billion?

MR. TERUYA: Yes, that's correct. The appeal count went down, but the appeal under valuation under dispute went up.

COUNCILMEMBER PALTIN: Every year some of that amount in dispute is getting collected, but more is being added so it stays kind of static, is that how it goes?

MR. TERUYA: For the amount under appeal, as you pay, when you pay, that money is put away into a litigated claims account. So, by ordinance we're only allowed to budget for 50 percent of the amount in dispute. But we need to put 100 percent of the money in dispute in a litigated claims account to pay back should the taxpayer win his appeal.

COUNCILMEMBER PALTIN: So, we have like a billion dollars in an account waiting for the disputes to get resolved?

MR. TERUYA: No, the number that you see there is 1 billion, that's value, not revenue.

COUNCILMEMBER PALTIN: Oh okay. So, do we know the revenue though?

MR. TERUYA: The revenue portion cannot be obtained until the Council sets the rates. Valuation is certain. Revenue is the portion, is your portion to establish that rate so we can identify what is that revenue gonna be.

COUNCILMEMBER PALTIN: And then in the current Page 14, is that broken down by tiers? Sorry I'm looking at last year's one.

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MR. TERUYA: No, that is not broken down in tiers on this sheet. But we can provide it. That's a tricky one. I don't know yet, but these are just valuations in dispute. It has nothing to do with tiers.

COUNCILMEMBER PALTIN: So, even if we set the rates, we wouldn't be able to determine the amounts then by looking at the rates?

MR. TERUYA: Once you established the rates, we will know.

COUNCILMEMBER PALTIN: But will we know? I know you'll know, but will we know?

MR. TERUYA: That can be provided. Those are reports that we can provide.

COUNCILMEMBER PALTIN: Okay. And then, I guess same question as Mr. Hokama then, for --

CHAIR RAWLINS-FERNANDEZ: Last question.

COUNCILMEMBER PALTIN: --Fiscal Year '22, based on everything that's going on, the valuations are gonna be less right?

MR. TERUYA: To answer that question, honestly, I don't think anybody could be certain. You would think that there would be people with less money, but that doesn't mean...the only way I can tell you valuations go down is people pay less for properties. Other than that, the mortgage rates are still very attractive, so people are still buying. We don't know what the prices will be between today and June 30th. Whatever happens between today and June 30th, when those prices get calculated for next year, that will determine where the assessments are going. But like anything, rates and valuations are independent so whether rate values go up or down, how much taxes to be collected shall be determined by your rates. So, it's not just because your values go high that you're gonna pay more taxes, it's you really need to multiply both components to identify if you're gonna pay more or not.

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

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

COUNCILMEMBER SUGIMURA: Thank you. Thank you, Director, and belated happy birthday. Commercial, can you talk to us about the Commercial rate that we have tiered and let us know what the impact may be?

MR. TERUYA: Thank you, Chair. In response to Ms. Sugimura's, the Mayor did not propose a tax tiered rate for Commercial. So, the proposed on Page 59 was at the request of the Chair in her public notice. So, we did that in advance so that you had the valuations

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there. We do not apply a tier tax rate because the Mayor did not propose one so I can't answer that at this time.

COUNCILMEMBER SUGIMURA: Yeah, thank you. So, you gave us the analysis based upon what we proposed which was additional Commercial with those tiers, Owner Occupied, and the Short-Term Rentals, but of these, even if the Mayor didn't propose it what is your professional opinion I guess I'm asking on the impact of tiering the Commercial rate?

MR. TERUYA: Well, the only hard part about this is when you tier Commercial and you don't tier Industrial, I'm not sure how fair that will be. Because there's a lot of properties in Commercial and Industrial and they're similar uses. So, I guess the equity question will be if you're gonna vote to tier one, my recommendation is to tier both. But at the same time, by tiering Commercial and Industrial you create another loophole of making people condominiumize so they fall into lower price categories. So, while the immediate might catch people in the upper tier, but I fear that all you're gonna do is create a loophole.

COUNCILMEMBER SUGIMURA: Oh, interesting. That's it, Chair. Thank you.

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

COUNCILMEMBER KAMA: Chair, I don't have any questions for Finance. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Okay, anyone else have questions? Last questions. Committee Vice-Chair King.

VICE-CHAIR KING: Thank you, Chair. Good questions, Committee. Mr. Teruya, I just had a couple questions. One is when we go into the tier, you know, when we do the deliberations or decision making on the tiers, are we legally bound to the categories that are in the posted range? Like if we decided to change a category to, instead of one, or zero to 1 million, if we decided to change to zero to \$1.5 million or something like that, can we still do that? Do you know, or is that a Corp. Counsel question?

MR. TERUYA: Let me try to attempt the first part. As far as tiers, if you're talking about changing the tier structure from like, for example, up to \$800,000 and you want to change that \$800,000 to something else. You can change that now, the Council can do that. If that is what your question is.

VICE-CHAIR KING: I just wanted to know what our flexibility was when we get to decision making. So, you know, if we're locked into what we put in the posting for our range. And the other question I had was the Mayor proposed decreasing the Hotel tax rate from 11 down to \$9.37, how much, given our valuations that we know now, how much did that remove from our budget, from the Mayor's budget? How much revenue lost?

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MR. TERUYA: Chair, I don't have that calculation on hand. But I think you'd just do the math between the difference in tax rates. I'm not sure if Marcy Martin is on the call and has that information but maybe she can chime in on that. Marcy, are you on the call?

MS. MARTIN: Yes. I'm here. Can you repeat the question?

VICE-CHAIR KING: Well, Miss . . . do you want me to repeat it, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes, please.

VICE-CHAIR KING: Okay. Thanks. So, the Mayor proposed reducing the Hotel tax rate from \$11 down to \$9.37 which is a difference of 1.63, so how much revenue loss are we gonna feel if we stick with that reduction? The difference between \$11 and 9.37.

MS. MARTIN: So, you'll take \$11 and you subtract...

VICE-CHAIR KING: Can you just do the math? Just give me a figure.

MS. MARTIN: Yeah, so you do \$1.63 times...it's \$5 million about.

VICE-CHAIR KING: About \$5 million? Okay. All right. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Members, any other questions on the presentation or the booklet? Okay. Seeing none, I'll follow up on Member Sinenci's question. Director Teruya, are you able to provide this Committee an update on what's going on with the Federal stimulus or CARES Act funding?

MR. TERUYA: Okay. Well, first of all the Mayor had asked me to spearhead it from the Maui County's end. In working with the Department of Taxation, Rona Suzuki who is in charge of all the State funds that go to them I believe. At this time the only thing that we are known to get is the \$7.6 million for bus infrastructure and we're still trying to identify the allowable uses for that fund. So, at this time I couldn't tell you. Maybe, Director Marc Takamori might have more information, but as of right now, I know it's \$7.6 million for bus infrastructure, but I cannot tell you the allowable uses. Other than that we have no information as of yet as to what Maui would be able to be allocated.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci, did you want to ask a follow-up question to that?

COUNCILMEMBER SINENCI: Thank you, Chair. No, we can wait until we get those answers come in. Thank you, Chair.

VICE-CHAIR KING: I have a follow-up question.

CHAIR RAWLINS-FERNANDEZ: Okay, follow-up question from Committee Vice-Chair King.

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VICE-CHAIR KING: Thank you, Chair. Director Teruya, you know, we've heard from the City and County Council in Honolulu that of that \$1.2 billion that came to Hawai'i, they got \$387 million and I'm told by their budget chair that was based on population. So, in my calculations that should give us more than \$60 million coming to Maui. So, is there more money coming? Are we still negotiating it? Did we get a lump sum? I mean I know we have to go through the State because they were able to go directly since they have more than 500,000 population. But I'm just hoping there is more money coming to the County of Maui and I'm just wondering how we're gonna get that.

MR. TERUYA: Chair, thank you for that question. I'm not aware, I've been, I'm in talks with them as well as the Maui representatives and Maui senators. At this time I have no additional information to tell you. We are on standby waiting for more clarification.

VICE-CHAIR KING: Okay. So, as far as we know to date we're only getting \$7.6 million out of that \$1.2 billion, as far as we know?

MR. TERUYA: The only thing that I know of is the 7.6 that was allocated for the bus infrastructure at this time.

VICE-CHAIR KING: Okay. All right. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Director, just a follow-up to that, are you able to share anything on what potentially could be the impact if the State Legislature doesn't reconvene? We heard from Director Takamori that the Department, State Department of Transportation is...so, our County Department of Transportation is getting funding, Federal funding from the State Department of Transportation. So, it's State agency to County agency. Do you have any idea if the State Legislature not reconvening would have an impact on us in getting the Federal CARES Act funding?

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Just as a note on the funding that Director Takamori talked about during his presentation, that \$7.3 million. So, and that was in this morning. He is still working with the State on what exactly we can use the money for. Once we come up with a plan on what we will use the money for, we will have to submit a proposal to the State, get their approval and then execute a grant agreement with them. So, it's not something we have direct access to immediately and it still requires some type of approval.

CHAIR RAWLINS-FERNANDEZ: Okay. But as far as the State Legislature not reconvening, does anyone have any idea if because our population is less than 500,000 and we do not have access directly to those funding and we must go through the State, do we have any clue if the Legislature doesn't reconvene if that will affect this County from getting Federal funds?

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MR. TERUYA: Chair, we'll get back to you on that, I don't have an immediate response to that. We know that we have several bills before the Legislature that the Mayor had prioritized and we are in constant contact with our legislators regarding several items that we had already proposed and we're trying to support.

CHAIR RAWLINS-FERNANDEZ: Director, I'm only talking about the Federal stimulus funding, not the . . . *(inaudible)*. . .

MR. TERUYA: Okay. Sorry about that.

CHAIR RAWLINS-FERNANDEZ: . . . or any of that other bills that you know the Council has also supported. I'm only talking about the Federal stimulus funding.

MR. TERUYA: Okay. Sorry about that. Yeah, we would need to get back to you.

COUNCILMEMBER HOKAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: Yeah, thanks for that great question. Right now, what we've got from our DC County Office NACo, currently, Congress has...is continuing to support the current pass through to the states' governments, but it's an administrative procedure where basically you would just deal with the governor's office and his departments. It wouldn't need to have any legislative processing. In the new proposed legislation before Congress, there is some discussion on the ability of giving counties direct payment from the Federal agencies instead of a pass through to the state. So, that is part of the current discussions on this new upcoming further legislation. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. And then really quickly I have invited Cornell Professor Hockett, Robert Hockett who has published several articles now on the municipality liquidity facility which would enable counties to not have to go through a bank or a middle purchaser, to go straight to the Treasury. And he will be joining us Monday at 9:00 to speak to this. This as I understand it has never really happened before. So, Director Teruya, do you have any comments on the municipal liquidity facility that just passed through the Department of Treasury?

MR. TERUYA: Chair, I'm not familiar of what you're talking about so I'm going have to reserve comment. I don't know any response to that.

CHAIR RAWLINS-FERNANDEZ: Okay. It was the program that I e-mailed you last week.

MR. TERUYA: We had response from the, our Treasurer saying that we might need to know more about it, if Corporation Counsel could advise us a little bit more about how it

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works. Because I think that's a State issue, but I can have the Treasurer maybe chime in on Monday during that discussion.

CHAIR RAWLINS-FERNANDEZ: So, you're correct that the County, our County because our population is less than 2 million, that we would need to go through the State in order to access that type of borrowing. And so, I wanted to know if the Administration is looking into this opportunity.

MS. ALIBIN: Chair, this is May Anne Alibin. Chair?

CHAIR RAWLINS-FERNANDEZ: Yes.

MS. ALIBIN: If I may? As far as the direction that we got based on our last investment committee meeting, we've already are pretty much in preparation of our next GO bond issuance. We've already issued the RFP for our municipal advisor and we're actually just getting RFP for our bond counsel that is due this week and we've also issued our RFP for an underwriter. But other than that there's no discussion with the investment committee, nor the Administration with regards to what you were mentioning about.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Deputy Director, for that additional information. So, this program will expire on September 30th of this year as, you know, if we're able to get lower rates through this program for bonds, then I would hope that our administration would look, I don't know, look quicker into it since there's an expiration to this opportunity. Okay. So, we will have Professor Hockett as a resource Monday morning to provide us additional information on this if you would like to join us, Director and Deputy Director, and anyone else you think would be, you know, good to have as a resource to have that conversation.

MR. TERUYA: Chair, we'll talk to our municipal advisor as well. I just don't want to speak if I don't know too much about it, so I'll ask the municipal advisor to maybe listen in on that discussion, as well as our Treasurer. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Pro Tem Kama?

COUNCILMEMBER KAMA: Thank you, Chair. Chair, just for Monday, do you anticipate for Monday with Mr. Cornell [sic] having any action to be taken or just for presentation for information.

CHAIR RAWLINS-FERNANDEZ: Just information. For everyone's benefit.

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Tem Kama. Okay, Members, any last questions or comments? Okay. Seeing none, we'll thank Director and Deputy Director for providing us the presentation and the booklet. Thank you so much.

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MR. TERUYA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director and Deputy Director. Okay. It's 2:57. We'll have half an hour for lunch. It's 2:57 on April 17th and the Economic Development of Budget Committee is now adjourned. . . .(gavel). . .

ACTION: DEFER pending further discussion.

ADJOURN: 2:57 p.m.

APPROVED:



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

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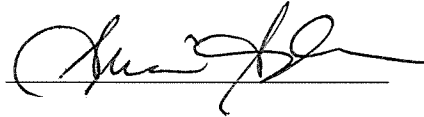
Transcribed by: Terianne Arreola

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I, Terianne Arreola, 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 18th day of May, 2020, in Makawao, Hawai'i

A handwritten signature in black ink, appearing to read 'Terianne Arreola', is written over a horizontal line.

Terianne Arreola