

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE

Council of the County of Maui

MINUTES

April 27, 2020

Online Only Via BlueJeans

RECONVENE: 12:22 p.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Kelly Takaya King, Vice-Chair
Councilmember Riki Hokama, Member
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: Shelly Espeleta, Legislative Analyst
Lesley Milner, Legislative Analyst
Kasie Apo Takayama, Legislative Analyst
Ana Lillis, Legislative Analyst
David Raatz, Supervising Legislative Attorney
Yvette Bouthillier, Committee Secretary

ADMIN.: Michele Y. Yoshimura, Budget Director, Office of the Mayor
Scott K. Teruya, Director, Department of Finance
Mimi DesJardins, Deputy Corporation Counsel, Department of the Corporation Counsel

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

ITEM 1: PROPOSED FISCAL YEAR 2021 BUDGET FOR THE COUNTY OF MAUI (CC 20-56, CC 20-114, and CC 20-229)

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Will the Economic Development and Budget Committee please return to order. It is 12:22 on Monday, April 27, 2020, and this is the reconvening of the recessed meeting from Friday, April 24th. I'm the EDB Committee Chair, Keani Rawlins-Fernandez, and --

COUNCILMEMBER KAMA: Cannot hear.

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CHAIR RAWLINS-FERNANDEZ: --from beautiful Moloka'i.

COUNCILMEMBER KAMA: Hard to hear, Keani. Keani, I'm having a hard time hearing you.

CHAIR RAWLINS-FERNANDEZ: Okay. With us today, we have Committee Vice-Chair Kelly King.

VICE-CHAIR KING: Aloha. Well, it's not morning anymore, but thank you, Chair, for the consideration for holding the HSAC meeting. We got that done a couple minutes before noon so I appreciate the great start time today.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Aloha, Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha --

CHAIR RAWLINS-FERNANDEZ: Member Shane Sinenci.

COUNCILMEMBER SINENCI: --awakea, everybody. Aloha.

CHAIR RAWLINS-FERNANDEZ: Aloha. Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha, Madam Chair, from wonderful and sunny Makawao.

CHAIR RAWLINS-FERNANDEZ: Aloha. Chair Alice Lee.

COUNCILMEMBER LEE: Well, we say in Vietnam, chào buổi sáng, and that means good afternoon [sic], Madam Chair.

CHAIR RAWLINS-FERNANDEZ: Member Tamara Paltin.

COUNCILMEMBER PALTIN: Aloha kākou mai Napili.

CHAIR RAWLINS-FERNANDEZ: Aloha. Member Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Good afternoon, everybody. It's so beautiful up here with all the jacaranda trees in bloom. It's a purple country, it's beautiful. Nice seeing all of you again. Missed you over the weekend.

CHAIR RAWLINS-FERNANDEZ: Aloha. And Pro Temp Tasha Kama.

COUNCILMEMBER KAMA: Good afternoon, Chair, and it's a beautiful day in the neighborhood of Kahului.

CHAIR RAWLINS-FERNANDEZ: Aloha. With us from Corporation Counsel, we have Deputy Corporation Counsel Mimi DesJardins.

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MS. DesJARDINS: Good afternoon, everybody.

CHAIR RAWLINS-FERNANDEZ: Aloha. From the Office of the Mayor, Budget Director Michele Yoshimura.

MS. YOSHIMURA: Hi, Chair. Hi, Members.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Oh, you got one abandoned --

CHAIR RAWLINS-FERNANDEZ: Aloha.

COUNCILMEMBER PALTIN: --vehicle, Member Hokama.

CHAIR RAWLINS-FERNANDEZ: Oh, I'm sorry, Member Hokama. Member Riki Hokama.

COUNCILMEMBER HOKAMA: Beep-beep. I'm here.

CHAIR RAWLINS-FERNANDEZ: Mahalo for that laugh, Member Hokama. And Committee Staff, Committee Secretary Yvette Bouthillier; Legislative Analysts Shelly Espeleta, Lesley Milner, Kasie Apo Takayama, and Ana Lillis. We have three items on today's agenda, EDB-1, Proposed Fiscal Year 2021 Budget for the County of Maui; EDB-6, Contract Negotiations and Cost Item Proposals; and EDB-77, Amending FY 2020 Budget, Department of Police, Wailuku Police Station Fuel Tank Replacement. We...because this is a recessed meeting, we are not taking public testimony. We took public testimony on Friday. And for Members' convenience, an updated PDF copy of Exhibit "1" is in Granicus. It's item 110, and it shows all the changes that we've made so far. There are some areas in yellow highlight, which we need to revisit for clarification, and we'll do that today first. So, the plan for today is making those corrections on Exhibit "1," answering any questions that Members had from Friday, and then we'll go into the estimated revenues, and then property tax. I think, yeah, I think that's everything. Okay. So, we'll...oh, are there any questions? Okay. Seeing none, we'll move ahead. So...oh, and...oh, shucks, and we'll also go through Open Space Fund and Highway Beautification, and the Animal Management Fund. Those are some of the Special Revenue Revolving Funds that we didn't cover on Friday. Okay. And then once we finish all of that, we'll go to RPT, minimum tax, and the Circuit Breaker bill.

EXHIBIT "1" CORRECTIONS - PROVISOS

CHAIR RAWLINS-FERNANDEZ: Okay. Start with corrections. Okay. We'll start with Member Hokama's corrections. There were...there was one priority proposal that we ended up putting into the Budget twice. One under the \$10 million COVID funding that we provided under Countywide, Finance, and we put that same priority proposal

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under OED. And so, I wanted to check with Member Hokama which one he had intended to keep.

COUNCILMEMBER HOKAMA: Thank you very much, Chair. And I hope everybody had some good rest this weekend. Chair, I would...I'm recommending that we maintain the proviso under the COVID-19 funding proposal. I believe that again, if it works out, I would...we can ask the Mayor to release the monies from that pot of money instead of adding another million dollars of our cash to our requirements at this time. So, that would be my choice for approach in this Budget. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Hokama. We'll make that correction to Exhibit "1." Okay. And then while we're on Member Hokama, we wanted to make sure that we got your proviso language correct on Exhibit "1." So, if you could let us know that, and then if we need to make corrections, we can make corrections to that language.

COUNCILMEMBER HOKAMA: Okay. I'll do that, Chair. The only thing under the proviso that is missing is each district would have 300,000 and a \$100,000 assessment study. I think that is what we've had a --

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER HOKAMA: --consensus on the study, and then the three regional allocations. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Hokama, and that it would be...it will remain feral animals?

COUNCILMEMBER HOKAMA: That's correct, Chair, yeah. I wanted to give it as broad the parameters and let each regional area make its own adjustments. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Hokama. And then next we'll go to my corrections for my proposal, which was the Grant Writer and Grants Manager position under OED. So, we got the amounts, and it's \$35,304 and \$32,632. So, we'll make those corrections in Exhibit "1." And Member Paltin had asked about under OED, there was I think...what's the item called...it's line 737 on Exhibit "1," a \$100,000. Budget Director Yoshimura has that information that Member Paltin had asked on Friday. Ms. Yoshimura, that's the OED item...

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Yeah, so that's on Page 11-18 of the Budget Details. The appropriation is \$207,000. So, that is used when there are unanticipated events, unanticipated projects that come up relating to Economic Development. I think this year we used it for certain...or small events that took place that were not originally appropriated for

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along with the Census. So, those funds only get approved if there is no other appropriation that can be used for certain...again, unanticipated projects that come up or events. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Member Paltin?

COUNCILMEMBER PALTIN: Thank you. And so, just to clarify the...that was already reduced by a 100,000 as part of the Mayor's proposal, is that correct?

CHAIR RAWLINS-FERNANDEZ: No, it was...there was an increase of about \$200,000. I'm sorry, Ms. Yoshimura, what page was that again? Eleven dash...

COUNCILMEMBER PALTIN: Eleven dash eighteen.

MS. YOSHIMURA: Eleven dash eighteen. So, it was a flat request. It was a...it was 200,000 in Fiscal '20. We are...then again asking it for 2021. So, those...if it does get granted, it comes through my office as well as to Scott Teruya for certification that the funds are available. So, there's some I guess caution on using those funds throughout the year. Thanks.

COUNCILMEMBER PALTIN: Okay. So, then I guess my follow-up question is do...to you for...besides that, that it's...the money is there, is there any further authorization from the Council like oh, we didn't have this Census money, we want to use 50,000 from miscellaneous costs? Or is there a after-the-fact like we had this event and we used 50,000? Is there a way that we know what the money is being used for before and/or after it gets used?

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: If it's a grant agreement, it will come on the contract in grant listing each month. But I could send you a report in the quarterly reports on where we are with any expenditures from that fund.

COUNCILMEMBER PALTIN: Okay. I'd be okay with that. With that kind of reporting, that would satisfy my needs. I don't know about the other Members.

MS. YOSHIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin.

COUNCILMEMBER KAMA: I concur.

CHAIR RAWLINS-FERNANDEZ: Okay. And then, Ms. Yoshimura, Department of Water Supply had some concerns or had two requests.

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MS. YOSHIMURA: Chair, yes. So, if I could refer you to Exhibit "1," Page 34, there was a proviso that reads, provided, that the funding and 1.0 equivalent personnel shall be assigned to assist with projects furthering the goal of resolving the Upcountry water meter waitlist. They had requested that that proviso be removed, and that was a proviso that was carried from maybe three...two or three years ago. They do have their engineering staff now filled. So, they are currently working on projects. The other proviso is on Page 36 of Exhibit "1," on the second line, provided, that one potable water tanker each shall be for Molokai, Central Maui, and West Maui. Again, that's an old proviso that should be removed 'cause there's not going to be any potable water tankers purchased in this fiscal year's budget. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Okay. Members, consensus on those two amendments?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Great. Okay. And Member Sugimura had one priority proposal that was inadvertently not included, and it was just language under MVB. She mentioned it during deliberations on Friday, but we didn't consider a motion. So, Member Sugimura, did you want to include --

COUNCILMEMBER SUGIMURA: So, are you...

CHAIR RAWLINS-FERNANDEZ: --that or not?

COUNCILMEMBER SUGIMURA: Thank you. So, you're talking about when I had a priority proposal that I wanted 50,000 to be...or some funds to be used for creating the after COVID or the new...what MVB or our marketing is going to look like, right? And I think...I don't think --

CHAIR RAWLINS-FERNANDEZ: Yeah, so...

COUNCILMEMBER SUGIMURA: --we need to do this because I think that's where we're going anyway. So, we don't need to...you don't need to proviso that. If you wanted to...what I was saying was if you wanted to include more money so it could be done, you know, for our future, that's fine, but the way it is is fine. I think that's the direction we're all going, yeah.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: Thank you. Yeah, we're fine.

CHAIR RAWLINS-FERNANDEZ: That's fine? So, you weren't...okay.

COUNCILMEMBER SUGIMURA: Thank you.

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CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Mahalo, Members. So, those were all the items that we needed clarification on. And now, in your Budget bill, oh --

VICE-CHAIR KING: Question?

CHAIR RAWLINS-FERNANDEZ: --Committee Vice-Chair King?

VICE-CHAIR KING: Yeah, thank you. I just wanted to go back to Member Hokama's corrections because I saw highlighted two different pots of money for a million. One was the feral animals, and one was rural, the economic assistance. So, those are two...those are still two separate pots, and are those both under the COVID...the COVID-19 \$10 million? I'm not...I just wasn't clear on where those were going.

CHAIR RAWLINS-FERNANDEZ: No, those are two different priority proposals.

VICE-CHAIR KING: Yeah.

CHAIR RAWLINS-FERNANDEZ: There's...those are two priority proposals.

VICE-CHAIR KING: Right.

CHAIR RAWLINS-FERNANDEZ: But there was one priority proposal that was both under OED and under COVID, \$10 million. So, that's why Member Hokama had to choose which one he wanted it under, OED or the COVID-19 Fund. And he requested the COVID-19 Fund so we're deleting the \$1 million under OED. Okay. So, if Members can grab their Budget bills, we'll go over the Open Space Fund and the Animal Management Fund, as well as the Highway Beautification Fund, and that's on 44.

REVOLVING FUNDS

CHAIR RAWLINS-FERNANDEZ: Does anyone not have it? Okay. We're going to move forward then. Okay. So, on Page 44 of the Budget bill, Special Purpose Revenues - Schedule of Revolving Funds for Fiscal Year 2021, item E, Highway Beautification and Disposal of Abandoned or Derelict Vehicle Revolving Fund; one, provided, that disbursements for salaries and premium pay is limited to \$107,734 and two E/P for the Environmental Protection and Sustainability Program. Consensus?

COUNCILMEMBER MOLINA: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER KAMA: Consensus.

VICE-CHAIR KING: Consensus.

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CHAIR RAWLINS-FERNANDEZ: Okay. Two, provided, that \$1,356,935 shall be disbursement...shall be for disbursement for operations or services for the Environmental Protection and Sustainability Program. Consensus?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo.

COUNCILMEMBER KAMA: Consensus.

CHAIR RAWLINS-FERNANDEZ: Three, provided that \$10,000 shall be for Teens On Call to maintain the Pā'ia Bypass.

VICE-CHAIR KING: Consensus.

CHAIR RAWLINS-FERNANDEZ: Consensus?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Four, provided that \$317,083 shall be for disbursement of operations or services for the Highway Beautification Street Tree Trimming Program. Consensus?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. So, next item, G, Animal Management Revolving Fund. One, provided that no more than \$120,000 shall be used to purchase two enforcement vehicles for animal management programs. We had Maui Humane Society come before us in Member Hokama's Committee, HFC Committee, and let us know they were able to purchase one vehicle but there wasn't enough money for the second vehicle. And so, Ms. Yoshimura was going to follow up with the Department to find out if this proviso is for that second vehicle and a third vehicle, or if we would need to amend this to one enforcement vehicle. Ms. Yoshimura?

MS. YOSHIMURA: Chair, so, this is...the request for two vehicles is one, the vehicle that they didn't purchase in Fiscal 2020, and an additional vehicle that they're requesting in 2021. Just to note, we're using the Animal Management Revolving Fund. Currently, the County owns all of the vehicles. By putting it through the Animal Revolving Fund, the County...it's no longer going to carry County plates or rely on the County Public Works Maintenance Division to do the...to do any type of servicing on the vehicles, and it will be under the Humane Society's responsibility to maintain the vehicle and do the registration.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Okay. Consensus in keeping this proviso under Animal Management Revolving Fund?

COUNCILMEMBERS: Consensus.

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COUNCILMEMBER KAMA: Thank you. Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. And now item I, Open Space, Natural Resources, Cultural Resources, and Scenic Review [sic] Preservation Fund. Okay. One, provided, that \$300,000 shall be for debt service for the purchase of approximately 186 acres at Launiupoko, Maui. Consensus? I think it just is in there.

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Two, provided, that 250,000 shall be for the acquisition of Dole Park, Lānaʻi, and related costs.

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Three, provided, that 1 million shall be for land acquisition and related costs for a Lānaʻi agricultural park. And Member Hokama, one of his priority proposals was to increase this to 2 million, is that correct?

COUNCILMEMBER HOKAMA: That's correct, Chair. But I think there's a lot of need in this...in the whole County in general. So, I know there's other Members that have asked it to use also that same fund for other community purposes. So, I'm willing to wait and secure the first phase of the acquisition, and then return later, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. So, keep it at 1 million and not go to 2 million?

COUNCILMEMBER HOKAMA: Yeah, yeah, yeah. I...we had...we have an opportunity to buy...double the amount of acreage but I felt that other districts has just as good a need as ours on Lānaʻi. So, I'm happy just to go forward with the first \$1 million. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that correction, Member Hokama. Okay. Members, consensus on \$1 million for the land acquisition and related costs for the Lānaʻi agricultural park?

COUNCILMEMBERS: Consensus.

COUNCILMEMBER KAMA: Thank you, Mr. Hokama.

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Okay. Number four, provided, that \$1,200,000 shall be for the...for a grant to Molokai Land and...to Molokai Land Trust for land acquisition and related costs for TMK: (2) 5-7-005:002 at Mapulehu Valley, East Molokai, Hawaiʻi. I think we needed to make a correction to that TMK too, yeah. Okay.

VICE-CHAIR KING: Consensus.

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CHAIR RAWLINS-FERNANDEZ: Consensus?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. Okay. Number five, provided, that \$1 million --

MS. DesJARDINS: Sorry --

CHAIR RAWLINS-FERNANDEZ: --five --

MS. DesJARDINS: --Chair?

CHAIR RAWLINS-FERNANDEZ: --hundred thousand...

MS. DesJARDINS: One other little amendment, remember, to that number four should be Molokai Land Trust.

CHAIR RAWLINS-FERNANDEZ: Yes.

MS. DesJARDINS: Okay. Thank you. Sorry.

CHAIR RAWLINS-FERNANDEZ: Yeah.

MS. DesJARDINS: I didn't know if you...

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. And so, number five, provided, that \$1,500,000 shall be for a grant to Ke Ao Hali'i for land acquisition and related costs for TMKs 2-1-012-002, 2-1-4-010-030; 032; 034; and 014 at Maka'ala, Maui, Hawai'i.

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. Number six, provided, that \$20,000 shall be for a grant to Nā Mamo O Mū'olea for the operating...operation costs to support land management efforts, including educational workshops, insurance, fencing materials, and water tank, water system maintenance, and other related supplies.

VICE-CHAIR KING: Consensus.

CHAIR RAWLINS-FERNANDEZ: I'm...oh, okay. I was going to just --

COUNCILMEMBER SINENCI: Consensus.

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CHAIR RAWLINS-FERNANDEZ: --ask Ms. Yoshimura about this one. I wasn't familiar with it. Ms. Yoshimura, did you have any additional information on the Nā Mamo O Mū'olea?

MS. YOSHIMURA: Chair, I could look for my information and I'll get back to you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Yoshimura. Okay. And it sounds like there's consensus on this? Member Sinenci? Oh, okay. Did you have a question?

COUNCILMEMBER SINENCI: No, the Nā Mamo O Mū'olea is in the Koali District, and it's a grant that manages County lands, and they have 'opihi monitoring. And so...and it's an old site of the Kalākaua Summer Palace.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that --

COUNCILMEMBER SINENCI: Okay.

CHAIR RAWLINS-FERNANDEZ: --additional information, Member Sinenci.

COUNCILMEMBER SINENCI: Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay. Number seven, provided, that 750,000 shall be for land acquisition and related costs, Lot 6, Ka'ono'ulu Estates, Phase III; identified as TMK (2) 3-9-001:162; Lot 9, Kenolio Makai Subdivision, identified as TMK (2) 3-9-001:164; and Lot 19, Kenolio Makai Subdivision, identified as TMK (2) 3-9-062:019, portion, located at Ka'ono'ulu Road and South Kihei Road, Kihei, Maui, Hawai'i. Member...or Ms. Yoshimura, do you have additional information on this one?

MS. YOSHIMURA: Chair, that's on the Kūlanihāko'i, right?

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: Let me see. Number seven, yeah? Okay. So, that was a request to purchase three parcels. I think Councilmember King put it in the Budget this past...in Fiscal Year 2020 to do assessments. Let me see, hang on. So, \$50,000 was set to do appraisals and related costs on Kūlanihāko'i Greenway Park. So, this is just to follow up on that report. We did get an appraisal from Howell & Associates, and that was submitted by the property owner. But I'll defer to Councilmember King...

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Committee Vice...yeah, Committee Vice-Chair King?

VICE-CHAIR KING: Thank you, Chair. I did put in the...for the appraisal, I was not made aware of what the appraisal came out at or that the Mayor was going to do this. I think it's a good purchase because it needs to stay open space. I just, you know, I

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was not informed. So, I would support it. I wouldn't support it at a million dollars but at 750, I would support it.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Members, consensus?

COUNCILMEMBERS: Consensus.

CHAIR RAWLINS-FERNANDEZ: Okay. And the last item is item number eight, provided, that 2,100,000 shall be for the...a grant to Ke Ao Hali'i for land acquisition and related costs for TMKs (2) 1-4-010-008, 009, 010, 012, and 014 in the ahupua'a of Moka'e and Kāki'o in the district of Hāna, Maui, Hawai'i.

VICE-CHAIR KING: Consensus.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci, did you want to say...

COUNCILMEMBER KAMA: Consensus.

COUNCILMEMBER SINENCI: . . .*(inaudible)*. . .

CHAIR RAWLINS-FERNANDEZ: Okay. That's...okay, that was the last item for the Open Space Fund as --

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: --was proposed by the Mayor.

VICE-CHAIR KING: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Oh, I just, yeah, I just wanted to make sure that we got the other...my priority item in this...the 500 --

CHAIR RAWLINS-FERNANDEZ: Yes.

VICE-CHAIR KING: --thousand. Okay. Sorry, I got ahead of you.

CHAIR RAWLINS-FERNANDEZ: Yeah.

VICE-CHAIR KING: Sorry about that.

CHAIR RAWLINS-FERNANDEZ: Yeah, so these were...we review these so I wanted to make sure that we review the items that we didn't review yet so that everyone had an opportunity to either speak to it or, you know, if anyone wanted to remove items would have an opportunity to remove it. But all the items received consensus so they will all stay in the Budget under Open Space Fund. Okay. Okay. Okay. So, now we'll...

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EXHIBIT "1"

CHAIR RAWLINS-FERNANDEZ: On your Exhibit "1"...okay, so on Page 64, the last page on your Exhibit "1," the total estimated revenues as was submitted to us in the Mayor's proposal was \$864,704,841, is everyone seeing that? Page 64, yeah. Okay. And the total operating expenses as we updated it...well, we might have to make a couple of changes now that we...oh, I think it will be okay. But as of the time that Exhibit "1" was made, it was \$679,159,082, and CIP was \$138,821,329. Let me do a quick math. I don't know if that's over 46 million. Okay. So, the revenue...so, the Members did a really good job at slimming down the Budget. It's...the revenues that were transmitted to us and the...so, we'll take a look at the revenue sheet. Ms. Milner?

MS. MILNER: Just resaving it and it will be right up.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo.

REVENUE SHEET

CHAIR RAWLINS-FERNANDEZ: So, Ms. Milner will share her screen.

MS. MILNER: And, Chair, the version I'm going to --

CHAIR RAWLINS-FERNANDEZ: So, we can see that.

MS. MILNER: --share is going to be slightly different from the one you have. It reflects the changes that you just made.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. You're so quick. Mahalo.

MS. MILNER: Can you see the screen?

CHAIR RAWLINS-FERNANDEZ: Not yet.

MS. MILNER: Okay.

CHAIR RAWLINS-FERNANDEZ: Oh wait, yes.

MS. MILNER: Okay.

CHAIR RAWLINS-FERNANDEZ: There we go.

MS. MILNER: Then I won't do anything.

CHAIR RAWLINS-FERNANDEZ: Okay. Are you able to make it a little bigger?

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COUNCILMEMBER PALTIN: If you could make it wider, it would be awesome. Or not the individual columns but the whole screen . . .*(inaudible)*. . . black space on either side of it.

MS. MILNER: Yeah, I'm at full screen. So, I don't know if I can make it any bigger for you guys. Let me try it on a different screen and see what happens.

COUNCILMEMBER PALTIN: Chair, I had a question for you.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: Yeah, remember last week how you asked us to go back over our priority proposals that came out of the Highway Fund? Did you...did...we didn't go past that already, did we?

CHAIR RAWLINS-FERNANDEZ: No, we didn't.

COUNCILMEMBER PALTIN: Okay. And one other question I had, last year, my priority proposal was the purchase of 50 acres during the community plan update, and that went through, and I had heard that the Parks Department had worked with Maui Land and Pine to identify a parcel, and the Community Plan West Maui was going through, and I just was wondering, is this the time that we would have to authorize that from the West Maui Parks Fund, or would that be during regular EDB as a Budget amendment?

CHAIR RAWLINS-FERNANDEZ: I guess we could get Ms. Yoshimura's guidance on that.

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: If the Administration was permitted. Okay. Ms. Yoshimura?

MS. YOSHIMURA: Councilmember Paltin, could you repeat that question? Sorry.

COUNCILMEMBER PALTIN: Oh, one of my priority proposals last year was the 50-acre purchase of ag land at ag land rates, while, it was a condition of I think Kapalua Mauka that the County be able to purchase 50 acres from Maui Land and Pine at ag land rates during the West Maui Community Plan Update process. And we're going through the update, and as I was following along with Director Peters, she had said that they were talking with Maui Land and Pine and had identified a parcel. And I believe we have funds in Park...West Maui Park Funds, and I just was wondering through this Budget process we're going through right now, is that when we have to appropriate the money or would it be a separate amendment during the regular Budget Committee year?

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MS. YOSHIMURA: Okay. So, that was number eight last year under the Open Space Fund for \$50,000 to do the assessment, I guess. So, let me follow up with Director Peters what the status is of that, and then I can get back to you. If it is to buy park lands, then I guess you could use your Park Assessment Funds, and we could either put it in now or come in for a Budget amendment. So, let me follow up with Director Peters and see where we're at.

COUNCILMEMBER PALTIN: Okay. I guess then my follow-up question would be like if it was number eight, why did it get taken off?

MS. YOSHIMURA: So, it was...for number eight, if it...either the...we need to submit a new appropriation. So, whatever was requested to do with this, if they did an appraisal or if they did any type of assessment or feasibility study, then the money may have been expended, but let me check with her and see what the status of this is.

COUNCILMEMBER PALTIN: Okay. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura and Member Paltin. Okay. Any other questions before we get into the revenue sheet? Okay. Ms. Milner? Okay. Mahalo. Okay. Okay. So, what you see in each column is broken out into fund, General Fund, Highway Fund, Bike Fund, EP&S, Sewer, Solid Waste, Liquor Fund, and Water is at the end that is a little bit cut off. So, you see Carryover/Savings there, and at the end, the final calculation. Okay. Okay. So, at the bottom was the estimated revenue that we received from the Mayor. So, 530 million General Fund; 84 million out of Highways; 300,000 Bike Fund; 12 million EP&S. Everyone following? Okay. And then we received information from the Budget Director during our deliberations when the departments came up with Special Revenue Funds such as Highways that there was projected shortfalls. So, under Highways, the estimated revenues that came down from the Mayor was \$84,516,950. And we projected a shortfall of 4.9 million, which we accounted for. And so, that's the estimated new revenues. And under Highways, below, so the estimated operations expenses, the \$48,195,532; estimated CIPs, \$9,495,000; and estimated bonds that we moved some CIP projects under, \$19,303,000. And then under Sewer, oh shucks, okay, let me see, the top is the carryover, the estimated Carryover/Savings, and then below that is the estimated revenue that we received from the Mayor, which was \$94,976,339. And the adjusted amount that we anticipated was 21,600,000. So, the new estimated revenue is \$73,376,339. Operations expense, \$49,902,738. In CIPs, 6.1 million, and we moved some of the CIP projects that we could from Sewer Fund to Bond for \$5,760,000. And that 13 million is the estimated lapsed bond. Okay. And then for Solid Waste, estimated carryover was \$169,318. The estimated revenue that we received was \$43,783,318. And we anticipated \$9.6 million shortfall, which we adjusted for. And the new estimated revenue is \$34,183,318. Operating expense, \$30,400,297. CIPs, 500,000. And lapsed bonds, 13,035,000. And then last is the Water. Okay. So, for Water, anticipated Carryover/Savings was \$24,856,507. Revenue that we received from the Mayor was 95,071,636 thousand, oh, dollars, \$95,071,636. And we anticipated about a \$5 million shortfall. And we adjusted to \$90,071,636. The estimated operating expenses came out to \$71,200,904. And CIP

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expenses, \$18,603,329. And...okay. And then we'll go to General Fund. So, General Fund carryover, carryover...estimated carryover is \$49,927,508. The estimated revenue from the Mayor's proposed RPT rates, \$530,345,275. And we haven't made any adjustments to the RP rates yet so it's the same. And estimated revenue, I'm sorry, estimated operating expenses, \$463,737,377. For CIPs, \$8,925,000. And estimated bonds for \$20,207,321. And lapsed bond, \$1,577,679. Oh, okay, there's the...oh, okay, that's the 1 million. Okay. And for...so, we reduced the Budget down by \$33,897,898 in General Funds. Okay. Okay. Members, any questions? Oh, sorry. Okay. Now I can see if you're raising your hand. Committee Vice-Chair King?

VICE-CHAIR KING: Thank you, Chair. So, just in looking at this, the line on estimated bond expenses would not come out of the bottom line necessarily 'cause we're not funding that with cash?

CHAIR RAWLINS-FERNANDEZ: Are you talking about the \$22,207,000?

VICE-CHAIR KING: No, I'm talking about all the way across when we look at Sewer, and, you know, where we took the CIPs out of cash and we've put them into bond. So, they wouldn't necessarily come out of our bottom line, is that...I just want to double check and make sure I'm right about that.

CHAIR RAWLINS-FERNANDEZ: You mean for when we take out the bonds?

VICE-CHAIR KING: Yeah, I mean they're not part of our cash budget so they wouldn't necessarily affect the total that we have to have in revenues, I guess is my point.

CHAIR RAWLINS-FERNANDEZ: Right.

VICE-CHAIR KING: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah, Member... Member Paltin, you had a question? Member Paltin? Okay.

COUNCILMEMBER PALTIN: I just...

CHAIR RAWLINS-FERNANDEZ: Uh-oh.

COUNCILMEMBER PALTIN: I guess my question is do we need to balance it out so that...balance it out to zero so that our estimated revenue and our estimated expenses zero out? Or are we just seeing where we're at right now and we do that as we set the rates, the property tax rates?

CHAIR RAWLINS-FERNANDEZ: Do we need to zero out...can you repeat your question one more time? Do they need to zero out or, yeah, we're...I'm just showing you where we're at --

COUNCILMEMBER PALTIN: Right now.

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CHAIR RAWLINS-FERNANDEZ: --before we...RPT...right now, yeah.

COUNCILMEMBER PALTIN: Okay. Okay. Thank you. That was...my question is answered.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Members, any other questions? Okay. And then, Chair Lee?

COUNCILMEMBER LEE: So, that...does that mean that we are ahead by \$46,724,430?

COUNCILMEMBER KAMA: That's what I come with.

CHAIR RAWLINS-FERNANDEZ: I believe so. I believe that that was the amount that we had.

COUNCILMEMBER LEE: Thank you.

CHAIR RAWLINS-FERNANDEZ: So, would that account for the changes that we just made though? Yeah, okay. Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. So, what would be our excess revenue now after all these totals? 'Cause I know Sewer and Solid Waste has shortfalls. That would be...the General Fund would cover that shortfall then?

CHAIR RAWLINS-FERNANDEZ: I don't think so. Ms. Yoshimura? I think they needed to come up...they were going to come up with a plan. So, for Sewer, I believe they were going to be okay because there was some Carryover/Savings but Solid Waste were going to...they were going to come up with a plan to figure out moving forward. That was what I remember Ms. Yoshimura telling us when we were doing Department of Environmental Management.

COUNCILMEMBER MOLINA: Okay. Thank you.

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, so, for Fiscal Year 2020, we anticipated some shortfall, and we were developing a plan on how to like make it through the rest of the year through June 30, 2020, which is Fiscal Year '20. So, moving forward in Fiscal Year 2021, if you're going to reduce the revenue that is anticipated or estimated for Fiscal Year 2021, then you would have a equal amount of reductions to the expenditures. So, for Fiscal '20, we said we would be okay with the Wastewater Fund because we had collected an additional amount of revenue in the first 9 months of collections, and that would carry us through the full 12 months. Now, moving forward in 2021, we're not going to have that same situation because we're already seeing a shortfall of \$1.8 million per month. So, we don't have that cushion come, you know, July 1. So, if you're going to anticipate reduced revenues by the amount of

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\$1.8 million per month, you need to kind of determine how many months, and then do the necessary reduction to the expenditures so that the fund would balance. If the...if you reduce the revenues less than you reduce the amount of expenditures, then you need to do a supplemental transfer from the General Fund. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura.

COUNCILMEMBER KAMA: Very good, that makes sense to me.

CHAIR RAWLINS-FERNANDEZ: Did that satisfy your question, Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you very much, Madam Chair. I appreciate the review by the...by Director Yoshimura.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. So, yeah, I appreciate the revised Exhibit "1." So, thank you to you and your Staff. I noticed we didn't make any revision adjustments on revenues for TAT, license/permits, fuel and franchise, and other intergovernmental. I was going to ask you, are you planning to make any adjustments to those four areas, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes, Member Hokama. So, for those areas, because they come...so, fuel for example, fuel tax, when we figure out what the estimated shortfall would be for Highways, we assumed that it was a combination of all these areas, fuel tax and any other estimated shortfalls. We didn't get to meet with Ms. Yoshimura to find out all the details of where the 4.9 million would come from.

COUNCILMEMBER HOKAMA: Okay.

CHAIR RAWLINS-FERNANDEZ: And that's why we just had adjustments from Budget Director . . . *(inaudible)*. . . here. So, we'll make that adjustment in the Details. As far as TAT, that's something that I was going to discuss with Members after this.

COUNCILMEMBER HOKAMA: Okay. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: And...

COUNCILMEMBER HOKAMA: And then was Planning able to give you some comments for you to get a sense of how much reductions of...cause I don't anticipate a lot of building plans being submitted for review, you know, in the immediate near future. So, I was wondering if Planning was able to give you some comment regarding adjustments in that area?

CHAIR RAWLINS-FERNANDEZ: No, we haven't received any of those yet. So, we haven't --

COUNCILMEMBER HOKAMA: Okay.

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CHAIR RAWLINS-FERNANDEZ: --received any of the details for those. We just took what Budget Director Yoshimura provided us during deliberations and put the shortfalls in in the Special Revenue Funds.

COUNCILMEMBER HOKAMA: Okay. Chair, I'll wait till you take it up, the specific area. So, thank you very much.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Hokama. Any other questions, Members? Okay. Seeing none...okay.

COUNCILMEMBER PALTIN: I just...quick question, Chair?

CHAIR RAWLINS-FERNANDEZ: Yeah, Member Paltin?

COUNCILMEMBER PALTIN: So, we didn't decide how we're going to come up with the shortfalls for Sewer and Solid Waste for Fiscal Year '21 yet? Nobody knows that answer? We're still going to have to work on it?

COUNCILMEMBER HOKAMA: Chair, your only --

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

COUNCILMEMBER HOKAMA: --other answer is the amount of General Fund subsidy that you got to raise to balance the funds, that's the only way we're going to make it --

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER HOKAMA: --happen unless we cut, cut more things.

COUNCILMEMBER PALTIN: So, we got to use like 30 mil from the General Fund to cover the Sewer and Solid Waste?

COUNCILMEMBER HOKAMA: If we're short. If we're short, we're going to have to do the transfers.

CHAIR RAWLINS-FERNANDEZ: If they move forward on the CIPs. Yeah.

COUNCILMEMBER HOKAMA: Yeah, yeah, yeah, yeah, yeah.

COUNCILMEMBER PALTIN: So, that's basically our plan then?

CHAIR RAWLINS-FERNANDEZ: Yeah. Okay. Mahalo, Members. May I request a ten-minute recess so I can set up for our next discussion on RPT?

COUNCILMEMBER KAMA: No objections.

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COUNCILMEMBER HOKAMA: Thank you, Chair.

COUNCILMEMBER LEE: No objection.

CHAIR RAWLINS-FERNANDEZ: Any objections? Okay.

COUNCILMEMBER MOLINA: No objection.

CHAIR RAWLINS-FERNANDEZ: Okay. And mahalo for sharing, Ms. Milner. It's 1:26, and we'll break to 1:36? Okay. We'll reconvene at 1:36. It's 1:26 on April 27th. The Economic Development and Budget Committee is now in recess. . . .(gavel). . .

RECESS:	1:26 p.m.
RECONVENE	2:55 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Economic Development and Budget Committee please return to order. It's 2:55 on Monday, April 27th, and we are continuing our discussion on RPT. Mahalo, Members, for that recess. I was able to get Member Hokama's question answered regarding the permit revenue shortfall, and the answer is yes, that they've adjusted for a potential shortfall of about \$600,000. Okay. So, that's already reflected in what the Mayor sent down in his proposed budget. They collected revenues based on March 31st, and they collected \$4.1 million, and are estimating 3.5 million for FY '21. Director Teruya, do you...did you want to speak to that at all? Oh, wait, hold on, let me unmute you. There, okay.

MR. TERUYA: Thank you, Chair. In speaking with Deputy Director Alibin, we went over a lot of the forecasted revenues that we had projected for the FY '20 fiscal year, and whether it's real property tax, or interest earned on our investments, et cetera, most of the projections have either been met already or they're very close to it. So, for the remainder of the fiscal year revenues, projected revenues seems to be pretty, pretty, pretty good, and I would say that I wouldn't be worried so much for this fiscal year. But with the uncertainty of next fiscal year, because we don't have any information as of April, at the end of April, all of our information as of March 30th of 2020. So, that's the end of the third quarter. But going into the fourth quarter, we don't have that information yet. April is not completed so it's hard for me to give you any projections moving forward. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Sorry. Members, any questions on that? Member Hokama?

COUNCILMEMBER HOKAMA: Chair, thank you so much for doing this update. I appreciate it much. So, Mr. Teruya, I understand what you just shared, but one thing we do know since the review started is the Governor's concern of State cash shortfall, his projected adjustments by Council on Revenues, and the revised growth for next fiscal year for the State of Hawai'i. So, impact to the visitor sector, TAT, do you think...what would you say we...is a smart adjustment on TAT if at any, Director? I'm sure you're talking to your counterparts. Is that something we should already calculate a

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percentage, or would you prefer to allow you folks to come back with a supplemental request if we receive those funds? Thank you.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Member Hokama, thank you for that question. It's a very difficult one to answer because I think, without speaking for all my counterparts, there was a discussion, and I believe to take a conservative approach, it would probably be best to estimate it at zero. It's very difficult to send that message over to the Legislature that...and the Governor, that we don't need it I guess so to speak, but when you project and you guys are going to propose your revenues and you anticipate 3 million, \$5 million, and you don't...and you get zero, then what do you do? So, you know, being of the conservative mind, I would suggest that, well it's just my opinion, that to maybe recommend zero, then you don't have to deal with a shortfall. And then if revenues are given, then you budget accordingly. But I'm not speaking on behalf of the Mayor, that's just my own opinion, just taking like a cautious approach. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo --

COUNCILMEMBER HOKAMA: Thank you, Director.

CHAIR RAWLINS-FERNANDEZ: --Director.

CHAIR RAWLINS-FERNANDEZ: Okay. So, Ms. Milner, will you please share your screen? Okay. So, this is the same spreadsheet that you've seen last week, and it shows the difference and the amount of General Fund percentage change. Did the General Fund change?

MS. MILNER: It's just on the second --

CHAIR RAWLINS-FERNANDEZ: Got taken out?

MS. MILNER: --sheet. It's just on the second --

CHAIR RAWLINS-FERNANDEZ: Oh --

MS. MILNER: --sheet.

CHAIR RAWLINS-FERNANDEZ: --okay.

MS. MILNER: Yeah, I cleaned this up a little bit.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. MILNER: I can switch over to that screen --

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CHAIR RAWLINS-FERNANDEZ: So...

MS. MILNER: --if that's what you want to see.

REAL PROPERTY TAX

CHAIR RAWLINS-FERNANDEZ: Yes. Okay. And then to the bottom, overall totals. Okay. So, the \$27,942,687 is how much we reduced the proposed budget that we received last week. Okay. Mahalo, Ms. Milner. Okay. And do you have the spreadsheet for RPT, or Ms. Espeleta?

MS. ESPELETA: Do you see it, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes. Are you able to widen the spreadsheet and zoom in a little bit?

MS. ESPELETA: Oh, that's the max. Is that large enough or...

CHAIR RAWLINS-FERNANDEZ: Maybe one more time. I can read it, but I see Members trying to look really hard. Okay. And are you able to project, yeah. Okay. So --

MS. ESPELETA: Is that good?

CHAIR RAWLINS-FERNANDEZ: --with time...yes, it's good. Mahalo, Ms. Espeleta. So, with Time Share, the Mayor proposed 14.40, and in keeping it at 14.40, we'll generate \$39,870,373 in revenue. And with the proposal for the Non-Owner Occupied at 5.50 for the first tier, it would generate \$62,950,238. And that would be ten cents less than the Mayor's. For Owner-Occupied, tier 2 at 20 cents less than the Mayor's, it would generate \$14,247,161. And in tier 3 for Non-Owner Occupied, proposal would be higher than what the Mayor proposed at \$7.10 or in excess of \$1.5 million in valuation. That would generate \$33,211,284. And then to the right of that, you'll see the difference in the Mayor's. So, it would generate 1,144,550 less 474,905 less, and generate 2,806,587 more. For Commercial Residential, if we went down to \$4, we would generate \$967,746, which is a \$145,162 less than what the Mayor proposed. For Short-Term Rental, if we kept the first two tiers the same as what the Mayor had proposed, we would generate \$77,322,139, and \$11 for tier 2 from \$800,001 to 1.5 million, \$16,563,890. And for proposed tier 3, which would be in excess of 1.5 million at \$11.40, \$18,018,492. Okay. And the Apartment at \$6 will generate \$2,240,164. Okay. For Commercial, we posted the opportunity for us to tier Commercial, but if we kept all three tiers at the same rate or not tiered at all, at \$6.29, we would come up with a total of \$17,801,137. For Industrial, \$15,760,204. For Ag, seven...oh, 7,052,291. For Conservation, it would remain flat from last year and what the Mayor proposed, \$6.43 at 1,447,858. And at Hotel/Resort, last year it was \$11 per thousand. The Mayor proposed \$9.37. And if we did a compromise at \$10.25, we would generate \$31,690,316. And then for Owner-Occupied, we're tiering it. The first tier on properties valued at under \$800,000 at \$2.10, we would generate 23,866,174.

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From \$800,001 to 1.5 million, at \$2.30, we would generate 2,282,768. And properties in excess of 1.5 million at \$2.61 will generate 2,027,367. And these proposed rates are to help give our residents even more of a break from last year. And so, we would generate \$367,319,603, which is a difference of . . .(inaudible). . . --

MS. MILNER: Sorry, Chair, I think --

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

MS. MILNER: --there's a formula error on the sheet.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. MILNER: It's around \$1 million.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. I...well, I think that formula is...oh yeah, adding up the...so, the Mayor's proposed revenue or proposed RPT rates would generate 368 million, 159...oh...and 316 dollars. And these proposed rates would generate \$367,319,603. And you adjust for the Circuit Breaker for 494,410, and you add a minimum tax at \$2,676,761, and you come up with \$369,501,954. Okay. And then...can you go a little bit more to the right? To the right. Okay. So, we needed about \$347,528,769 to cover the expenses of the departments, and with the proposed rates, we would be over by \$21,973,185. Now, if we wanted to zero out TAT, then we would need to generate about \$2 million more, and we can figure that out together where we can make adjustments. Okay. So, that's a proposal for everyone's consideration. These amounts, again, are rough numbers. So...I guess we can stop screen share unless Members...okay, Members, I figure I would give everyone an opportunity to discuss your thoughts on the proposal that was up on the screen. I know you didn't memorize it. I won't test you later but I'll just take everyone's thoughts on it one at a time, and we can start with Committee Vice-Chair King, and then we'll go to Member Sinenci, and then we'll go one at a time. Committee Vice-Chair King? I guess the thoughts are what the proposals and if you'd like to go zero on TAT, and I'll give everyone a couple minutes.

VICE-CHAIR KING: Thank you, Chair. Yeah, I do think that we need to probably go zero on TAT. I don't know about that idea of...I...that was kind of interesting comment made by Mr. Teruya about will that give the impression that we don't need it because we don't...we certainly don't want to do that. But I think if we're going to go zero that I would like to look at raising the Hotel tax a little bit more up to whatever we need because my...you know, we're not taxing the hotels based on their businesses, we're taxing them based on property. And I feel like we don't tax...we don't give the...and I like we...that we're giving that average taxpayer break on, you know, the homeowners, but we're not giving the other short-term rentals a break based on their business loss. So, we either have to equal that out and kind of spread the...spread that little break across the groups, or I think somehow it has to be a little more equal because I feel like we're recognizing some kind of pain in the Hotel area but not in the Short-Term Rental and Time Share area. So, that will be my thought, and I'm interested to see

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here what all the other Councilmembers have to say, but I think we're pretty close. So, I just want to commend you for bringing all the numbers and getting that done, and, you know, I think all the Councilmembers did an excellent job on going through line by...if ever there was a need to go line by line, it was this year, and we did a really good job of getting the Budget down. The...you know, the original Budget that was handed to us...with still being able to fund some important projects. So...and I'm happy about that, and I think that looking for \$2 million is fairly easy place to be in at this point. So, thank you for that. And I'll just wait to hear what everyone else has to say.

CHAIR RAWLINS-FERNANDEZ: Perfect timing. Okay. Member Sinenci, followed by Member Molina.

COUNCILMEMBER SINENCI: Thank you, Chair. I just had a question about the TAT. Member King said zeroing out the TAT. Was the TAT part of the...these calculations?

CHAIR RAWLINS-FERNANDEZ: Yes. So, TAT estimated revenues would be \$23,484,000, and that's what we've collected in past years. And so, if we anticipate getting \$23,484,000, and then we don't get any TAT from the State, then the Administration will be left scrambling trying to figure out where we would get that 24...\$23.4 million from. So, that's why the thought is to go zero, and if we do get money from the State from...for TAT, then that will be, you know, added revenue and we won't...so, it's better to plan to not get it, and then we do get it than to plan to get it and then we not get it and are left scrambling trying to figure out how to cover that shortfall.

COUNCILMEMBER SINENCI: Okay. Thank you, Chair, for that explanation. I like the proposal to add a third tier of \$11.40 for Short-Term Rental. And then like Member King, I think I would try and find that...increase the hotels and a little bit only because in the past, they normally have a lower valuation on the hotels. So, I would try to find that difference and maybe raising it in...for hotels. Thank you, Chair.

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

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. Just to once again clarify, the 21 million in RPT revenue, that was with the TAT factored in, yeah?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER MOLINA: Yeah, okay.

CHAIR RAWLINS-FERNANDEZ: Oh, I'm --

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: --sorry. The 21...yeah.

COUNCILMEMBER MOLINA: Yeah --

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CHAIR RAWLINS-FERNANDEZ: So...

COUNCILMEMBER MOLINA: --okay --

CHAIR RAWLINS-FERNANDEZ: Okay. Let me --

COUNCILMEMBER MOLINA: --okay.

CHAIR RAWLINS-FERNANDEZ: --pause that. So, you're...are you talking about the revenue over 20 --

COUNCILMEMBER MOLINA: Yeah.

CHAIR RAWLINS-FERNANDEZ: --million?

COUNCILMEMBER MOLINA: Uh-huh.

CHAIR RAWLINS-FERNANDEZ: Yeah. So --

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: --that was with the TAT factored in, yeah. And don't worry --

COUNCILMEMBER MOLINA: Okay.

CHAIR RAWLINS-FERNANDEZ: --I paused your timer. Okay.

COUNCILMEMBER MOLINA: Yeah. No worries. Yeah, I don't know, I just...with the uncertainty of the TAT just, boy, I don't know, it's a tough one. I think we'll be lucky to get half of that next year, maybe less if any. So, yeah, I just...right now, I have really no position on it, but I appreciate the work you guys putting in, and I don't think we're too far off. But anyway, those are just my thoughts for the time being. Thank you.

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

COUNCILMEMBER LEE: Thank you, Madam Chair. I don't necessarily agree with the strategy of a zero amount for TAT. I think because that would invite us getting nothing. I think if we put in 10 million let's say, say 10 million as a potential revenue, and then put the balance, the 23 million in savings, in a savings account so that, you know, if we do get some money, that will be great. If we don't, we're still covered because that monies would be in Countywide cost or savings or someplace else. And as far as the rates that you're proposing, I think you did a great job. And I think that...I think if we just tweak it a little, it will...we'd be there. I don't see where we should be putting in too much of a burden on any particular category at this time

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because it's the big businesses that are going to carry the...do the heavy lifting here. It's not the small houses, you know, it's the expensive houses that will be pretty much subsidizing our budget. Okay. So, that's all I have for now and congratulations on doing a great job.

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

COUNCILMEMBER HOKAMA: Thank you, Chair. I would agree, I wouldn't just put a burden on any one particular tax category. And I tell you I'm very open to your proposal. I prefer not to tier Commercial this year since for me that's a lot of the local businesses. But I still think Circuit Breaker, minimum tax, and especially the General Fund transfers to Solid Waste and Wastewater needs to be further defined a little bit more for us. TAT is a philosophical thing for each Member. My thing has always been you cannot give what you don't have. And I cannot see the State doling out any TAT when they're talking about 20 percent operational reduction, not even one consideration for collective bargaining this year, not even thinking about now reconvening Legislature. I would say I don't think...yeah, I don't know where the State is going to get the money to send over to us. And I would just say, you know, in my support for redirecting the visitor industry, I would say we need to make sure that the resident and the local businesses know that they need to pick up a bigger share of the tax load. And so, I would not be in favor of reducing their tax load currently 'cause I think the General Fund subsidy for homeowner...home residences and whatnot is already too big. And so, for me is and I'm saying we as residents are going to have to come to terms and be willing to pay more for our services than we currently are and reduce that subsidy and come to terms with who's actually paying the bill. Thank you, Chair.

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

COUNCILMEMBER PALTIN: Thank you, Chair. Stoked on the work you did. I'm having a hard time 'cause, you know, I don't like to speak in support of the visitor industry that much, but my problem is if we are counting on a 0 percent TAT or a 0 revenue from the TAT, and then we're having all the visitor industry taxes high, just, you know, it's kind of like well, we know you're going to not have any visitor industries, which is your business but we're going to keep your taxes high. So...I mean I just was wondering, I know everyone's getting all the e-mails, like maybe if Ms. DesJardins can give us an opinion if the County and the State shut down hotels, visitor industry, short-term rental, B&B, timeshares, and people from visiting here, what sort of claim do they have against us for the...their property tax rates? Or is that not a consideration?

CHAIR RAWLINS-FERNANDEZ: Ms. DesJardins?

MS. DesJARDINS: Chair? Yeah, off the top of my head, I don't know that they have a claim. I mean I...they could I guess decide to surrender their licenses or go back to being, you know, not having short-term rental if they didn't think they were going to get business and they wanted to just go, you know, back to a different tax bracket. But I don't know, I'd have to look at that and get back to you. But I don't know what kind of

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claim they would have where, you know, you're talking about setting real property taxes, you know, for --

COUNCILMEMBER PALTIN: And...

MS. DesJARDINS: --the privilege of having a license that they have chosen to retain, right? So, I'm thinking --

COUNCILMEMBER PALTIN: Even if they can't --

MS. DesJARDINS: --what if they just don't wanna have --

COUNCILMEMBER PALTIN: --use it?

MS. DesJARDINS: --that license anymore, then that would change their tax...

COUNCILMEMBER PALTIN: And then...so if they don't...the...their break would be that they're not having to pay GET or TAT because they're not having any visitors but the property tax would remain the same? Is that --

MS. DesJARDINS: That's my thinking.

COUNCILMEMBER PALTIN: --what it is?

MS. DesJARDINS: You're setting your property tax right now so they may...they're not going to be paying TAT if they don't have visitors. We may or may not get TAT. The TAT by Statute is set. We get 22.8 percent of 130 million. But, you know, as Member Hokama said, if you don't have anything, you don't get anything. So, that's set by Statute what we get if in fact those revenues exist. But as far as you folks setting your property tax, you're doing that based on their licensing.

COUNCILMEMBER PALTIN: And then the other input I would have is...oh, sorry, never mind.

CHAIR RAWLINS-FERNANDEZ: Go ahead, you can ask your last question --

COUNCILMEMBER PALTIN: Oh, just the other --

CHAIR RAWLINS-FERNANDEZ: --Member Paltin.

COUNCILMEMBER PALTIN: --input I have is so much people I know are not homeowners, they're just renters. And so, the lowest category of the Non-Owner Occupied, I think, you know, I just would hope that people don't pass that expense on to their renters who are out of work. And...I mean I guess if there's an eviction moratorium but still there's no mortgage moratorium, so I don't know, I...that's my concern is the long-term renters, and they're not in the very expensive Non-Owner Occupied. Most of them are in the lowest tier. So, my concern would be, I guess if we don't have any

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legal concerns for the visitor industry, my next concern would be for the lowest tier of Non-Owner Occupied because I mean those are our long-term renters, a lot of Lahaina, a lot of people can't afford their own home. And so, out of work, paying rent, my other concern.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin.

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: So, as Ms. DesJardins stated that it's by Statute that the State would need to pay all the counties TAT. So, my understanding, Ms. DesJardins, that if they choose or if, you know, they ultimately do not pay the counties, us, the \$23.5 million, they would need to call a Special Session, or could the Governor make that call on his own without the Legislature?

MS. DesJARDINS: He...sorry, when you look at his proclamations that have come along, he has suspended laws, certain laws, you know, as opposed to suspending all laws. So, I suppose on the one hand, he'll have to say we're going to suspend 237D-6.5 or go into Special Session and change that rate, otherwise it's set, what it is right now along with all the other...

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. DesJardins. Okay. Ms. Sugimura?

COUNCILMEMBER SUGIMURA: Important discussions, everybody, and we knew it was going to be like this during this Budget Session where we're starting from major cuts even before we began this process. So, I also agree that we shouldn't, you know, include the HTA funds because it is...under the circumstances with all the hotels that are closed and they're not able to collect the TAT, then it will be not surprising for the State not to give us our mandated percentage. And again, what you're saying, you know, the Governor can make that decision. So, I say zero for that. Of all the tax rates, I know we're not setting it because we still have our public hearing on Wednesday, and we're all getting tons of e-mail messages from the community to take into consideration. But the one area that I think that we may have an ability to raise or, you know, increase maybe, the Non-Owner Occupied level at the highest tier. I also as I said earlier based upon the public testimony we received when we were putting these laws or enacting these laws in Council, what...were the commercial businesses that came and said do not tier our businesses. So, I'm against tiering that rate just because it does affect...it's a...the tax would be filtered down to the people who, you know, occupy it, and it would be the working families so I'm opposed to that. But in general, I look forward to hearing the testimony on Wednesday, or is it Thursday, Wednesday at six o'clock, and we have big decisions to make, but...thank you.

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

COUNCILMEMBER KAMA: Thank you, Chair. Wow, it's hard to count money when you don't really have it, right? It's like I'm looking forward to get my paycheck coming up

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but if there's no money to pay me, do I assume I'm going to get it, do I assume I'm not going to get it? I can assume I'm going to get it but can I spend it, I don't have it. So, it comes down to I don't want to go into debt so let's not count on spending \$23 million that we don't have. So, I guess I'm looking to it zero. In terms of the tax rates and all that, I too, I think I'm going to wait for...to get all the testimonies, and I've read a whole lot of our testimonies already and there's still more coming in. And so, I want to hear what happens Wednesday night too, Chair. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Pro Temp Kama. Okay. Any other questions? If not...

VICE-CHAIR KING: I have a question, Chair.

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Thank you, Chair. So, Ms. DesJardins, when we're talking about the TAT and what's in the law, does the law state a percentage? 'Cause I think one of the concerns here is there's going to be a really low number of tourists so that if we're...if they're bound by law to give us a percentage, that could be a really small number because we're not going to see a lot of tourists the first half of...or the second half of this calendar year.

MS. DesJARDINS: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. DesJardins?

MS. DesJARDINS: So...thank you. So, no, what the law says is that at our...it says a \$103 million shall be allocated as follows, and it gives each percentage to each county. And so, Maui County shall receive 22.8 percent. So, it's already off of the amount of a 103 million.

VICE-CHAIR KING: Okay. So, there's no allowance in that law for if they get less than a 103 million?

MS. DesJARDINS: No, there's only allowance for if they get more, then they put --

VICE-CHAIR KING: Oh, I see.

MS. DesJARDINS: --the excess of all this in the General Fund. But the law doesn't say what happens if they're...if they get less, yeah.

VICE-CHAIR KING: Oh, okay --

MS. DesJARDINS: So, right now --

VICE-CHAIR KING: --that's interesting.

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MS. DesJARDINS: --it is what it is.

VICE-CHAIR KING: Okay. Thank you for that information.

MS. DesJARDINS: And --

VICE-CHAIR KING: That...

MS. DesJARDINS: --you folks lobbied really hard for this percentage by the way. So...

VICE-CHAIR KING: Yeah, no, I did but I...I'm --

MS. DesJARDINS: Yeah.

VICE-CHAIR KING: --just surprised to be in the position we're in now that it wouldn't...there wasn't something in there in case they don't get, you know, the minimum of a 103 million. 'Cause at one time, it was inconceivable that they would ever get less than that but now, it's not. So, thank you.

MS. DesJARDINS: Yeah, and it's actually divided into all sorts of other things, the Turtle Bay Fund, all kinds of things, but there's no like priority given, yeah.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. DesJardins. Okay. So, again, the proposal that I put forth on the screen is to help, you know, give our residents who are out of work right now, you know, a break especially, you know, those that are...a lot of our residents are living in houses that are less than \$800,000, as well as, you know, giving a little bit of a break to Non-Owner Occupied and less than \$800,000. As Member Paltin said that a lot of our long-term rentals are in that category. And, Member Paltin, you have a question?

COUNCILMEMBER PALTIN: I just had a follow-up as I was digesting the things that Ms. DesJardins was saying. Are we prepared, or is there a way to prepare for all the folks that may give up their short-term rental, or give up their GET and TAT if they want to then be considered in a different tax class, say some permit holders released their permits or some folks on the Minatoya list turn in their GET, TAT, and just decide I'm not going to do that this year, I'm going to file as...like open up my place to a long-term renter? Is there...we don't have a way to forecast that type of shortfall, do we?

CHAIR RAWLINS-FERNANDEZ: I don't think so. And I think it's...we have...also have Director Teruya if he wants to speak to that. But basically, it's information that the Real Property Tax Division collects on January 1st, so, wherever you are on January 1st. Director?

MR. TERUYA: Chair, thank you. And you are correct, it's several tests, first of all, it's the highest and best use of the property that determines their classification. When properties that are condominiumized, it's based on the highest tax category as of

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January 1. So, you know, most properties have already...probably be condominiums that have short-term rental, you know, as of January 1, and if that's the highest classification that that's where you're going to be in as of January 1. So, you are correct in that sense. So, people who have already done it, they're going to remain in that category. The hard part is the appeal period already ended April 9th. So, unless you have appealed that there's no recourse for changing that at this time. Thank you, Chair.

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

COUNCILMEMBER PALTIN: So, then, I would be nervous like for the people that don't appeal by April 9th, and they just don't pay, then is that considered a...something that we would have to keep 50 percent aside for? It's...or it's only the appeals process that we have to keep 50 percent aside for?

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: When you don't pay, there's nothing to put away. When you put...the reason why we put money away into a litigated account are for those under...properties under appeal, and the difference in taxes, or actually 100 percent of the taxes under dispute go into a litigated account. So, if you don't make payment, there's no payment to put into a litigated account if that makes sense.

COUNCILMEMBER PALTIN: Yeah, yeah, okay. Thank you.

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

CIRCUIT BREAKER

CHAIR RAWLINS-FERNANDEZ: Okay. Members, so, if we're finished with discussing potential RPT rates, we can discuss the Circuit Breaker Tax bill that we got. Does everyone have that? Committee Vice-Chair King?

VICE-CHAIR KING: Yeah, thank you, Chair. Can you...are you going to send us a copy of your proposal? It's...it was on the screen and now it's gone. Just so we can have it.

CHAIR RAWLINS-FERNANDEZ: Sure.

VICE-CHAIR KING: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: I'll send that to Members.

VICE-CHAIR KING: Okay. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Okay. Does everyone have the Circuit Breaker Tax Credit bill that was on Granicus? Did everyone get --

COUNCILMEMBER PALTIN: What...

CHAIR RAWLINS-FERNANDEZ: --an opportunity to review it?

COUNCILMEMBER PALTIN: What number was that on Granicus? Do you know what number?

CHAIR RAWLINS-FERNANDEZ: Click control F and put circuit breaker, circuit, and it will come up. Control F.

MS. ESPELETA: Madam Chair, I believe it was item 71 on Granicus.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Espeleta. Okay. So, I'm just going to go through it. So, this bill is --

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: --proposing to amend the Circuit Breaker Credit.

VICE-CHAIR KING: Chair, point of information.

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Yeah, number 71 is a Water...it's not, is number 71...

COUNCILMEMBER PALTIN: Sixty-seven [sic]. It's 67 [sic].

VICE-CHAIR KING: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Control F. Okay. So, this proposed bill will amend the tax breaker credit as follows: 1. By increasing the maximum amount of credit from up to \$5,000 to \$6,500; 2. By increasing the amount of household income from \$100,000 to \$130,000; 3. Clarifying that the credit does not supersede the minimum tax due; 4. By increasing the amounts of the homeowner's gross building assessed values at which the credit is phased out as follows: a. 100% of the eligible tax credit from 500,000 to 750,000, b. 80% of the eligible tax credit from \$500,001-\$512,500 to \$750,001-\$762,500, c. 60% of the eligible tax credit from \$512,501-\$525,000 to \$762,501-\$775,000, d. 40% of the eligible tax credit from \$525,001-\$537,500 to \$775,001-\$787,500, e. 20% of the eligible tax credit from \$537,501-\$550,000 to \$787,500-\$800,000, and f. 0% of the eligible tax credit from \$550,001 or more to \$800,001 or more. There's a typo. So, this is what is being proposed in this bill. Mahalo, Director Teruya. Okay. I think I really like the proposal. So, I'll give everyone an opportunity to speak to the amendments, and then if there aren't any amendments to the proposed bill as we received it, I'll ask for a motion to recommend passage.

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Okay. So, we'll start with Committee Vice-Chair King, and then we'll go to Pro Temp Kama and Member Sugimura. Committee Vice-Chair King?

VICE-CHAIR KING: Thank you, Chair. I really like this bill too. And I just wanted to confirm that this is already factored into the Budget bill as we were given, that we're not --

CHAIR RAWLINS-FERNANDEZ: Director?

VICE-CHAIR KING: --making any...

MR. TERUYA: Thank you, Chair. The eligibility for the credit that we already recognized in certification is based on last year's Circuit --

VICE-CHAIR KING: Yeah --

MR. TERUYA: --Breaker Credit --

VICE-CHAIR KING: --my...

MR. TERUYA: --bill.

VICE-CHAIR KING: No, Mr. Teruya --

MR. TERUYA: This bill would...

VICE-CHAIR KING: --I just want to make sure that this is factored into the bill that we were given that we...and the Mayor's Budget bill that we received. So that if we pass this bill, do we have to account for more of a...more cuts in our Budget bill?

MR. TERUYA: Chair, as I was alluding to this is for the following year. The credit number has to do with what was already certified to. This bill would go in effect upon passage, and for the next following fiscal year implementation. Thank you, Chair.

VICE-CHAIR KING: The following '21, you mean, the following bill or the following year after '21, or this next year?

MR. TERUYA: It will go into the Fiscal '22 Budget. It will...

VICE-CHAIR KING: Okay.

MR. TERUYA: It...you're taking...this would be for the December 31st deadline for the Circuit Breaker application. Thank you, Chair.

VICE-CHAIR KING: Okay. Thank you, Mr. Teruya. I didn't mean to cut you off. I'm just trying to reserve my time because we're limited, so, sorry. That's all, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Pro Temp Kama?

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COUNCILMEMBER KAMA: Thank you, Chair. I like these rates because I think what's happening is it's keeping up with the current values of the homes that at one time used to be cheaper, they fit, and now that the value of those homes have gone up, we too have to follow the trend so that they can fit into this Circuit Breaker. So, thank you very much, Chair. And I like these rates.

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

COUNCILMEMBER SUGIMURA: Yeah, we've been receiving testimony regarding reviewing the Circuit Breaker. So, I guess the last time it was reviewed was 2014. And if you know how expensive houses are and the reality of where we are, that I think this is a good proposal. Does the Director have anything else he would like to share with us?

MR. TERUYA: Not at this time, Chair. Thank you.

COUNCILMEMBER SUGIMURA: Thank you.

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

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Teruya, for your hard work on this. I just was wondering if we're anticipating assessed values and things going down in the future, and this doesn't apply till the future, are we expecting it to still fit the circumstance? Or is the amount that you think property values would decrease not a significant factor on this?

MR. TERUYA: Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: Thank you, Ms. Paltin, for that question. I don't have that crystal ball to know where values are going to go. I can only assume that values would definitely not be going up because the situation that's going on right now. Interest rates really will be a big factor as to what values will be because, you know, the ability to borrow, et cetera, 'cause people may have less income so they might not be able to borrow more. But I think this bill was in anticipation of rising prices. What we tried to do was try to do some correlation from the time the Circuit Breaker bill was implemented to now. As you can kind of use some general math, you know, income has gone up about 30 percent since then, the credit is moving up 30 percent. So, you kind of see the trend that everything was moving up 30 percent thus the change in numbers.

COUNCILMEMBER PALTIN: So, my --

MR. TERUYA: I think...

COUNCILMEMBER PALTIN: --question --

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MR. TERUYA: . . .*(inaudible)*. . .

COUNCILMEMBER PALTIN: --knowing that we don't know the future, how hard would it be to amend this bill when the future comes? Is it just like a regular bill? And the only reason we haven't taken it up since 2014 is because folks have been busy? Like if we see the trend instead of going this direction, going sharply in the other direction, can we amend the bill at any time during the year?

MR. TERUYA: Thank you. I'll defer to Corporation Counsel but my short answer would be you can amend this annually as far as --

COUNCILMEMBER PALTIN: Thank you.

MR. TERUYA: --how you guys want to see fit. Thank you, Chair.

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay. Mahalo, Member Paltin. Okay. Did you want to get Corporation Counsel's comments on that?

MS. DesJARDINS: Chair?

COUNCILMEMBER PALTIN: Sure.

MS. DesJARDINS: I agree --

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. DesJARDINS: --with Mr. Teruya. This doesn't appear to be connected to your Budget considerations. So, I think that you could amend this at any time if you felt it was necessary. The application procedure is between August 1st and December 31st of every year to apply for this. So, I think it makes sense to do it now but I understand what you're saying, Member Paltin.

COUNCILMEMBER PALTIN: Thank you.

CHAIR RAWLINS-FERNANDEZ: Oh, mahalo, Ms. DesJardins. Mahalo, Member Paltin. Member Hokama?

COUNCILMEMBER HOKAMA: Thank you, Chair. So, Mr. Teruya, I'm like Ms. Paltin, I thought she asked you a very, very good question because, you know, I went through the 2008 recession and everything else where values went down quite substantially. And so, for me, if it went as 2008, this proposal wouldn't be to the County's benefit currently. And my only concern is again, yeah, Members, I do agree, we can change this every year but it's not going to be any impact till one year later because it's applied to the following year's tax calculations and assessments. So, there's a time delay in implementation of whatever adjustments we will make in the future. So, I'll

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say it at that, Chair. I...that's my only concern how quickly Council can respond to a reduction of value. Thank you.

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

COUNCILMEMBER LEE: Thank you, Madam Chair. I support your proposal but we'll keep all options open till after the public hearing. Thank you.

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

COUNCILMEMBER MOLINA: Thank you, Madam Chair. Boy, I wish we had a crystal ball, yeah. But I support your proposal 'cause I know it's hard to look into the future. It's all a calculated risk and gamble, but I'm comfortable at this point with what's been proposed. And I thank Director Teruya as well. Thank you.

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

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, I too, I'm supportive of the Director's proposal. I think he's considered some of the different factors. So, I trust his judgment. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. So, as Director Teruya stated, it's...this wouldn't become effective until FY 2022 Budget. So, I don't know how much the RPT hearing on Wednesday would impact this particular legislation. So, if Members would like to wait until Thursday to vote on whether we move forward on this legislation, we can do that too. Okay.

COUNCILMEMBER PALTIN: Would it be possible to wait until July?

CHAIR RAWLINS-FERNANDEZ: Director Teruya, would there be any impact if we waited until July to take action?

MR. TERUYA: I believe you can. I believe the Circuit Breaker period, it could be starting in August so you'd be running really tight upon when the application date's submitted. I can double check on that. I think one thing with this bill for you...for the Members is to understand that this is probably would be more inclusive for people to apply for Circuit Breaker, not be more restricter [sic] in that sense. So, I just leave it up to there. But I think if you ending July, that would be a little late. That's my opinion. Maybe the end of the fiscal year would be better, at the end of June 30th, I think should be your deadline. I think July would be cutting it real close to the application date. Thank you, Chair.

COUNCILMEMBER PALTIN: Thank you. The only reason --

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director.

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COUNCILMEMBER PALTIN: --I was asking was 'cause I felt like we would know more. We're still under stay-at-home order for the whole month of May, and then we...I'd hope we'll know more at the end of May where we stand. Although every week is different it seems every day.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. I think that is everything.

MS. DesJARDINS: Chair?

CHAIR RAWLINS-FERNANDEZ: Oh, minimum tax. Oh, yes?

MS. DesJARDINS: Thank you. I just want to point out, Mr. Raatz just e-mailed me that sixth proclamation that the Governor just came out with the 68-page one, and he did in fact suspend that TAT Accommodations HRS. So, that's where we're at on that right now. So, I just wanted to throw that out there.

CHAIR RAWLINS-FERNANDEZ: Mahalo for that information, Ms. DesJardins.

MS. DesJARDINS: Yeah, and thank you, Mr. Raatz, for bringing that up.

CHAIR RAWLINS-FERNANDEZ: And mahalo, Mr. Raatz, for always being on top of it.

COUNCILMEMBER HOKAMA: Chair, may I ask a clarification please?

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: Thank you. For, Ms. DesJardins, thank you for helping us this afternoon. My one question, and again, for me and my fellow Members, the Circuit Breaker only applies to homeowners that have a Homeowner's exemption. So, just let me know if I'm too narrow, I want to just craft it so that this...this great benefit is for homeowner who reside on Maui, is that too narrow crafting of a...the legislation, in Maui County? You need to reside as a homeowner in Maui County to get this Circuit Breaker benefit.

CHAIR RAWLINS-FERNANDEZ: I believe --

MS. DesJARDINS: Don't you have to --

CHAIR RAWLINS-FERNANDEZ: --that already is...

MS. DesJARDINS: --reside in Maui County to get the Homeowner's --

CHAIR RAWLINS-FERNANDEZ: Yeah.

MS. DesJARDINS: --exemption, Mr. Teruya?

CHAIR RAWLINS-FERNANDEZ: I thought there was a relation.

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MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: Director Teruya?

MR. TERUYA: Corporation Counsel can correct me if I'm wrong, but I believe when you consider your Homeowner exemption, it is your domicile, which is where you reside. So, I'm not...I'm just taking it assuming that in order for you to have the exemption, that Maui would have to be your primary residence, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Meaning that you cannot get a Homeowner's exemption in any other state that you live in, any other location?

MR. TERUYA: Chair, that is my...that's my...in the years that I've been dealing with real property, that Maui County would have to be your residence or your domicile, not any other county or state. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director.

COUNCILMEMBER HOKAMA: Thank you, Chair. And the reason --

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: --I brought that up is that I believe under maybe B&Bs, we allow corporations or LLCs to be the owner of the property. And let's say they didn't --

MR. TERUYA: Chair?

COUNCILMEMBER HOKAMA: --incorporate, you know...okay, Mr. Teruya, sorry...thanks.

MR. TERUYA: No, my apologies, I didn't mean to interrupt; however, you...as a LLC, you are not entitled to receive a home exemption. Thank you, Chair.

COUNCILMEMBER HOKAMA: Thank you for confirming.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Mahalo, Member Hokama. Okay. Okay. So, we'll do minimum tax. And I believe, Director Teruya, correct me if I'm wrong, but minimum tax is already set at \$400, and I don't think we can change it? Director --

MR. TERUYA: Chair?

CHAIR RAWLINS-FERNANDEZ: --Teruya?

MR. TERUYA: Minimum tax is in the Maui County Code, 3.48.590 of the Code. I remember in previous years, minimum tax has been amended because it's not in your notice as to what is being the minimum tax. So, I believe the Council have the ability to change the minimum tax, I guess right now for the upcoming fiscal year. Corporation Counsel

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can chime in, but I believe that it's been changed in the past. It's not like something that you certify to and not part of certification. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director. Corporation Counsel?

MS. DesJARDINS: I don't know any more about that than he does, sorry.

CHAIR RAWLINS-FERNANDEZ: Okay. Mr. Raatz, are you on?

MR. TERUYA: Chair, before Corporation...your counsel comes on, and the reason why I say that is because you're certifying values and classifications, you cannot determine that until you determine your rates to come up to minimum tax. So, minimum tax amount would be after the fact that you set the rates. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director. I...no, I believe you. I am not doubting you. I just...you asked for confirmation so I was trying to get confirmation. Yeah, I...we discussed it earlier and initially thought that we wouldn't be able to change it for this fiscal year but it sounds like we can. So, it's at \$400 right now. I can give everyone a minute to discuss their thoughts on minimum tax. Committee Vice-Chair King? Oh, okay. It looks like Mr. Raatz is now in the call.

MR. RAATZ: Yes --

CHAIR RAWLINS-FERNANDEZ: Mr. Raatz?

MR. RAATZ: --thank you, Chair. Unfortunately, I don't have hard information on that either. I don't recall the minimum tax ever being changed during the course of a fiscal year, but we'll look into that.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Committee Vice-Chair King?

VICE-CHAIR KING: Okay. Well, if we're...yeah, I kind of would like to wait and hear if it's even possible. But my only concern with trying to change it right now is it's figured into the Budget that we have so then we would have to...if we lowered it, we have to subtract more from the Budget and make cuts somewhere else. So...but, you know, I'm open to whatever the Council wants to do. It's just we have to...we have more work to do if we change this figure.

CHAIR RAWLINS-FERNANDEZ: Mahalo --

MS. DesJARDINS: Chair?

CHAIR RAWLINS-FERNANDEZ: --Committee Vice-Chair King. Ms. DesJardins?

MS. DesJARDINS: So, I think --

CHAIR RAWLINS-FERNANDEZ: And --

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MS. DesJARDINS: --what I...

CHAIR RAWLINS-FERNANDEZ: --really quickly, so minimum tax right now is \$2,676,761. So, that's how much we're estimating to collect from minimum tax. Okay. Ms. DesJardins?

MS. DesJARDINS: Okay. So, I think what Director Teruya is getting at is that 3.48.590, minimum real property tax, states that notwithstanding any provision to the contrary, each individual parcel of real property taxable under this chapter is subject to a minimum tax. So, where you're going to classify that parcel of property is going to occur, I think on a yearly basis. So, you're not going to change that tax unless you change how you've classified that parcel. That's how I'm understanding that. So, you're going to determine what your classification of the parcel is before you apply your minimum tax.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. DesJardins. Okay. Okay. We'll go to Member Sinenci, and then Member Molina.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, I'll...I can wait till after the property...the tax rates are set, and then revisit. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sinenci. Does anyone want to speak to this? If not, we'll move forward. Okay. Ms. Espeleta, would you mind sharing your screen? We're going to do our final corrections to Exhibit "1," and then I believe we're going to be pau for today.

EXHIBIT "1" - Corrections

CHAIR RAWLINS-FERNANDEZ: So, we'll be doing the corrections that were highlighted in yellow.

MS. ESPELETA: Chair, are you just going to move towards those or go department by department?

CHAIR RAWLINS-FERNANDEZ: We can go department by department to see which ones we need to correct.

MS. ESPELETA: Okay. Starting with County Clerk.

CHAIR RAWLINS-FERNANDEZ: Okay. No corrections? Office of the County Council, did anyone see anything that needed to be corrected? Okay. Next department. Corporation Counsel. Okay. Emergency Management Agency. Okay. Department of Environmental Management.

MS. YOSHIMURA: Chair, I have a question?

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CHAIR RAWLINS-FERNANDEZ: Oh, Ms. Yoshimura?

MS. YOSHIMURA: On the incinerator for Molokai, are we buying the incinerator or is that...or are we like contracting somebody for the incinerator project?

CHAIR RAWLINS-FERNANDEZ: The project is a pilot program. So, they are...the company is paying for all of the costs to have it on island. So, they're shipping the incinerator here, and we'll be operating it at their own cost. And the request was to help with the testing required by Department of Health. And so, that's what that funding is. It's for the testing.

MS. YOSHIMURA: So, would it be more appropriately placed in B rather than C as a equipment purchase?

CHAIR RAWLINS-FERNANDEZ: Yes. Good catch. Mahalo, Ms. Yoshimura. Okay. Department of Finance. I know some Members wanted to discuss the Emergency Fund and OPEB, and I guess we can save that discussion for Thursday after the RPT hearing when we set RPT, and figure out how much we'll be putting into those items. Okay. And Department of Fire and Public Safety. Department of Housing and Human Concerns. Department of Liquor Control. Department of Management.

COUNCILMEMBER PALTIN: Did we want to lock ourselves into that Safety Specialist title or say Safety Specialist or Risk Control Officer, whichever is more appropriate? Because they're the same salary but the Risk Control Officer seem to fit the description of the work that they wanted.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, when we describe the position if it's more appropriate for a Loss Control Officer, then I think we would get that guidance from DPS. But if it's the same salary, it wouldn't...it would be okay to leave it here as Safety Specialist III, and we can consult with DPS when we're ready to create.

COUNCILMEMBER PALTIN: Yeah, same --

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: --salary, so...same salary so okay, no problem.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Okay. We can continue. Okay. Office of the Mayor.

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

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MS. YOSHIMURA: I noticed there's a lot of provisos that have been added, and I just want to make sure that the entity is the...has been, you know, consulted with before a proviso is actually put in the Budget. If not, we would have to do Budget amendments later if they don't, one, qualify to pull down the grant, or is...refuses to take the grant, right? So, I just want to make sure that was vetted through. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Yoshimura. Okay. Members, these are your \$140,000 district OED funds. So, if you need to make corrections on them based off of the advice Ms. Yoshimura just provided, please let us know and we'll stop and make the corrections at that time.

COUNCILMEMBER SINENCI: Thank you, Chair. Right, our nonprofits were contacted. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Thank you, Chair. When will be the last day to get the last corrections in for our district funds?

CHAIR RAWLINS-FERNANDEZ: Tomorrow.

VICE-CHAIR KING: Okay. I'm actually...I have one entity that we're still having problems with OED getting the current funding. And so, I'm working on that, but we'll try to have it to you by tomorrow.

CHAIR RAWLINS-FERNANDEZ: Okay. And then that way Staff can make the corrections, and then we can vote on it on Thursday.

VICE-CHAIR KING: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King.

COUNCILMEMBER KAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Pro Temp Kama?

COUNCILMEMBER KAMA: Is this sheet going to be somewhere on Granicus?

CHAIR RAWLINS-FERNANDEZ: It's already uploaded. It's 110.

COUNCILMEMBER KAMA: One-ten. Okay. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Yeah. Mahalo. All right. Department of Parks and Recreation; and Department of Personnel Services.

COUNCILMEMBER PALTIN: I just had a question.

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: You know, on the defunding of the PALS program, if we don't have the Summer PALS this year because of the Coronavirus situation, is it...and the situation is better next year, is it possible to then use the money that wasn't used this year for the PALS program next year? Or by us defunding the program, there is no way that there is going to be the PALS program next year?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, the amount that's being reduced represents just for this summer. So, funding still remains for winter and next summer.

COUNCILMEMBER PALTIN: Okay. Thank you. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: And Department of Planning. Department of Police. Department of the Prosecuting Attorney. Department of Public Works.

COUNCILMEMBER HOKAMA: Chair?

CHAIR RAWLINS-FERNANDEZ: Member Hokama?

COUNCILMEMBER HOKAMA: Yeah, I just wanted to inform you and the rest of the Members, I have finished drafting the provisos for the...my two priorities that I'll be sending to your Committee Staff for review regarding form and format, but I have completed my proviso drafting, Chair. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Wonderful. Mahalo, Member Hokama. We'll watch for your e-mail.

COUNCILMEMBER HOKAMA: Thank you.

COUNCILMEMBER PALTIN: I had a --

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: --change to one of my priorities but it's in the CIP. Are we just going through this, and then CIPs next? It's in the Public --

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER PALTIN: --Works. Okay. Thanks.

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CHAIR RAWLINS-FERNANDEZ: Okay. Department of Transportation. And Department of Water Supply. Okay. Next is CIPs.

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: Oh --

MS. YOSHIMURA: Chair?

CHAIR RAWLINS-FERNANDEZ: --Ms. Yoshimura?

MS. YOSHIMURA: Before going on to CIPS, could you go back to the Parks Department, sorry.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: Sorry. So, I think there was...for the Summer Lifeguards, deletion of the positions. Could you leave the E/P for that and just defund similar to the PALS program, so that next summer, we could have that program if allowed? If we took it --

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: --all out then we'd have to recreate all the positions again.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: Thank you.

COUNCILMEMBER HOKAMA: I wouldn't be objectionable to that, Chair. I would be supportive. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER PALTIN: So, just put --

CHAIR RAWLINS-FERNANDEZ: Members --

COUNCILMEMBER PALTIN: --defund.

CHAIR RAWLINS-FERNANDEZ: --consensus?

COUNCILMEMBER PALTIN: Yeah, defund --

MS. ESPELETA: Are those --

COUNCILMEMBER PALTIN: --is all, yeah?

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MS. ESPELETA: --.3 positions?

COUNCILMEMBER PALTIN: Eleven.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, 11 positions but let me check on the E/P. I'll --

MS. ESPELETA: Point three.

MS. YOSHIMURA: --get back to you.

MS. ESPELETA: I'll highlight that, Chair and...

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Okay. Department of Environmental Management CIPs.

COUNCILMEMBER HOKAMA: Yeah, so, Chair, this is where my proviso would be, under CBS-3182, under Countywide. That's where my proviso would be. Thank you.

CHAIR RAWLINS-FERNANDEZ: Department of Finance. Department of Fire and Public Safety. Department of Management. Department of Parks and Recreation. Department of Police. Department of Public Works.

COUNCILMEMBER PALTIN: That Countywide...

CHAIR RAWLINS-FERNANDEZ: Do you see it?

COUNCILMEMBER PALTIN: Yeah, Traffic and Safety Program, through my communication with Director Dagdag-Andaya, I would like to decrease that by \$175,000. We'll be doing some signage and painting instead of like heavy infrastructure type of improvements, but it won't be \$200,000, 25,000.

CHAIR RAWLINS-FERNANDEZ: So, 25?

COUNCILMEMBER PALTIN: If there's no objection, Highway Fund, you know.

CHAIR RAWLINS-FERNANDEZ: Members, any objections to Member Paltin's priority item --

COUNCILMEMBER HOKAMA: Thank you --

CHAIR RAWLINS-FERNANDEZ: --being a --

COUNCILMEMBER HOKAMA: --Tamara...

COUNCILMEMBER PALTIN: --175,000...

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COUNCILMEMBER MOLINA: No objections.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin.

COUNCILMEMBER KAMA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura, are you raising your hand?

MS. YOSHIMURA: Yes, one change please.

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: On line 1758 --

CHAIR RAWLINS-FERNANDEZ: Okay. Seventeen fifty-eight.

MS. YOSHIMURA: --Pukalani Terrace Reconstruction, that should have been Bond Fund.
You're taking it out of --

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: --the Highway Fund. Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: I think you need to make that adjustment from the Highway Fund for the
Pukalani Terrace, line 17 --

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. YOSHIMURA: --58, sorry.

CHAIR RAWLINS-FERNANDEZ: Oh yeah, we highlighted it.

MS. YOSHIMURA: Oh, okay.

MS. ESPELETA: I'll make the . . . *(inaudible)* . . . from Highway --

MS. YOSHIMURA: Okay. Thanks.

MS. ESPELETA: --to Bond, is that correct?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Miss...

MS. YOSHIMURA: The deletion has to come out of the Bond Fund, not the Highway Fund.

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MS. ESPELETA: So, move this project to Bond and delete it?

MS. YOSHIMURA: Yeah, so, the project's already funded by the Bond Fund. So...

MS. ESPELETA: Oh, I see.

MS. YOSHIMURA: But you're deleting it out of the Highway.

MS. ESPELETA: Okay.

CHAIR RAWLINS-FERNANDEZ: So, we would delete line 1758, and it would only be under Bond. So, under 1768?

MS. YOSHIMURA: Yes.

MS. ESPELETA: Okay. So, delete line 1758 and move it under Bond Fund here?

CHAIR RAWLINS-FERNANDEZ: Yeah. So, where the --

MS. ESPELETA: Okay.

CHAIR RAWLINS-FERNANDEZ: --Countywide --

MS. ESPELETA: Okay.

CHAIR RAWLINS-FERNANDEZ: --Road Surfacing [sic] and Pavement --

MS. ESPELETA: Yeah.

CHAIR RAWLINS-FERNANDEZ: --Preservation is, that's where we're deleting the 2 million from.

MS. ESPELETA: Okay. I'll go back and make the changes. I'm just highlighting where to return to.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Espeleta. Department of Transportation. Department of Water Supply. Next will be Emergency Management. DEM. Finance. Department of Fire and Public Safety. Department of Housing and Human Concerns. Office of the Mayor. Department of Parks and Recreation. Department of Planning. Department of Police. Department of Prosecuting Attorney. Department of Public Works. Department of Transportation. Department of Water Supply. And Appendix A.

COUNCILMEMBER PALTIN: I just was --

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

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COUNCILMEMBER PALTIN: --wondering if Ms. Yoshimura had heard back on the 50 acres for West Maui, and if it was going to go back on as item 8 in the Open Space Fund?

CHAIR RAWLINS-FERNANDEZ: Ms. Yoshimura?

MS. YOSHIMURA: Chair, our--what is he called--Real Property Manager has been trying to get in touch with Maui Land and Pine to I guess start the discussions on this parcel, and he hasn't been successful. So, if you would want to put it back in and we can continue our efforts to follow up on the acquisition.

COUNCILMEMBER PALTIN: I would love that. Thank you very much.

MS. ESPELETA: Sorry, Madam Chair, to clarify, which item was that under Open Space?

CHAIR RAWLINS-FERNANDEZ: It's not there. It was in there from last year. So, FY --

MS. ESPELETA: Okay.

CHAIR RAWLINS-FERNANDEZ: --'20. We'll go look for --

MS. ESPELETA: Okay.

CHAIR RAWLINS-FERNANDEZ: --that item, and then we will put it back into this...into the Open Space Fund. Any objections, Members?

COUNCILMEMBER PALTIN: None for me.

VICE-CHAIR KING: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay.

MS. ESPELETA: And the name of that project, Madam Chair?

CHAIR RAWLINS-FERNANDEZ: Member Paltin?

COUNCILMEMBER PALTIN: It's a condition of the Kapalua Mauka...I forget what the ordinance number was, but it's 50 acres of ag land at ag land prices. It was an ordinance condition of the Change in Zoning of Kapalua Mauka.

CHAIR RAWLINS-FERNANDEZ: Okay. Can you send that to Staff, Member Paltin, to EDB --

COUNCILMEMBER PALTIN: Sure.

CHAIR RAWLINS-FERNANDEZ: --Committee?

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

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COUNCILMEMBER PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Next, Affordable Housing Fund. Ms. Espeleta, did we pass the EP&S, the \$10,000 grant for advertising?

MS. ESPELETA: Yes, we did.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Member Paltin, when we removed the \$10,000 from EP&S advertising, it...were...did you realize it was a grant? It was from the...

COUNCILMEMBER PALTIN: No, I didn't realize that. If it's a grant, let's take the money if there's no objection.

CHAIR RAWLINS-FERNANDEZ: Okay. Members, any objection?

VICE-CHAIR KING: No objection.

COUNCILMEMBER MOLINA: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay.

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

CHAIR RAWLINS-FERNANDEZ: Okay. Committee Vice-Chair King, was there an item that you noticed was missing?

VICE-CHAIR KING: Yes, if we could go back to the Office of the Mayor, OED, Ag Promotion Grants. I think the Food Security Hawai'i grant for the 'Ohana Gardens got left out for 75,000.

MS. ESPELETA: Madam Chair, is that under...which...Ag --

VICE-CHAIR KING: Ag...

MS. ESPELETA: --Promotion or...

VICE-CHAIR KING: It was under...

CHAIR RAWLINS-FERNANDEZ: Yeah, Ag Promotion. Yeah, right here. Okay.

MS. ESPELETA: It's not there.

CHAIR RAWLINS-FERNANDEZ: Okay. So, we'll add...I guess we can put it in alpha order after. We can add at the bottom.

MS. ESPELETA: Did that pass . . .*(inaudible)*. . . --

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CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

MS. ESPELETA: --how much is that for?

CHAIR RAWLINS-FERNANDEZ: Seventy-five thousand. So, it was...Member King --

VICE-CHAIR KING: Yes.

CHAIR RAWLINS-FERNANDEZ: --can you --

VICE-CHAIR KING: Food Security Hawai'i.

CHAIR RAWLINS-FERNANDEZ: --tell us what -- Oh --

VICE-CHAIR KING: For the `Ohana Gardens --

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

VICE-CHAIR KING: --Project.

MS. ESPELETA: Was it . . .*(inaudible)*. . .?

VICE-CHAIR KING: Yeah, that's right. Thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King.

COUNCILMEMBER PALTIN: Is it supposed to be blue? Is blue add, and red delete?

MS. ESPELETA: Madam Chair, the color coding is blue is the Member proposal, and red is a...pink was a Department after add-on/reduction, and red is the Member reduction or add.

VICE-CHAIR KING: Well, this...you said blue was a Member proposal that it...this was what my...one of my priorities. So, yeah, thank you, Member Paltin, for pointing that out.

CHAIR RAWLINS-FERNANDEZ: Okay. Anything else, Members? Okay. Okay. So, we'll have it available to the Members for their final review so that we can vote on that on Thursday. Okay. Members, we're at the end of the meeting. We have a RPT range of rates hearing on Wednesday, the 29th at 6:00 p.m. And again, that will be a Council meeting because it's a public hearing. And I believe the Clerk's has set it up on BlueJeans Events, so not this version of BlueJeans, not BlueJeans Meetings, that it's going to be on BlueJeans Events. So, prepare for that on April 30th. So, today, we're going to recess this meeting and reconvene on April 30th to revise RPT rates, and if needed, and make any final corrections and vote then. And then on May 15th at 9:00 a.m., we'll have the Fuel Tax, Weight Tax, and RPT rates hearings. Okay. Anything else, Members?

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COUNCILMEMBER PALTIN: So, we don't need to come back --

CHAIR RAWLINS-FERNANDEZ: Oh.

COUNCILMEMBER PALTIN: --Wednesday?

CHAIR RAWLINS-FERNANDEZ: I'm sorry?

COUNCILMEMBER PALTIN: No need --

CHAIR RAWLINS-FERNANDEZ: Oh --

COUNCILMEMBER PALTIN: --to come back --

CHAIR RAWLINS-FERNANDEZ: --yeah.

COUNCILMEMBER PALTIN: --Wednesday?

CHAIR RAWLINS-FERNANDEZ: Yes. Yeah, we finished everything that we needed. So, be prepared to vote on Thursday though on all of these things, everything. But I guess if we wanted to delay Circuit...the Circuit Breaker bill, we could.

VICE-CHAIR KING: So, no meeting tomorrow either?

CHAIR RAWLINS-FERNANDEZ: No meeting tomorrow.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Unless you want one.

VICE-CHAIR KING: No, I want to get you my information for my district fund but I don't want to have to come back here...

CHAIR RAWLINS-FERNANDEZ: You can e-mail that to the EDB Committee. We don't need a meeting to collect your information for your district --

VICE-CHAIR KING: Oh, please --

CHAIR RAWLINS-FERNANDEZ: --fund.

VICE-CHAIR KING: --please don't blame that on me. Thank you.

CHAIR RAWLINS-FERNANDEZ: We're going to be meeting tomorrow because of Committee Vice-Chair King.

VICE-CHAIR KING: I'm just --

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CHAIR RAWLINS-FERNANDEZ: And Member Paltin.

VICE-CHAIR KING: --...*(inaudible)*... here till...we're not here...we're getting off before five o'clock today. That's amazing.

CHAIR RAWLINS-FERNANDEZ: Yeah, the sun is still up. Member Paltin?

COUNCILMEMBER PALTIN: I just had a question. I would prefer to delay the Circuit Breaker bill. And one thing I would be interested is why the decision was made to choose net taxable income as opposed to gross income. Some folks seem to feel like a good tax accountant can adjust your net income to whatever it needs to be or something, for the future discussion when we take the vote in the future. Just...so that maybe there is some sort of a answer at that time when we take that discussion up in the future.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER PALTIN: I'm throwing it out there.

CHAIR RAWLINS-FERNANDEZ: We can see if Director Teruya has any comments on that now. And if not, we can wait until the future vote that we take on that bill. Director, do you have any comments on that?

MR. TERUYA: Thank you, Chair. I can't remember why we did it but that's what we did. In the City and County of Honolulu, they use gross, but however the Members want to go at it. I can provide you other counties within the State of Hawai'i what their program is like for you guys to do the ultimate decision-making. Thank you, Chair.

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

COUNCILMEMBER SUGIMURA: Yeah, question for the Director regarding the Circuit Breaker. So, if we take up the Circuit Breaker later, Director, what is the impact to your organization logistics? I...it sounds like you need time to implement or I want to make it so that we're not imposing on trying to get you to rush something that you don't have to.

MR. TERUYA: Thank you. Chair, the reason is the Circuit Breaker application start August 1st. And if the rules are in place prior to August 1st, it gives your constituents time to decide whether or not they would qualify or not. The period, you know, not everybody has a very easy time filling out the form themselves. They...you have Kaunoa Senior Services, you have some credit unions, and other places that offer their services for the seniors to go in and do this application. So, even our office, we let them know what is that level that they qualify for. So, if you have it in place, it's much easier for us to reach out to people to let them know whether or not they qualify or not. By not giving it to us, we just shorten the window of opportunity to apply. Thank you, Chair.

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COUNCILMEMBER SUGIMURA: Thank you. I would prefer...

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director.

COUNCILMEMBER SUGIMURA: I would prefer we take it up earlier then to give the community an opportunity to respond if it's something new, but we can take that up when you're ready, Chair. Thank you.

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

COUNCILMEMBER PALTIN: I think we can move forward. I just would feel more comfortable with the gross value than the net taxable value because I think it's a more accurate reflection of the folks that we're trying to actually help and their needs.

CHAIR RAWLINS-FERNANDEZ: Okay. Do you want to see if perhaps there'll be more information on why it was net taxable value? Maybe we can get more information by Thursday. And if we have that information by Thursday, Members may want to consider that amendment or not, and then we can vote on it then or decide to wait until the end of May or something.

COUNCILMEMBER PALTIN: Sounds like a plan.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Member Sugimura, and then Pro Temp Kama.

COUNCILMEMBER SUGIMURA: So, you know, on your...in the 2.5 million for ag, the ag, I guess it's a grant, I know you had excellent criteria. Does it have to...does the criteria have to be included in this bill or does it get fleshed out or decided once the bill passes? Does it have to be at...your criteria be in here?

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER SUGIMURA: Okay. So, did you put it all in here? And I'm sorry I didn't notice that, so...

CHAIR RAWLINS-FERNANDEZ: It's not in there right now.

COUNCILMEMBER SUGIMURA: Oh, okay. So, you will? Okay. Thank you. It...that was excellent criteria with the cumulative Committee discussion and what you came up with. I liked it. Thank you.

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

COUNCILMEMBER KAMA: Thank you, Chair. Regarding the net taxable or gross taxable income, I'd like to have that discussion sooner than later, that we can have and able to vet that out, and then give it to our constituents sooner than later so that they can

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decide whether or not they qualify. And if they need help to do the paperwork where they can go to get it done. So, I like doing things at least for us 'cause we have the time to do it and that's our job. So, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. Okay. Any other questions or comments? If not, I'm going to recess the meeting. So, please make sure it's recess and not adjourn. So, we're going to recess this meeting until Thursday, April 30th...oh, shucks. Wait, hold on. Okay. We're going to make it 10:00 a.m. instead of 9:00 a.m. since we could end up being up late with the hearing. So, I'll give everyone another hour. So, we'll recess till 10:00 a.m. Okay. Same meeting link. So, we'll recess until Thursday at...on April 30th at 10:00 a.m.

VICE-CHAIR KING: Mahalo.

CHAIR RAWLINS-FERNANDEZ: You're welcome. Okay. It's 4:53 on Monday, April 27th, and the Economic Development and Budget Committee is now in recess. ...*(gavel)*...

RECESS: 4:53 p.m.

APPROVED:



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

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Transcribed by: Ann Carmel Q. Pugh

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CERTIFICATE

I, Ann Carmel Q. Pugh, 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 Kihei, Hawai`i

A handwritten signature in cursive script, appearing to read 'ACPugh', is written over a horizontal line.

Ann Carmel Q. Pugh