

ECONOMIC DEVELOPMENT AND BUDGET COMMITTEE
Council of the County of Maui

MINUTES

June 18, 2020

Online Only via BlueJeans Link

CONVENE: 9:05 a.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: Lesley Milner, Legislative Analyst
Shelly Espeleta, Legislative Analyst
Richard Mitchell, Legislative Attorney
David Raatz, Supervising Legislative Attorney
Yvette Bouthillier, Committee Secretary
Stacey Vinoray, Committee Secretary

Davideane Kama-Sickels, Executive Assistant to Councilmember Tasha Kama
Evan Dust, Executive Assistant to Councilmember Tasha Kama
Kate Griffiths, Executive Assistant to Councilmember Kelly Takaya King
Christi Keliikoa, Executive Assistant to Councilmember Tamara Paltin
Sarah Freistat Pajimola, Executive Assistant to Councilmember Keani N.W. Rawlins-Fernandez

ADMIN.: Michele M. Yoshimura, Budget Director, Office of the Mayor (EDB-85)
Sananda K. Baz, Managing Director, Department of Management (EDB-85)
Scott K. Teruya, Director, Department of Finance (EDB-81)
May Anne A. Alibin, Deputy Director, Department of Finance (EDB-81)
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation Counsel
Mimi DesJardins, Deputy Corporation Counsel, Department of the Corporation Counsel

OTHERS: Lisa Darcy, Share Your Mana (EDB-85)

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Faith Chase, Maui Faith (EDB-85)
Tom Croly (EDB-81)

PRESS: Akakū: Maui Community Television, Inc.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Aloha kakahiaka kākou. `Elima minuke i ka hala o ka hola `eiwa. Mai `umikūmāiwa [*sic*] o Iune i ka makahiki `elua kaukani iwakālua. E `olu`olu mai, e ho`omalū ke Komike Ho`omohala Waiwai me Mo`ohelu Kālā. `O wai ka po`o o kēia Komike o Keani Rawlins-Fernandez. It's 9:05 a.m. on June 18...yeah, June 18. Will the Economic Development and Budget Committee please come to order. I'm your Chair Keani Rawlins-Fernandez. I keia lā, me ko kākou, eia Council Chair and Committee Vice-Chair Kelly King.

VICE-CHAIR KING: Aloha kakahiaka, Chair, and mai Kīhei. I will have to leave at 10:00 for a NACo call, the Western Interstate Region and then I'll come back on if the meeting is still going on. Just a heads-up. Thank you.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka and mahalo for that heads-up. Member Shane Sinenci.

COUNCILMEMBER SINENCI: Aloha kakahiaka kākou, mai Maui hikina.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha, Madam, Chair. Blessings and good morning to you, and my colleagues, and everyone from beautiful sunny Makawao.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Chair Alice lee.

COUNCILMEMBER LEE: Chair, just in case you're shopping at Foodland and you run into people from Persia, you would say sobh bekheir. Sobh bekheir. Good morning.

CHAIR RAWLINS-FERNANDEZ: Sobh bekheir.

COUNCILMEMBER LEE: Yeah. Sobh bekheir.

CHAIR RAWLINS-FERNANDEZ: Sobh bekheir and aloha kakahiaka, Chair. Member Riki Hokama.

COUNCILMEMBER HOKAMA: Since I looking at the Safeway one, I'll say aloha e.

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. Member Tamara Paltin.

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COUNCILMEMBER PALTIN: Sup [sic] bekheir. Aloha kakahiaka mai Maui Komohana.

CHAIR RAWLINS-FERNANDEZ: Is that how's to say it? Sup [sic]bekheir?

COUNCILMEMBER PALTIN: That's how I say it. Sup [sic] bekheir.

CHAIR RAWLINS-FERNANDEZ: Okay. Sup [sic] bekheir, Member Paltin. And Member Yuki Lei Sugimura.

COUNCILMEMBER SUGIMURA: Good morning everybody from West Maui mountains in my view and the beautiful Ka'ahumanu Church. We have to help it. It's like the, it's getting kind of worn down everybody. Let's help our neighbors. Anyway, good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning and absolutely agree. And Pro Temp Tasha Kama.

COUNCILMEMBER KAMA: Aloha kakahiaka, Chair. And it's still a beautiful day in the neighborhood of Kahului.

CHAIR RAWLINS-FERNANDEZ: Aloha. We have with us from Corporation Counsel, Mimi DesJardins.

MS. DESJARDINS: Good morning, everybody.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. DESJARDINS: Good morning.

CHAIR RAWLINS-FERNANDEZ: And Kristina Toshikiyo.

MS. TOSHIKIYO: Good morning, everyone.

CHAIR RAWLINS-FERNANDEZ: Good morning. And from the Administration, Office of the Mayor, we have with us Budget Director Michele Yoshimura. Aloha.

MS. YOSHIMURA: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning. Managing Director, Sandy Baz. He'll join us later. I don't see his square.

MR. BAZ: Oh.

CHAIR RAWLINS-FERNANDEZ: Oh, I hear his voice.

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MR. BAZ: There we go. Okay. Aloha kakahiaka . . . *(inaudible)* . . .

CHAIR RAWLINS-FERNANDEZ: Aloha kakahiaka. And Director of Department of Finance, Scott Teruya.

MR. TERUYA: Good morning, Chair.

CHAIR RAWLINS-FERNANDEZ: Aloha. Our hardworking Committee Staff, Committee Secretary Yvette Bouthillier. Aloha.

MS. BOUTHILLIER: Good morning.

CHAIR RAWLINS-FERNANDEZ: Support staff, Jean Pokipala *[sic]*. Aloha. Legislative Analyst, Lesley Milner. Aloha kakahiaka.

MS. MILNER: Aloha, Chair.

CHAIR RAWLINS-FERNANDEZ: Legislative Analyst, Shelly Espeleta.

MS. ESPELETA: Good morning, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Good morning. And, Legislative Attorney, Richard Mitchell.

MR. MITCHELL: Good morning, Chair. Good morning Members.

CHAIR RAWLINS-FERNANDEZ: Good morning. Okay, Members. We have two items on today's agenda. EDB-85, Legislation and Discussion on the Effect of the Coronavirus Pandemic and Related Issues. EDB-81, Circuit Breaker Tax Credit. Okay. And so, it looks like we have testifiers signed up. Is that correct, Ms. Milner?

MS. MILNER: Yes. We think we have two testifiers.

. . . BEGIN PUBLIC TESTIMONY. . .

CHAIR RAWLINS-FERNANDEZ: Okay. So we'll begin with public testimony. Oral testimony via phone or video. Video conference will be accepted. Testifiers wanting to provide video testimony, please join by going to BlueJeans meeting link at bluejeans.com/612388111 as noted on today's agenda. Testifiers wanting to provide audio testimony, please join by calling 1-408-915-6290 and entering meeting code 612388111, also noted on today's agenda. The Committee intends to keep the same meeting link and phone number for future EDB Committee

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meetings. For the ease and convenience of members and the public, written testimony is highly encouraged by sending your comments to edb.committee@mauicounty.us. Oral testimony is limited to three minutes per item. If you are still testifying beyond that time, I will kindly ask you to complete your testimony. When testifying please state your first and last name. If you are testifying on behalf of an organization or are a paid lobbyist, please inform the Committee. Staff has posted the link to the testifier's login chat so that testifiers will be able to see where they are on the list. Please be mindful of the use of chat during the meeting. Chat should not be used to provide testimony or chat with other testifiers. If providing testimony, please be courteous to others by muting your microphone and video while waiting for your turn to testify. Participants who wish to view the meeting without providing testimony, please view a live cablecast on Akakū Channel 53. You can also visit mauicounty.us/agendas to access live and archive meeting videos. Mahalo to the Committee Members, Administration and members of the public for being patient if we run into any challenges during the meeting. I will now proceed with oral testimony. We have two testifiers signed up. Our first testifier is Lisa Darcy followed by Faith Chase. Ms. Darcy, if you would like to unmute yourself. Oh, there you are.

MS. DARCY: Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MS. DARCY: It's nice to see everybody. Thank you. My name is Lisa Darcy. I'm going to apologize in advance if I am not testifying correctly. So, please help me to understand the agenda. I understood EDB-85 to be on Corona [sic] Act and CARES Act Information. Is that correct?

CHAIR RAWLINS-FERNANDEZ: That's correct. The funding, yeah.

MS. DARCY: Oh, the funding. Okay. So, as you all know, I have a lot of experience working with individuals that are houseless, homeless, unsheltered, and marginalized in our community. And ever since the beginning of COVID, I have to say I'm still seeing incredible need within our community to support these individuals. Many individuals are still struggling for water. They're struggling for receiving any kind of food. Their transportation was, you know, greatly limited. I'm not really seeing a lot of relief for this community. And there are hundreds of people in need of just basic living tools. And, I'm not sure how or where to advocate appropriately. That even the non-profit that I run again is running simply off of community donations. And if there are monies available, how do we get these monies to these individuals. And, it's very discouraging and I would like to be able to bring hope to this community through information or funding that can go directly towards these individuals. So, my testimony is simply an ask, it's been months, we're really tired, we're pretty discouraged and every effort to communicate these needs seems to go in some ways unanswered.

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Anyway, I thank you for the work that you're doing. It's complicated. I really understand that. But, yeah, if a second wave comes, I'm not going to be able to hold it back as much as has been done. So, yeah, bathrooms, food, water, basic shelter. There's a lot of excitement with the pallet houses that went up and there's also enormous disappointment and so many cannot, and there's just too many people who want this and it's not available for them. So, yeah, just if someone could bring me some good news, yeah, it would be really nice. I really appreciate all the work you're doing. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Darcy. We have questions from Chair Lee and I think Member Sugimura and then Pro Temp Kama. Chair Lee?

COUNCILMEMBER LEE: Good morning, Darcy. If you were to be able to quantify how much food is necessary per day, what would you say to that? How much?

MS. DARCY: I only see maybe 150 people a day at this point or maybe even less. And, I would say, I'm only seeing a tiny little...I'm only seeing a chip of the iceberg, so you have to keep it in that context. And I deliver sometimes two sandwiches a day to people. I don't even know how to answer that because I personally can't get the data and I don't know anybody who is getting the data on the need. So, I honestly don't even, without the data and being able to...all I know it's exhausting delivering all this food because people can't get to where the food is being distributed by some of the other agencies. And, that's the group that I'm trying to really advocate for. Yeah, I would say probably easily 300 meals...

COUNCILMEMBER LEE: Per day?

MS. DARCY: Oh yeah, and that's for the areas that I see.

COUNCILMEMBER LEE: Okay.

MS. DARCY: Yeah.

COUNCILMEMBER LEE: Okay. Thank you. Well, I will try and check with Housing and Human Concerns to see if there is any way they can or somebody can coordinate. I see a lack of coordination here. There are probably a lot of resources, but going off in different directions. So, I'll check on that for you, Lisa. Thank you.

MS. DARCY: You're welcome.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Member Sugimura, followed by Pro Temp Kama.

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COUNCILMEMBER SUGIMURA: Nice seeing you, Lisa. Thank you for the work in the community. I see you out there. So, I'm just wondering, have you, what is the name of your non-profit again?

MS. DARCY: Share Your Mana.

COUNCILMEMBER SUGIMURA: Share Your Mana. Share Your Mana. And, have you, I think you applied for a grant with the Department of Housing and Human Concerns. Is that correct?

MS. DARCY: No. Well, I never intended to apply for a grant. As a one-person operation, applying for a grant is prohibitive time-wise and just it's really too cumbersome. I was requesting, Share Your Mana was requesting COVID CARES funds, emergency funds. And not nothing anything that was going to be encumbered in 38 pages of application. There's no way I can manage that. I can't.

COUNCILMEMBER SUGIMURA: Well, that's the choice you're making then. But...

MS. DARCY: No, it's not a choice. If I'm going to provide services every day, it would take me days away to do things like that and to manage it. So, what it does is it says that the work that needs to be done which has been urgent, getting people water and food and even just dropping off toilet paper for people to go, wherever they gotta go, if you're asking me to prioritize that over trying to manage an enormous amount of paperwork, and that is exactly why Share Your Mana exists is to be able to deliver services very rapidly.

COUNCILMEMBER SUGIMURA: So, Lisa, Lisa. Lisa, I hear you, and so, did you ever think of applying through another organization like Lokahi Pacific with Susie Thieman? I mean, that's, I think we've talked about this before, but there are organizations like that which basically become admin and can help do all those things that you can't do by yourself, but they definitely are, they can get the insurance, they can do all, they know exactly how to interact with government, non-profits and the requirements and can do the paperwork. And I would call Lokahi Pacific, if you're saying that, you know, you need help and that might be an opportunity, but check with the Department and check with Lokahi Pacific and yeah, so thank you.

MS. DARCY: I'm writing that down. Thank you, Yuki.

COUNCILMEMBER SUGIMURA: Yeah. Thank you.

CHAIR RAWLINS-FERNANDEZ: Pro Temp Kama, followed by Member Paltin and then Committee Vice-Chair King.

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COUNCILMEMBER KAMA: Thank you. So, Lisa, you know the name of your organization is Share Your Mana and, you know, to me it's a very powerful name because it says things. It says that, to share your power. So, as a Native Hawaiian, knowing that the majority of the people, at least a huge majority, well not majority, maybe a minority, I don't know, maybe 40 percent of the people who are homeless are Native Hawaiians. That in my heart and in my mind, Native Hawaiians have been treated as wards by the Federal government and the State for so long. And we've been treated like that because people have told us we cannot do it for ourselves. And so, when I think about your organization about the meaning of mana, power, I'm wondering if there is a way that instead of...so, I like, I always like to say things when I want to empower people is that, if you give a man a fish, you've fed him for the day, but if you teach him how to fish, you fed him for life. I believe that giving people food and clothing and shelter is important, but I also think that teaching them how to and empowering them how to take the onus off of us as individuals, to be able to help them to help themselves and that we'd be standing alongside with them. So, have you thought of ways how to empower people so that you don't need to be doing these daily tasks that you could come alongside of them and do it together to raise their life hopes and dreams and goals?

MS. DARCY: Yes. And absolutely and that is the exact reason that I'm doing what I'm doing and I'm out every single day sitting side by side with people. I'm out every day encouraging them. There are, I can't tell you how many people want to be on these meetings, but they have no computer. They have no data. They have no way to charge their devices. They have no way to get anywhere to actually do this if they're going to take care of their needs. If they leave their spaces, they could get robbed. So, it's really difficult to empower people that are living in trauma or in states of emergency. And, that is why Share Your Mana has walked and gone into places and helped give people the basic things that they need. People don't get a good night's sleep. They don't have...when I try to talk and make phone calls to their agencies with them, you can't hear in the wind. It's prohibitive, I'm not quite sure, I really would like to everybody to maybe sleep out with, where how people are living for a night or two and I think the insights you would gain would be mind-blowing on why I don't give up and why I'm continuously saying that we need to go to the individuals. And by going to them to help them to get to a level where they can communicate efficiently or effectively is, I mean, that's why we're constantly asking for shelter and it doesn't have to be in an `ohana. Just a place where people can get out of the wind and go to the bathroom, have a shower. Keep their belongings safe. That is a major piece of it. You can't function and grow and get to work if you've got to have these basic needs met before you do all of that. So, yes, that is completely why this non-profit exists. And the hope that we can get people to the place where they are empowered and that they feel worthy is exactly why I'm doing this. Thank you for bringing that up.

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COUNCILMEMBER KAMA: I brought it up because I understand what it is to be homeless. I know what people feel like when they are always having to be given things as opposed to them participating in their own life to build that. So, I wanted to know do you keep any data or any statistics as to how many people you meet, how many people you've helped, how many people you've gotten into homes, or into some type of shelter and those kinds of stats?

MS. DARCY: Yeah. I've been keeping and actually when I was working with Maui Rapid Response, we filled out forms every single day, so they have a lot of the data and they said they're working on the reports. I'm eagerly awaiting the reports. So, that would give you some insight into that. The other thing is, I'm not engaging really in any sort of case management. That is not the goal. That is not the outcome, because you know how complicated it is to work with systems and how time consuming it is. And, there's no way that Share Your Mana can have any sort of larger contextual view if I start sitting with people and just working with people individually. That's really an agency and an organizational...I want to support the...I'm trying to connect people with the agencies, not become an agency and support them in their missions.

COUNCILMEMBER KAMA: Okay. So, if you're going to connect people with agencies, are you advocating for people down at Kanahā to move into the pallet homes down at Waiale?

MS. DARCY: Oh my gosh, yes. It's been very exciting. And I've actually, you know, physically tracked down Lori Tshako and worked with some of the social workers that, well they're not social workers, the outreach workers and seeing a couple from Family Life. Absolutely. This has been such an exciting time. And yeah, absolutely. I've gotten community members to come down and help people clean up if they don't have the time, you know, if they can. They can move in. Sometimes they just get notice like you can move in today. And so we work together with the community to help them to get everything they need together to move in over there and to remove any debris that they've accumulated that they wouldn't, you know, leave. No one wants to leave a messy space. So, we work with them. Absolutely.

COUNCILMEMBER KAMA: Thank you, Lisa. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. Member Paltin, followed by Committee Vice-Chair King.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Ms. Darcy, for your testimony today. You know, just listening to your original testimony and the following question and answers, I just wanted to clarify a couple things. You're testifying on behalf of yourself, or on behalf of Share Your Mana, or Maui Rapid

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Response? Just wondering what the role you're coming here as. Just an individual, or?

MS. DARCY: It's hard, you know, to clarify that. I don't...if I'm gonna do my own, then I would have to say, hi, I'm Lisa Darcy and then if I'm gonna do Share Your Mana...

COUNCILMEMBER PALTIN: I just wanted to clarify it, but it doesn't really matter. Going back to, okay, so clarifying your testimony then, what I heard was that you're requesting for hygiene items, portable toilets. You have limited data. We have a similar problem like Mala Wharf and like that, so I just was wondering like for basic hygiene for portable toilets, that's what you're requesting. How much would you need in your area and what does your area cover. Because we need some in Lahaina. I don't know if you're aware of Lahaina as well. But what is your area and how many portable toilets would you say?

MS. DARCY: Well, to unfold this, I didn't say I was advocating on behalf of Kanahā. I did not say that.

COUNCILMEMBER PALTIN: That wasn't my question. That wasn't my question.

MS. DARCY: No, no, but this is important to say.

COUNCILMEMBER PALTIN: All I want to know...if you cannot answer my question.

MS. DARCY: I can't answer it.

COUNCILMEMBER PALTIN: All I want to know is how many toilets and where are your areas.

MS. DARCY: I'm working with another outreach worker in Lahaina and they say that the issues over there are even way far greater than what's going on in even Kahului. That's all I wanted to say on that. So, my advocacy is for everybody and for the entire island and County. There are easily, I would say 20.

COUNCILMEMBER PALTIN: Twenty toilets. And what area are you referring to needing 20 toilets?

MS. DARCY: Just Kahului.

COUNCILMEMBER PALTIN: Okay. So, I mean, if every district was 20 toilets on Maui, 140 portable toilets, would that be like kind of what you're requesting. Like hygiene, your request is hygiene, basically?

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MS. DARCY: No, that would not be what I would be advocating for. What I'm advocating for is what I submitted in the white paper to Councilmember Kama when this first began, which was locations where people can go. And we had a meeting about that. About having, you know, buildings that weren't being used, or fields being used. People do not want to stay where they're at. They want to move up, like Councilmember Kama suggested. They want to get out of this. So, I do not necessarily advocate for bathrooms to go in places. I advocate for pallet houses everywhere. Or, you know, unused buildings or unused fields where people can go and where services can go to. I do not advocate, to me those are just tiny little Band-Aids on a large bleeding cut and that is not necessarily what I'm advocating for. I don't feel like that solves anything and it doesn't teach people to fish, it keeps them isolated in those spaces which are not healthy. People want to, most people that I speak with absolutely want shelter. And it doesn't have to come like I said in a form of an 'ohana. People are super excited about the pallet. Even, though it's they're pretty darn small and they're stoked that their stuff isn't gonna get stolen or they can leave and go to meetings or go to appointments, or you know, follow up. So, I'm honestly advocating for alternate shelter, not bathrooms per se. And, again I can resend all, you know, the information that we spoke with at that first meeting. I never did hear back, so I don't know what has happened from those initial meetings back in maybe beginning of March or whenever that was. So things happen and I just haven't gotten any other information. So, I may need to get caught up on what's happening.

COUNCILMEMBER PALTIN: Okay. Thank you.

MS. DARCY: Thank you.

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

VICE-CHAIR KING: Thank you, Chair. I appreciate the information on, you know, the emergency funding, because, Ms. Darcy, I think that's what we were talking about when we first talked about getting funding, was trying to get some emergency funding, not grant funding. So, it wasn't like you made a choice not to...to turn money down. There was nothing offered from the emergency funding. Is that a correct characterization? And you know, I had advocated, Chair Lee had advocated for getting emergency funding. What we're doing with emergency funding, you know, when I'm looking at this list is on Granicus, I don't believe all these entities wrote grants. Some of them were just outright hired and some of them, you know we're giving money out to Farmers Union, Farmer's [sic] Bureau to hand out food. But that's what we were looking for in a very quick short space of time. So, in the meantime, I know you're working on this through my office and are we close to getting a recommendation from you? Because I think that's what the Committee is looking for is specifically what kind of monies are we looking at that could have the biggest impact for the unsheltered, you know, in this immediate time, because, you know, I agree with you that we're not looking

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to spend a month trying to fill out grant applications. What we're trying to do is get people supported as quickly as possible, which is the intent of emergency funding. So are we close to, you know, you've been writing reports on what needs to happen, you know, in segments and what's not happening, but I think getting more specific as far as what kind of money we're looking at and specifically for what, you know. And maybe it's just as simple as building more tiny homes that we're looking at or those container units like they have on O`ahu.

MS. DARCY: Right. So as in previous testimony that I've given, I would again, I would walk in the footsteps of Lieutenant Governor Josh Green's recommendations and all the different and unique styles of shelter that they have been producing on O`ahu. I can get what it, you know the reports on what it costs I suppose or if I had help with this. I mean, it's a lot of research to do for someone who's out in the fields as well, you know, six hours a day at least. So, I don't know how to personally produce all of this without any assistance and also again without any, you know, we're surviving on the kindness of whatever generosity comes from the community. So, to produce that is there any help that Share Your Mana could get, I could get, anybody could get that would be working or seize the work that Lieutenant Governor Josh Green has facilitated on O`ahu?

VICE-CHAIR KING: Yeah. That was the intent of putting you on is so that you could work directly with these entities as a member, you know, temporary member of my staff. So, we'll follow up on that.

MS. DARCY: Yeah, yeah. I think...then yeah.

VICE-CHAIR KING: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Seeing no other questions, thank you so much for your testimony, Ms. Darcy.

MS. DARCY: Thank you.

CHAIR RAWLINS-FERNANDEZ: Aloha.

MS. DARCY: I appreciate everyone's work.

CHAIR RAWLINS-FERNANDEZ: We have two more testifiers. Our next testifier is Faith Chase, followed by Tom Croly.

MS. CHASE: Aloha, Chair. Good morning, Committee.

CHAIR RAWLINS-FERNANDEZ: Aloha.

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MS. CHASE: Aloha. I just wanted to say the stumbling blocks at Kanahā, I'm afraid, I'm not certain, but I'd like to apologize to Josiah and Ms. Tsuhako. When they came down to Kanahā. I am not an employee. I am just a concerned citizen. I have actually extended like family, you know, hānai kind family from Hāna, two of them, that were down at Kanahā that really got my attention, with babies and kupuna. So when Josiah and Ms. Tsuhako came down there, as they were leaving, I approached them and in desperation, because I didn't feel like they listened carefully. I said, do you realize that some of the things that are going on here are in the County's, you know, purview, or you know, action or lack of action, is could deem a lawsuit. You can't be doing sweeps. You need to give them what...you need to provide provisions for these people, you know. And, what happened was Josiah said, whoa, you threatened a lawsuit and then it just...and communication kind of stopped. And so, I'd like to apologize for that. Because I don't work for Share Your Mana. I'm just a citizen. I was making a comment because I'm watching all the threads. I'm watching San Francisco get sued. I'm watching the law on poor and homelessness. And so that comment might have been taken the wrong way. And I think what's happened is like, no action is better than trying since somebody suggested some sort of lawsuit. There were a lot of things done wrong. And I'd just like to clarify that. Okay. So, Lorrin Pang came on and gave suggestions on what do we deal with, how do we deal with the unsheltered. He was very clear. It's better for them to stay in place right now. This distancing, they actually have the advantage of having little distancing. Get them provisions. Food, medical, provisions, water, everything. He said that. And that's what needs to be done. I don't know about the sweeps that have happened that promised to not happen. I just want to remind you about Lorrin Pang's suggestion. I just want to say with regard to this COVID thing, I'll say it one more time that there needs to be that window, that puka, that venue, that receptacle to make sure that benefits are extended to the self-employed. Those regulations for them to go prove that they were laid off. Prove that they're limited hours is hard to find for some people. Hard to go back to their employee. So, just keep that in mind. Any organization that has that little window needs to be, you know, needs to be supported. As far as the grant work that was questioned for Lisa Darcy, gosh, you know, I don't know, I would work part time to try to see, I see the good work. She's got really good systematic change ideas. I understand people are asking for her. She can't stay in front of the computer and produce the kind of things that need to be done for grant work. While she could use it and direct it well, people are asking for her. They miss her. Like she's pressured. I see that firsthand. The safe sleeping spaces seem like such an easy one. I don't know, we have so many empty businesses, why don't we have just one parking lot for people? I think that is possible. Somebody can do something about that. And, I sat through the grants workshop yesterday and I've never applied for a grant. I mean, you know, me I'm doing a puppet show about recycling grant idea, but you know what if I see a window that aligns with, if I see the advantage of something that aligns with Lisa, I will definitely give my opinion, like I so wholeheartedly do on, and try to support her in that way. I'm at loss with what's

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going on right now. People need help. However you can do it. COVID, grant work, please, just figure it out. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Chase. Members, any questions? Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Ms. Chase. I just wanted to clarify your question, that you want to keep them where they're at and provide, you know, basics, hygiene. Like, there's no restrooms, you want bathrooms.

MS. CHASE: Yeah. I mean the provisions that were removed, they can't, you know, it's like the new normal, you can't go back to what you did before COVID, and they removed the water. They removed the Porta Potties. They removed the dumpster that was really helping the situation. And, I'm, I guess this doesn't really pertain, this is a little coloring outside the lines, but I need to mention it. I've been working with Department of Hawaiian Home Lands. There's a fascinating aspect about giving the wait-listers' voices. And I know this sounds askew, but just hang on for a second. They're, when I walk the line down at Kanahā, 100 percent of those people, Hawaiian. Friends, people, I know. So, while we elevate the wait-listers, while we empower and elevate the wait-lister's position, there's 44,000 people on the waitlist, there's 600 waiting on Maui. You know, I think that whole homeless, unsheltered, houseless, it makes people nervous. So, I was thinking, you know what, the way we need to approach it and whenever you guys can work with DHHL and include them, please do. Because really what we're doing here is we're creating temporary transitional housing for wait-listers. At least 98 percent of those people are Hawaiian. And so, we just need to just change it. I mean it's not new and improved, but you know, change the language if everybody is helter-skelter around homeless, houseless, unsheltered. I don't know what the apprehension is, but just so you know. That data, you can see with your own eyes. And so there's something there, you know. Anyway, yes, bathrooms, water, a new normal, put them back.

COUNCILMEMBER PALTIN: Okay. Thank you. That's a good idea.

MS. CHASE: Sorry for rambling. Thank you.

COUNCILMEMBER PALTIN: Yeah. Thanks. That's a good idea.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. Seeing no other questions. Thank you so much for your testimony this morning, Ms. Chase. Aloha.

MS. CHASE: Aloha. A hui hou.

CHAIR RAWLINS-FERNANDEZ: A hui hou. Okay. And our last testifier is Tom Croly.

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MR. CROLY: Aloha, Committee. Aloha, Committee Chair. I'm testifying on the circuit breaker amendments that are proposed. Let me start by saying, this is my favorite part of the tax code. It's there to provide relief and to rescue someone from being taxed out of their home. Oftentimes you will hear people come to you and say I'm being taxed out of my home. My taxes are too high and so forth. And that's what this was designed to try to address. That despite rising values of property, your taxes based on the circuit breaker, should never exceed 2 percent of your gross income. And that's a great concept to start with. Unfortunately, sometimes this particular piece of code has been used to extend to people are not being taxed out of their home, they're just able to play accounting measures and get away with paying lower tax otherwise. And that's why some of the criteria that is in the circuit breaker was developed. I would like you, when this item comes up to ask the folks in Real Property Tax to kind of give you some examples of the type of taxpayer that has been granted these, this tax relief, and those, you know, that maybe got denied. And the key thing is, of course, we want it to apply to the people that it was intended for, which is someone who buys a home that they live in. It's their fulltime home, and then not because they added a lot of value to the home, but just because maybe market land values went up and so forth, that their taxes have now become too great. There's two things that...there's some things in the changes that I like and two things I don't like. I like that we're clearly establishing that this does not allow you to pay less than the minimum tax of \$400, that should be clear in here. I don't like that we're extending the household income from 100,000 to \$130,000. I'll be honest with you. I don't make \$130,000 a year. I never have. Okay. And I can afford to pay my taxes and my taxes are significantly more than they would be under this. I don't think that someone making \$130,000 a year should be the person that we're trying to help here. So, I think the \$100,000 limit for this makes more sense. But if there is a reason to extend it beyond that 100,000, I would encourage you to phase it out much in the same way that you're phasing it out with the value of the property. But maybe phase it out over a longer, a wider range. So, at \$100,000 should get 100 percent credit. At \$110,000 you get 75 percent credit. And phase it there. To that same end, the other part that I don't like about what's being proposed and I didn't like it when they established this, is they established this idea that the, if you have a lot of house value, if the building value is high, that indicates that you put that value into the house. So, we want to put a cap on that. And the cap that was put originally was \$500,000. And I have heard taxpayers come before the Real Property Board of Appeals and say, hey, that's not enough. My house was assessed at \$800,000 and that has, that \$500,000 cap has left me out. And, there may be some good idea to that. But the phase out that you have here, starts at 750 and ends at 800. That's too tight a range. I think if you are gonna have a phase out for the value of the house, maybe start it at 500 and then end at 900, you know, something like that. So that it phases out more gradually. But, I'm most interested to know, and I hope in the discussion you will find out, is this being used by the people who we

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intended it for. And what we really intended it for was long time property owners. Someone who has owned the property maybe generations and they don't have a lot of income for whatever reason. Maybe they're retired, whatever. And we don't ever want to see a situation where someone loses their home because they're taxed out. And there's one more thing I want you to consider making a change to, and that is Item F, where it says, if the taxes are delinquent, then you don't qualify for this. Because sometimes, the person who we want to help most, is the person who gets into a situation where their taxes are delinquent. And now we say we can't help you with this program, because last year you didn't have enough money to pay your taxes. So, again, I hope that we will have some compassion in a way that this particular thing is used and not make the rules so hard that it leaves out the people that we want, but that we also pay close attention to the people who might be using it who we don't want to. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Croly. We have a question from Committee Vice-Chair King.

MR. CROLY: Okay.

VICE-CHAIR KING: Thank you, Chair. Aloha, Mr. Croly. I'm trying to reconcile what you said about, maybe you can comment on the cap of 130,000 being too high when we have, when we in our own Affordable Housing Code, we still consider 140,000 household income, you know, in need of affordable housing, you know, our right, our Code goes all the way up to 140,000.

MR. CROLY: Right.

VICE-CHAIR KING: But you're saying the \$130,000 is too high for the circuit breaker. So, could you comment on that?

MR. CROLY: Sure. Sure. So, I recognize it's expensive to live in Maui, right? And 130,000 doesn't make you a rich person, right? But the purpose of this particular section of Code is to almost help the destitute if you will. It's saying we don't want to tax you out of your house. So we're going to give you an abatement on your taxes. Now, as you already know, the real property tax rates and the property tax that homeowners pay on Maui and homeowners exclusively, is lower than anywhere else in the world. Okay. I mean, we give just a really low rate. So, it's hard to get into that bracket where now you're paying too much. But I'm saying when you push this up to \$130,000, you're now including people who are doing fine, you know, they own their home outright and so forth. And, they don't have a lot of expenses, but now you're saying, we're also gonna give you a low tax rate and then we're gonna give you a greater abatement on top of that, so.

VICE-CHAIR KING: No, I understand that, but I just, like how does that relate to the fact that we are saying people that make up to 140,000, don't own their own

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home and we need to help them buy a home because they're still in that affordable housing...

MR. CROLY: Well, I'll tell you the difference there. The difference there is if you don't own your own home and you're trying to get into this particular market here, okay, it's hard. I mean, this market is expensive. So, in order to be able to use that what HUD says you shouldn't use more than 35 percent of your income for your housing expenses, it needs to go that high in order to make this work. So, a working family who's...

VICE-CHAIR KING: No, you know, I get all that, I just wanted to, you know, understand that this for you it's a totally different...

MR. CROLY: It's a different issue. Yeah. Completely. Yeah. Thank you.

VICE-CHAIR KING: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Okay. Seeing no other questions, thank you so much for your...

MR. CROLY: Thank you.

CHAIR RAWLINS-FERNANDEZ: Oh sorry, there's one more question from Member Paltin. Member Paltin?

COUNCILMEMBER PALTIN: Thanks. I just had couple clarifying questions. When you're talking about that 130,000 income, were you thinking that it's net or gross and if it matters?

MR. CROLY: Well, it does matter, you know, and I think that it's the, your adjusted gross income. Okay. But the other part of that, that maybe I didn't make clear is that people can play accounting games to make their adjusted gross income lower than what it really is. Like if someone owns a lot of investment property for example, they could be getting \$500,000 in income, but then they're able to offset that income with these depreciation expenses which are, you know, not real money that they are paying out. They're depreciating this asset. And then their net adjusted gross income is low. We certainly want that guy making use of the circuit breaker.

COUNCILMEMBER PALTIN: So, if it's, you were talking about gross 130 or you are talking about adjusted gross 130? In your testimony...

MR. CROLY: I believe the number that's in here that's used is adjusted gross. I believe that's the number that Real Property Tax uses, but check with them and make sure that we have that correct.

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COUNCILMEMBER PALTIN: Okay. I just was trying to clarify in your testimony what you're talking about. And then, the second one is, you know when you said about they don't qualify if they're delinquent?

MR. CROLY: Right.

COUNCILMEMBER PALTIN: What if we changed that to like, they don't qualify if they're delinquent for more than one year?

MR. CROLY: Yes. Yes. I like that idea. Give them one year so they can dig their way out of the hole, but if they're delinquent for two years, yeah, we can't let that continue. But, yeah, I just don't like the idea and I saw this happen once while I was sitting on the Board. The woman's husband died. The husband always paid the taxes and then she didn't pay the taxes the next year. And then the next year it's like you don't qualify, because, you know, you missed your taxes. So now, not only is she in the hole for two years for the taxes, she also loses her homeowner's exemption, she loses her, you know, and it just piled on. So, I like your idea to give them one year.

COUNCILMEMBER PALTIN: Yeah. I think I know who you're talking about too. Okay. Yeah. I think I know who you're...okay. Thank you. That was helpful.

MR. CROLY: Yeah. Okay.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Seeing no other questions, thank you so much for your testimony, Mr. Croly.

MR. CROLY: Thank you.

CHAIR RAWLINS-FERNANDEZ: Aloha. Okay. Members, that was our last testifier. If there are no objections, I will now close public testimony.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. And if there are no objections, we will also receive written testimony into the record.

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members.

. . .END OF PUBLIC TESTIMONY. . .

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**ITEM 85: LEGISLATION AND DISCUSSION ON THE EFFECT OF
THE CORONAVIRUS PANDEMIC, RULES, CARES ACT,
AND RELATED ISSUES (CC 20-207 and CC 20-275)**

CHAIR RAWLINS-FERNANDEZ: Okay. So, we will start with EDB-85, Legislation and Discussion on the Effect of the Coronavirus Pandemic and Related Issues. So, we just received from Managing Director Baz the letter that he referred to at the last meeting from the Governor and that is uploaded to Granicus. It just got uploaded when the meeting started. So, it's Granicus Item 17. And Budget Director Yoshimura transmitted the pending report for the Emergency Fund on Monday. So that's been uploaded. Everyone has that. And tomorrow is the expiration of the 90 days for the emergency funds and for the self-insurance. So the 4 million and the 2 million. Okay. So, everyone got those documents? Okay. I'll ask Managing Director Baz and Budget Director Yoshimura if they would like to provide some opening comments and then I will open the floor up for questions, one by one, and I'll give each Member three minutes and then we can go multiple rounds if necessary. Okay.

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Yeah, Chair, I just wanted to say regretfully I have to leave to do this other meeting, but hopefully it won't take too long and I can come back. But I've got my staff monitoring. So, thank you for the concise explanation of what's happening and where we're at today, because the expiration date I think is big for tomorrow. Thank you.

CHAIR RAWLINS-FERNANDEZ: Yes. You're welcome, and if you have any questions, you're welcome to text them to me and I can ask for you if you'd like.

VICE-CHAIR KING: Okay. Thank you so much.

CHAIR RAWLINS-FERNANDEZ: Mahalo for representing us.

VICE-CHAIR KING: Mahalo.

CHAIR RAWLINS-FERNANDEZ: Okay. Managing Director Baz?

MR. BAZ: Aloha. Good morning, everyone. So, just a quick update on the H.E.L.P. program before we get to delve into the other funding allocations. They received as of Monday morning 4,567 applications that represents 14,028 individuals. Total request of \$3.6 million. So far they have approved 3,539 applications, 468 are still in process. Obligation total as of Monday morning was \$1,563,694.88. And, there are 560 inactive files because they were either not eligible, over

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income, or was duplicate applications received. So, that's where their status right now and they're looking forward to additional funds when there's more money available so they can proceed. With the, there's no real update and numbers for the small business, the micro business loan program that the Chamber is doing. We are going to be allocating a portion of the balance of the Emergency Fund monies that's expiring tomorrow to that program, because the Federal money cannot go for a loan program. A lot of restrictions to the Federal program and so one of them is you can't have a loan program with that. So, that's one of the things. Yeah, and they have applications standing by ready to go, and then...yeah, so that's an update on the current two programs. As, Chair, you mentioned, Director Yoshimura did provide a report on the Emergency Fund as of May 31st. That was prior to the closing of the books. The next report since it's gonna be just coming up here shortly will be up to June 18th. And, so up to the actual lapsing of the Emergency Fund appropriation. So, we did submit as you see in Granicus the letter to the Governor with the signed exhibits and our attachment of our plan and budget and it's, we left it again, very general so that we could be allocating it, you know, based on needs as we see fit. And we appreciate again the Councilmembers' suggestions. We did integrate them into the application. It may not be evident directly in there, there are some of those items that are not going to be able to be utilized Federal money for. So, that's, you know, just one of the issues that... dealing with. But I do appreciate that input definitely. And we're gonna be hopefully receiving the money shortly. We have not received it yet. The Governor hasn't signed SB75 and so there's issues. And all the, the neighbor island counties, Maui County, Kaua'i and Hawai'i County have not received any of the CARES Act money yet. City and County of Honolulu got a direct allocation from the Feds so that's why they have the money already. Chair, I guess a brief update and then we'll just open it up for questions and I can try to answer what's appropriate.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Managing Director Baz. Budget Director Yoshimura, did you want to add anything before I open it up for questions?

MS. YOSHIMURA: Thank you, Chair. No. I don't have anything to add. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay. So, I will take it in order. Okay. We'll start with Pro Temp Kama and then Member Sugimura and then Member Paltin.

COUNCILMEMBER KAMA: Thank you, Chair. So, Mr. Baz, when we look to see if what we have, we're asking for, how...will we be able to identify our ask by looking at the report in terms of, you know, how it was listed according to the report that you had submitted to us and the topics that you gave us? And I think most of us had used those topics as areas where we wanted CARES funding. So, will we be able to tell what our asks were based upon that next report coming out? And if it isn't what we thought it would be or where would be, is there a way for us to

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ask outright if, what happened to it or maybe it was one of those the Administration decided it was not going to be funded after all.

MR. BAZ: Okay. So, briefly there's, if you look at Attachment 1 to the letter, there is...well first, the Governor changed the different categories if you want to call them that. And, split it up into four main areas. First, is for what he called priority area. So, payroll and other current expenses for public safety, you know, public health and similar employees who service or substantially dedicated to mitigating and responding to COVID-19 public health emergency. The second priority area was expenses to address community needs and priorities in response to the economic impact of COVID-19 pandemic such as food banks, homelessness, childcare, et cetera. The third priority area was expenditures to facilitate compliance with COVID-19 related public health measures. And the fourth area is economic support for individuals, non-profits, families, and small businesses to alleviate financial adversities as a result of the COVID-19 public health emergency. So, we took the original proposals that the Mayor had made, as well as the proposals from Council and others that we received and reallocated them into these four priority areas. You will not see very specific information in there, because we didn't do a broad...we didn't want to pigeonhole ourselves into specific items that we weren't sure had the capabilities of being spent. Again, the criteria, if you look at the attachments, Exhibit "A," "B" and "C," those are, well "C" is lobbying, but the other ones are specifically, you know, guaranteeing, you know, the Mayor is signing off that we are going to be spending the money as appropriate for these CARES Act. . .(bell ringing) So, I'm sorry I took all of your time there. But I think your specific request was related to food security and we do have a funding allocation for food security in here.

COUNCILMEMBER KAMA: Thank you, Chair. Thank you, Mr. Baz.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. And we can do another round, Pro Temp Kama, so you can ask more questions. Member Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. So, Mr. Baz, thank you very much for this and I'm concerned, although all of this is important about child care for all the families who are relying on us for summer and so as people start going back to work, can you explain what your child care programs are or what you're doing, child care and summer programs?

MR. BAZ: Sure. So, we and that's one thing that we're gonna have to adjust the funding because the needs are higher than what we had originally budgeted for, but we are working with private non-profit providers of child care services to provide an opportunity for kids to have a program, you know, that's during, you know that take care of them during the summer. And those aren't quite finalized yet so we don't have, I can't share too much details about it, but it will be here shortly, I'll try to get that announced and in contract with YMCA and youth centers, other

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things that do child care provisions. Some are programs on a regular basis so we can work with them and we're gonna provide them some funding to make it financially affordable for families to utilize their services.

COUNCILMEMBER SUGIMURA: So PALS is not operational, is that correct?

MR. BAZ: Yeah. We're not gonna operate PALS and one of the biggest reasons why we can't operate PALS is because we utilize the Department of Education facilities and they are not allowing us to utilize their facilities. So, we just don't have the space to run a program like that. The other providers have their own spaces and things that we can utilize to make it work.

COUNCILMEMBER SUGIMURA: Okay. And are you, in all of this, are you planning on building any more of the temporary housing that went up in Waiale? It looks like it's successful.

MR. BAZ: Yes. We actually did put an RFP out for another I believe 38 units. That's 30 of the smaller units and 8 of the larger units and so that's, it's open right now. I think, you know, we have to follow all procurement laws, so we have to do posting and all of that and hopefully we'll get a bid in from the same organization that provided that. It's a very good product. Those of you who have gone by and seen it, it's clean. It's safe, it's, you know, a place where they can have, you know, their stuff locked up and not have to be worried about. They can go to work if they're going to work or if they are going to go to doctors, whatever needs that they have. We have a hygiene unit which provides showers, bathrooms, and laundry facilities there. And the Mayor does want us to order two more of those so those are going to be coming, you know, we're going to try to again . . . *(inaudible)* . . . available there. So, yes, we are going to order more of those units.

COUNCILMEMBER SUGIMURA: Thank you. Thank you very much. Please thank Lori and Josiah and your team for all the work they've been doing.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Paltin? Sorry. The sounds were coming from your side, so I muted you and I forgot you were next. Sorry. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Baz, for your work that you did on this. I know, it's probably not easy. I just was wondering if you see the need for hygiene stations, what is being done in the interim? Right now Mala Wharf hasn't had bathrooms for a number of weeks and I know it's a State responsibility, but you know, hygiene is kind of a key aspect to preventing the spread of the disease and with all the regular places closed or even some places they don't want you to use their bathroom even if they have a bathroom because they don't have the ability to clean it. Like, I see that there's a hygiene plan in that you're ordering things, but do you see that there's a hygiene need right now

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that could be filled with portable toilets and contracting with our local portable toilet people and, you know, hygiene, need for hygiene right now?

MR. BAZ: Right. No, yeah, definitely there's issues and we're looking for a location to provide the pallet homes and hygiene unit in the Lahaina area. If you have suggestions, please let us know.

COUNCILMEMBER PALTIN: Okay. Thank you. Definitely Mala ramp for portables right away. Just, you know, don't move the homeless population. They're all, I mean the cemetery is where they're at right now and I know that's not a good thing, but if the guidelines is to not move the population and it doesn't seem like there is a place readily available at Lahaina, so bathrooms right there would be awesome. I mean, it's a desperate need.

MR. BAZ: Okay, well for us to put those on State property, we're going to have to get approval from them. But we'll look into and see what the possibility is.

COUNCILMEMBER PALTIN: Thank you.

MR. BAZ: I do want to mention that CDC has changed their guidelines for homeless individuals, unsheltered individuals a little bit and getting them into shelter is appropriate, not necessarily just leaving them out there in the wilderness.

COUNCILMEMBER PALTIN: Okay. So, then, you guys have some unused spaces already in the works for Lahaina or some space?

MR. BAZ: No, we're hoping to put the pallet homes on a location over there. So we're trying to identify a specific location that's appropriate in Lahaina, yeah.

COUNCILMEMBER PALTIN: Okay, okay. So, just for the time...

MR. BAZ: And we understand the...

COUNCILMEMBER PALTIN: Yeah, for the time being.

MR. BAZ: We understand the population at Mala Wharf, yeah.

COUNCILMEMBER PALTIN: Yeah, I mean I think everybody we heard that today that's preferable to get them into a place, but in the interim if there is no place, hygiene is a key thing of disease, COVID mitigation.

MR. BAZ: Right.

COUNCILMEMBER PALTIN: Thank you. Thank you, Chair.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. Sorry. My timer wouldn't stop ringing. Okay. Next, Member Hokama.

COUNCILMEMBER HOKAMA: Thank you, Chair. Gosh, I was reminiscing. I like the sound of the old telephone. I like the old alarm clock sound. I like the old coffee pot perk sound. I miss the old days. So, saying that, Mr. Baz, for me, what is more of a priority right now is, what will change or what will be ending come July 1st with, you know, our funding stopping and some of the Governor's support. So, besides National Guard, what other big things are gonna be changing shortly so that we can prepare our communities, as well as districts to adjust properly?

MR. BAZ: Okay. Thank you. So, from a...well, from a finance perspective, the assumption is that the Federal CARES Act money is gonna come in and take over a majority of the State and County's expenditures related to COVID-19. There are obviously some prohibitions and restrictions to that and the Governor is going to have some challenges. But the National Guard is authorized. They are under a Federal authorization. They're not, the authorization they're under a Federal guidance that the Governor, I mean excuse me, the President did sign and it does go into August. So they are going to stay in our community providing the services there now through August. I don't have a set date yet in August, but it's sometime in August. The, you know, the biggest thing we're dealing with is the State's rule, proclamation changes for travel and how that's going to impact our community. The recent change of the lifting of the quarantine for interisland travel just happened on Tuesday, so we're evaluating that. We're gonna be putting, getting more testing available next week. Do more community testing so that if there is an impact from the travel then...

COUNCILMEMBER HOKAMA: I hate to interrupt you, I got limited time yeah with Chair Rawlins-Fernandez.

MR. BAZ: Sorry. Yeah.

COUNCILMEMBER HOKAMA: So, for me, Lāna`i, testing yeah is a critical issue for me because of limitations on facilities. So if we're gonna open up, I need to be able to have reassurance that our community will have the appropriate then testing ability and testing options so that the residents can be assured we're gonna stay safe, knowing we cannot handle any type of, even a minimum outbreak. You can comment on that please?

MR. BAZ: Yeah. So that's incredibly important and something the Mayor's . . . *(inaudible)*. . . for a long time and that's why he brought Dr. Miscovich over right away when the local providers didn't really have enough tests capable of testing our community. The local providers have now ramped up their testing abilities and in fact they're the ones who we're working with for next week's drive. We're gonna actually have a Minit Medical do that, but the local outpatient providers,

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you know, the Community Clinic of Maui, the Maui Medical Group, Minit Medical, Kihei, Wailea, they all can do testing. They all have the capacity, you know, you do have to be screened by a doctor and the doctor has to see that it's appropriate that you get tested. But the screening is pretty broad now. When it first came out it was really a strict screening process, and so very little people got actually tested. But now, I think the Statewide testing number is somewhere around 60,000 people already got tested in our State so and about 9,000 in Maui County. So we're getting up there with the actual tests and we're available to do more testing definitely should the need arise.

COUNCILMEMBER HOKAMA: Okay. Thank you, Mr. Baz. Thank you, Chair.

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

COUNCILMEMBER LEE: Thank you. Hi, Mr. Baz. Okay. Now, do you have someone who has a good handle on food distribution, coordination of shelter, and coordination of supplies and equipment, including hygiene equipment, water, et cetera? Is there somebody who is actually coordinating this whole, you know, this whole situation?

MR. BAZ: The Maui Emergency Management Agency has a human service branch organization that does the food distribution, their coordination, that piece of it, that is...the effective branch manager is Joyce Kawakami from Feed my Sheep and so she's working with Food Bank and all those as part of the emergency management process. Because this is a declared emergency the incident command process is still in place and so those are, we try to run everything through that main process. That's why we have meetings...

COUNCILMEMBER LEE: Okay. So, Sandy, the other thing is, okay there may be somebody named, but apparently he or she is not reaching everybody because it appears that many people are getting food and many people are not. So, I mean, is there like a logical plan that distribution is even throughout the County, as opposed to oh, you know, Wailuku getting a whole bunch, and people in Lahaina not getting enough, you know. Is somebody tracking all of that?

MR. BAZ: Yes. We have distribution throughout the County. Every community has distribution at least weekly and those are available. Lahaina specifically we had to ramp up because the need was greater over there and so, we've actually moved the site and get more supply for them for when they do their distribution.

COUNCILMEMBER LEE: Yeah. Okay. Because we did get testimony today that, you know, this one person is trying like hell to get 100 to 300 meals a day to only Naska, I mean, Kanahā Park, you know, that area.

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MR. BAZ: If I might, meal distribution is different than food distribution. You know, food distribution is providing food to those who are economically challenged so they can make their own food, that they can have food for the week. Generally is what the goal is. Meal distribution, what they're doing is just individually handing out a meal for that one time or once a day type of activities. That is different and under that process. And the mass feeding program would only come into play if there was a big disaster.

COUNCILMEMBER LEE: Okay. I have many more questions. Okay. Thank you.

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

COUNCILMEMBER MOLINA: Thank you, Madam, Chair. And good morning, Mr. Baz. First of all, I want to thank the Mayor's Office, speaking of food distribution. Specifically, Mr. Fukuyama and Mr. Mossman for assisting my church this past weekend with a food drive on Saturday. And also the Mayor for coming by. Much appreciation. And Member Hokama bringing up the old days, what came to my mind was the depression. Because Maui has the highest unemployment in the nation at over 30 percent which that was about the rate of unemployment in our country during the depression. So, I'm hoping some of these Federal monies can be used to hire people on a temporary basis to work for the County because it allows for that under HRS, Section 76-77, Civil Service law, and I appreciate you updating us that our proposals have been sent to the Governor for comment, I guess. My one question for this round is, we've heard of the spike in COVID-19 on O`ahu and now that the neighbor island quarantine has been lifted as of June 16th, has the Administration implemented any new precautions as it relates to the opening of businesses or facilities as a result of what's happened on O`ahu?

MR. BAZ: So, first of all, we expected that there are COVID-19 cases still around and that there would be positive tests. We're actually kind of happily surprised there hasn't been any in Maui in a while. One or two here and there, but it's basically because everybody is practicing good hygiene and using their masks and doing the physical distancing like they need to. And really that messaging has been consistent throughout. As we've opened up and allowed for operations of different businesses with certain restrictions, those restrictions we feel are sufficient enough to provide for time where if even there's a case that we can keep it limited, it's about contact tracing as well, making sure that if there is a positive that we're identifying everywhere that positive person went within a period of time and anybody they contacted. So, the screening procedures at the airport are different for sure. As you're outgoing, you know, we had the Airport Manager on the Mayor's press conference a couple days ago describing the process and details. I encourage everybody to go to health.hawaii.gov/travel before you travel because there are forms that you need to fill out and certain restrictions. You have to answer screening questions, as well as temperature screening as well.

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COUNCILMEMBER MOLINA: Okay. So, I guess for now it's still status quo with the current plan to open up the businesses at the prescribed dates that you folks have set. Yeah. All right. Okay. Thank you for your response, Mr. Baz. Thank you, Madam, Chair.

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

COUNCILMEMBER SINENCI: Mahalo, Chair. Mahalo, Mr. Baz, for being here. Just couple of questions. The first one was we heard a lot of testimony on Kanahā, would those hygiene units be addressing those unsheltered at Kanahā or within the close vicinity of Kanahā? Or is everything going to be at Waiale?

MR. BAZ: Thank you. So, the Waiale is one location. We're looking for other locations specifically to put pallet homes and hygiene units. We prefer not to have people living in their cars. We don't think that's the best thing. We can provide them shelters if we can purchase more shelters and get them into locations. Homeless shelters do have space available right now that people can go into. The opening up of the bathrooms in Kanahā allows them to be able to utilize those during the day. The park is still locked at night and that is a function that is available throughout our community. The congregation of homeless at Kanahā is definitely an issue and we would try to make sure that they are being able to get serviced appropriately and not have to again live in their cars or in tents and provide them with a safe place to live.

COUNCILMEMBER SINENCI: Mahalo for that and we appreciate regular updates if possible. Thank you. And then under priority two under youth services for communication and equipment and we're just kind of looking ahead in the fall if we need to address schooling. Does that include like laptops so students can access curriculum via Wi-Fi?

MR. BAZ: What we've been focusing on is the telecommunication aspect of it, not necessarily providing laptops for kids. I think the DOE has that responsibility and has been providing. But the actual connections, especially your community is a challenge. So, we did actually send us out there yesterday with Wi-Fi capabilities into the community to try to test it and see how that would work. We would like to do that especially in the rural communities with low broadband access and we want to be able promote that...

COUNCILMEMBER SINENCI: Yes.

MR. BAZ: That's where that's going.

COUNCILMEMBER SINENCI: Yes. Thank you for that. They did come yesterday. And then under priority number four, economic diversity, new product development and small manufacturing, can some of these monies be applied to, you know,

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whether it be small commercial kitchens, you know, Chair Lee talked about . . .
(inaudible). . .

MR. BAZ: Yeah. So, basically, yeah, the economic recovery and resiliency would include food hubs, value added distribution capabilities, and the manufacturing we're trying . . .*(inaudible)*. . . there have been a couple of organizations that stepped up and provided ventilators and face masks and other type of health related manufacturing, and so, and they do more of that type of activity as well then that's a great thing to expand or diversify our economy.

COUNCILMEMBER SINENCI: Mahalo, Director. Mahalo, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, mahalo, Managing Director Baz, for your updates. Okay. So, you said that for the Emergency Fund, the leftover will go to the Chamber of Commerce, so the total expenditures was \$2,683,966 which would leave \$1,316,034. Is that how much is being given to the Chamber of Commerce?

MR. BAZ: Budget Director Yoshimura would have more exact information, but the, no that was the expenditures that we had allocated out as of May 31st and there had been other expenditures for emergency related activities as well, so not all of that is going to Chamber. I believe it's gonna be \$750,000 more and Budget Director can correct me if I'm wrong.

MS. YOSHIMURA: Chair, we are going through the process right now of amending the current grant application to include another 750,000.

CHAIR RAWLINS-FERNANDEZ: Mahalo. And that is for loans you said? The Chamber of Commerce they're doing loans?

MS. YOSHIMURA: Yes. They are doing loans.

CHAIR RAWLINS-FERNANDEZ: Okay. So it's small loans to businesses and when the businesses pay back the loans, who accounts for that funding and where does it go?

MS. YOSHIMURA: When they pay back their loans it will go back to the Chamber and the Chamber will then return it back to the County.

CHAIR RAWLINS-FERNANDEZ: Okay. Is there a timeframe on the paying back, is that like a five-year loan or do you have an idea?

MS. YOSHIMURA: I think it varied up to seven years.

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CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Okay. And then, Managing Director Baz, what is the process for receiving or applying for the CARES Act money. Is it funding that is applied for or...

MR. BAZ: Well, the Federal guidelines require that we follow procurement and we're not quite sure if the County's grant process matches what they do, because generally with the other Federal monies we receive, it has to be applied for or some public process for that. You know what we've provided for in the response back to the Governor, which was CC'd to the Chair and then provided to the Committee, it's a portion of that. There's also restrictions. I did e-mail the Committee just recently the total, it's called the ...*(inaudible)*... Fund Hawai'i State County Handbook that the Governor provided to us, 18, 19 pages of items in there, responsibilities, things like that. So, we're working on that and it will most likely be some type of public process and procurement. If we can do specific grants, then wonderful. Then we can...and if we don't have to do an RFP for them, then that would be great because then that would expedite the ability to go. But every grantee or contractor has to agree to following all of the Federal guidelines as well. So, we're responsible to making sure that they're working on that. So, one of the things that's happening right now is that our Corporation Counsel is reviewing this and developing a shell agreement that everybody would have to agree to for this money.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Managing Director Baz. Pro Temp Kama, you have additional questions?

COUNCILMEMBER KAMA: Thank you, Chair. Yes. I wanted to just follow up on a couple of things that you said. So, you know on your plan, and I was looking at...oh shoot, oh here, expenditures to facilitate compliance with public health related measures. So, you know my sense is that, you know when we talk about the homeless, we know that there is a target group of those with mental illness who actually really do need the services and the treatment that, and I believe that we've neglected them for so long and therefore we just haven't really been able to take care of that issue. So, in this proposal, how do you see impacting that particular or resolving that particular targeted groups' issues and how are we going to take care of them knowing that we can't force them into treatment but we still want to help them to be able to heal their minds?

MR. BAZ: Sure. Yeah, actually we've allocated that under priority area two, which is the expenses to address community needs and priorities in response to the impact and we have a mental health, domestic violence, substance abuse and other families, support grants. We're looking to allocating \$3 million to that. And, you know, Mental Health Kōkua has stepped up and is assisting us with, you know, the pallet homes and if there is mental health issues with other encampments in different areas with unsheltered people they have worked with us on those areas for mental health. They have housed...

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COUNCILMEMBER KAMA: Okay. Right. And then in your other one, the economic support for individuals, non-profits and over here the economic recovery resiliency topic, what is your, what do you folks see in terms of the agricultural and farm industry in terms of farm development programs?

MR. BAZ: Sure. So, we have supported the Maui Farm or Hawai'i Farmers Union United Maui Chapters with the food hubs and food security related activities. The farms we've been supporting buying produce and things through the Maui Farm Bureau activities, and we're looking at workforce development opportunities that we can provide for, you know, job training, and also, you know like the Farmers Union United has that mentoring program. If we could expand and get people more active in agriculture. What we're really trying to do is make it easier for them. And it's a comprehensive thing. That's why you see infrastructure support, you know, the ag park and other ag parks that can . . .*(inaudible)*. . . And then water source is incredibly important for agriculture. So, when we're looking at it it's more of a comprehensive approach.

COUNCILMEMBER KAMA: I see my time is up. Thank you, Chair. Thank you, Mr. Baz.

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

COUNCILMEMBER SUGIMURA: Thank you. And, Mr. Baz, so your item, I don't know where it would fall, but I have a concern about helping the hospital, because during this time from what I've read, that they had to alleviate because of COVID-19 that there's direct impacts providing services to the general public. They didn't take, I don't know what you call, not emergency kinds of services. And that was their moneymaker. And so now they're short of funding and I know hospitals are not under our direct kuleana, but it definitely is an impact from COVID-19 and it affects all of us. I was just wondering if the Administration has a thought on that.

MR. BAZ: Yeah. There is a specific prohibition to offsetting lost income. So, like our Water Department, Sewer Department, we have lost income in our, or even in our own County. So, that is a specific restriction. We cannot offset lost income. And yeah they didn't have as much income because they didn't have as much non-essential surgeries. But in that light though, the hospital, Maui Memorial Medical Center specifically is the main hospital for a majority of the population of Maui and that is a big concern that they have the capacity that is needed to respond to the COVID . . .*(inaudible)*. . . So, we're really looking that they have approached us. Legislature has approached us in seeing what we can do to assist them. We have provided them with PPE and some...worked with them on testing and things like that. And so what we can do to make sure that we have a hospital that is capable of responding, we'll try to do.

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COUNCILMEMBER SUGIMURA: That's good. Yeah. That's kind of a big concern that will affect all of us. I want to commend Kula Hospital which is in my neighborhood and they have done a great job of keeping them COVID free and yeah, they've done a super, super cautious job for our community. Thank you. Thank you very much.

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

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Baz. I was wondering if you could take a little deeper dive into the DV section, like, what additional things can, like what kind of services are you expecting to provide, because you know, people are confined to this space and maybe, you know like first time or this never usually happens, like what can people do, where can they go, what kind of services are offered?

MR. BAZ: So, we do have existing domestic violence related services in our community and we've been working with them to provide, see if we can provide them with additional resources, funding mostly so that they can do more outreach and deal with the stress in our community that way as well and any challenges. We did have an actual downturn in the domestic violence related calls and actually that's a little concerning to a certain extent. And so, we want to make sure those that need the services are being outreached to and that it's available for them. The existing providers.

COUNCILMEMBER PALTIN: I mean like if it's going on now in this pandemic backdrop, are there places for people to go, like, even if they're not in immediate danger, if in immediate danger call 911, but if you're living in that situation and people feel they don't have options, are they gonna call or is there options available?

MR. BAZ: Yes. There are options available. There is bed space and we've been contemplating providing maybe some of the, if there's a need and additional bed space needed, some of maybe like a pallet home type, specifically for that population so that they have a secure undisclosed location to be able to live in safety a little bit better than their current situation. But it's really utilizing the existing network that's there. We do have a good network of social service providers in our community and we don't want to necessarily duplicate services. If we can just enhance their services by providing additional money or additional bed space, those kind of things.

COUNCILMEMBER PALTIN: Okay. Thank you.

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

COUNCILMEMBER HOKAMA: Thank you very much, Chair. Mr. Baz, yeah, I appreciate your responses to my colleagues' concerns regarding the services and the

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County's efforts. I need to ask you, I'm more concerned now because of the communications coming to me from private sector and the businesses about what is the County going to do, or what efforts is the County doing to help bring back businesses appropriately, but for them to be able to also plan and ramp up too. You know guys had earlier dates of reopening, then things got pushed back. Governor may change of mind, another month. Businesses have a hard time operating on changing deadlines because of cash projections and other things that we are all aware of. So, what is the County doing if you can share with us? How are we supporting the private sector at this point in time please?

MR. BAZ: Yeah. So, one of the biggest things was doing what we could to put in measures to make it safe for them to open and then allowing them to reopen. Some have reopened and some have chosen not to. You know, I fear anecdotally that some aren't able to make it financially until tourism industry ramps back up, until the transpacific flights are restored for non-quarantine, right, if the quarantine is lifted on those travelers. So, you know, there's that aspect of it. So we're working with them policy-wise, working with them. If they had to make modifications to their business, we're hoping to have some funds available to provide reimbursement for those costs or they need specifically funding for it to provide them funding for, you know, dealing with the actual COVID-19 issues. There isn't a whole lot of money available and if you watch the PPP program at the Feds level, yeah, it just disappeared. Billions and trillions of dollars just really quickly because just to support businesses, yeah.

COUNCILMEMBER HOKAMA: Yeah. So the key one, yeah, that we all would like to comment on real quickly, Mr. Baz, is with the visitors returning, which we are, you know, one for various reasons of revenue and other things, whose responsibility should we be looking at for, because it needs to be answered so we have a definitive approach on the follow up of the visitor after arrival. Is it going to be our job as government, or police, or Health Department to track the visitor, or is it going to be the property owner, or host of the visitor that's going to be responsible to ensure that we don't get an outbreak?

MR. BAZ: Sure. So, that's actually a big discussion that's going on right now. It will be the government's responsibility. The quarantine requirements have been, the Governor has put on responsibility to the hotels and motels that are housing them, so that they're not off scot-free and just can allow the visitors. There's also responsibilities to ride sharing taxis and Ubers and Lyfts and things like that, that take people around. He definitely wanted to spread out the liability so it wasn't just the government and police trying to go and track everybody down. It would be impossible, especially as the tourism increases, so. But with the lifting of the quarantine, there's no...then that tracking doesn't necessarily going to be in place. So, what we're trying to work with is the requirement of testing ahead of time. So they have to prove that they've been tested within the last three days and that they were negative, and then they can get on a plane. And there's been

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also some discussion of sandwiching that with a test if it's possible, a quick test when they arrive and then another test maybe three days after they've arrived. And really if we're going to keep COVID free, that's gonna be one of the big factors. The Department of Health has been pushing on that sandwich testing, at least the Maui District Health Office has. Mayor has been really pushing on making sure that they're tested prior to even getting on a plane because if we test them when they arrive and they're sick, then they've infected the last four-and-a-half hours of 200 people on a plane, right? So, we want to make sure to try to prevent that as well.

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

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

COUNCILMEMBER LEE: Thank you. Mr. Baz, okay, I noticed first of all, I think you and the Administration did a great job in allocating funds in high priority areas. I know it must have been a little difficult trying to figure out where to spend the \$67 million, but there is one expense that I was a little concerned about and that is under hospitality industry. Now you have \$5 million over there and yet for economic diversity you have \$2 million. I mean, none of us, I really anxious to get back to bolstering up the hospitality industry. Yes, we'd like to see it recovered, but to a certain degree. What we really want to see is economic diversity. So, you know, the numbers I think may need to be changed. Hospitality industry \$2 million or less and then economic diversity from \$2 million to \$5 million. I mean, you may want to think about that.

MR. BAZ: Okay.

COUNCILMEMBER LEE: And also the pallet units, we understand that a lot of them are still empty. Is there any particular reason for that?

MR. BAZ: I am not sure how many are actually occupied at this moment. We do have outreach going on and intake on a regular basis in applying and getting people in there. One of the big challenges is we put on an RFP for an organization to manage the site and we did not get a valid response. So, none of the organizations stepped up to do that. So, Josiah and Lori are still, Josiah's down there making sure it's operating on a daily basis. In fact, he was fixing the water heater the other day and then Lori is working and her team are doing the intakes. They do the outreach with different encampments and you know, especially with Kanahā to get people there. So there's, the process is going on, but if we could, if again, you know, one of the, especially one of the homeless providers might have been great to be able to manage this for us, but they have not agreed to do that at this point.

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COUNCILMEMBER LEE: You know, I think another phone call to them, you'd get more positive results. The think the group now has a better idea of where the County is going. I think that was the problem before, you know, that the plan really wasn't definitive. So, I think maybe you can try the homeless non-profits again. Also, because they have wraparound services there, plus food, there's meals, et cetera, so it's a real plus to work with them. And, finally, when do you think the Governor is going to sign this and release the money?

MR. BAZ: So, well real quick, going back to your economic diversity, you know, we do have agricultural is our main push for economic diversity that's why we have \$5½ million in there and 2 million is additional to that in other smaller areas. The hospitality industry includes support. We wanted to help support their employees as well in the hospitality industry. We heard requests on issues with things like healthcare and other related items. So, there is some funding and definitely we can take a look at what the actual needs are when we start to distribute it and we understand, you know, the Council, the Mayor, the community do understand, we need to diversify and can't depend on tourism as much as we have in the past, but and it's still an important part of our economic engine. Okay. Related to the Waiale Park, we actually do work with Ka Hale A Ke Ola on providing meals for those individuals. We do some of the meals contracted out and then they provide, I forget exactly how many days it is, meals related to that specific facility, and we are in communication with them almost daily and nobody still really has stepped up to the plate, but we'll continue that. You know, and we have been talking to the two larger organizations, but that's kind of where we're at right now with that idea.

COUNCILMEMBER LEE: Okay. And the Governor?

MR. BAZ: That's really important. Okay. Thank you. Sorry.

COUNCILMEMBER LEE: The Governor gonna release the money?

MR. BAZ: Oh, I'm sorry. I forgot, thank you, I forgot the last one. We've heard by tomorrow, but we're not sure. Again, you know, he's commented that SB75 is unconstitutional, so that may not be the vehicle for distribution of the funds. He may distribute it to us just directly. Hopefully what we're looking forward to and if we can get it. We heard a rumor that it might be tomorrow, but until the money's in the bank, we don't know.

COUNCILMEMBER LEE: Well, didn't O`ahu get their funds?

MR. BAZ: Yeah. O`ahu got their funds directly from the Federal government. So, cities and counties that had a population over 500,000 were directly allocated funding from the CARES Act, and if a community had under 500,000 population, the

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funding was allocated through the State. So the State manages the funds to the counties that are under 500,000.

COUNCILMEMBER LEE: Politics. Okay. Thank you.

MR. BAZ: Thank you.

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

COUNCILMEMBER MOLINA: Thank you, Madam, Chair, and I certainly echo, Chairman Lee's sentiments about, you know, these releasing of the Federal funds is turning into a political football. Unfortunate. But, anyway, I wanted to ask you, Mr. Baz, the transient vacation rentals are now allowed to operate; however, they can only accommodate a person not subject to the 14-day quarantine. So, does that mean, only local residents from neighbor islands can use transient vacation rentals and if this is the case for TVR's, why couldn't hotels have that same ability to open up to accommodate persons not subject to the 14-day quarantine? I guess this was . . . *(inaudible)*. . . from the Governor, I presume.

MR. BAZ: Yeah. I'll try to briefly. So the Governor has restricted anybody that requires quarantine to be to a hotel or motel, I mean that's by the Governor's proclamation. So, what the last proclamation did was that to allow for those that aren't quarantined and you're right it could include interisland residents from other islands of our, counties of our community, on-island residents, as well as people who may have quarantined here in a hotel for 14 days and want to then move to a TVR, that's a possibility as well. So they could be visitors that have already quarantined and that is a State restriction.

COUNCILMEMBER MOLINA: Okay. Yeah. Because, you know, every day I kept getting asked by people who are working in the visitor industry about the hotels and --

MR. BAZ: So...

COUNCILMEMBER MOLINA: --. . . *(inaudible)*. . . dire consequences for a lot of people waiting to get back to work.

MR. BAZ: We have never and the State has never closed hotels. We have never said that they cannot operate. They have chosen to not operate.

COUNCILMEMBER MOLINA: Okay. Thank you for that. Thank you, Madam Chair.

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

COUNCILMEMBER SINENCI: Thank you, Chair. Mr. Baz, so I'm in receipt of the June 15 correspondence which has all the itemized of all the different costs In it there's

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a couple for Expedition's ferry service to Lānaʻi on March 31st, April 29th, April 30th, March, and it looks like it's a ferry service to and from Lahaina for 15 weeks, serviced twice a day. Was that for COVID emergencies? I know this is from Budget Director, but I wonder if you were aware of any of these costs?

MR. BAZ: I'm a little aware of it, I didn't do the direct allocation for that, but we have a need to transport emergency workers between Maui and Lānaʻi and that is the most prudent way to do that. So, we did not also want...and then also we needed, if we had to provide transportation to people back and forth, we didn't want Expeditions to shut down and so we did support that with some allocation and it was related to COVID, yes.

COUNCILMEMBER SINENCI: Okay. Thank you for that. And then do you think that the Council will receive something like this, the itemized for each of the Mayor's priorities that we just received?

MR. BAZ: Oh, for the Coronavirus Relief Fund? Yeah, the CARES Act money. Yes. We will definitely provide reports to Council as well. We have to provide a report to the State on a monthly basis so and we'll definitely share that with the County with the Councilmembers.

COUNCILMEMBER SINENCI: Okay. Thank you. And then of course the Administration will go through, you know the procurement, the RFP, the multiple quotes, those types of things?

MR. BAZ: Yeah. There is a restriction in the CARES Act that requires us to follow all Federal and State procurement requirements.

COUNCILMEMBER SINENCI: Okay. Great. Thank you, Director. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Really quickly I forgot to ask. For the Chamber of Commerce funding, the business loans, are they interest free or what is the interest amount?

MR. BAZ: Director Yoshimura, can you answer that, I'm not aware. Sorry.

MS. YOSHIMURA: Yes. I believe they are interest free.

CHAIR RAWLINS-FERNANDEZ: Oh great. Okay. Mahalo. Okay. And since the Governor has still not signed and we're getting close to the end of June, I guess we'll keep our fingers crossed for the funding to arrive tomorrow, but if it doesn't and it doesn't arrive before July 1st is there a problem as far as like would we need to do another budget amendment or FY '21?

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MR. BAZ: Michele can chime in, but I don't believe so. You already have allocated it in FY '20 and you did receive the notification of award. Even though we didn't receive the cash yet --

CHAIR RAWLINS-FERNANDEZ: Okay.

MR. BAZ: --in the provisions it allows for notification of the award to be sufficient.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. And then for the H.E.L.P. program under priority four, I see there's \$6 million more for the H.E.L.P. program. Mahalo. So for that, is it going to have the same guidelines as it's had since we started in a couple months ago, or will there be different guidelines?

MR. BAZ: We are in discussion with MEO on different guidelines. They have proposed to us some minor changes here and there, you know, the allocations and priorities and documentation requirements, things like that, we may . . . *(inaudible)* . . . adjusting. And, I mean, not all of that \$6 million may go to the H.E.L.P. program . . . *(inaudible)* . . . is to help individuals, you know, financially in a different program as well.

CHAIR RAWLINS-FERNANDEZ: Okay. So, in response to Chair Lee's question about the \$5 million to the hospitality industry, you mentioned helping the hospitality industry employees. Would they not qualify for assistance under the H.E.L.P. program? Is that the assumption?

MR. BAZ: If they are unemployed or underemployed, then yes, they should be qualifying for the H.E.L.P. program. There is a limited amount of money available to households that apply. So, if we needed to provide extra, you know, I mean just the COBRA payment for healthcare for a family is almost \$1,000. So, that would be more than the allocation available in the H.E.L.P. program. It's additional support we're looking at.

CHAIR RAWLINS-FERNANDEZ: Additional support that would be exclusive to employees of the tourism industry? And then, I guess I'll request maybe additional information on...

MR. BAZ: Yeah, we haven't developed the program yet, so.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. And then my last question is regarding the Made in Maui item under the economic diversity. Is that like the Made in Maui Festival or do you have an idea of what that is?

MR. BAZ: Well, the specific Made in Maui Festival as I believe the funding is still in there, unless . . . *(inaudible)* . . . budget, but the festival itself is funded, but the idea of promoting products and services and businesses that are on Maui that

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are, you know, making, developing things, we wanted to make sure that's supported. So, it's more of the concept of Made in Maui County versus the actual festival itself.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that explanation. Okay, Members, okay, it looks like Pro Temp Kama has a burning question. Pro Temp Kama?

COUNCILMEMBER KAMA: It's not really a burning question, I just didn't get my second round and I kind of like wanted to get in there. So, real quick, real fast. Regarding the members at Kanahā, my sense that when I went there in March was that it was urgent for me to get them moved out of there because of the impending hurricane season that was upon us. And that when we got them and if we were able to get them all moved out to some place safer which is what Waiale is right now, then we would be able to get those wraparound services for them. But hearing that the RFP that went out didn't get as many nibbles as we thought, you know, we have Ka Hale A Ke Ola. We have Family Life Center. We have Mental Health Kōkua with Greg Payton. We have Aloha House with Judd Cunningham. Could not those four people come together and put all of their services together and put themselves and apply as one entity or four, however it works so that they can all provide what's needed? Because it seems like not one of them can provide everything that you're asking, but collectively they can probably do that. Is that possible to do?

MR. BAZ: Yeah. And I probably should have been more clear before. What we couldn't find was a single manager organization. Each one of those organizations you mentioned and others are helping and they are providing wraparound services to the clients that are at Waiale, as well as other encampments. And yeah, so, they are doing a good job helping us individually with their expertise and they are providing opportunities for our people that are there. But nobody wanted to actually manage the facility. So, we're working on that and we may be able to, again and I think, Chair, you mentioned, or no, it was Chair Lee that maybe now that we are little more settled, they understand a little bit more what we're doing there that it may be easier for them to grasp what managing that site would be and the partnerships...

COUNCILMEMBER KAMA: And is the reason why people are not moving into Waiale is because they don't meet the criteria? So, what is the criteria for people to move in? I means it seems like everybody should meet it, whatever that might be. But if there is a criteria that says they can't, we should look at that.

MR. BAZ: No, I haven't heard...yeah, I haven't heard of anyone not moving in because they didn't meet criteria. We have, the Department of Human Concerns has a like scoring process based on people's needs and, you know, if you're disabled, if you have, you know, this...so it's basically, you know so we can hit the highest

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priority people first and so we've been doing that, and then . . .*(inaudible)*. . . so no matter, you know, if we, even if we offer it to them, some chose not to right.

COUNCILMEMBER KAMA: I'm beginning to not like that sound. Even if it does bring back old memories. Thank you, Chair. Thank you, Mr. Baz.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Pro Temp Kama. And everyone did get a second round. In your second round, you asked about mental health. I see Committee Vice-Chair...

UNIDENTIFIED SPEAKER: Thank you.

CHAIR RAWLINS-FERNANDEZ: I see Committee Vice-Chair King has rejoined us. Would you like to ask a round of questions?

VICE-CHAIR KING: Yes. I will and go ahead and feel free to stop me if it's already been asked. I'm not a big fan of people asking questions that already have been asked. So, I'm happy to go back to notes. But just on the previous report, Mr. Baz, that you provided, those list of vendors in there, how many of those, did they all have to fill out grant applications?

MR. BAZ: You're talking about the Emergency Fund?

VICE-CHAIR KING: Right. The Emergency Fund report that we got.

MR. BAZ: Yeah. They all had to provide the requirements under . . .*(inaudible)*. . . So, the grant agreement contract, the scope of work, all of that was, you know, budget, all that was needed to be provided.

VICE-CHAIR KING: All the entities that were listed on there had to fill out a grant application?

MR. BAZ: Yes.

VICE-CHAIR KING: Okay. Because, you know, what we're trying to do is get money out fast so that was one of the holdups I think for some of the smaller organizations. And then, I did want to add my support for the idea of flipping the money for economic diversity and the tourism industry, you know, the 5 and 2 million. Because I think what we really...we need to strengthen things like the healthcare industry, technology, renewable energy. We have the film industry. We have a lot of other industries and, you know, I had some concerns about the Made in Maui as well, because I know that festival is already funded within our budget. But I also wanted to mention that the meeting I just came from NACo's advocacy for the counties and I wanted you to be aware of this, Mr. Baz, is to try to get more diversity as far as how we can spend that money and to actually be able to

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apply it to lost revenue. And so we should be tracking and supporting at a national level that and also to try to get it to come directly to counties that have under 500,000 population. But one of the things I think we need to be aware of is that population and also they mention number of cases and so my comment was, the number of cases shouldn't be an indicator of how much money you get because some of the counties have acted quickly and more responsibly than others and I think that we have. And so, I appreciate the Administration in the rapid response in shutting down and going to social distancing early to keep our numbers low and that we shouldn't be dinged by that. So, I just wanted to make sure in light of that that everything that you got funded here, including the economic diversity, is allowable under the current CARES Act, you know, prescriptions because some of the proposals to go to the Senate have been dead on arrival due to Mitch McConnell not supporting them. But I'm just a little worried, I don't want us to get into a situation because they were cautioning us about making sure that we don't spend outside of the parameters of what we're supposed to spend on. So, this is a big issue for me economic diversity. I just want to make sure that we're well within the parameters of the CARES Act by putting this money into this.

MR. BAZ: Yeah. Thank you for the update, Councilmember King. So, yeah, if NACo can help to relieve that, we've heard rumors of the same thing. So, that's definitely, you know, an issue. I think the League of Cities was stronger in their lobby and so that's why they got the \$500,000...500,000 population and higher limit. I do definitely appreciate you helping them to understand that we did a lot of efforts to reduce the number of positive cases and so using that as a criteria is not a good thing. And then, yeah, the economic diversity aspect of it and the hospitality industry, I understand your comments and we definitely want to do that. One of the things that Mayor put in here for the hospitality industry was a transformation, right. So, understanding that it may not be that we provide the same type of hospitality industry we did six months ago, in, you know, in the future and having that transformation as well. You know . . .(inaudible). . . types of agricultural tourism, and medical tourism and, you know, some other activities as well. So that's kind of a transformation of the industry. But thank you very much for your comments.

VICE-CHAIR KING: Okay. And then, you know, on that transformation issue, I kind of see that more as convening like a taskforce of people who can come together and guide that transformation. Not something that is gonna cost millions of dollars, you know. That's more, that's kind of an effort that needs to include stakeholders, a broad list of stakeholders, professionals, people who understand, you know, economics and where we're going, where we've been and all that. So, we're still kind of hoping I think as a Council for you guys to put that task force together and possibly include some, you know, one or two Councilmembers in that effort so that we can help understand what efforts are going forward as far as our economic diversity, but also our transformation of our tourism industry.

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To me, that should be already underway because we know what's coming now. But I do want to acknowledge that we've done an exceptional job and we still have some of the greatest losses because we were so reliant on tourism and our, you know, our unemployed numbers show that. Thank you.

MR. BAZ: We do have...yeah, thank you. Just we do have an economic recovery team that is, that has met and is meeting on a regular basis and, you know, they're working on those type of activities as well and they've provided recommendations to us. Some of the changes in the rules and things like that come from that committee. So, they are active.

VICE-CHAIR KING: Can we get a list of who is on that committee?

MR. BAZ: I don't think yeah, no I don't think the Mayor is going to disclose that because the people who are sitting on there as volunteers, and you know, as basically, you know, they want to participate, but they don't want to be, you know, publicly noticed or challenged for their participation. If they did, then they may not participate. So, I don't think...I'll ask him.

VICE-CHAIR KING: All of our boards and commissions are volunteers, Mr. Baz. So, it's a little disturbing that are guiding our economic future don't want to reveal themselves, you know.

MR. BAZ: I'll talk to the Mayor about it and see if, you know...

VICE-CHAIR KING: We should all know who's part of that conversation . . .*(inaudible)*. . .
--

MR. BAZ: Yeah.

VICE-CHAIR KING: --. . .*(inaudible)*. . . important decisions.

MR. BAZ: Yeah. I mean yeah, I'll save my comments about the boards and commissions. But thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. And I gave you five minutes so that everyone had two times, two turns.

VICE-CHAIR KING: Thank you. I appreciate that.

CHAIR RAWLINS-FERNANDEZ: You're welcome. Okay, Members, we'll thank Managing Director Baz and Budget Director Yoshimura for joining us this morning and fielding our questions. And then if there are no objections, I will defer this item.

COUNCILMEMBERS VOICED NO OBJECTIONS.

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ACTION: **DEFER** pending further discussion.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Members. And then we can take a quick five-minute break which will likely turn into ten minutes anyway. And then we will complete our last agenda item. It's 11:08. Okay. So, and then we'll just return at 11:15. Any objections?

COUNCILMEMBERS VOICED NO OBJECTIONS.

CHAIR RAWLINS-FERNANDEZ: Okay, Members...

MR. BAZ: Thank you everybody.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Managing Director Baz. Mahalo, Budget Director Yoshimura.

COUNCILMEMBER LEE: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. It's 11:08 and we will return at 11:15. The Economic Development and Budget Committee is now in recess. . . .*(gavel)*. . .

RECESS: 11:08 a.m.
RECONVENE: 11:20 a.m.

CHAIR RAWLINS-FERNANDEZ: . . .*(gavel)*. . . Will the Economic Development and Budget Committee please return to order. It is 11:20 on June 18. Mahalo for that break, Members.

ITEM 81: CIRCUIT BREAKER TAX CREDIT (CC 20-261)

CHAIR RAWLINS-FERNANDEZ: Okay. We have one item left on our agenda, EDB-81, Circuit Break Tax Credit. And we have with us Finance Director Scott Teruya and Deputy Director May Anne Alibin. As you may recall, Members, we began our discussion on the Circuit Breaker Tax Credit during the Fiscal Year 2021 Budget, but determined that it was not time sensitive to make a decision on that matter prior to finalizing the budget and we would like to take a little bit more time. Members had questions that we wanted to get answered before passing it. So, we referred this item to EDB and the Director of Finance has joined us as well as the Deputy Director to answer questions. I know that on the questions that Member Paltin had was regarding using gross income instead of adjusted gross income. And I think that was really the only sticking point that we had. But I'm open to other Member's questions. So, would Members like to hear any opening

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comments from Director before I open it up for questions? Okay. All right. Director Teruya, would you please provide us opening comments and then I'll ask the Members for questions.

MR. TERUYA: Okay. Thank you, and is it still good morning? Good morning, everybody.

CHAIR RAWLINS-FERNANDEZ: Good morning.

MR. TERUYA: EDB-81 basically goes over the amendments that was proposed to the Circuit Breaker Tax Credit in relation to the last time it was updated in 2013 or '14 I believe. And we felt that, you know, times have changed since then. You know it's been six years since it's been last updated and therefore we had made some changes to reflect the changes that have gone on in the economy and people's salaries, et cetera, et cetera, the credit. And I think the analysis was over the six years there was about a 30 percent change; therefore, increasing the household income from 100 to 130, the credit from 5,000 to 6,500 I believe and the home value schedule was updated as well, to be more inclusive of people receiving the credit. Over the years, I think in 2013 before it was updated we were receiving approximately 1,000 applicants and about credit, about \$1.2 million. Since we made these changes to minimize abuse of the program by including some caps, the numbers went down in about half or a little bit more than half. And I think over the last six years these were some of the comments over the period that we've heard that building values are increasing, therefore we're making our amendment. So, Chair, before you, and the items up for discussion are really to make the pool larger and to give more people an opportunity to receive the credit and therefore these were the proposals before you for your consideration. So, thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director Teruya. Okay. I will now open it up for questions. Member Paltin?

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you, Mr. Teruya. Do you see a problem first of all with making the delinquency not more than one year?

MR. TERUYA: Chair, I know there's other parts of the Code, I know we can make that amendment. Members, if that's what you guys choose to do, that's, we can make those changes. I just want to be mindful that just because you make that change, there's other parts of the Code that may need to be amended because I believe in order...I believe the home exemption code mentions that if you're delinquent, you're not able to get the homeowner exemption. So you would not be classified as homeowner. So, just making the change here in the code of the circuit breaker, we need to be mindful that there's other portions that may be affected. And I think it's 3.48.450(G) or something around there that it says that if you are delinquent that you no longer receive the home exemption. So, if that's what it

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is, I'm not sure if you would make a similar change to allow for a one-year delinquency to still be allowed to get the home exemption. So, if that's what you want to do, I think we should be mindful and making that change in the home exemption part of the Code as well. And I can defer to Corporation Counsel if they have any comment on that.

COUNCILMEMBER PALTIN: Thank you. I thought it would have been a simpler fix, but thank you for the thoroughness of your answer and yeah, I might want to pursue that method as well. And as to Mr. Croly's comments, if we make it a gross income versus adjusted gross income, could you give any examples of the type of people that would get the circuit breaker relief and those who would get denied?

MR. TERUYA: Chair, obviously I'm not a CPA so I couldn't tell you the full ramifications, but right now the Code reads that the household income and it talks about income in relating to the adjusted gross income. So for us right now, when we receive the application, all we're looking at is a specific box. When you say gross income, I'm hopeful that on your return it says exactly what gross income is. We would probably need to do some definitions. Corporation Counsel would probably have to incorporate definition. So, if you're just going to change it to gross income, I'm hoping it's as easy as it is right now. The Treasury program does not have accountants to review this. The City and County of Honolulu have accountants who do the circuit breaker program. So it's not a simple answer in my opinion right now. But if you were to change it, I know that would be very different because I'm sure that there is people who receive Social Security that may have to add that back in, that would be added. So, you know, there might be seniors who might be falling out of this program. So, if you are, then I'm pretty sure that number would probably have to be a little larger. So, I may have to defer to maybe somebody else who can maybe speak more astutely to that question as to what's in it for gross income. Sorry about that, Chair.

COUNCILMEMBER PALTIN: Thank you, Mr. Teruya and Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. I saw Chair Lee, Committee Vice-Chair King, and Member Hokama, and then Member Molina. Oh, okay looks like everyone has questions. So, I'll just go. Okay. Go ahead. Chair Lee.

COUNCILMEMBER LEE: All right. Thank you. Mr. Teruya, what's the difference in dollar amount that we would be giving up?

MR. TERUYA: I really don't know. It all depends on who applies. So, how much more people, I don't know. But I wouldn't think the numbers would go any higher than what we have given in the past. I'm not sure if any of you have the handout that I gave at certification. There is things in here when we had no limits and the

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applicants were twice as high and the subsidy was twice as high. Right now, our subsidy...

COUNCILMEMBER LEE: Okay, Mr. Teruya, Mr. Teruya, you know, I'm sure you know the history behind this circuit breaker and many years ago, we were trying to help people who were old-timers who had land, you know, in areas that became very valuable all of a sudden because big homes started to pop up around them. So, we were trying to give relief to our kama`aina families. One was Bill Tavares and George Kahanu. They were in Pā`ia. And that's how this pretty much evolved. So, the same thing today, we still have families like in Makena and other places that we're trying to help. But, if their properties are over \$800,000, we're not gonna be able to help them right?

MR. TERUYA: Chair, the bill reads building value of \$800,000. It's not total price of the value of the property. It's the building value. That's the cap.

COUNCILMEMBER LEE: Okay. Thank you. Hopefully our families are below that cap. Yeah. Thank you.

MR. TERUYA: Yeah. And that's the reason why we increased it. Right now it's only up to 550,000 and that was the comments that were coming is that their homes were on that brink, therefore us increasing it to that level it is. And if the Council doesn't feel that this is high enough, you guys have every authority to make those recommendations. So this was just our proposal as to what we were seeing and we felt like over the time, values went up "x" percent and therefore we increased it "x" percent. That's all our recommendations were. Thank you, Chair.

COUNCILMEMBER LEE: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Committee Vice-Chair King, followed by Member Hokama.

VICE-CHAIR KING: Thank you, Chair. Thank you for being here, Mr. Teruya, and for the proposal. I like the proposal and I like the fact that you guys put the thought into the increase in values over the years of the building assessed values. But my only, my biggest concern is the difference between gross income and adjusted gross income and the comment that was made by Mr. Croly about, you know, and if you've been, you know, if you've been in accounting you understand that adjusted gross income could be, you could do a lot with that to lower it. So, what's your opinion as far as what would be more valuable and easier to use. I mean are we setting ourselves up for maybe more abuse if we say adjusted gross income because of the ability to adjust with so many different things that maybe even since you don't have an accountant maybe you don't even understand in your office?

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MR. TERUYA: Correct. The only reason why I prefer to use adjusted gross income is that's what we're using now and it's very simple and everybody understands it. If we go to gross knowing that, I'm hoping it's just a simple box that the staff is gonna have to look at to identify what that is. That's my only concern. If you want to go to gross that's totally fine. It's just you need to know that I don't know how the community will know of this change and what's it gonna include. Like I said, the initial comments were a lot of seniors are going to start possibly not being allowed to use this because of the Social Security income that's coming in. So, what threshold will we need to go to I'm not, I don't have that answer for you.

VICE-CHAIR KING: Okay. So, it sounds like it will be a difficult thing for you to switch over and go to gross income versus adjusted.

MR. TERUYA: Well, I don't think it'll be very difficult, it's just I'm hoping it's as simple as we're saying a simple box that we're looking at because in Honolulu, like I mentioned, they have accountants. We don't have accountants to go over the review of the circuit breaker application process. So, I don't know the ramifications of going to gross. Honolulu, I believe it's, I think the gross income requirement was, the last I saw was \$50,000. So if you over \$50,000 in gross, you don't even qualify for the program. So I'm sure that number, if you created gross and a certain number, I'm pretty sure more people will fall out of this program than fall in.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Committee Vice-Chair King. Member Hokama, followed by Member Molina, then Member Sinenci.

COUNCILMEMBER HOKAMA: Thank you, Chair. Yeah. I'm like Ms. Lee, you know, we go back, I think she remembers max tax with Dennis Nakamura and others during that tenure. So, my thing, yeah, Mr. Teruya, as Ms. Lee, my concern is are we really, you know, is the circuit breaker really addressing what we had always hoped to address, because if it's not, then we need to know right now and make the appropriate adjustments. And again, yeah, you gotta think when max tax was proposed and at that generation of property owners are dead and gone. Okay. So, is the situation still the same and do we need to approve it so that the families can retain a generational property. Yeah. So, if you can answer that please, Mr. Teruya, if you have a comment.

MR. TERUYA: I don't have a guaranteed answer that it will satisfy everybody. I still think that the program works. I don't, I have not heard any comment as to how bad it is. I do know that when we get into gross income, whether you have a rental cottage behind you, that added income will be going in there too, so that may take you out as well because it's only allowed for the homeowners. So, if you have a cottage, your rental income is going to be calculated to that as well.

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So, there's a lot of people who get it now that may not get it if you have rental income as well. So, those things need to be considered.

COUNCILMEMBER HOKAMA: No, I understand the adjusted gross, you know, I understand the discussion between just gross and adjusted gross. But yet even I guess, was it Marilyn Niwao I think in the past, you got a good CPA, you can make magic with a pencil and eraser, okay to come under and make sure you qualify for certain things and you have the ability to write off others. Okay. Those we were trained to address wasn't in that capacity to have that type of services or ability to adjust their taxes to fit the need. And so, that's one of my concerns, yeah, Mister...but more concerning is if my projection go south and sour on this real property thing, is there anything that will adjust the circuit breaker downwards also because the value and everything else went down? You know it's good when everything stays flat or goes up right, but if the market and I've gone through, Ms. Lee's gone through cycles, where we have big downward movement on value and real property with the Japan bubble burst, shouldn't then we adjust those benefits downwards also to be more reflective of the actual than not?

MR. TERUYA: Interesting question, Mr. Hokama. When the home values go down, I'm pretty sure it's still, the tax rates may go up as well. So, it's really what is your taxes due and owing in comparison to your ability to pay and that's why we've always, you know it used to be 3 percent of AGI and then it went down to 2 percent of AGI.

COUNCILMEMBER HOKAMA: Right.

MR. TERUYA: So, just because values go down, that doesn't say that your tax bill goes down, because your rates are the other component to what you're going to have to pay. So, I think the program works well. If you guys want to go to gross income, that is totally your guys' prerogative to do. I don't know what that number would be at this time.

COUNCILMEMBER HOKAMA: Okay. Thank you, Director. I appreciate your response. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Hokama. Member Molina, followed by Member Sinenci, and then Pro Temp Kama.

COUNCILMEMBER MOLINA: Thank you, Madam, Chair. Mr. Teruya, I just wanted to put this situation out to you. If a family has an income of 120,000 and 2 percent of that household is 2,400, if the real property tax exceeds that \$2,400, would the taxpayer receive a refund in any amount over that 2,400 under this revision?

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MR. TERUYA: Chair, nothing changes. That amount the difference is the credit to the following tax bill. None of that will change. But I do know, Chair, that currently we work with the State or the IRS to talk about this. We asked for a transcript. The transcript that comes back only gives us the adjusted gross income. It doesn't give us the gross income. So, need to be mindful that if we change that, we need to find out what kind of amendments we're gonna have to do to require to find out what is that gross income from the taxpayer.

COUNCILMEMBER MOLINA: Okay. Thank you. And then under this proposal, how many, you mentioned I guess in your opening comments about the amount of people that would qualify for these exemptions, any rough estimate now?

MR. TERUYA: Right now, we're at about 500 applicants or people who are receiving the credit. And our subsidy is about half a million dollars. Over the past, prior to this amendment in 2013, it was at about little over 1,000 applicants or recipients and the credit was about \$1.2 million per year. So, I would say that would be the high side. I don't think we would get up there, but I think more people would qualify and the circuit breaker adjustments would be a little bit larger, but not alarmingly larger.

COUNCILMEMBER MOLINA: Okay. Thank you. And lastly, if I was fortunate to inherit a house with a value over \$800,000, but yet my family income was \$120,000, would I receive an exemption?

MR. TERUYA: Well, you receive the exemption, whether or not you'll receive the credit, if you don't make the amendment, 120,000, you won't qualify for the program. So, that's what the amendment is and you guys can take that number to whatever you guys want. All we did was we tried to forecast the difference between 2013 and now and we tried to make appropriate adjustments based on what the differences were over this period so that was our recommendation.

COUNCILMEMBER MOLINA: Okay. All right. Thank you for your response, Mr. Teruya. Thank you, Madam, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Molina. Member Sinenci, followed by Prop Tem Kama, and then Member Sugimura.

COUNCILMEMBER SINENCI: Mahalo, Chair. Mahalo, Mr. Teruya. So, I just had a question, you know, we have a lot of multigenerational households here in East Maui, and so, many of the families have inherited from their parents after they've passed and their parents had the circuit breaker. So, my question is if there is a deed change, does that initiate a reappraisal of the property? Whenever there's a deed change.

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MR. TERUYA: The deed change doesn't trigger a reappraisal. Every property gets annually assessed. Whether you qualify for the circuit breaker is another thing. First of all, if the generations change, are the new people...are the generations...whoever's applying for the exemption and is living there, it's them and the title holder's income that is to be used against this. So, if you read 3.48, it has the definition of what a household and what household income is. So, the definitions are there. It's always been there. It's never changed. So, those are the things that you would have to look for.

COUNCILMEMBER SINENCI: Okay. Thank you, Director. And then, earlier you mentioned about some kupuna that might fall out of this exemption should we raise it. Can you expound on that?

MR. TERUYA: Okay. Real briefly, because I'm not an accountant, but if you change from adjusted gross income to gross income, there will be a lot of differences in the sense that I'm pretty sure most seniors are receiving some type of subsistence whether it's Social Security or other means, those numbers are gonna have to be added back to their existing filing. So, I'm guessing there will be more people falling out than would be receiving this, but how much more, I don't know, it may not affect it, I'm not sure. But definitely if you're moving adjusted to gross, there's certainly gonna be a different number between the two numbers that's for sure.

COUNCILMEMBER SINENCI: Mahalo, Director for those comments. Mahalo, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Pro Temp Kama followed by Member Sugimura, then myself and then Member Paltin.

COUNCILMEMBER KAMA: Thank you, Chair. So, Mr. Teruya, so we're talking about the circuit breaker being attached to the valuation of the building. So is the land also part of the circuit breaker or is it just building?

MR. TERUYA: Well, the program talks about your overall taxes. The building value only is for a criteria to whether or not you can qualify for this program or not. So if your building value is a \$2 million home, I don't think, the reason why they're created the threshold at \$800,000 was they felt those people who had that kind of homes weren't needy of this program. So, that's all that number is. The land value and the total building value equates to what your taxes are. That's just for what your credit will be. But the building value, the reason why in 2013 we had this criteria, was those are the reasons why people said this program doesn't work. It's not for those people who have the luxury, the big, big houses. So, that's the reason why that number was incorporated in here as one of the things that would either allow you to be in this program or be out of this program, and even the credit, before there was no limit on credit. So people had thousands of dollars, 20,000, \$30,000 in credit. So that was trimmed down to \$5,000

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maximum credit. So, there was things in here that was placed in 2013 so that there wasn't big abuses.

COUNCILMEMBER KAMA: So, you know, my sense is that during budget, I think, testifiers came and told us that their land was worth more money, but they couldn't pay their taxes and therefore they went into short-term rentals. So, how does the circuit breaker impact those short-term rentals that families are trying to pay their taxes and the only way they can think about paying it, especially if it's owned in terms of a trust, that they are able to still secure their land and maybe do something else than short-term rentals, because that's the only way they can figure out how to be able to pay those taxes?

MR. TERUYA: Sure. And that's how the circuit breaker program came about is because people inherited shorefront, oceanfront property and the values kept going up and that's why this bill was introduced. Because I think this program works for those people. Because the values go up, that's why it's 2 percent of your AGI and therefore that they can qualify for this. But whether or not the credit limit affects them? Maybe. So if the credit needs to be increased for that reasons, that could be altered as well. So, but I don't think the reason why people, taxes are high that's why they go into short-term rental, that's just a business decision if that's what they choose to do. I cannot answer that question.

COUNCILMEMBER KAMA: Thank you, Chair. Thank you, Mr. Teruya.

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

COUNCILMEMBER SUGIMURA: Thank you. Thank you, Director. I support this and I think what this is making me think about are those families in Makena who have these fabulous homes, or fabulous properties, I guess, that are oceanfront and then now they're not able to afford the taxes, you know, and so they're renting it out for weddings or whatever, and I know the situation is different, but is there a way that this could help them? Maybe if they live in it versus put it out for rent.

MR. TERUYA: Well, first of all, I know some of those properties that you're talking about. Some of those are not being lived in by anyone in the family, so those people cannot do that. So, whether if that's the intent that you want that, then you're going to have to not allow the program to be for homeowners only and that would be a large, a bigger question really. I don't know how that would be affecting the program.

COUNCILMEMBER SUGIMURA: Yeah, that wasn't my intent, but I was just trying to figure how to help them. But I support what you're trying to do and it's look like long overdue and thank you for putting the hard work in it and doing

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assessments and especially increasing the values with current day versus 2013 numbers. So, thank you. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. Director, will you remind me again when this bill needs to be passed by in order for it to apply to Fiscal Year 2022?

MR. TERUYA: Thank you, Chair. And the reason why we had brought this up is the period for circuit breaker starts August 1st. We would appreciate if it could be passed prior to August 1st so that the applicants will have enough time and know what the program and know what the requirements are and what it is. So we had hoped that by July 31st the rules, this has been completed so that the application period can resume as planned on August 1st.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay. And I wanted to dovetail off of what Member Sinenci was asking because I thought he was asking about Section 3.48.810(A), the homeowner has been granted a home exemption for at least five out of the six tax years. And so, if property is inherited, would they still qualify because then the deed has changed and so therefore the homeowner has changed, but the previous homeowner did qualify for circuit breaker, or did qualify for the home exemption.

MR. TERUYA: I understand. I would either defer to Corporation Counsel on how you're gonna do that language, but I understand the intent and we would be supportive of that as well, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Okay. And forgive me for my ignorance, but do people collect more than 300. . .or \$130,000 worth of Social Security?

MR. TERUYA: I have no idea, Chair. We would have to defer to maybe, bring in a CPA to have that discussion.

CHAIR RAWLINS-FERNANDEZ: Okay. Because I thought it was a lot lower than that and so the concern about them not. . .about kupuna collecting Social Security would be kicked off was a little alarming for me, because I guess wouldn't think that they were getting that much in Social Security, but I mean, I could be wrong. I just didn't know. Okay. So, those are my questions for now. I'll go to Member Paltin.

COUNCILMEMBER PALTIN: Thank you, Chair. Thank you for asking about the timeframe, that was one of my questions. My other question is I think for you mostly, if we pass something today or whenever for the August 1st deadline, is it also possible to have this be one of our TIG deeper discussion about? Because I think based on the conversations that Mr. Hokama and Ms. Lee was having and

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I wasn't around at that time, but I kind of feel we're not helping those folks like from the budget testimony the Luuwai's, they have a B&B. Ms. Medeiros in Nāpili, she has a STR. And then I think Miss, was it Ms. Kuloloia, they have non-owner occupied and these are all family properties that aren't getting anything out of the circuit breaker tax and all areas where the surrounding property just got like, you know, lifted up. Whether they supported it or they didn't is another story. But, so, I think that, you know, maybe this is a stopgap measure. We can do what the Director suggests, whether it's adjusted gross or gross, but I think that it needs to be more closely examined and as Mr. Teruya says that he's not a CPA, then we should get a CPA and we should do a little bit of a deeper dive, if not this TIG, then maybe one in the future if we're still around. That was my question.

CHAIR RAWLINS-FERNANDEZ: Yes. So, the circuit breaker was on the first TIG and then we received this bill and we discussed it and we're gonna like, you know, pass it out, but after, you know, further discussion. So, that issue is planned for TIG part two. It doesn't necessarily need to be in the, you know, within the confines of circuit breaker. Perhaps it's some other program because as you said, some of the generational properties that we all feel compelled to help, aren't homeowner occupied. And so, circuit breaker is for homeowners. And so, it's probably some other exemption that we would have to look into and how to develop that. But yes, to answer your question, that specific issue is planned for TIG two.

COUNCILMEMBER PALTIN: So then, are we still, we're just having the discussion now and somebody can make a motion to pass this and then if somebody wanted to make an amendment that it applies to gross income is that how the future of this discussion is going?

CHAIR RAWLINS-FERNANDEZ: Yes. And it's 11:53 so I was just gonna let everyone ask their questions and then we have a discussion stage where we're at if everyone's comfortable with passing this out because it would need to pass out a Committee now so that it can go into the...what was it...

COUNCILMEMBER PALTIN: August 1st.

CHAIR RAWLINS-FERNANDEZ: July 10th and then July 17th. So that it would pass, you know, two readings before August 1st.

COUNCILMEMBER PALTIN: Okay. Thank you. I'm prepared for that.

CHAIR RAWLINS-FERNANDEZ: Okay. Chair Lee, did you have a question?

COUNCILMEMBER LEE: No, I have to leave at 12:00.

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CHAIR RAWLINS-FERNANDEZ: Okay. So, Members, I'll entertain a motion to recommend passage on first reading the circuit breaker tax bill.

COUNCILMEMBER PALTIN: So moved.

COUNCILMEMBER KAMA: Second.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Paltin, seconded by Pro Temp Kama. Member Paltin?

COUNCILMEMBER PALTIN: Yeah. I feel comfortable that we need to meet this deadline and, you know, this is a suggestion that Mr. Teruya has made and, you know, I don't think we should do anything super radical right now with the pandemic being a radical thing and just, you know, follow the guidance.

CHAIR RAWLINS-FERNANDEZ: Member Paltin, did you want to make an amendment?

COUNCILMEMBER PALTIN: Sure. I'd like to make an amendment that it's the same, but it applies to gross income as opposed to adjusted gross income.

COUNCILMEMBER SINENCI: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, seconded by Member Sinenci. Do Members feel like they need to discuss this particular thing any further? This amendment it was part of our discussion. So, Director Teruya followed by Committee Vice-Chair King and Member Sugimura.

MR. TERUYA: Chair, I just was wondering, I thought you guys were talking about the not delinquent for more than one year. Is that still in here? Is that amendment going to be made? No. Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah. So, what the main motion on the floor is the bill as it was transmitted by your Department and the amendment that is being proposed at this moment is only to change the, from adjusted gross income to gross income. And so that's the proposed amendment that we would be voting on. Director Teruya?

MR. TERUYA: Can we ask Corporation Counsel to please put in a definition of gross income?

MS. DESJARDINS: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. DesJardins?

MS. DESJARDINS: Yeah, can you hear me?

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CHAIR RAWLINS-FERNANDEZ: Yeah. A little quiet, but we can hear.

MS. DESJARDINS: Oh, sorry. Okay. I'll try to yell. Sorry. No, there is a definition of adjusted gross income in here and it follows the IRS definition. So, I guess one thing to consider is that if somebody is going to represent their adjusted income to the County as being something, whatever it is, you know, they are filing Federal income taxes, they have to, you know, they're subject to Federal audit. I'd also point out that under 3.48.820, the Administration of this, if the Director requires more than just a tax transcript from the IRS, they can request supplemental documentation from the taxpayer and if they fail to provide, for example, their tax returns, if you really want to delve into it, then they're gonna be rejected from this program. So there are ways to look deeper into this. And then the only other comment I wanted to make was kind of along the lines of what you said, Chair, you know, I don't whether Social Security benefits are deductible, I don't know whether if you're in a certain tax bracket, you pay a certain tax amount for that. But a lot of people have pensions and annuities, so there is a possibility that retired people could have retirement income hopefully that's as high as 130. But the good thing about the adjusted gross income is does account for that and then you really do have to have legitimate IRS sanctioned adjusted gross income here. It's not just, you know, deductibles that you've thrown out there, I mean you know. So, I'm kind of comfortable with that definition the way that it is right now.

CHAIR RAWLINS-FERNANDEZ: Ms. DesJardins, under 3.48.805 definitions, I see, circuit breaker homeowner property, household, household income, title holder. Where is the definition for the adjusted gross income and Director asked for a definition for gross income and not adjusted gross income?

MS. DESJARDINS: Well, under 48.805, if you look at household income, it means the adjusted gross income as defined by the Internal Revenue Service. Okay. So, what I was surmising from that is that if your household income is defined as your adjusted gross income, then the 130,000 household income would be adjusted gross income because that's what the definition...

CHAIR RAWLINS-FERNANDEZ: Ms. DesJardins, so it currently is adjusted gross income and the proposal is to remove the word "adjusted" and for it to be gross income. So I think the Finance Director is asking that if there is a definition for gross income under the IRS, what would be in and what would not be in. What would be included for the gross income?

MS. DESJARDINS: Under the IRS Code? I don't know offhand what that is.

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CHAIR RAWLINS-FERNANDEZ: Finance Director just asked if there could be, if Corporation Counsel could weigh in on what the definition would be. Finance Director?

MR. TERUYA: Thank you. And I think maybe all we need to do is 3.48.805(3) in household income, just to redact or strike the word “adjusted.” That’ll be fine.

CHAIR RAWLINS-FERNANDEZ: Okay. So you would be okay with the IRS definition of what gross income is. And you have that...

MR. TERUYA: Yeah. Just scratch the word “adjusted.”

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director Teruya.

MS. DESJARDINS: Chair, sorry. The only thing is that is not part of this proposed bill that you folks are determining right now. All that’s being requested to amend as I understand is Section 2. So, that would be a further amendment that would have to be introduced later I guess.

CHAIR RAWLINS-FERNANDEZ: So are you saying under Sunshine Law, we wouldn’t be allowed to make that amendment because it wasn’t posted to the agenda?

MS. DESJARDINS: Yeah. I don’t think you can. I think you possibly could make that adjustment later, but you know, the problem is that all you have under the Sunshine Law right now is you could amend out the definition here of gross income, but I think you would have to under the Sunshine Law later deal with that other section. Yeah.

COUNCILMEMBER PALTIN: Can we get a definition from our Legislative Attorney on that?

CHAIR RAWLINS-FERNANDEZ: Mr. Mitchell?

VICE-CHAIR KING: I think Ms. Alibin also had her hand up.

MS. ALIBIN: Chair, if I may? So if we’re gonna change it to gross income, we’re gonna have to make some changes to that Section 3.48.820 because right now we require the tax transcripts and the tax transcripts only show the adjusted gross income. So we will have to determine what type of supporting documents we’re gonna need to support what they had filed in their tax returns.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Deputy Director. Okay. Pro Temp Kama?

COUNCILMEMBER KAMA: Chair, I just want to ask a question. How difficult is it if we change from adjusted to just gross income for people to be able to get whatever

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documents that they, are needed and produce to be able to prove that this is what their gross income is? I mean, I want to make things easier for them and not make things more difficult. So, and is there a difference in how much they have to pay if we're looking at gross versus adjusted gross?

CHAIR RAWLINS-FERNANDEZ: Okay. So, Members, what Ms. DesJardins is stating is that in the bill that we have before us, it has amendments to Section 3.48.810 only and so, the other amendments fall under 3.48.805 and 3.48.820. So in order to, if this is something that this Committee would like to pursue, one suggestion is that we could --

UNIDENTIFIED SPEAKER: Recess.

CHAIR RAWLINS-FERNANDEZ: --have it referred...no, we could have it referred to EDB at the first July Council meeting, and then it would come to Committee the week after, and then we could discharge it on the Friday, the second Council meeting. And then we could waive the rules for our second reading. No, I don't think we can waive the rules for our second reading. Yeah. So, I don't think we would be able to get it through before August 1st. Finance Director, what would happen if the amendment would come after August 1st?

MR. TERUYA: Not a lot. It just would be a little bit difficult to know what the finals. I mean, we would, it should be okay. It's just the final reading wouldn't be there right. We just couldn't guarantee everybody that it was, that would be whatever the criteria is. But I think for the most part if it went through first reading, we'd kind of have an idea. I don't think it's that bad, but I think we'll know what's in place so we can tell people what to file.

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

VICE-CHAIR KING: So, Chair, couldn't you defer this to the next EDB meeting and we could just discuss it and then discharge it to the July 3rd Council meeting for first hearing, for first reading, and then there would be a second reading on the next Council meeting, which I believe is on the 10th. If we brought it back to Committee to discuss the new, the changes in the new section that we're not discussing today, and then but didn't pass it out of Committee and discharged it to the...

COUNCILMEMBER PALTIN: Point of information, July 3rd is when we're observing the 4th of July holiday.

CHAIR RAWLINS-FERNANDEZ: July 10th. The first July Council meeting.

VICE-CHAIR KING: July Council meeting and then the second July Council meeting would be the second reading. So, we wouldn't actually vote on it in EDB, we would discuss it and then discharge it or waive the rules.

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CHAIR RAWLINS-FERNANDEZ: Yeah. Let's check with our Legislative Attorney. Mr. Mitchell?

MR. MITCHELL: Chair?

CHAIR RAWLINS-FERNANDEZ: I think it would work, but I don't want to. Yeah. Mr. Mitchell, so if we deferred action today and added to the bill which would then be posted for the first EDB meeting in July, would we be able to add those sections for discussion? 'Cause then it would be posted, it would meet Sunshine Law requirements.

MR. MITCHELL: Chair, let me check on that and I will get right back to you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Mitchell. Ms. DesJardins?

MS. DESJARDINS: So you're talking about just amending it, adding those new things and then posting it six days in advance of the next EDB Committee meeting?

CHAIR RAWLINS-FERNANDEZ: Yes.

MS. DESJARDINS: I don't see a reason why that would not be...that's not gonna be a problem. This was a referral, what's the item. Sorry. Yes. Circuit breaker tax credit.

CHAIR RAWLINS-FERNANDEZ: Yeah. So a new bill would be posted under this item.

MS. DESJARDINS: Okay. So the County communication that was referred from Committee was 20-261, A Bill for an Ordinance Amending Section...okay. Well, it doesn't exactly mirror that, but it's better than taking a stab at it today in my opinion. I could give you a more in depth-opinion later, but I definitely don't think we could do it today. I think you'd be okay to do it, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. DesJardins. Okay. So, another option--sorry--is we could do a bill replacement. Mr. Raatz, are you online?

UNIDENTIFIED SPEAKER: Chair, he's watching on Akakū, but will log in in a moment.

MR. MITCHELL: He's logging in, Chair. He's just on the phone with me and he'll be logging on in a second.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Mr. Mitchell. I saw a Councilmember with their hand up. Okay. Pro Temp Kama, followed by Member Molina.

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COUNCILMEMBER KAMA: So, I just wanted to be able to get the scheduling correct for July. So, my understanding is I've looked at the schedule, so the next EDB meeting would be July 8th on a...no, yeah, on a Wednesday right? July 8th. The following week on the 15th with CAR. Is that correct? And then you have no more other meetings aside from that one week. Right? Because it's an all-day meeting.

CHAIR RAWLINS-FERNANDEZ: Right. It could...

COUNCILMEMBER KAMA: Okay.

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER KAMA: Okay. Just want to make sure I got the dates correct. And then the Council meeting as I understand it is on the 10th and the 31st. I didn't see anything.

CHAIR RAWLINS-FERNANDEZ: Oh, not the 17th?

COUNCILMEMBER KAMA: Yeah. So I want to make sure our dates are okay that as we plan to move forward with this legislation that we get our dates straight and correct. And we're not...

CHAIR RAWLINS-FERNANDEZ: Okay. So on the 17th is just the Chair's meeting, not a Council meeting.

COUNCILMEMBER KAMA: That's my understanding.

CHAIR RAWLINS-FERNANDEZ: Okay. So the 10th and the 31st which both would be before August 1st and as Director Teruya mentioned if it passes first reading, then the Department would at least know, would have a guarantee, or like some, you know, guidance on how to move forward for the Department. And based on this conversation and our deliberations right now, I'm guessing that this is something that the Committee removing adjusted and having it just be gross income is something that this Committee wants to move forward on. Member Molina, followed by Member Sugimura. And it is 12:10 and we have a HFC Committee meeting at 1:30.

COUNCILMEMBER MOLINA: Thank you, Madam, Chair. I'll be real quick. It has nothing to, my question has nothing to do with scheduling, it's more just a quick question for Mr. Teruya. Because of the pandemic, could we extend this tax break to anyone regardless of home or condo value if they can prove they lost their job as a result of this pandemic? I just want to get your thoughts on that pros and cons to it.

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MR. TERUYA: I'm sorry, Mr. Molina. I'm not just really certain what that question is. What is your question again? I'm sorry.

COUNCILMEMBER MOLINA: Yeah. If we were to extend this tax break to anyone affected by the pandemic regardless of what their home or condo value is, so long as they can prove they lost their job as a result of this pandemic. Do you see a problem with, you know, opening this up to those who have been impacted by the pandemic, regardless of their home or condo value?

MR. TERUYA: Yes. And the reason is that's what certification is for. Your circuit breaker number was determined prior to this and this is your budget, it's in your budget for a credit of 494,000. So if you're gonna change that credit to be whatever, you know, you don't have a balanced budget again.

COUNCILMEMBER MOLINA: Okay. Thank you. Thank you, Madam, Chair.

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

COUNCILMEMBER SUGIMURA: So, Chair, are you looking at deferring this to your one meeting in July for final decision? Is that what you're looking at doing?

CHAIR RAWLINS-FERNANDEZ: That's up for discussion as far as timing goes. So, I guess, Members, can I just get a gauge from the Members, because we're planning ahead before we even take the vote. Because we can't take a vote, but I, before we continue making plans on timing, will you raise your hand just to let me know if removing the word "adjusted" from definitions, so that those with their gross income of less than 130,000 would qualify and not adjusted gross income. Member Paltin?

COUNCILMEMBER PALTIN: I can withdraw it if it's gonna be too hard.

CHAIR RAWLINS-FERNANDEZ: I just, I want everyone, we can't do it right now. So your amendment, we can't do it because of Sunshine Law. But I still want to get a count on the interest from the members if this is something that they want to pursue. So that, because we're having this conversation before we even know. But because we're having this conversation, I'm guessing that this is something that the Members want to pursue and so I'm getting confirmation from everyone by a show of hands if this is something that you would like to pursue which is removing the word "adjusted."

VICE-CHAIR KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Can I just get a raise of hands.

VICE-CHAIR KING: Mine's a qualified hand.

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CHAIR RAWLINS-FERNANDEZ: Okay. So I see Member Paltin, Member Sinenci and a qualified hand of Committee Vice-Chair King, and if I didn't say your name and your hand was raised, it's because I don't see your screen. Okay. Committee Vice-Chair King?

VICE-CHAIR KING: Okay. So, thank you, Chair. So, I was just wanted to ask Mr. Teruya and Ms. Alibin if they could by the next EDB meeting, you know, come back to us with, you know, a greater comfort level of what, how to find that adjusted gross income number on the tax form if that's what, 'cause that seems like one of the big concerns. I mean, not adjusted gross, but the gross income. There seemed to be a concern on Mr. Teruya's part, so if you could give us, you know, by the next EDB meeting your thoughts on that and how difficult that would be.

MR. TERUYA: Absolutely. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. So, I guess I will gauge everyone's interest on Member King's request because that would require deferring this item until the next Committee meeting and then we would have to plan for a deferral, just the timing. I guess if Director Teruya feels confident about the direction after first reading.

VICE-CHAIR KING: So, Chair? Chair?

CHAIR RAWLINS-FERNANDEZ: Committee Vice-Chair King?

VICE-CHAIR KING: Yeah, I thought what we were talking about was deferring this anyway to the next EDB meeting and then, but also putting it on the next Council meeting agenda, so that we could have the discussion at EDB but then defer it to the Council with first reading of Council.

CHAIR RAWLINS-FERNANDEZ: Yeah. So I was having Mr. Raatz come online so he would be able to provide guidance on that which was not deferring today.

VICE-CHAIR KING: Oh, not deferring today, but taking a vote today. Oh, okay.

CHAIR RAWLINS-FERNANDEZ: So, okay. I guess, Mr. Raatz?

MR. RAATZ: Yes, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Would you please explain what the option would be if we wanted to amend a section that's not currently on the bill for passage by July 31st Council meeting?

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MR. RAATZ: Sure. Thank you. There are probably a few different procedural paths that could be taken. I think the simplest approach could be passing the bill today and then I understand there's a possible amendment that's beyond the scope of the Committee's meeting agenda today that Members would like to be considered, that floor amendment could be posted for the July 10th Council meeting agenda. So you would have a Committee report that would be issued recommending passage of the bill that's within the scope of today's agenda and then that amendment that can't be considered today could be considered at the July 10th meeting.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Raatz. So, I think --

MS. DESJARDINS: Chair?

CHAIR RAWLINS-FERNANDEZ: --Members would like further discussion on this item. So, if we were to just plan ahead and post different options for the first Council meeting we would be able to defer action today, have it on the next EDB meeting, and discharge at the first Council, or we could post a bill or a discharge at the first July Council meeting. So that we could defer today for further deliberations the next Committee meeting. Okay. Ms. DesJardins, were you trying to get my attention?

MS. DESJARDINS: Yeah. Thank you. I just, since Mr. Raatz is on the line I wanted to also point out in his sort of analysis, but if you're gonna defer it, I can discuss this with him later. We don't need to get into it right now. But really it had to do with the way the County communication is drafted. But if you're gonna defer it then I'll get him on the phone and we'll work it out. Thanks.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, Members, is everyone crystal clear on what we're doing? Okay, Members, it's 12:19 and we'll plan to have this on the next EDB meeting for further discussion and potential discharge or movement at first reading. So, we'll have a bill at first reading on July 10th. We're not super sure what it'll look like, but there will be something. Committee Vice-Chair King?

VICE-CHAIR KING: So, Chair, thank you. If the intent is to also change item in Section 2, item (f) so that it allows for the delinquency, so that it requires, if anyone is delinquent for more than a year, can you make that adjustment, that amendment summary and bring it to the next EDB, or does that have to be done in the Council meeting as well?

CHAIR RAWLINS-FERNANDEZ: That's something that would not make it to EDB because it's...oh, I guess, that would be like multiple changes that's why as Finance Director mentioned because of the way that this is defined with the homeowner exemption. The homeowner exemption section would need to be amended to allow for more than a year of delinquency. So, that kind of falls out

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of the parameters of circuit breaker tax credit because that's homeowner exemption.

VICE-CHAIR KING: Okay. So, that's off the table then? I just wanted to clarify that.

CHAIR RAWLINS-FERNANDEZ: I mean, I guess, if Mr. Raatz is on he can correct me if I'm wrong, but if you wanted to propose that bill and have it scheduled at full Council and waive the Committee rules to have it be referred and reported on, it could pass first reading on July 10th.

VICE-CHAIR KING: Okay. I'll leave that to Member Paltin's...

CHAIR RAWLINS-FERNANDEZ: Mr. Raatz, is that correct? Okay.

MR. RAATZ: Yeah. That's correct, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Mr. Raatz. So, those amendments could be made as another communication on the full Council agenda and waive Committee rules to have it pass on first reading on that date.

VICE-CHAIR KING: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Any other questions Members? Member Sugimura?

COUNCILMEMBER SUGIMURA: Since we're going to be talking about at the next opportunity then, could you ask Mr. Teruya then to provide us examples of what the impacts would be for gross and adjusted, because examples like, you know, Social Security came up and what else. Because I would hate to do this thinking that we're going to be excluding people that currently are receiving the benefit by gross versus adjusted. So that's the request. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. Finance Director, have you heard Member Sugimura's request?

MR. TERUYA: Yes, Chair. And I'm just throwing it out there for the Committee whether or not they'd prefer to maybe have somebody, a CPA join in this call rather than coming from my mouth?

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Director.

MR. TERUYA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Any other questions, Members? All right. My apologies for taking us 22 minutes over. We have a 1:30 HFC Committee meeting.

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Mahalo for this really rich discussion. It's 12:22 and the Economic Development and Budget Committee is now adjourned. Oh, I'm sorry. Any objections to deferring this item?

COUNCILMEMBERS VOICED NO OBJECTIONS.

ACTION: DEFER pending further discussion.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Members. Okay. So, it's now 12:23 on June 18th and the Economic Development and Budget Committee is now adjourned. . . .*(gavel)*. . .

ADJOURN: 12:23 p.m.

APPROVED:



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

edb:min:200618:ta

Transcribed by: Terianne Arreola

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CERTIFICATE

I, Terianne Arreola, hereby certify that the foregoing represents to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 13th day of June, in Makawao, Hawai'i.


Terianne Arreola