

BUDGET, FINANCE, AND ECONOMIC DEVELOPMENT COMMITTEE

Council of the County of Maui

MINUTES

April 29, 2021

Online Only via BlueJeans

RECONVENE: 9:04 a.m.

PRESENT: Councilmember Keani N.W. Rawlins-Fernandez, Chair
Councilmember Tamara Paltin, Vice-Chair
Councilmember Gabe Johnson, Member
Councilmember Kelly Takaya King, Member
Councilmember Alice L. Lee, Member
Councilmember Michael J. Molina, Member
Councilmember Shane M. Sinenci, Member
Councilmember Yuki Lei K. Sugimura, Member

EXCUSED: Councilmember Tasha Kama, Member

STAFF: Lesley Milner, Legislative Analyst
Kasie Apo Takayama, Legislative Analyst
Ana Lillis, Legislative Analyst
Shelly Espeleta, Supervising Legislative Analyst
Richard Mitchell, Legislative Attorney
David Raatz, Supervising Legislative Attorney
Yvette Bouthillier, Committee Secretary

Kate Griffiths, Executive Assistant to Councilmember Gabe Johnson
Evan Dust, Executive Assistant to Councilmember Tasha Kama
Lois Whitney, Executive Assistant to Councilmember Tasha Kama
Davideane Sickels, Executive Assistant to Councilmember Tasha Kama
Axel Beers, Executive Assistant to Councilmember Kelly Takaya King
Sarah Freistat Pajimola, Executive Assistant to Councilmember Keani N.W.
Rawlins-Fernandez
Gina Young, Executive Assistant to Councilmember Shane M. Sinenci

ADMIN.: Michele M. Yoshimura, Budget Director, Office of the
Scott Teruya, Director, Department of Finance
Marcy Martin, Real Property Administrator, Department of Finance
Kristina Toshikiyo, Deputy Corporation Counsel, Department of the Corporation
Counsel

PRESS: Akaku: Maui Community Television, Inc.

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**ITEM 1: PROPOSED FISCAL YEAR 2022 BUDGET FOR THE COUNTY
 OF MAUI (CC 21-30 and CC 21-173)**

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Aloha kakahiaka kākou. 'Eha minuke i ka hala o kahōla 'eiwa. Ma Iwakāluakūmāiwa o 'Apelila I Ka makahiki 'elua kaukani Iwakāluakūmākahi. E 'olu'olu mai, e ho'omalū ke Komike Mo'ohelu Kālā a me 'Ho'omohala Waiwai o wai kaluna ho'o malu o kēia Komike o Keani RawlinsFernandez. It was 9:04 on April 29th, 2021. Will the Budget, Finance, and Economic Development Committee please come to order. I'm your Chair, Keani Rawlins-Fernandez. I keia lā...oh, okay wait...and from Indonesia, our Council Chair greeting for everyone this morning is apa kabar. So apa kabar kākou mai Moloka'i nui Ahina. I keia lā me kou kākou ea hope luna ho'omalū o, Tamara Paltin. Apa kabar.

VICE-CHAIR PALTIN: Aloha kakahiaka kākou.

CHAIR RAWLINS-FERNANDEZ: Member Shane Sinenci?

COUNCILMEMBER SINENCI: Apa kabar, Chair. Aloha kakahiaka iā o kou pakahi a pau.

CHAIR RAWLINS-FERNANDEZ: Apa kabar. Member Mike Molina.

COUNCILMEMBER MOLINA: Aloha kakahiaka, Madam Chair. Apa kabar to you and my esteemed colleagues, and everyone else joining us on this surprisingly sunny morning here in Makawao.

CHAIR RAWLINS-FERNANDEZ: Perfect hand motions to match. Apa kabar. Council Chair Alice Lee.

COUNCILMEMBER LEE: Good morning, everyone. Apa kabar. I look forward to this exciting new budget meeting.

CHAIR RAWLINS-FERNANDEZ: Aloha, Chair. Member Kelly King.

COUNCILMEMBER KING: Apa kabar, everyone. I won't try to emulate my esteemed colleague's wonderful flair with her hand motions, but aloha kakahiaka to everyone. I hope you all had a restful evening last night.

CHAIR RAWLINS-FERNANDEZ: Aloha and apa kabar. Member Gabe Johnson.

COUNCILMEMBER JOHNSON: Good morning, Chair. Good morning, Councilmembers. Apa kabar from Indonesia. A beautiful country I once visited, and they had a lot of spicy food that I regretted eating. But that's for a different story. Thank you.

. . .(laughing). . .

CHAIR RAWLINS-FERNANDEZ: Apa kabar, Member Johnson. Member Yuki Lei Sugimura.

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COUNCILMEMBER SUGIMURA: Apa kabar. That sounds like a...a fun place to be. And good morning, everybody. I did speak to Member Tasha Kama this morning. She sends her best wishes and appreciates all of you who have been really supporting her during this...it is a trying time for their family. So good morning, everybody.

CHAIR RAWLINS-FERNANDEZ: Apa kabar, Member Sugimura, and mahalo, for conveying Pro Tem Kama's greetings to the Council. Pro Tem Tasha Kama is excused, and we continue to hold them all in our *(audio interference)* From Corporation Counsel, Deputy Corporation Counsel Kristina Toshikiyo.

MS. TOSHIKIYO: Aloha, and apa kabar, Committee Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Apa kabar, Ms. Toshikiyo. From the Office of the Mayor, Budget Director Michele Yoshimura.

MS. YOSHIMURA: Good morning, Chair. Good morning, Members.

CHAIR RAWLINS-FERNANDEZ: Good morning. And our Committee Staff, Committee Secretary Yvette Bouthillier.

MS. BOUTHILLIER: Apa kabar, Committee Chair and Members. Good morning.

CHAIR RAWLINS-FERNANDEZ: Good morning and apa kabar. Supervising Legislative Analyst Shelly Espeleta.

MS. ESPELETA: Apa kabar, Chair and Members. Happy Thursday.

CHAIR RAWLINS-FERNANDEZ: Happy Thursday. Budget Committee Analyst Lesley Milner.

MS. MILNER: Aloha, Chair. Apa kabar, Members.

CHAIR RAWLINS-FERNANDEZ: Apa kabar. Legislative Analyst Ana Lillis.

MS. LILLIS: Apa kabar, Madam Chair. Good morning, Councilmembers.

CHAIR RAWLINS-FERNANDEZ: Apa kabar, Ms. Lillis. Legislative Analyst Kasie Apo Takayama.

MS. APO TAKAYAMA: Apa kabar, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Apa kabar. And our Legislative Attorney, Richard Mitchell.

MR. MITCHELL: Aloha, and apa kabar, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: Aloha. This online meeting is being conducted in accordance with the Governor's most recent emergency proclamation on COVID-19. Please see the last page of the agenda for information on meeting connectivity. We have our one item

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on today's agenda, BFED-1 Proposed Fiscal Year 2022 Budget for the County of Maui. This is a reconvened meeting from Friday, April 23rd, 2021, and as a reminder, public testimony is closed. We took public testimony on Friday, and closed public testimony on that day. So we have several things that we need to accomplish today, and we made great progress with the Departments, and heard from many members of the public at last night's RPT public hearing. So today, we have the following to complete: Fuel Tax...oh, sorry, Weight Tax, Fuel Tax, any outstanding reconsiderations, Appendices D and E, Real Property Tax, and the recommendation of passage on first reading of all the Budget Bills. Okay, so we'll...we'll take it up in that order. Any questions, or...on the schedule, or any objections? Okay. Very good, Members. So we'll start with Weight Tax.

WEIGHT TAX

CHAIR RAWLINS-FERNANDEZ: So for weight tax, we can propose changes. And regardless of whether there are proposed changes or not, we are required by law to post it and have a hearing on it. So I'll ask Ms. Milner to share her screen that has the current weight tax, and then I'll open the floor to Members if... to see if anyone has any proposed amendments to our current taxes. Ms. Milner.

MS. MILNER: I'll have it up in just a moment, Chair.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Mahalo. All right. So...so again, the fuel tax goes to the Highway Fund. Last year we raised it by one cent to accommodate the projected shortfall of the Highway Fund, and so that's what we'll be seeing as the current rates. Is BlueJeans giving you problems?

MS. MILNER: Sorry, Chair, I'm scrolling. I'll be there --

CHAIR RAWLINS-FERNANDEZ: I can see if I can share --

MS. MILNER: —in two shakes.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Okay. And then while you're scrolling, both the weight tax and the fuel tax are on Granicus.

MS. MILNER: As part of Appendix B. Yes, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. So Members, for your reference, in Appendix B, you'll see the current weight tax and fuel tax. So after we decide on the resolution for posting for the weight tax, then we'll take up the resolution for posting on the fuel tax. Chair Lee, looks like you have a question?

COUNCILMEMBER LEE: Yeah, is it page 16? I can't see.

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CHAIR RAWLINS-FERNANDEZ: Okay. It looks like on *Akakū*, it's being shared, but I can't see it on BlueJeans.

COUNCILMEMBER LEE: No. I'll find it. I'm looking at the...the bills and Appendix A and B handout.

VICE-CHAIR PALTIN: Page 14.

COUNCILMEMBER SUGIMURA: It's on page 14 on the Budget Bill.

COUNCILMEMBER LEE: Okay, 14. Okay.

MS. MILNER: Members, the Chair has briefly lost her connection. She will be right back. Okay, you're unmuted.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo. Okay. I...aloha, Members. Sorry, I'm having technical issues right now, so I'm speaking through Ms. Milner's speakerphone right now. Okay. So are there any amendments to...or proposed amendments to the current fuel tax? Sorry...I'm sorry, weight tax.

VICE-CHAIR PALTIN: I had a...had a question regarding the minimum tax for any motor vehicle.

CHAIR RAWLINS-FERNANDEZ: Okay, what is your question, Member Paltin?

VICE-CHAIR PALTIN: What would qualify for the minimum tax for any motor vehicle?

CHAIR RAWLINS-FERNANDEZ: Okay, I'm sorry. What would qualify for the minimum tax *(audio interference)*

VICE-CHAIR PALTIN: Yeah, it says \$12.

CHAIR RAWLINS-FERNANDEZ: So I think...I mean, that would be a question for the Department when we had the Department before us.

VICE-CHAIR PALTIN: Oh, okay.

COUNCILMEMBER LEE: Maybe Corp. Counsel could look up the code. 3...3.24 --

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Ms. Toshikiyo?

MS. TOSHIKIYO: Yes. I'm looking it up right now. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Toshikiyo. Ms. Milner, you can stop screen sharing now, I think. While Ms. Toshikiyo is looking that up, are there any proposed changes? Okay. And then Member Paltin, you would potentially have a proposed amendment to the general Weight Tax, depending on your answer?

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Ms. Pajimola...oh, has shared it. Oh, okay, I see it. Thank you. All right. Let's see. It says imposition of tax A: All of the following described vehicles located...okay. So that relevant section in the Code, I've texted in the chat, okay? So you can check that out and let me know if you have any changes. And if you don't, then we can post it as is. Chair Lee?

COUNCILMEMBER LEE: Yeah. Does it answer the question? Doesn't seem like it, that section.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: So it seems like it's saying that if you multiply the pounds by 0.035, the lowest...if it's lower, the amount comes out lower than \$12, \$12 is the bare minimum they can pay.

CHAIR RAWLINS-FERNANDEZ: Sounds right. Like minimum tax for RPT is currently being proposed at 3.50. Okay?

VICE-CHAIR PALTIN: I guess for me, I would just propose raising that minimum tax to \$15.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. So how this would work is we can either...oh, is someone...oh, it's your feedback again. So we can either post the...a resolution with a range, so \$12 to \$15; or we can post it with \$15 as the proposed amendment. If we post it with a range, then that would give us that flexibility to choose some...either 12 or 15, or somewhere in the middle. If we post it with 15 only, then our two options would be to either maintain the status quo at \$12, or go with the proposed amendment at \$15. So I will ask for that motion, and then we can make that amendment. And during that time, we can hear from the Department how that, you know, could potentially impact our residents. Because we didn't even know what the formula was, and how they arrived at \$12, I think it would be, you know, important for us to get that understanding since we didn't when the Department was before us. Member King.

COUNCILMEMBER KING: But the \$12, Chair, was just a previous rate, so it looks like they just continued in the...I think I'm looking at the Ramseyer format, and there were no changes, so it's kind of been a perpetual thing since whenever they came up with the \$12. So your question would be, when did they...whenever they came up with the \$12 in the first place, what it...what was that formula?

CHAIR RAWLINS-FERNANDEZ: Yeah, I would just like to...I mean, for me, I would like to hear from the Department how...why has it been \$12, and who would be impacted by increasing that. I...I mean, I don't like to just be in a bubble and make decisions, not knowing what --

COUNCILMEMBER KING: Yeah, no, I was just asking the question that...that, you know --

CHAIR RAWLINS-FERNANDEZ: Yeah.

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COUNCILMEMBER KING: -- just so we acknowledge that that's what they did. They just carried it over from last year. So whenever they came up with it, however long ago it was, we want to know what the formula was that they used.

CHAIR RAWLINS-FERNANDEZ: Um-hum. Yeah.

COUNCILMEMBER KING: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: So I'll...oh, Budget Director Yoshimura, do you have information for us?

MS. YOSHIMURA: Chair. So mopeds and your, like, motorcycles, they're the one that would...those are the vehicles, I guess, would be mostly impacted because of the weight. I just got off the phone with someone at the DMV, and they said there are vehicles...or motorcycles that weigh about 400 pounds. Multiplying that by 35 cents...oh, 3.5 cents, would give you about \$14. So it would basically be your mopeds, motorcycles, that type of vehicles that would be impacted by that change. Thank you.

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

VICE-CHAIR PALTIN: Yeah, I got anything less than, like, 342.8 pounds would pay the minimum tax. So most cars are not...are more than 350 pounds, about. So anything less than 350, give or take 8 pounds or so, is what pays the minimum tax.

CHAIR RAWLINS-FERNANDEZ: So Member Paltin, do you have a question? Is...is that a question for Budget Director?

VICE-CHAIR PALTIN: No. That's...

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

VICE-CHAIR PALTIN: I just was stating, because you were saying, like, you don't know who would be affected. Anybody whose vehicle weighs less than around 342 pounds, that would be the folks affected by this.

CHAIR RAWLINS-FERNANDEZ: Yeah, no, I...I understand what it is on paper, but in real life, you know, like, who are these people who, you know, like, would be paying this? So it would be moped owners, motorcycle, and like, how many? You know, what are we talking about, so...that...that's all. Like, I'm not saying I'm opposed to it, I just...for me, I would like the whole picture before making decisions, that's all. Mahalo, Member Paltin. Chair Lee, you had your hand up?

COUNCILMEMBER LEE: I'd...I'd like the...more of a picture myself. So can I ask the Director...the Budget Director a question? Michele?

MS. YOSHIMURA: Yes?

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COUNCILMEMBER LEE: Obviously, we approved the \$12 last year. Is...is there any particular reason why you left it flat?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair. No, that...that's what the Department proposed. I can find out from the Department how they calculated the \$12, but they did not propose any change to that fee.

COUNCILMEMBER LEE: Okay. Okay. So if it's possible, can we have the fee for the last three years?

MS. YOSHIMURA: Sure.

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

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Any other questions, comments? I...I...I think part of, like, what I understood in previous Budget sessions is that it goes by, like, some of the formula incorporates the usage and wear on the roads itself. And so if these lighter vehicles aren't causing as much destruction or wear and tear on the...the roads, might be one of the factors involved in developing the \$12 formula. But that's a policy decision. Member Sinenci, you had your hand up?

COUNCILMEMBER SINENCI: Thank you, Chair. And I guess, yeah, if it's affecting smaller vehicles and...and the mopeds and stuff, a lot of the times, these mopeds use where they're the shoulder to...you know, to kind of stay out of heavy traffic lanes. So I don't know...I know some areas, there are no shoulders for them to be part of. So I don't know if increasing some of these would actually help to put some...some shoulder areas for mopeds to go through, so that they're not right in the heavy traffic. Just a thought. But I'm...I'm also open to having the range, Chair, so that we have that flexibility and we can...can listen to some of our constituents. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sinenci. Member King.

COUNCILMEMBER KING: Thank you, Chair. Actually, I think maybe we need an opinion, but I think it's illegal for motorcycles and any motorized vehicle to be in the bike lane. So I hope they are not using those bike lanes because it would be really dangerous to people who are actually biking in there to have a motorcycle. But I...I also would be in favor of leaving the weight tax the same because I don't think we should be taxing...raising taxes on the lightest footprint vehicles. I mean, people who are riding mopeds, especially, have the lightest footprint and the lowest emissions probably of almost any vehicle on the road. So I don't think we should, you know, raise their minimum. Because we want to encourage less emissions, not more. thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. And then Member Sinenci wanted to clarify that he was just talking about the shoulder, not bike lanes. Mahalo,

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Member Sinenci. Any other discussion, Members? Is there...oh, it looks like Budget Director Yoshimura has additional information for us. Budget Director?

MS. YOSHIMURA: Chair Lee, I went back to Fiscal Year '18, and it was \$12 at that point. Trying to reach the Director...the...the Manager over at DMVL to find out exactly what that fee is for, and...and how it was calculated. So I'll get back to you as soon as I get a response from them. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. Okay. So Members, we can either leave it status quo and post it like that, we can do a range and give us...ourselves the flexibility to go up if we would, you know, like to have that consideration later on when we make that decision, or we can post the proposed \$15. So those are the three options that we have right now, and I'm happy to entertain a motion on any of the three options. And if you have a fourth option, I...I'm happy to hear that proposal too. Okay, so the three options are we would post the weight tax status quo, we could post a range on the minimum tax as proposed by Member Paltin, or we can post the proposal of Member Paltin, and then when making decisions, we would have those two to decide from; either status quo or the proposed \$15. So status quo 12, or the proposed \$15. And I can't make motions. You have to make the motions. Okay, Member King.

COUNCILMEMBER KING: Thank you, Chair. I'll move to post the status quo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Seconded by Member Johnson. All right, discussion, Members? All right. Seeing no discussion, I will call for the question. So just to clarify, what the motion is that you're voting on, yes or no, is whether we're going to post the weight tax as it currently stands, and after we post it, then there will be no option for Council to make amendments to it. Okay, all right. So those in favor of the motion, please raise your hand and say "aye."

COUNCILMEMBER SUGIMURA: Aye.

CHAIR RAWLINS-FERNANDEZ: All right, okay. Those opposed? Okay, seven ayes, one no, Member Sinenci, and one excused Pro Tem Kama. Okay, so that's...so we're going to post the weight tax resolution as is.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, Lee, Molina, and Sugimura.**

NOES: **Councilmember Sinenci.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: APPROVE

FUEL TAX

CHAIR RAWLINS-FERNANDEZ: Next is the fuel tax. So with the fuel tax, we again, can either post it status quo, so as it...the current... the rates are currently stated. And Ms. Milner, if you can prepare to share the fuel tax rates resolution. So we can post the resolution as is, we can do a range that would give us flexibility. Okay, go ahead, you can share, Ms. Milner. . . .(screen sharing). . . And...or we can propose amendments and have those. Ms. Milner, will you please zoom in? Okay. Maybe a little bit more, so that the public can see. Okay. All right, mahalo. Okay. So this is the current...so here's the current tax rates and categories. All right. Okay, mahalo, Ms. Milner. You can stop sharing now. All right. Are there any proposals Members would like the body to consider? Any proposed amendments? Okay. And unlike the weight tax, if we... we have the option to pass the fuel tax rates today if we want... if...if...if the body has no proposed amendments. So we can either recommend passage to the full Council today, or we can have a public hearing on it. So are there any proposed amendments? (*Audio interference*) and then if not, then I'll ask the Members if... oh, sorry, Member Paltin... and then I'll ask the Members if the preference of the body would be to recommend passage today or have a public hearing on it, okay? Member Paltin, were you raising your hand?

VICE-CHAIR PALTIN: Yeah. I move to pass it today.

COUNCILMEMBER SUGIMURA: Second.

COUNCILMEMBER MOLINA: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, seconded by Member Sugimura. And then Member Paltin, would you...you have to... if you could just remember to mute yourself after? Because it just creates a feedback. Okay. Members, discussion? So recommending passage today will mean that we won't have a public hearing on the fuel

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tax rates on May 14th, okay? Just so that everyone's clear on the direction. Okay, discussion on the motion, Members? Member King.

COUNCILMEMBER KING: I just wanted to let you know that I'm going to recuse myself from this vote because, you know, personal interest.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Anyone else wishing to speak to the motion? Okay, seeing no one wishing to speak to the motion, I'll call for the question. All those in favor of posting the fuel tax rates resolution...sorry, not posting. All those in favor of recommending passage on first reading [sic] the resolution entitled "ADOPTING THE FUEL TAX RATES FOR THE COUNTY OF MAUI, EFFECTIVE JULY 1st, 2021," please raise your hand and say "aye."

COUNCILMEMBER MOLINA: Aye.

COUNCILMEMBER SUGIMURA: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay, I see seven ayes, one recusal, Member King, and one excused, Pro Tem Kama.

VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, Lee, Molina, Sinenci, and Sugimura.**

NOES: **None.**

ABSTAIN: **Councilmember King.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: Recommending **ADOPTION** of resolution by C.R.

OUTSTANDING RECONSIDERATIONS

CHAIR RAWLINS-FERNANDEZ: Okay. The next item is outstanding reconsiderations. We received a revised Rates and Fees from Public Works. The two notes for reconsideration are the revised rates... and oh, Planning. Sorry, Planning, not Public Works. Ms. Milner, would it be possible to share your screen so that everyone can see the letter if it's all together? . . . (screen sharing). . . So the revised Rates and Fees submitted by Planning is missing one of Member Paltin's amendments on page 29, STR New Permit of Public Hearing Required, but we have it on our edited version since we recommended that, we

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had consensus. And okay, can all the Members see? And then Ms. Milner, do you know what number item this is on Granicus?

MS. MILNER: This is item 90 on Granicus.

CHAIR RAWLINS-FERNANDEZ: So if Members need to pull up the document for themselves, it's item 90 on Granicus.

COUNCILMEMBER KING: Chair?

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Yeah, I just wanted to clarify that we're...we've already made these changes, so we're just talking about confirming them?

CHAIR RAWLINS-FERNANDEZ: So from Director Yoshimura, it says that "Revised pages reflect the fee deposited into the Special Management Area of the Revolving Fund. The fees were inadvertently listed under --"

COUNCILMEMBER KING: Oh.

CHAIR RAWLINS-FERNANDEZ: ". . .*(inaudible)*. . . the General Fund."

COUNCILMEMBER KING: Oh.

CHAIR RAWLINS-FERNANDEZ: "Furthermore, the proposed changes to Appendix B for the Department of Planning proposed by Councilmember Tamara Paltin are also included on the revised pages", except for the one that I mentioned that was the...on page 29, STR New Permit of Public Hearing Required. So that that's --

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: -- the only amendment.

COUNCILMEMBER KING: Okay. So do we have to make the -- adjust the General Fund now?

CHAIR RAWLINS-FERNANDEZ: I'm sorry?

COUNCILMEMBER KING: Because it's less? Do we have to adjust the General Fund now because we...we have to deduct whatever was in there that was supposed to be in the SMA Revolving Fund?

CHAIR RAWLINS-FERNANDEZ: Budget Director Yoshimura...Ms. Milner, you can stop share...sharing your screen now. Mahalo. Okay. Budget Director?

MS. YOSHIMURA: Chair. No, the funds were appropriately deposited to the...the...the Revolving Fund, so there's no adjustment needed to the General Fund. It's just the

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correction to Appendix B on how it's laid out in the...in the Rates and Fees section.
thank you.

COUNCILMEMBER KING: Oh, okay, so it doesn't affect our...where we're at with the budget to date?

MS. YOSHIMURA: No, it doesn't.

COUNCILMEMBER KING: Okay.

MS. YOSHIMURA: Thank you.

COUNCILMEMBER KING: Thank you.

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

VICE-CHAIR PALTIN: Can you hear me? You can? Okay. I just had a question if they gave the reason why the adjustment from my proposal?

CHAIR RAWLINS-FERNANDEZ: Budget Director.

MS. YOSHIMURA: Chair. We were going to send down a electronic version of it, and to help Staff out, we just incorporated all of the changes that were proposed and, you know, pretty much approved by the Committee. And so we were going to just send the revisions down to them, and thought we'd just include it, since it was already preapproved by all of you. Thank you. I don't think we made any adjustment to what the proposals were, we just including it in Appendix B.

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

VICE-CHAIR PALTIN: So can I make a motion to accept the Rates and Fees as we discussed, and just have the SMA fees go into the SMA Revolving Fund?

CHAIR RAWLINS-FERNANDEZ: Yes. *(audio interference)* because we already approved all of the amendments that you made, and I think that would overcomplicate the motion. So just...just the SMA deposit?

VICE-CHAIR PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Paltin, seconded by Member Sinenci. Anyone wishing to speak to the motion for...on the correction? All right. Seeing none, I'll call for the question. All those in favor of the motion to correct the deposit of the SMA Revolving Fund, please raise your hand and say "aye". All right. Eight ayes, one excused.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, Lee, Molina, Sinenci, and Sugimura.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: APPROVE

GENERAL BUDGET PROVISIONS

CHAIR RAWLINS-FERNANDEZ: Okay. All right. Next is Appendices D and E. Oh, and the General Budget Provisions. Okay, so let's see... let's take up the General Budget first. So the General Budget Provisions... Ms. Milner, do you know what number on Granicus the General Budget Provisions are?

MS. MILNER: The version submitted by the Mayor is part of the County Communication 21-173, which is number 1 in Granicus, I believe.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Milner. So the amended... proposed amendments to the General Budget Provisions hasn't been posted. Do you have the Ramseyer version on you? Would you be able to share...share that? There's just a --

MS. MILNER: Yes. I...I have a track changes version that I can share, Chair.

CHAIR RAWLINS-FERNANDEZ: Perfect. Okay. So there are just a few amendments from the General Budget provisions that was (*audio interference*) under Section 7B. Also...okay, so that's...furthermore, funds from the Countywide Self-Insurance Program may be encumbered and dispersed for the replacement of motor vehicles and other equipment relating to insurance claim reimbursements. Also, funds from the Countywide Self-Insurance Program must be encumbered and dispersed to compensate any Special Counsel. And this amendment was something that we took up when we were making decisions on the Office of Counsel Services. So that's the amendment there. Okay. The next amendment is to Section 15 and 16. Section 15, conditional language. Clarifications on any additional language are described in Appendix D. So this is the new appendix I've been talking about through quiet session, so that we...I included it in the memo that I sent on April 18th. And so it would clarify our conditions and earmarks, and all that language, so that the legislative and administrative (*audio interference*) avoid

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having to convene a meeting to pass a resolution in order to clarify what it was that we meant by a condition in the budget, as we did with the Feral Animal Grant, as well as following the recommendations by the auditor regarding the Wailuku Post Office. So that's Appendix D. And then Section 16, Grant Awards from the County. Funding for Grant Awards from the County is appropriated...as appropriated, is described in Appendix E. Okay, so that's...the new Appendix E is the appendix that also was included in the memo that I transmitted that would promote more transparency and accessibility for the Councilmembers and the public to information regarding the Grant Awards...the entities that are named in the budget as line item grantees. And so that's Section 16. And...and then amending the numbers accordingly. And then the last section, Section 27, Legislative Intent. Unless stated otherwise, the Council's intent is for each appropriation to be expended in the Mayor's good faith exercise of management authority. If an appropriation will not be expended, the Council's intent is for the Mayor to propose a budget amendment within a reasonable time, so the appropriation does not lapse, to allowing the funding to be reallocated. And this is a section that we included in our FY'21 General Budget Provisions. And similar with the proposed Section 28, Reporting on COVID-19. The Mayor, or the Mayor's designee, must submit a written report at least monthly to the Council's Standing Committee with jurisdiction over the County budget on the Administration's response to the COVID-19 epidemic, including the status of efforts to obtain funds and financing under State and Federal programs. So again, Sections we proposed, 27 and 28, were included verbatim in the FY'21 Budget. So our current budget provisions, these sections, are included, but were not included in the transmittal that we received from the Mayor, so we're just putting them back in, okay? Mahalo, Ms. Milner. Okay. Members, any questions on those proposals...proposed amendments to the General Budget Provision? Member King, followed by Chair Lee.

COUNCILMEMBER KING: Yeah, I don't...it's not in front of me anymore, but I'm a little worried about the language in, you know, offering the Mayor the opportunity to change the intent of the Council by a...with a budget amendment. So you know, I understand if he's not going to expend it, but it almost feels like an invitation for him to go ahead and put in budget amendments to change the things that we've already approved. So I...I...I have a little bit of concern about that language.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. If you have proposed amendments, I'm happy to hear them. This was actually to ensure that the Council's provisos, conditions, earmarks are expended in good faith efforts.

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: So that's the purpose of this provision, but if you have amendments that you'd like the body to consider so that it's something that you could agree with, I'm happy to entertain those.

COUNCILMEMBER KING: Okay. Well, no, I...I understand the intent, and I appreciate the intent, I just...I just...feels like, I guess the bottom line would be, he could propose an amendment, and then if we vote against the amendment, then the original expenditure

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has to remain? How do we make sure that the expenditures are going to happen the way that this Council has passed the Budget? Is that...is that what we would do if we don't agree with the budget amendment, is just vote against it?

CHAIR RAWLINS-FERNANDEZ: Now, so, I mean, without the...this provision, which is what we've been doing before this last fiscal year, you know, it's a...I mean, to the Administration's credit, I think they've tried really hard to follow through on the Council's earmarks and conditions. And so if you have a proposal that you would like us to consider, I'm...I'm...like I said, I'm open to that, if you would like to try to clarify a better process.

COUNCILMEMBER KING: Okay. And that's in...what...what number was that in Granicus, so I can pull it back up?

CHAIR RAWLINS-FERNANDEZ: Ms. Milner, will you please email the proposed changes to the budget provisions to the Committee?

MS. MILNER: Chair, I'll do that right now.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Milner. Chair Lee.

COUNCILMEMBER LEE: Clarification, the word "intent". Is it equivalent to "require"?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. So as we all know, we can't, you know, require necessarily the Administration. We have our authority...authorization limits. So the intent language is as close to require as possible. But as I explained to Member King, I think, you know, in...in past budgets, we've seen the Administration not put...not necessarily put good faith efforts to carry out some of the provisos at that time that were added. My experience this last couple of years, the Administration really tried hard to carry out the conditions that we added. So if you would prefer a different word, I'm...I'm also open to that.

COUNCILMEMBER LEE: No, I just needed clarification. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Any other questions or comments, Members?

APPENDIX D
Conditional Language

CHAIR RAWLINS-FERNANDEZ: Okay. So we will put this on the side for now, since Member King would like to propose amended language for the Body to consider. So we'll go on to the next item, and that is Appendix D. Appendix D is...contains the conditional language that Members proposed in their priority items. Mahalo to our hardworking Committee Staff for compiling this in a very easy-to-read format. It takes...it takes a lot

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of time and effort to...to do this, and I really appreciate them for getting this together so quickly. All right. Ms. Milner, are you able to share your screen?

MS. MILNER: Yes, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo. Okay, so the Committee Staff took from the matrices the language proposed by the Members, and put them into this appendix. So we can scroll...scroll down. So for...for the more involved conditions and earmarks, so here...here's one example: Condition 27, under homeless programs. \$66,200 for a mobile water filling station, and the proposed language is, "The purpose of these funds is to provide fresh water and clean drinking vessels for those living unhoused and unsheltered in isolated areas throughout a mobile...through a mobile hydro-technology accessibility vehicle. Funding is for one year, to create a database and partner with existing agencies, as a pilot program for replication. The goal is to provide clean drinking water daily to consistent locations which lack access to facilities." Okay. Member Sinenci, this is your priority proposal. Is that accurate as to your intent?

COUNCILMEMBER SINENCI: Yes, Chair. Thank you. We did...we...because we opened up to all of the nonprofits, we took out the itemized...the items, and...and just provided general language. We did...oh, right, and we also have up to 66,200 as recommended by some of the Members, so...thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay, so it is accurate? And I guess I'd just like to also remind Members that the...the more...there's pros and cons to detail, that if...the more detail we have in our condition, the...the more it will, you know, pigeonhole whoever is applying, and it makes it less flexible. So there's pros and cons to that, right? If it's less flexible, then whoever is propose...applying for this funding will have to follow exactly what is listed in this condition. The...the broader the language is, the more flexibility it gives the entity that will be applying for this. So that...that's just for the Members' consideration. Just to keep in mind, that that's the potential consequence. So one example is when we name an entity, if we put down the name inaccurately, if it's not the legal name, then we have to do a budget amendment in order to change the name of that entity so that the entity will be able to receive that funds. So that's just an example that happened recently. Okay, so if there are...Chair Lee?

COUNCILMEMBER LEE: I agree, the language should be broad. Like the last sentence, where it says, "The goal is to provide clean drinking water daily to consistent locations which lack access to facilities." I would take out "which lack access to facilities" because let...let's take the houseless in Kanahā, for example. They actually could access the park facilities, which are not...you know, they're not that far away. So I...I just wonder...I would hate to see them not qualify for something like this. So that's why I'm a little concerned about "which lack access to facilities." Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Anyone else wishing to speak to the language proposed? Okay. Member Sinenci, do you have any comments on Chair Lee's concern of this language?

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COUNCILMEMBER SINENCI: Yeah, mahalo, Chair Lee, for that input. And I'll be open to, you know, taking out...so maybe it could say "consistent locations" and then take out "lack access to facilities". By taking that out, then we can address the camp at Kanahā.

CHAIR RAWLINS-FERNANDEZ: Okay. So your proposal is to take out "consistent locations which lack access to facilities"?

COUNCILMEMBER SINENCI: Or...or just "which lack access to facilities." Just "Provide clean drinking water daily to consistent locations."

CHAIR RAWLINS-FERNANDEZ: Okay. So another concern...so there's two concerns in this sentence. One is "daily," so whoever is going to get this funds will have to commit to doing it every day. And I'm sure whoever gets it would like to, but if they don't do it every day, then they would be in violation. And then the other is "consistent locations." And my concern there is what if, in this next fiscal year, there is another encampment, and that wasn't included in the...the locations? You know, the foreseeable locations, Member Sinenci.

COUNCILMEMBER SINENCI: Right, I concur. So maybe "The goal is to provide clean drinking water" it doesn't have to be daily, but "on a regular basis"? And "to locations that are..." I'm trying to say further from...from facilities. So...but we...we want to include the Kanahā as well.

CHAIR RAWLINS-FERNANDEZ: Okay, so if you would like to rework that, and if Members would like to share any other concerns about the current language with Member Sinenci and work to amend that.

COUNCILMEMBER SINENCI: Yeah.

CHAIR RAWLINS-FERNANDEZ: Chair Lee.

COUNCILMEMBER LEE: Again, the broader the language, the better, because it'll include more people. The tighter the language, you start to exclude people, and Kanahā is important because they have about, oh, 80 people down there. So you know, they really need the fresh water every day. And if you put in, well, "that don't have access to facilities" when they actually do, but they have to walk quite a distance to get it, then you know, we don't want them excluded for any reason. And...but...so keep it broad, and...and explain the intent, and then we'll...we'll be fine. We'll be fine.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair Lee. All right. And Members should be receiving the proposed Appendix D and E momentarily. Okay. The next condition is condition number 34, and that's Animal Enforcement Program. At least 750,000 must be for feral animal control; A, up to 250,000 each must be for Maui, Moloka'i and Lāna'i. One, to ensure equal distribution for all three inhabited islands for feral animal management needs. Member Sugimura.

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COUNCILMEMBER SUGIMURA: Yeah, that is what we talked about in...in Committee, so this looks good to me.

CHAIR RAWLINS-FERNANDEZ: Members, any questions or concerns with this language? Seeing no hands, we'll go to the next one. Condition number 35. Animal Enforcement Program. At least 750,000 must be for feral animal control; B, at least 150,000 must be for a Moloka'i Axis deer management specialist I. Salary for this position would be 60 to 80,000 annually, with the remainder to be spent on operations. So for this one, the only amendment or clarification that I would propose, is that the 150,000 would come out of the 250,000 Member Sugimura had stipulated for Moloka'i.

COUNCILMEMBER SUGIMURA: Concur. That's what we discussed in Committee.

CHAIR RAWLINS-FERNANDEZ: Yes. All right. The next one is condition 39. And I'll just read it. I...I...I know Member...Ms. Milner is making the correction now. Management Program; 2, Department must develop a program to track responsible and transparent disposal of County vehicles and equipment. Member Paltin? Okay, I see a nodding head. Any questions or concerns? Okay. We'll go to the next one. Condition 40, Management Program. Up to 350,000 must be for the Pā'ia Clean and Safe Program. Member Molina.

COUNCILMEMBER MOLINA: Yeah, Madam Chair? Sorry, I apologize.

CHAIR RAWLINS-FERNANDEZ: Condition 40, up to 350,000 must be for the Pā'ia Clean and Safe Program.

COUNCILMEMBER MOLINA: Correct.

CHAIR RAWLINS-FERNANDEZ: Okay. So that's accurate?

COUNCILMEMBER MOLINA: Um-hum.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER MOLINA: Fine. Thank you.

CHAIR RAWLINS-FERNANDEZ: All right. Condition 43. Oh, mahalo, Member Molina. And seeing no hands, we'll go to the *(audio interference)* program. Renewable Energy Programs Grant. At least 200,000 must be for the Ho'āhu Energy Co-Op Moloka'i, for the Executive Director Staff training. All right. Any questions or concerns? Okay. Condition 44, Climate Medication *[sic]* Adaptation Program. At least 150,000 must be for the Maui ESG Investment Project. One, funding to be used for stream monitoring and community engagement projects, establishing equitable, sustainable, and culturally-appropriate, 21st Century solutions based on Native Hawaiian perspectives and practices. It will also provide for cultural practices and *(audio interference)* Member Sinenci, accurate?

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COUNCILMEMBER SINENCI: I believe we had, instead of Maui ESG Investment Project, we had Responsible Markets, LLC.

CHAIR RAWLINS-FERNANDEZ: Any other amendments, Member Sinenci?

COUNCILMEMBER SINENCI: Just that one.

CHAIR RAWLINS-FERNANDEZ: Members, any questions or concerns on this proposed language? Member Paltin.

VICE-CHAIR PALTIN: Oh, it's not on the language, I just...you're kind of cutting in and out a little, and I just was wondering if...because we're on screen share, if you wanted to mute your video and then maybe we could hear you better.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for letting me know, Member Paltin. Okay, we'll go to the next one, condition 47. Is that better? Okay.

VICE-CHAIR PALTIN: Yes.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Eradicate Invasive Species. B, eradicate Miconia and other invasive species for \$400,000. One, funds may not be used for deer management. Member Sinenci.

COUNCILMEMBER SINENCI: Yeah, thank you, Chair. That language looks okay. We just put on our original, that there were specific funding for deer management. So we wanted to just include that, so that the other invasive species that were decreased would...we could bring that...all those back up to flat. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay, and your intent was to open it up to all other invasive species? Or invasive flora, like plants? Or flora and fauna?

COUNCILMEMBER SINENCI: If open to invasive species, if we had the deer management, that little caveat there. We... we did want to include fire ants.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay, seeing no other hands, we'll move on to the next one. Number 55, Economic Development Grants and Disbursements for Business Development and Technology, Wailuku Economic Development, oh, sorry. We don't need to go through those. Those are the Grants and Disbursements for Business Development and Technology under the Districts. You can check those. Whatever was submitted to the Committee was added. And then we included the condition, "Notice must be provided to Council if funds are to be expended outside of the named area, without prior consent." And so that was requested by Member King, so we added that language there for all of the districts. All right. And then condition 70, the Micro Grants. So it's the same language that we adopted last year, adding that preference would be given to those who did not receive the Micro Grant in FY'21, and I'll make that amendment and submit that. Okay. We'll go to condition 72. Oh, Member Paltin.

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VICE-CHAIR PALTIN: I just was wondering for that Micro Ag Grant, if that was the one...shucks, I can't remember her name, was saying about Schedule F as opposed to Form G-45 or something?

CHAIR RAWLINS-FERNANDEZ: Yeah. Yeah. So I'll make that...yeah, this is the one. So instead of the Federal IRS Schedule F, for State Tax Form G-40-one of those. So yeah, I'll...I'll propose that amendment.

VICE-CHAIR PALTIN: Oh. Okay.

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

COUNCILMEMBER SUGIMURA: I have a question on that. I think when this came up when you initially created this, the floor discussion from this body was that a GET license can be secured by anybody, but the reason why that you put in the IRS Schedule F form was so that you can substantiate sales and actual bona fide (*audio interference*) farmer. Is that the discussion on the floor that I remember from last session? Last term, I'm sorry.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Yes, but we also put an "or" so it wasn't required.

COUNCILMEMBER SUGIMURA: Okay. So you're going to put an "or" in for the GET?

CHAIR RAWLINS-FERNANDEZ: It...it's the same language as last year, except to allow for the State Tax form.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: G-47, -45.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: And then preference to those who didn't receive it last year, or this fiscal year, and a tiered system for property size.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay condition...okay. G-45 or -49. Okay, Condition 72, Administration Program, General. At least 50,000 must be used to perform a comprehensive assessment of highly-utilized County Parks and Recreational facilities in the Wailuku District. One, assessing existing conditions and the frequency of use of Parks and Recreational facilities will assist in determining maintenance priorities. The assessment could also include possible revenue generation for future use. Chair Lee. Chair Lee? Accurate? Good?

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COUNCILMEMBER LEE: It's good. Thank you. I was muted. Thank you.

CHAIR RAWLINS-FERNANDEZ: Oh, oh, sorry. Condition 82, up to 50,000 to create the Maui Community Outreach Court and look at its possibility for assessment and data collection. Member Sugimura on behalf of Pro Tem Kama.

COUNCILMEMBER SUGIMURA: Yeah, this is what we talked about.

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: So thank you very much, Members. I think it's a really important item for Tasha Kama.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Milner. All right, Members. So that's Appendix D. It's been emailed to you by the BFED Committee, so please, you know, take a look at it again, and if you see any proposed amendments, we can take it up. Okay. And then Staff has informed me that the numbers on the Appendix D will also be updated for accuracy. Right. Member Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. Condition 69, which I see is in here for Maui County Farm Bureau, up to 100,000 must be for vacuum cooling plant. So this will remain in there, correct? This condition? Because they were able to secure, and this is their matching pot for...from State funding from House Bill 200.

CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER SUGIMURA: So this is going to be in our document. Right on. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Member Paltin.

VICE-CHAIR PALTIN: Thank you. Can you hear me? Okay. I just was wondering about the cultural parking lot money. Do we not need that in Appendix D because its language is in the bill? Or are we... we're not passing the bill, we're holding that until Committee. So I was just wondering about the extra wording for that fund of Moku'ula, Mokuhinia money.

CHAIR RAWLINS-FERNANDEZ: Ms. Milner, is there a reason that that conditional language was not included in Appendix D?

MS. MILNER: I believe that was under Special Purpose Revenues, and we were focusing primarily on the operating budget for this. But if we would like to include that language in Appendix D, we can do that.

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

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VICE-CHAIR PALTIN: I'd like to, you know, just so its intent is clear, and Appendix D is...the intent is to make the intent clear, so that would be cool.

CHAIR RAWLINS-FERNANDEZ: All right, we'll try to figure out how to format that in. Okay. *(audio interference)* are to Council's operating budget bill, but we can reformat it to make it make sense. Member King.

COUNCILMEMBER KING: Chair. So I didn't see in the conditions, and I looked, because it was considered a Special Purpose Revenue, but the ReTree Hawai'i event? Or the, I guess, the shoreline access study wouldn't be in there, because that's a SMA Revolving Fund. But is there some reason why we didn't put that? And then, also, the other question is, the items that were attached to the American Rescue Plan, where would those be? Are those *(audio interference)*

CHAIR RAWLINS-FERNANDEZ: Member King, so it's the same response that Ms. Milner gave to Member Paltin, that this is for the operating budget bill, and not the Appendix A, Part II and Part I Grants and Revenue, and Special Revolving Funds . . . *(inaudible)* . . .

COUNCILMEMBER KING: Okay. . . . *(inaudible)*. . . if those were...if the...if the items were under OED, which is the ReTree Hawai'i, was considered a different fund. So that...you're saying, yes, it is. All those items are...are separate from these conditions?

CHAIR RAWLINS-FERNANDEZ: I think the ReTree...the ReTree item is...was under Environmental Protection, right?

COUNCILMEMBER KING: So that's considered special that will be funded.

CHAIR RAWLINS-FERNANDEZ: Right. So it's not the operating budget bill.

COUNCILMEMBER KING: Okay. And then what about the American Rescue Plan items? Are...are those described somewhere, or...that's what *(audio interference)* was asking, if that's what --

CHAIR RAWLINS-FERNANDEZ: All those --

COUNCILMEMBER KING: Was just asking if that's considered a Special Revenue Fund, but...

CHAIR RAWLINS-FERNANDEZ: So ARPA would be a grant, a Federal grant.

COUNCILMEMBER KING: Okay. All right. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. And so Ms. Milner let me know that the grants and special revolving funds was meant to be in the document that was sent, but wasn't. So she'll...she'll send that out to everyone.

COUNCILMEMBER KING: Great.

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MS. MILNER: Chair.

CHAIR RAWLINS-FERNANDEZ: Ms. Milner.

MS. MILNER: Apologies. ReTree Hawai'i was in the operating budget, along with organizations like Ke Ao Hāli'i and Na . . . *(inaudible)*. . . , so I'll send a version with that one. But we did not have the grants or the special revenue funds, so we will look at how to incorporate those, as you discussed.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Ms. Milner. Any other questions, Members? And so again, this is a new thing that we're doing, and so you know, I really appreciate the Staff for figuring out how to make this Appendix work. So we'll amend it to incorporate everyone's requests. Did I see hands? Okay. Member Paltin? Oh, Member King.

COUNCILMEMBER KING: Thank you. So if we're going to include the environmental protection and sustainability, then the other one I didn't see in there was the Kihei Green Waste and Composting condition. There was new money added to that environmental protection fund.

CHAIR RAWLINS-FERNANDEZ: Okay, so that would be part of all of the items that you named. So it would be in that...that document that Ms. Milner is sending.

COUNCILMEMBER KING: Okay. Make sure that gets in. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Kihei Green Waste.

VICE-CHAIR PALTIN: Chair Lee had a question in the chat. From what I saw, when we ran it through, it was a 50-grand condition, but I'm not sure what the intention.

COUNCILMEMBER LEE: Just wanted to verify the source of the funding, that's all.

CHAIR RAWLINS-FERNANDEZ: Okay. Ms. Milner, for condition 72, at least 50,000 for a comprehensive assessment for Wailuku Parks. It's under General, under the Administration Program. So is that new funding, or is it a condition of existing funding?

MS. MILNER: I'm confirming right now. I'll get right back to you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Milner. Any other questions or comments, Members? Member Sugimura.

COUNCILMEMBER SUGIMURA: I just wanted to make sure that my YMCA, the 150,000 that I had put in as one of my conditions, or provisos, I don't see it here.

CHAIR RAWLINS-FERNANDEZ: Okay. Well, the 50,000 for the Park Assessment is new funding, Chair Lee.

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COUNCILMEMBER LEE: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay? And we will double check...or Staff will double check your question, Member Sugimura.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay . . .*(inaudible)*. . .Members. All right. Okay. So we have Appendix E and General Budget provisions that we'll come back to. But at least we're almost there on those two items. So it's 10:23, and I'd like for us to take our morning recess before we take up RPT. Any question, comments? Member King.

GENERAL BUDGET PROVISIONS

COUNCILMEMBER KING: Yes, Chair, thank you. I have language for that...you know, that paragraph that we were talking about Section 27 Legislative Intent? Do you want to take that up quickly?

CHAIR RAWLINS-FERNANDEZ: Sure. Member King.

COUNCILMEMBER KING: Okay, and this is supported by OCS. So the second sentence... I move that the second sentence be amended to say --

CHAIR RAWLINS-FERNANDEZ: There's no...there's no motion on the floor.

COUNCILMEMBER KING: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Yeah.

COUNCILMEMBER KING: Do... anyway, should I just propose...just propose my amendment? Or I don't know how to --

CHAIR RAWLINS-FERNANDEZ: Yeah, yeah, you can say the amendment, and then we just...it...it just won't be a motion, because we don't have a main motion on the floor right now.

COUNCILMEMBER KING: Oh, okay. So the amendment would...would change the second sentence to say, "If an appropriation will not be expended, the Council's intent is for the Mayor to propose a budget amendment" and this is the new part "for the Council's review and approval by ordinance," and then "within a reasonable time so the appropriation does not lapse to allow the funding to be reallocated by the Council."

CHAIR RAWLINS-FERNANDEZ: Members, any questions on that language?

COUNCILMEMBER SUGIMURA: Please repeat it?

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CHAIR RAWLINS-FERNANDEZ: So the section is just...it would just add for review after the budget amendment, for review and --

COUNCILMEMBER KING: For the Council's review and approval by ordinance. And then at the end, it would say to allow the funding to be reallocated by the Council.

CHAIR RAWLINS-FERNANDEZ: Okay. So the first part of the language, the budget amendment...so when the budget amendment comes to us, that is what we do; review and then deliberate, and then vote on it, and approve or disapprove it. So that's part of the process, of the budget amendment process. And then reallocate by Council, I think...I think I would like to get Corporation Counsel's opinion on that "reallocated by Council." Deputy Corporation Counsel Toshikiyo? My question is, is that language permissible under Charter, to allow the funding to be reallocated by Council?

MS. TOSHIKIYO: No, it would not be. Because that would be your times in the budget season, so if there's going to be budget amendments, it would have to come from the Administration for your review and approval. But I don't think that you can make any changes.

COUNCILMEMBER KING: Is...can I ask a question?

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: Thank you. So isn't the...the final decision is the Council, right?

MS. TOSHIKIYO: Correct. To *(audio interference)* approve or deny.

COUNCILMEMBER KING: Yeah, so that's the intent of saying "reallocated by the Council," because these are items that would be...you know, that have been approved by the Council by final approval. They're proposed by the Mayor, but approved by the Council. And so if he's going to change them, then the reallocation, the final approval would be by the Council. So this would be the Council reallocating that funding by approval.

MS. TOSHIKIYO: I guess my concern is with the word "reallocate" because it does kind of give you the sense that, you know, if you deny the budget amendment, then do you...are you going to then reallocate it or reappropriate elsewhere that's not coming from the Administration. I think if you wanted to make it more clear, that if you were going to be denying it and you wanted to switch back to what the Council intended, is that what you're saying?

COUNCILMEMBER KING: Right.

MS. TOSHIKIYO: I think that the...the wording would have to be changed. Because again, it...when you say reallocate, it does sound like you're trying to move it into a different direction. It may not necessarily be what the Council originally intended.

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COUNCILMEMBER KING: Great. Can we get...Chair, can we get an opinion from Mr. Raatz on this?

CHAIR RAWLINS-FERNANDEZ: Mr. Raatz, are you...hi, Mr. Raatz.

MR. RAATZ: Good morning, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Did you hear the question?

MR. RAATZ: Yes, I...I did, thanks. The...the term "reallocate" was in the General Budget provisions for the Fiscal Year '21 Budget. So Corporation Counsel is correct that the Council cannot propose amendments to the Executive Operating Budget during the Fiscal Year, but I think the intent of the proposal is just to emphasize the Council's role in approving or denying budget amendments.

COUNCILMEMBER KING: So is there any legal reason...we...we heard Corp. Counsel saying that they have concerns with the "will be reallocated by the Council".

MR. RAATZ: Well, I mean, the --

CHAIR RAWLINS-FERNANDEZ: So --

MR. RAATZ: I'm sorry. Go ahead.

CHAIR RAWLINS-FERNANDEZ: So I think what...what Deputy Corporation Counsel was expressing, and I agree with, is it's just the...the language. So I...I...I...I don't think there's any disagreement with what you're stating, because that is the current process that we follow. So the intent of your proposal, I think, as Deputy Corporation Counsel stated, is not the...the concern. It's just the way that the words all work together, and there's duplicative meanings that could be understood in interpretation. So if...if your intent is what you expressed, just kind of shift...choosing different words and shifting the language a little to make your intent clear, I think it's something that everyone would be able to support. So it's just the current language is a little problematic. So we'll...we'll just...we'll take our...we'll take our morning recess, and then we can wordsmith a little bit. Because I support your intent, and I think Deputy Corporation Counsel didn't have any, you know, concerns with the intent, it's just the...the language itself.

COUNCILMEMBER KING: The language at the end? Okay.

CHAIR RAWLINS-FERNANDEZ: Yeah. Yeah.

COUNCILMEMBER KING: Hope...hopefully we'll have David working on that.

CHAIR RAWLINS-FERNANDEZ: Yeah. So we'll just take our ten-minute break, and then we can come back.

COUNCILMEMBER KING: Okay. Thank you for letting me get started on this.

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CHAIR RAWLINS-FERNANDEZ: Yes.

COUNCILMEMBER KING: We'll go fast.

CHAIR RAWLINS-FERNANDEZ: Okay, it's 10:30. We'll take our ten-minute break. We'll return at 10:40. It's 10:30 on April 29th, and the Budget, Finance, and Economic Development Committee is now in recess. . . (gavel). . .

RECESS: 10:30 a.m.
RECONVENE: 10:44 a.m.

REAL PROPERTY TAX

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . Will the Budget, Finance, and Economic Development Committee return to order. It's 10:44 on April 29th. Okay, so the next item that we have to accomplish today is setting real property tax rates (*audio interference*) last night's public hearing, I have invited Director Scott Teruya, and Real Property Administrator Marcy Martin to our meeting this morning to explain... oh, aloha, Ms. Martin... some, I don't know if it's new information or clarification on information that was received. Aloha, Director Teruya. Mahalo for joining us this morning.

MR. TERUYA: Aloha, Chair and Members.

CHAIR RAWLINS-FERNANDEZ: So the information that we received was that the tier threshold would not...is not required to be consistent in every classification. So I was hoping that (*audio interference*) explain the limitations or flexibility of the software, and the administrative recommendations from departments in maintaining consistency or it not being consistent. Director Teruya?

MR. TERUYA: Thank you, Chair and Members. Good morning. This is relatively new. I...I think...I believe everybody knows we started the tier system last year, and it took us several months to get it not only implemented, but we needed the software vendor to do the...the modifications to our system. So since that has happened, we are now able to do separate tiers per classification. So in the first year, we couldn't do it because we had to set up that modification. It took some time, but now the system is able to take multiple tiers for...for each classification. My only comment, and I...I won't give you any offering as to what the tiers should be, that's really how you've...how you go through the vetting of that, but it will lead to another level of complexity for taxation when you definitely change the tiers for different...different classifications. So that's the only thing that you're going to have to do. But once you know what they are then, you know, it will step down that...that process. But that's the only downside to that. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. And when you say complexity, would --

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MR. TERUYA: I thought, Chair, I just...I just mean, like, the public...unless you're astute and understand, and know every tier per classification, you may not understand how to calculate taxes. That's all.

CHAIR RAWLINS-FERNANDEZ: And so that complexity is for the Department, or is that complexity for the public?

MR. TERUYA: For sure, it will be for the public. The Department, because they do it every day, they might be able...they...they will be able to calculate it out. But for the average person, it's going to be difficult. Just creating the tiers led some difficulty for...for...for many people out there, and I don't blame them. So just by changing the tiers in different categories, there will be more questions.

CHAIR RAWLINS-FERNANDEZ: Okay. And then the last question, and I'll open it up to the Members for questions, is so there's...it was not possible to create inconsistent tier thresholds last year because of the limitations of the software. As far as the software goes this year, are there any hurdles, either with the software, or would it require any additional resources--personnel, time--to make this happen, or would it be easy to do?

MR. TERUYA: Chair, I will give opening comments to that question. To me, it...it...it'll take maybe a day for probably the Staff, but I'll...I'll defer that to Ms. Martin. But it's not something you can just easily whip out because they're still going to need to calibrate and recalculate based on the new tiers that you guys do. So it's not a very simple task, but it's nothing that's going to take too long. But I'll defer to Ms. Martin to answer that question. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Director. Aloha, Ms. Martin.

MS. MARTIN: Chair, thank you. I...I will confirm what Director Teruya said. We can...if...if it's three tiers, two tiers or one tier, and the tier levels can be different amounts. However, it does require many setups and running reports, so it does require Staff time. Even...you know, 24 hours would be a rush, but at a minimum, it would require a day to recalculate the numbers.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Martin. Okay. I saw Member Paltin with her hand up, and then let me know, Members, if you have questions for Finance Director Teruya or Ms. Martin. Member Paltin.

VICE-CHAIR PALTIN: Thank you. I just wanted to follow up on the overtime question. Would setting different ranges across different categories cause the Department to incur overtime expenses?

MR. TERUYA: Chair. I don't expect it to create overtime for the Department; but then again, I don't know what they're going to be run up against as far as time. So if it's an urgent rush and it requires them to work after hours, then yes, maybe. But the intent is not to be incurring overtime at this time. Thank you, Chair.

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VICE-CHAIR PALTIN: And just to follow up on that --

CHAIR RAWLINS-FERNANDEZ: Member Paltin.

VICE-CHAIR PALTIN: -- if the majority is all the same across the categories, and there's just, like, one that's different, obviously I'm assuming that that would be less work than every single category being different on every single tier. Is that a correct assumption?

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: I'll defer to Ms. Martin for that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Ms. Martin?

MS. MARTIN: Chair. Yes, that would be...take less time if only one tier was changed, as opposed to nine.

VICE-CHAIR PALTIN: Thank you, Ms. Martin, Mr. Teruya, and Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. Members, any other questions for Finance Director or Ms. Martin? Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, just a general question. So --

CHAIR RAWLINS-FERNANDEZ: Member Sinenci?

COUNCILMEMBER SINENCI: Yeah, thank you Chair. So just as a, you know, if we did raise Tier 3, non-owner-occupied to \$2 million, what would that do to the valuations? Would it increase the valuations in Tier 3?

MR. TERUYA: Chair.

CHAIR RAWLINS-FERNANDEZ: Director?

MR. TERUYA: None...none of your tiers where you change will normally change our valuations, but it will change revenues, for sure. But nothing to do with valuations.

COUNCILMEMBER SINENCI: By...by raising revenues, would that also increase valuations on the property?

MR. TERUYA: Chair. No, that will not necessarily directly affect them, unless if your taxes maybe double, maybe somebody might not be willing to pay as much for property. But that is yet to be seen, Member Sinenci. I mean, the...we're...we only reflect what...what's taking place in the marketplace. So if the marketplace feels that raising taxes is...is...affects value, then yes, it will be seen. But as of right now, I can't tell you because I don't know what the taxes will end up being.

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COUNCILMEMBER SINENCI: Thank you for that. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. Any other questions, Members? All right. Seeing no questions, we'll thank you, Ms. Martin and Director Teruya, for joining us this morning on short notice.

MR. TERUYA: Thank you, Chair. Good luck.

CHAIR RAWLINS-FERNANDEZ: We may need it. Okay. All right, Members. So on Friday, we set temporary rates that's posted on Granicus. Owner-occupied...no, no. Do you want me to read all the rates, or do you want a share screen, or are we good to just move forward with deliberations without going over all the rates?

COUNCILMEMBER SUGIMURA: Chair.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura.

COUNCILMEMBER SINENCI: Share screen.

COUNCILMEMBER SUGIMURA: Yeah, so since people are listening, you know, it...it might be good if you were to read it, because it's hard to see the share screen on the television. So thanks.

CHAIR RAWLINS-FERNANDEZ: Okay, we can do both. That's not a problem either. Okay. Member...sorry, Ms. Milner, will you please share the rates that were temporarily set on Friday? And while we're waiting for that, I can start. Okay, there we go. Owner-occupied, and I'm going to turn off my video, because I understand my audio hasn't been very good. Okay. Owner-occupied Tier 1, up to 800,000, \$2.41. Tier 2, \$801 [sic] to 2 million, \$2.51. Tier 3, in excess of 2 million, \$2.71. Ms. Milner, maybe a...a little bigger, if possible. Non-owner-occupied Tier 1, up to 800,000, \$5.45. Tier 2, 801 [sic] to 2 million, \$6.05. Tier 3, in excess of 2 million, \$8. Apartment 5.55. Hotel/Resort 11.75. Timeshare 14.60. Short-term Rental up to 800,000, 11.11. Tier 2, 801 [sic] to 2 million, 11.15. Tier 3, in excess of 2 million, \$11.20. Agriculture, 5.94. Conservation, 6.43. Commercial, 6.29. Industrial, 7.20. And Commercial Residential, 4.40. Okay, mahalo, Ms. Milner. So those were the rates as we left it last week Friday, and then we had our public hearing last night. So today we can adjust those rates if we need to, or we can leave them as we set it on Friday, okay? Are there any proposals? Member Paltin.

VICE-CHAIR PALTIN: Chair, I would like to see what would happen if we set the tiers across the board at 800,000 and 1.5 as the Mayor proposed, and as they were last year.

CHAIR RAWLINS-FERNANDEZ: Okay, so that is the proposal, that the...so the 800 and 1.5. Ms. Milner, will you please share your screen again? So you want to see the revenue for each tier as the Mayor proposed? Okay. So we'll...we'll share that, and I guess --

MS. MILNER: Sorry, Chair.

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CHAIR RAWLINS-FERNANDEZ: Oh.

MS. MILNER: Question.

CHAIR RAWLINS-FERNANDEZ: Ms. Milner?

MS. MILNER: Should...do you want to...do you want to see the rates as the Mayor proposed, with the new rates that the Council discussed on Friday?

CHAIR RAWLINS-FERNANDEZ: So maybe we can hide...hide the columns in between from the Mayor's rates with certified revenue, and then hide all the columns to rates.

MS. MILNER: Okay, I'm going to share screen, and you can tell me if it's what you want, or if you want something different.

CHAIR RAWLINS-FERNANDEZ: Sounds good. Okay, Members. So if you can hide column I, J and K. Is that easy to understand, Members? So where the green cells are, are the...oh, okay. I...I was actually...I was actually thinking, perhaps, we only highlight the cells that were changed, but...okay, mahalo. Okay, Members, is that easy to understand? So what we have is a side-by-side comparison of the Mayor's proposed rates and threshold of 800,000 to 1.5 million, compared with our rates that we discussed on Friday, and our threshold, which is 800,000 to 2 million, okay? So let me...a little bigger, Ms. Milner. And what is highlighted in green are the rates that were amended on Friday. So you can see the...and then right above the...the rates...so in column G, Ms. Milner, will you highlight the column? In column G, that is the revenue per tier based on the Mayor's proposed rates and threshold. And in column M, that is the Council's proposed revenue...oh, Ms. Milner, if you can highlight M. And that is the revenue proposed by the Council's threshold and tiers on Friday. And then column N, if you can highlight that please --

MS. MILNER: Sorry, Chair.

CHAIR RAWLINS-FERNANDEZ: Oh, yes?

MS. MILNER: I think I may have misunderstood. This is with the Mayor's tiers across the board.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Got it.

MS. MILNER: Okay.

CHAIR RAWLINS-FERNANDEZ: Member Paltin, is that what you intended?

VICE-CHAIR PALTIN: Yes. I just was wondering if Ms. Milner can fill us in on what the difference is with the Mayor's tiers across the board versus the total that we came up

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with on Friday night, with the different higher tiers at 2 mil. It's...is it 400...oh, no, that's not it.

CHAIR RAWLINS-FERNANDEZ: What...I'm sorry, what was your question, Member Paltin?

VICE-CHAIR PALTIN: The difference, not from the Mayor's proposal, but from our tentative proposal from Friday night.

CHAIR RAWLINS-FERNANDEZ: Oh, I see. Okay. So what you're saying is what...so the...the...our rates on the Mayor's proposed threshold of 8 and 1.5, and then comparing our proposed threshold of 8 and 2 to our proposed rates. So using the same rates from Friday in both scenarios of thresholds. So and...and you want to see it for all of them? Okay. I don't...I don't know if Ms. Milner has that set up. It...it would probably take a little bit of inputting.

VICE-CHAIR PALTIN: It looks like it would be about 2 mil roughly...roughly a little bit over 2...oh, 1.5 more.

CHAIR RAWLINS-FERNANDEZ: Yes, so we get...so using the...so the total revenue using the Mayor's proposed threshold 800 and...800,000 and 1.5 million, and using the 800,000 and 2 million thresholds would result in 1 point...1...1,508,661 difference.

COUNCILMEMBER KING: Chair.

CHAIR RAWLINS-FERNANDEZ: Member King.

COUNCILMEMBER KING: You...you said using the 2 million, but you meant using the 1.5 million. That's what's bringing in this extra.

CHAIR RAWLINS-FERNANDEZ: Yeah, the Mayor's proposed --

COUNCILMEMBER LEE: The Mayor's tier.

CHAIR RAWLINS-FERNANDEZ: -- 800,000 and 1.5, compared to the 800,000 and 2 million.

COUNCILMEMBER KING: Okay. So we're bringing in another 1.5 million.

CHAIR RAWLINS-FERNANDEZ: Any other questions, Members?

COUNCILMEMBER SINENCI: Chair.

CHAIR RAWLINS-FERNANDEZ: Member Sinenci.

COUNCILMEMBER SINENCI: This doesn't include the 7.4 million that we increased it on Friday.

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CHAIR RAWLINS-FERNANDEZ: Okay. So the difference that...so the 1,508,661 is the difference between using the 800 to 1.5 million, and 800 and 2...2 million.

COUNCILMEMBER SINENCI: Okay. Not...not without our proposed increases at certain areas, yeah?

CHAIR RAWLINS-FERNANDEZ: Including...so both...both thresholds using the rates that we set on Friday.

COUNCILMEMBER SINENCI: Oh, okay. So just...just for those...those rates from...from 1.5 to 2 million. That's the difference. Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah. Member Paltin.

VICE-CHAIR PALTIN: So for me, for discussion, I think that I would like to bring it back down to 1.5. The 2, when I suggested that, was thinking that we could take the highest tier higher. But you know, in...in considering Na 'Ohana of Makena, in that you know, some of their properties are in the 9 million plus range, due to wealthy neighbors, I'd like to withdraw that, because we need to address that first before we can you know, raise the highest tiers of, like, non-owner-occupied and things like that. So for me, I would...I would like to withdraw the highest tier in excess of 2 mil and put it back to the Mayor's proposal. And then if anyone has any other proposals, work from there would be my preference if folks are amendable to me making that motion.

CHAIR RAWLINS-FERNANDEZ: Okay, mahalo, Member Paltin. Ms. Milner, you can stop sharing screen now. Okay, mahalo, Member Paltin. Member King.

COUNCILMEMBER KING: Just a question for Member Paltin. Are you talking about going back to the...the Mayor's thresholds with the numbers that we came up with on Friday? Okay, I would second that motion.

VICE-CHAIR PALTIN: Okay, I'll make it then. So move.

COUNCILMEMBER KING: Oh, I thought you had made it. Okay.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Paltin, seconded by Member King. Discussion, Members? So to clarify, the motion on the floor is to move the threshold back from 800,000 and 2 million to what the Mayor proposed, 800,000 and 1.5 million in all classifications. Chair Lee.

COUNCILMEMBER LEE: I'll be voting no against the motion, and...and probably most motions, because of the actual intent of raising taxes here is to accumulate monies for infrastructure. And that is not my priority at this point because we don't have a project, or we don't have a plan. I...I wouldn't mind, if anything that, you know, raising some money for...to help local families who are trapped by the...the high appreciation of homes around them. Now that's something, you know, I think we need to address either now or in the future, in the near future. But because this is a pressing need, as opposed

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to raising funds to bank and to park for when some project comes along. So that's where I am. I just want to let you know. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Anyone else wishing to speak to the motion? Member Sinenci.

COUNCILMEMBER SINENCI: Thank you, Chair. So yeah, just a question. So I know Member Paltin's is to bring it back down to 1.5 million to address some of the generational families that are surrounded by some of the non-owner-occupants. In the Tier 3, I...I think a lot of the...we had some testimony from Ms. Dudoit and Ms. Aiwohi for their non-occupied ones. The majority of them were below 800,000. So...so those...there's a few of them that are at that rate, and a lot of the non-owner-occupants that have those luxury homes in Hawai'i along the coastline, they're not renting those \$2 million to local people...\$2 million homes and over to local people. If...if they're able to rent those at that value, they're probably able to handle the increase. So I know the...the discrepancy is having a couple of our residents that are in that Tier 3 of non-owner-occupied, but a lot of them are...won't be renting at that. So not sure if I can support that or not. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Member Sugimura.

COUNCILMEMBER SUGIMURA: Thank you. I'm going to also, you know, take my same position. I think in our CIP with the Mayor's budget, there's already, as I said, \$48.5 million for a CIP project, so I don't think we need to elevate and increase taxes for programs that...or projects that are nonexistent. It's a good thought, and a wish that we have to help people by building infrastructure and increasing this fund, but there's no plan for the increase, and there's already \$48.5 million already in CIP in the Mayor's existing projects, so thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay, and then just real quick. So I don't know how accurate the testimony on the valuation of the...some of the...the homes in Makena that were affected by neighboring properties (*audio interference*), so if the home was valued at 9 million through no fault of their own, just based on the land value and the (*audio interference*) built around them. So at 7 million, which would be in excess of 2 million, right? So the 7 million at an \$8 rate is \$72,000. And then for Tier 2, would be an additional \$4,360. And then for Tier 1...sorry, it was the opposite. Tier 1 is \$7,260. And then adding that all up is \$83,620 for that one non-owner-occupied parcel in Makena. So that...that's how much the one year of property taxes would be with the 2 million threshold. So with the 1 million [*sic*] threshold, it would be more, because then it would be 7.5 times \$8 and, you know, we know that in this last year, we know that that property (*audio interference*) trying to hold on by do...by having weddings (*audio interference*) in a year of property taxes. And during the pandemic, it's doubtful that they were having weddings. So yeah, increasing Tier 3 (*audio interference*) won't be a breaking point for this Hawaiian family. Anyone else wants to discuss the motion? Okay. I've been informed that my audio is really bad, so I'm going to turn off my video, but I can still see you. Okay. I saw hands from Member King. Member King?

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COUNCILMEMBER KING: Yeah. Your audio was fine for me, I don't know why...who told you that, but...anyway, I just wanted to make the point that we should look at this as a category of folks, you know, the...the long-time kuleana families that...and lineal descendants that have this type of land. Rather than making decisions based on one or two people, I think we need like a category that we have so that we can address this problem. Because I think there's more people with this problem as well that have had these longstanding properties that are in the family and that they haven't been able to...they're not actually occupying, but they've been struggling with those rates. But I also wanted to say that...that I do support...you know, we also heard from scores of people who wanted us to put the money into affordable housing for the upcoming plan, and that's why I...you know, I hear that as a priority right now. And that does include infrastructure because we can't get those affordable housing projects built without infrastructure. So I see that as a top priority, and that's why I was in favor of raising that 20 million because we do...you know, we're...we're piecemealing all this stuff together, and...and we do need a plan, and we have a plan coming. And the folks who have looked at that plan, as well as some of us, have said that it's important to put this money in so that we don't end up another year behind by the time we approve the plan. So you know, the...I...I supported, along with others who, you know, don't support it, but I supported the original tiers in the beginning, and I still support going to those tiers because I think they make a lot of sense. And...and we also heard from folks who are renting to locals that they're below that first threshold of 800,000. That's why I...I support this motion. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. And so we...we do have a kuleana land category, but the parcels that we're talking about and the other parcels that were testified on are not kuleana land, so they wouldn't qualify. Just for your information and the public's information.

COUNCILMEMBER KING: Yeah. Maybe we need to find a way to get...get them to qualify.

CHAIR RAWLINS-FERNANDEZ: Yeah. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. You know, after yesterday's informative testimony, once again I kind of got...that's the...the word on the street is when we have our...our community come out. And I...I've heard the...the community loud and clear. It's...I think the one thing they...we want to remind everyone is that, you know, we have a plan coming out in July that this County spent \$300,000 on, and they're going to pound that message that we need infrastructure. In fact, in the emails they sent to all the Councilmembers was the...the list of the high...highest priority infrastructures and highest priority County land that is ready...is ready to be built on. So I think we do need the funds. And I...I...I appreciate your clarification, Chair, with the idea of kuleana lands and that, you know, if you're an LLC, that...that doesn't apply to you, but for kuleana lands, we do give that exemption for those folks. So thank you. That's all I wanted to (*audio interference*) Mahalo, Chair.

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

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VICE-CHAIR PALTIN: So I was looking up 4800 Mākena Alanui and 5075 Mākena Chang properties and currently, they're classified as Owner-Occupied. I think the Lu'uwai property is classified as Commercial Residential. And so those are the people that have come forward to me in the past. And looking at the properties on the RPT, neither of those are Non-Owner-Occupied currently. 4800 Mākena is currently at Owner-Occupied Homeowner 5.1 mil, and 5075 Mākena is Owner-Occupied at 3.4 mil. So those don't fall...so I'm...I'm okay with my motion, but you know, we'll see how it...the vote goes.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Paltin. Anyone else wishing to speak to the motion? Okay. Seeing...oh, how's my audio? Is it okay? It is okay with my video on or is it still breaking up?

VICE-CHAIR PALTIN: We can hear you...

COUNCILMEMBER KING: Now it's...yeah, you're slurring a little bit.

VICE-CHAIR PALTIN: It's a little bit like...

CHAIR RAWLINS-FERNANDEZ: Okay. So I should lay off the alcohol in the morning is what you're saying? Okay. I'll turn off my video again then if it's clear. Okay. How's it sound now? Is that better? Is it clearer with the video off?

COUNCILMEMBER LEE: Clear with the video off.

CHAIR RAWLINS-FERNANDEZ: All right. Okay. All right. So I'll...I'll just speak my piece before we vote on the motion. All right. So I think...I mean, I could support the motion if we went back and revisited some of the rates that we set for Tier 3, recognizing now that it would...you know, it...it could be hurting more people. In...you know, we have heard a lot of talk here this morning, and at like the public hearing last night, and throughout this Budget Session on a draft comprehensive affordable housing plan that absolutely lacks creativity. It's a total disappointment to me. It doesn't even include ideas of repurposing existing buildings, it doesn't include recommendations to this Council for tax reform. In this next year, what could be accomplished possibly is planning, design, engineering, and permitting. I didn't need us to...I didn't need us to pay someone \$300,000 to tell us that we should throw \$20 million at the affordable housing problem to increase affordable housing. I didn't need to pay someone \$300,000 to tell me that. I know that if we put more money toward affordable housing, it would help to address the problem. What I wanted to see in this Comprehensive Affordable Housing Plan is more creativity, not just to tell us to tax our...our residents more. The plan was...this draft plan hasn't even been adopted, and we continue to...to talk about it like it's something that we all agreed on that we're going to move forward on. And so it...it...it's...it's been very frustrating for me this whole Budget Session, having the public being told half-truths and not the full picture and information that we are having...we have \$20 million in excess in Affordable Housing Fund. I...I don't know...I don't think the public is aware of that. So all this misinformation that was being spread to the

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public was just very disappointing for me. So for me like, you know, I...I can support this motion on the floor but, you know, I've been...I've been really keeping these thoughts to myself until I heard public testimony last night with all that misinformation that was being spread that resulted in misinformation being testified on. So if there's no one else wishing to speak to the motion, I'll call for the question. All those in favor of the motion, please raise your hand and say "aye." All right, I see Member Paltin, Member King, Member Molina, Member Johnson, and myself. All those opposed, please raise your hand and say "no." Member Sinenci, Member Sugimura, Chair Lee. Five in favor, three opposed, Member Sinenci, Member Sugimura, Chair Lee. One excused, Pro Tem Kama. The motion passes.

VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, and Molina.**

NOES: **Councilmembers Lee, Sinenci, and Sugimura.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: APPROVE

CHAIR RAWLINS-FERNANDEZ: Any other proposals, Members? All right, I see no more hands. Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. I propose to increase the Hotel rates to \$12.30.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Johnson, and seconded by Member Sinenci for increase to Hotel and Resort to \$12.30. Member Johnson, you want to speak to your motion?

COUNCILMEMBER JOHNSON: I certainly can speak to my motion. Should I...can I ask how much it will raise, or do you want me to go into it?

CHAIR RAWLINS-FERNANDEZ: Ms. Milner, would you like to have...ask Ms. Milner to share her screen, or do you want her to just tell her...tell you the amount?

COUNCILMEMBER JOHNSON: If it's okay with the Chair, I'd love to share the screen.

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CHAIR RAWLINS-FERNANDEZ: Okay. Ms. Milner, will you please share your screen? Mahalo. So that's the...okay. So for Hotel and Resort at \$11.75, it would generate \$29,288,165 in revenue. And if we change that to 12.30, I see \$30,659,101. And if we subtract that by the 29,288,165, that would result in \$1,375,936.

COUNCILMEMBER JOHNSON: Thank you, Chair. So if I can speak to this, if I may. I...I...

CHAIR RAWLINS-FERNANDEZ: We'll...we'll ask Ms. Milner to stop sharing her screen. Okay. Go ahead, Member Johnson.

COUNCILMEMBER JOHNSON: Okay. Thank you, Chair. Thank you, Ms. Milner, for sharing your screen. So this...these rates are once again underneath our...our Honolulu tax rates for hotels. And I know this body has put strong emphasis on quality over quantity, and I too agree with that. And I know that this tax rate will affect our visitors, and we can use that to leverage funds against Federal funds. And there's...I can go down the long reasons why I support this, but this is the main reason is it's still within the means of the hotels. They're making hand over fist, they're owned by...majority of them are owned by international companies. The Four Seasons that I used to work for on Lānaʻi is a Canadian company, so I think they can kick in and ante up and kick in and...and help our communities. Smart investors invest in their communities, and I think this is one way to do it, so that's my stance on it. Mahalo, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Anyone else wishing to speak to the motion? Member Sinenci, as the seconder did you want to speak? And then I see Member Sugimura. Member Sinenci? Member Sinenci, you're muted. Please unmute.

COUNCILMEMBER SINENCI: Oh. Thank you, Chair. Can you hear me now?

CHAIR RAWLINS-FERNANDEZ: Yes. Mahalo.

COUNCILMEMBER SINENCI: Okay. I understand the concern for the hotel industry and the effects of the pandemic. While it is true that the hotel revenue was dismal last year due to the shutdown, I think we all saw the potential for tourism industry to quickly rebound to record numbers again. Most of our hotels are owned by investment companies. The astonishing rebound of the stock market has brought in record profits for these funds and their investors. The Blackstone Group stock has grown by almost 90 percent since the pandemic hit. Its stock has increased about 20 percent alone in this past quarter. So we can keep our taxes low and have bigger payouts to global investors, or we can fund our priorities and have more of those profits come back to Maui to benefit our residents. Hotels are...also experienced a significant decrease in assessed values, almost 20 percent, meaning any tax rate applied this year will bring in significantly less money than last year. We need to look at the revenues brought in along with the rates that we set. They've experienced a significant decrease in assessed values, almost 20 percent. So that's the reason why, you know, looking at the hotels. I believe it was a recent *Civil Beat* where the world's largest private equity manager, New York based Blackstone, has 619 billion in assets. I believe the Stephen Schwarzman, their...their CEO has brought in...and he's worth 23 billion, and took home 800 million in

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compensation. So I mean, these...these profits are going off...off island and it's not staying here. And with the recent TAT tax shortage that...that Maui County is not getting, I think by...by taxing these offshore investors, we get to keep some of that...at least try and get some of that TAT tax to stay on our island and...and address some of our most prudent issues. Thank you, Chair.

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

COUNCILMEMBER SUGIMURA: Thank you very much. I hear what other Members are saying about the hotel industry and the need for infrastructure and affordable housing, but if I could just bring it down to reality where our economic driver for our County are...is still the hotel industry. And as you know, when a lot of businesses were shutting down, the hotel...hotels kept their employees on their payroll as long as they could, and then when we were still shutdown they still kept them on their payroll through health benefits or provided them health benefits through this pandemic. And I...I think that speaks volumes for the quality of the employers of the...of the hotels. And that just remember, we still have...even if you saw visitors coming in when the flights started to come back to Maui, we still have unemployment rate remains high for us which is 12.2. I did hear not too long ago it was at 16 percent, and you remember, during the pandemic, it was at 35 percent. So employment is...is the driver for me on this, and we don't need to add any more assessments to our hotels who are trying to keep our economy strong. So I'm going to be voting against this motion. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Member Paltin, followed by Member Molina.

VICE-CHAIR PALTIN: I can support what Member Sinenci is saying. My problem is that, you know, Blackstone, although they're a significant hotel...hotel ownership on Maui, they're not the only one. And we don't have, you know, tiers for the Hotel category, we have different sizes of hotels that this would affect differently. And a lot of the hotels...

CHAIR RAWLINS-FERNANDEZ: Member Paltin, I think you froze. Member Paltin, perhaps --

VICE-CHAIR PALTIN: Yeah.

CHAIR RAWLINS-FERNANDEZ: -- if you can turn off your video too.

VICE-CHAIR PALTIN: A lot of the --

CHAIR RAWLINS-FERNANDEZ: Okay.

VICE-CHAIR PALTIN: -- hotels in my area, especially the smaller ones, are having to deal with sea level rise right now, which is incurring them additional expense. And so at this time, as they're still recovering from the pandemic, I'd...I'd like to keep it where it is, the hotels.

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

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COUNCILMEMBER MOLINA: Yeah, thank you very much, Madam Chair. You know, the other night we just raised the Hotel significantly from I believe it was 10.85 to now 11.75. And like Member Paltin was saying, they're still in recovery. Yes, tourism has picked up, but it's...certainly we're not there yet like we were prior to the pandemic. And sometimes we...well, for me, I always try to keep in mind the people that are doing the low profile, but very important work for the hotel. You know, the folks that are doing the room cleaning, the maintenance and all of that stuff, and sometimes these are the ones that get victimized. And yet, these are the ones we want try and put into homes at the same time. But if they get their hours cut or they're let go because we continue to increase the tax rate on the hotels, that...that's a fine line that I think we've got to really be careful and walk that line carefully. So I...I...I appreciate the intent, my colleague Mr. Johnson what he's trying to do, certainly just, you know, raise more monies for the fund. But I think we just are going to have to seek some form of balance where yes, get monies for the fund, while at the same time not endanger the employment opportunities of our blue-collar folks out there who need the work and just getting back on their feet and getting some re-assuredness. And...and you know, it's interesting, if I could quickly share something with you as, you know, I substitute teach for Kalama School, and I had a sit down with some of the kids yesterday to ask them the effects of the pandemic and their thoughts. And many of them told me they're worried about the stress the pandemic has caused on their parent's employment. So that's a big fear amongst kids just giving their perspective. So when I think of what could happen if we overtax an economic engine like the hotels and what they will do to the frontline employees by cutting their hours or just, you know, letting...not rehiring them because of potential over-taxation, that worries me. So regrettably, I...I cannot support this increase to 12.30, and my preference is just to leave it at the 11.75, which is what we did the other night. Thank you, Madam Chair.

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

COUNCILMEMBER JOHNSON: Thank you, Chair. Councilmember Molina makes a very good point, and I...and I love to with engage with you, Councilmember Mike, so let me address some of those things that you're talking about. You know, the...the hotels...

COUNCILMEMBER LEE: Now you're frozen, Gabe.

COUNCILMEMBER JOHNSON: Oh, okay. I'll turn off my camera.

COUNCILMEMBER KING: It wasn't frozen to me.

COUNCILMEMBER JOHNSON: How...how's my sound? Okay? All right.

COUNCILMEMBER LEE: Yeah, it's better now.

CHAIR RAWLINS-FERNANDEZ: Audio is good.

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COUNCILMEMBER JOHNSON: Okay. Thank you. So you know, the hotels will take...will have...let's say if this happens, you know, the hotels will take an increase in...in taxes, which they, as we all heard and we know, that they will put that price down...they will put that price upon the tourists. And I think that is a way to help us with that quality over quantity. At the same time...

CHAIR RAWLINS-FERNANDEZ: Member Johnson, we stopped hearing your audio.

COUNCILMEMBER JOHNSON: *(audio interference)* I'm choppy? Okay. So I just want to make...that...that money is not earmarked for a new fountain, that money would be earmarked for affordable housing. You know, we talk about charging visitor fees and RPT passed on to the consumer, and...and just a few dollars of a...of a price to stay. So I think that's how you would address that concern, Councilmember Molina. Thank you. Sorry about the technical issues. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: No problem, Member Johnson. Our videos are dropping like flies today. All right. So perhaps we can do what Member Paltin was doing then, when we're not speaking, we can just turn on our video on, and then when we do speak we can turn it off since the network seems to be an issue this morning. Okay. Member King?

COUNCILMEMBER KING: Okay. Thank you. Should I turn my video off or should I wait to see if there's a problem?

CHAIR RAWLINS-FERNANDEZ: Your audio sounds fine with me. Your audio --

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: -- is fine with me.

COUNCILMEMBER KING: Okay. Let me know, and then I can...I can turn my video off. But I...I wanted to make some points on some of the discussion because I don't know where the nexus is between jobs and taxes, but we heard a lot of...the first time that we increased the Hotel tax in a very long time significantly, we heard a lot of people come out and talk about their jobs and nobody lost their job because of our tax increase on hotel property rates, so I don't see the nexus there. And I think one of the things that helped a lot was the PPP, so that...that payment protection. The hotels, especially the multinational chains, got big, big money in that paycheck protection program. So that's what helped them keep those employees on, and of course, they had to keep them on with the benefits in order to get the full refund on that. And I see more money coming out of this next...the American Rescue Plan as well, so I think that's going to continue. Paycheck protection is out there again for any businesses that suffer during COVID, and so that money can pick up a lot of that slack. But I just...I didn't see any...I think...I think people are right, that the rates will probably go up, the tourist...the room rates. I...I notice that...it looks like the Legislature is on track to pass the authority for us...for counties to add on another 3 percent to the TAT, which they have now taken from us completely with no promise of returning it to the counties. So I'm not sure if that's even

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a possibility for this session, I think we need...it may have happened too late. So I don't think we can propose that kind of a tax, can we, Chair? I think it's too late because...because we don't have...we haven't posted anything about that. That would have been a direct...basically that would have been the direct line to get that money out of the tourist industry and have it be attached to the room rate. So anyway, I just...I'm...I'm torn because like Member Paltin, I do know that there are a few smaller hotels and locally-owned hotels that will...will be...that may suffer from this increase, but I also feel like the protection is out there for them, and there is money coming in to help out the businesses. And the small businesses should really be qualifying hopefully more so than the large multinational chains which, you know, we've seen...we've seen nationally at the beginning of, you know, last year when that money came out, we saw a lot of fraud from...millions and millions of dollars going to these chains for paycheck protection. And hopefully there's a better handle on it now, how to make sure that the claims are legitimate. But that money is going to be in this next . . . *(inaudible)*. . . of American Rescue Plan as well, so that makes it...for me, that makes it a little bit easier decision about the hotel...raising the Hotel property tax rates. But you know, I...I...I understand that people are...were even paid to come out and testify, employees of hotels the first time we raised the...the Hotel tax rate. I haven't heard any of those people say that they actually lost their job because of that increase. And I think the hotels, up until the pandemic, did pretty well even, you know, despite that first property tax increase. So I'm not...I'm not buying the issue that it's attached to jobs because they still are going to need the same amount of people, maybe even more since the tourists seem to be coming back in...in higher force than even before the pandemic. And so anyway, that's...that's my position on the rate. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. And then for the Members' information--I see your hand, Chair Lee--Mayor Victorino issued a press release saying that regarding the County TAT not to exceed 3 percent, that he would like to see 1 percent go toward the development of affordable and attainable workforce housing for emergency service *(audio interference)* land and air rescues, and 1 percent to fund visitor education and cultural restoration throughout Maui County. So that would be the 3 percent. And yeah, so if that passes at the State level, that enabling legislation or the authorization legislation, the exchange is that the State would take all State TAT, and County would have to have their own program. Chair Lee?

COUNCILMEMBER KING: Yeah. Okay. And I saw that...I saw that press release, but I think it's a Council decision as well.

COUNCILMEMBER LEE: So I am going to vote against the motion because as was stated earlier, the visitor industry is the biggest employer that we have. And before we start compounding their fiscal problems and making it more difficult for them to retain a lot of their employees...because as was mentioned, you know, it's not...we're not only dealing with large chains and large hotels, we're...we're dealing with the smaller ones, and they need to be recognized and assisted. I know of a number of people that were furloughed and laid off during the pandemic, so obviously this has been a strain on many families. So rather than exacerbate the fiscal issues with the hotels, I think this is the time for...for us to support them to recover. And if we feel that there is an over

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reliance on the visitor industry, it's up to us, not them, to strike a balance. It's up to us to support other industries. Thank you.

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

COUNCILMEMBER SINENCI: Thank you, Chair, for the opportunity, my second and final. And yeah, I agree with Member King. I believe those hotels had to retain some of their workers to...to qualify for some of the CARES Act funding, so that's why they kept a lot of their workers. And you know, looking at the...the Mayor's proposal, originally at 10.70, that...that just brought in 26 million versus Owner-Occupied bringing in over 28 million. So in retrospect, it looks like our residents are subsidizing, you know, luxury homes...luxury hotels by a couple million. But adding the 11.75 will bring that up to...to over what residents are...are paying into the tax. Like we said for these workers, we can't...the hotels are going to need these workers, but if those workers can't afford to live here, they're going to have a hard time finding those workers to work at those hotels if we don't provide those affordable homes today. Like we received from Hawaiian Community Assets, 1,900 affordable housing units in the pipe. For my Hāna District one, already the increase, the percentage, has gone up to over a million dollars to put in the infrastructure just to go ahead and complete the project. So again, having that additional funds to leverage Federal funds and to support those 1,900 affordable units that are already in the pipe, I mean, we're going to need that...that money for that. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Okay. No one else raising their hand to speak. I'll turn off my video. Okay. So my turn to speak (*audio interference*) I echo a lot of what Member Paltin shared earlier in her comments. You know, we think only about the, you know, huge resorts, like...that we're not striking a good balance for our resident's quality of life, but then this affects hotels like Hotel Moloka'i, you know, and we...we don't think...in this discussion, I...I...I think we need to be able to protect the small...smaller hotels like Hotel Moloka'i, you know, from...from these because I don't know if Members would think that Hotel Moloka'i is like this huge problem. We actually can tier the Hotel/Resort class, it's one of the ones we gave ourselves authorization to tier, but we didn't request that information. So it...it would also work differently than Owner-Occupied and Non-Owner-Occupied because the property values would be potentially much larger. So it...I don't think it would look like 800,000 and 1.5 million, you know, it would...the valuation of these properties are much, much larger. So we would actually have to do...we would have to study that and do an analysis (*audio interference*) on that to be able to not hit, you know, the smaller hotels who are barely, you know, hanging on. Hotel Moloka'i shut down during the pandemic, they didn't operate, and they're still not really operating. But that's just an example, you know, I'm not making this decision based off of one hotel. It's just an example that represents other, you know, smaller hotels that aren't getting the same kind of attention in this discussion that the larger resorts are, and that seems to be the focus. So again, when I make decisions, I like to, you know, see the whole picture and, you know, be able to consider all the variations and who's being impacted by our decisions. Because there's...if...if we don't, then we'll inadvertently hurt businesses or people that we...weren't even included in our discussions. And so if we're being narrow-minded like

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that, and saying like we want to raise the property taxes because we want to be able to generate more revenue from the big resorts without considering smaller hotels...you know, like we only have Hotel Molokai (*audio interference*) Ke Nani Kai on Moloka'i, that's, you know, just a few. But they're...I don't even know if (*audio interference*) was something that other Members have even like, you know, thought about in proposing this increase. I don't know if they can handle this increase. I haven't decided how I'm going to vote yet, but that's...those are my thoughts on the motion. All right. Seeing no one else wishing to speak to the motion, I'll call for the question. All those in favor of the proposal...motion on the floor to increase Hotel/Resort rate to 12.30, please raise your hand and say "aye." I see Member Johnson, Member Sinenci, and Member King. All those opposed, please raise your hand and say "no." Oh. All those opposed, raise your hand and say "no." Okay. Chair Lee, Member Sugimura, Member Molina, Member Paltin, and myself. The motion fails.

VOTE: AYES: Councilmembers Johnson, King, and Sinenci.

**NOES: Chair Rawlins-Fernandez, Vice-Chair Paltin, and
Councilmembers Lee, Molina, and Sugimura.**

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Kama.

MOTION FAILED.

CHAIR RAWLINS-FERNANDEZ: Are there any other proposals, Members? Okay. I'm not seeing any other hands--oh, Member Sinenci, you have a proposal? Member Sinenci, please unmute.

COUNCILMEMBER SINENCI: Thank you, Chair. I would just see where Members...the Members are...are looking at. Move to increase Hotel/Resort to \$12.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sinenci, seconded by Member Johnson.

COUNCILMEMBER SINENCI: Mahalo, Chair. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Discussion, Members?

COUNCILMEMBER SINENCI: Thank you. Yeah, if I may? I...I...I think...

CHAIR RAWLINS-FERNANDEZ: Member Sinenci, Member Johnson.

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COUNCILMEMBER SINENCI: Thank you, Chair. I think you reading the Mayor's latest press release and the intent to put 1.-some percentage into the affordable housing is...is great news, so that means that we wouldn't have to bring it up too much more. You know, hopefully we can rely on that, on the GET [sic] tax to help with the fund. So just asking Members, we wouldn't need, you know, the entire...like Chair said, there's already 20-some million in there. So I think by, you know, reaching across the aisle and bringing it up just a little bit so that we can do some of these projects and...and look to leverage, and possibly double some of those funds in...in the Affordable Housing Fund with Federal funds will...will take us a long way. And again, you know, last year I think we missed the opportunity by bifurcating the...the Housing and Human Concerns Department because look at how much housing we need. If we're going to plan and we're going to invest bond funding into our housing, we need an entire department just for that. And that was...that was a missed opportunity in my...in my mind. So I think if...you know by putting this out, we're giving...at least we're putting in the monies to try and...and support all of the things that we've been talking about all this last years, the ordinances that we've passed and, you know, kind of putting...putting some funding behind what we've...we've promised for our constituents. So we're not asking probably to get full 20, but is to get some...put some back into that fund. Thank you.

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

COUNCILMEMBER JOHNSON: Thank you, Chair. So I...I support this motion by Councilmember Shane Sinenci. I know we have a very difficult job, and I'm going to recognize that. The...the front of the house, as they say in the resort industry, they make...they can make a lot more money than the back of house, as they say. So a dishwasher doesn't make as much as the managers, doesn't make as much as the...as the...as the waiters, so we have to balance that. So when we go to the...when we...when we talk about the RPT tax, we're saying this money is going to help the dishwasher, so the hotels should be all for it. They need dishwashers. So that's why...that's why I think that this money is not going to build a new fountain, it's not going to build a new parking garage, it's there to help the working poor, which we've heard time and time again, it's a crisis, we've got homeless people on the streets. And of course the industry doesn't want to see the income inequality that we are experiencing day in and day out. So it's smart...again, I'll say it again, smart investors invest in their community, this is money that will help those...our community. And again, with all of the things that have been said before, it's...it's going to only increase our pot of money that we can go and act like it's a crisis, because it is. So that's my two cents on this motion. I support it fully. Mahalo.

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

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. With your permission, can we have Ms. Milner provide us a calculation of what \$12 would generate?

CHAIR RAWLINS-FERNANDEZ: Sure. It's 623,153 from the proposed 11.75 to \$12.

COUNCILMEMBER MOLINA: Okay. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Member Paltin?

VICE-CHAIR PALTIN: You know, I...I...I do want to recognize at least the West Maui hotels. A lot of them do give back to the community in various ways. And just to say that, you know, they're...they're...they're doing better every year in...in giving back. So I just, you know, wanted it...to put it out there that in West Maui, many of our hotels do contribute a lot to our community here in West Maui, as well as our environment. You know, it...it could always be more, that's for sure, but I don't want to appear ungrateful for the help that they are giving within our communities currently.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Okay. Anyone else wishing to speak to the motion on the floor? Okay. Okay. So I'll just share my thoughts on the motion before I call for the question. So again, I...I...I hear, you know, the Members, and I hear the community, and...and I agree that there are some hotels and resorts that would be able to afford an increase, and then there's some hotels that could potentially...this could be the nail in the coffin. And so I'm still not convinced that other Members have considered other hotels that exist right now that, you know, this...this could result in them closing. It's obvious that this is something that we should spend more time discussing and doing it really thoughtfully, and not just generalizing all hotels and resorts based off of a few who are not protecting residents' quality of life. And so like other items, it's...it's hard for me to just give the go ahead in...in...in generalizing all hotels based off of a few bad actors. I...I...I don't like voting on things that haven't been discussed and all the impacts haven't been considered. So that...that's...that's my position on the motion right now. Anyone else wishing to speak to the motion? Okay. Seeing no other hands...oh, Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair, for my last opportunity. And yeah, I just wanted to say that, you know, I...my parents grew up in the hotel industry, I grew up around the hotel industry in East Maui. But again, we were still looking to work with some of these hotels. There are still a lot of things that we want the hotels to be a part of our community, one being that they haven't supplied any workforce housing for...for workers. Back at least during the plantation times, you know, the plantation provided for workforce housing. Hotels haven't, and that's been part of the reason why we're in this predicament right now. We've wanted hotels to send buses over to the airport, and then maybe have a few rental cars at each of the hotels. And we've constantly asked them to hey, provide some of these things so that we can address some of the issues that we have like, you know, traffic during, you know, our traffic hours. So there's still a lot of things that our...our hotels can...can do. I...I hear that they're also supporting and contributing to our community, but we still got lots to work with them. So I just wanted to...to say this as my last and final. Thank you, Chair.

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

COUNCILMEMBER SUGIMURA: Thank you very much. So since we're talking about buses and it's my department, I just want the Members to know that there is an effort, ongoing effort that has been happening with the Mayor's Office and Marc Takamori and Michael

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Du Pont to get exactly what you're talking about happening with the hotels. And I'm quite sure that this pandemic has put a pause in it, you know, just because our whole visitor industry, you know, took a pause during this time. So the...I think that maybe, as Chair Keani Rawlins has said, that more discussion needs to happen so we understand what all the components are. But I would...I would like to just speak up for the Department because they have been trying to find solutions for that. And I have attended couple meetings upstairs in the 9th Floor, being invited as the Chair for the Department of Transportation Committee. So anyway, I...I'm going to be again voting against the motion, but just to let you know there's some depth in this that has not been discovered through the Committee work. So thanks.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Okay. Anyone wishing to speak to the...Member Molina?

COUNCILMEMBER MOLINA: Yeah, thank you, Madam Chair. I...I like your suggestion of creating a tier system for Hotel, I think that makes sense because yeah, we sometimes again leave out of the equation the smaller hotels. Your Hotel Moloka'i, Maui Beach and, you know, some of the other smaller ones. So...but the one thing we can say over the last couple of years, it's been trending upwards with the Hotel tax rate. So granted, the...the visitor industry has been our number so-called engine, but I think we're going to have to change the paradigm over time, and it's starting to show. But I...I...I don't like...personally I don't like real large shock increases, but gradual, and we've done that. Because I think when I got back on the Council in 2018, I think the rate was what, maybe 9.70 or \$10, and then we bumped it up...in the last couple of terms, we keep bumping it up gradually. So at least it's trending in that direction. While at the same time though, we're keeping in mind maybe create a tier system so...so we can put the smaller hotels at a different rate. So and we're...we're generating funds for the Affordable Housing Fund, although it may be at the large amount some of us want, but it's still a lot more than what the fund currently has. So better to...better to get a half a loaf than a full loaf, as my kupuna would tell me, so at least we're moving in that direction. And so...and I appreciate the good news on the TAT with the Mayor proposing to set aside 1 percent towards affordable housing, so it's a start. It's...sometimes, you know, we've heard those...that old saying, Rome was built overnight and all of that stuff, so it may apply to this. So we're taking baby steps. And I...I think that's the...for me, that's...that's the way I'd like to go, take baby steps and then gradually build up to a large crescendo, and we reach our goal. It may not be tomorrow, but it...it...it will be sometime soon in the future, that is my hope. So thank you, Madam Chair, for allowing me to speak for my second and final time on this motion.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Molina. Seeing no one else wishing to speak to the motion, I'll call for the question. All those in favor of the motion to increase Hotel/Resort from 10.70 to \$12, please raise your hand and say "aye." I see Member King, Member Sinenci, Member Johnson. All those opposed, please raise your hand and say "no." I see Chair Lee, Member Sugimura, Member Molina, Member Paltin, and myself. So that is five oppose, three for, Member King, Member Sinenci, Member Johnson, and one excused.

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VOTE:	AYES:	Councilmembers Johnson, King, and Sinenci.
	NOES:	Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, Molina, and Sugimura.
	ABSTAIN:	None.
	ABSENT:	None.
	EXC.:	Councilmember Kama.

MOTION FAILED.

CHAIR RAWLINS-FERNANDEZ: Okay. Members, it's 12:03. I'm thinking we...we...let's take our lunch break, and then we can come back and finalize RPT, the Budget Provisions that Member King had a language proposal for, Appendix D, and then we'll go through Appendix E for the first time, and then hopefully we can get that through. Did all the Members receive the email from BFED Committee requesting the information on your grantees so that we can include that in Appendix E, what the executive summary is? Like so what the...your...your allocated grant funding would be for...oh, okay, BFED Committee is sending that right now. So...so basically what we asked at last week when Members asked what the budget is on the allocated funding. And so, for example, like ReTree, Member King received that information from ReTree Hawai'i, and then gave us the breakdown of what the funding would be used toward, and so that...that was a good example of what the...what the grant intended, with the benchmarks and what we were hoping to achieve so that we, as a Council, are clear with those that are receiving the funding what we are expecting in exchange for the funds that we're allocating via their name as a line item in our budget. And it's all information that the Members had presented last week, so I'm...I'm anticipating the Members having that information already because you spoke to it. So it looked like you were reading something, so if you could please send that to the BFED Committee, and then we can add that to Appendix E. Member Paltin, you have a question? Followed by Member Sugimura.

VICE-CHAIR PALTIN: Yeah. I don't...can you hear me okay? I don't think I'm in that category because I didn't have a nonprofit or anything, mine was for the Rental Assistance Program, which belongs under Housing. And would I need to submit something on MEO? Because I think they already have it. And those were my two increases, and then my provisos didn't involve nonprofits or awardees. I didn't earmark any district funds. So would I be not having any homework over lunch?

CHAIR RAWLINS-FERNANDEZ: Yeah, no homework for you, Member Paltin. So if...if anyone did, then if you could please transmit that, so if you named an entity to receive that funding. But if it was, you know, for a purpose and not a named entity, then you wouldn't need to transmit that information. Member King? Sorry, I think I said Member Sugimura...

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COUNCILMEMBER KING: Oh, I think Member Sugimura was next, so I'll wait for her.

CHAIR RAWLINS-FERNANDEZ: Sorry.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura, followed by Member King.

COUNCILMEMBER SUGIMURA: So I just wanted...this is where I would then submit, Chair, the YMCA? Is that what it would be? Okay. So I'll submit that. And then when we were on break, I got an email from Tasha Kama's Office so...for verbiage that they wanted for Appendix D, condition 82, so I can submit that to Staff, Lesley. They...they just tweaked it so it's better. And I'll...I'll send that for the prosecution...or public defenders...the community court, but I'll send the verbiage for you to consider.

CHAIR RAWLINS-FERNANDEZ: Prosecutor's.

COUNCILMEMBER SUGIMURA: Yeah.

CHAIR RAWLINS-FERNANDEZ: Prosecuting Attorney. Yeah.

COUNCILMEMBER SUGIMURA: Yeah.

CHAIR RAWLINS-FERNANDEZ: Not...not public defender. So...but you can send it to the BFED Committee. So you can just respond to the email that was just sent. Okay. Member King?

COUNCILMEMBER KING: Thank you, Chair. So are they...is the...is the Committee going to let...the Committee Staff going to let us know if we need additional description? Like you just said, I provided it for the ReTree event, so are they going to tell us what we need...if...if we need additional description for any of ours?

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. That's just, you know, for the...for the Members, for all of us to decide since we're --

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: -- you know, supporting putting that grant as a line item in our budget, then that way we all together have an understanding of what the benchmarks and deliverables are, and how the funding would be used.

COUNCILMEMBER KING: Okay. I just didn't know if there was a...if there was some kind of a format that they can tell us if we have enough information in there or not. And then the other thing...you know, I have a press conference at 1:30 on the State Legislature concurrent resolution that they were passing on the climate emergency. But I just

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wondered if I could...if I could run this language for the Budget Provision by real quickly since I got a second version from OCS?

CHAIR RAWLINS-FERNANDEZ: Okay. And then Ms. Milner sent an example from Parks of what the...an executive summary, you know, just the information that has been submitted by grantees before, and then the budget. So that's an example, but you know, we'll...we'll do our best in getting as much detail as we can, and then we together as a Council can...Committee can decide. Okay.

COUNCILMEMBER KING: Okay.

CHAIR RAWLINS-FERNANDEZ: So you want...you want to read...what do you want to read, Member King?

COUNCILMEMBER KING: I wanted to read the...the updated amendment for the legislative intent portion of the budget provision.

CHAIR RAWLINS-FERNANDEZ: Okay. Please proceed.

GENERAL BUDGET PROVISIONS

COUNCILMEMBER KING: Yeah. Okay. So the...the...the portion at the end would be changed to...to say "to allow..." and "within a reasonable time so the appropriation does not lapse, to allow reallocation to be approved or disapproved by the Council." It makes it really clear that, you know, we're just approving or disapproving. We're not creating the budget amendment, we're not allocating, but we're either approving or disapproving.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. Okay. So I guess I will ask for consensus on our Budget Provisions, including Member King's amendments. Everyone clear on...on what that was? Okay. Good, good. Good. Okay. Okay. So we have consensus on the budget amendments. Okay. Very good. All right. Any other questions or comments before we break for lunch? Member Sugimura?

COUNCILMEMBER SUGIMURA: One question that we didn't take up today yet is the...each of us have our little...I hate to say our pots, but from the budget process. And if after lunch maybe you could talk about what is the process for us to reallocate those funds within the budget or...or whatever it is that came from all of our adds and...and deducts.

CHAIR RAWLINS-FERNANDEZ: Sorry, Member Sugimura, I don't understand your question. You want to know what the process is for reallocating...

COUNCILMEMBER SUGIMURA: So in my...in this budget process through...going through reductions and, you know, whatever we did for all the departments, that I think in my...my last tally, I don't know what you're officially calling it, but my Member tally. I think I had about 500,000 or more that was in my...in my...my pot, I guess. And I just want to know --

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CHAIR RAWLINS-FERNANDEZ: Oh, I see.

COUNCILMEMBER SUGIMURA: -- what the --

CHAIR RAWLINS-FERNANDEZ: Okay.

COUNCILMEMBER SUGIMURA: -- process is for reallocating that. You can tell us after lunch.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member Sugimura. So basically because the...because the amounts that we raised real property tax generated enough revenue to cover everyone's priority proposals, that those would basically cancel out. So no one has a deficit or a surplus because everyone just got covered by the increase to real property tax. So if you disagree with that process, we can...when we come back from lunch, we can discuss that.

COUNCILMEMBER SUGIMURA: Okay.

CHAIR RAWLINS-FERNANDEZ: Okay. Chair Lee, followed by Member Paltin.

COUNCILMEMBER LEE: Okay. On the district accounts, the \$140,000, I think I may have conditioned maybe five different projects or so and left the balance open primarily because there are projects that come up throughout the year that I can't foresee right now, but they do, they always do come up. So how do you want us to describe that?

CHAIR RAWLINS-FERNANDEZ: Okay. So that question is a completely separate question from Member Sugimura, correct? I just wanted to confirm.

COUNCILMEMBER LEE: Oh, yeah, yeah, very separate.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. Very separate. Okay. Very good. Okay. So regarding the remaining balance, it goes to the district for application, and then the Office of Economic Development receives all the application for the remaining funds, and...and then they...in the past they have awarded...they have scored and then awarded those grantees. If you're looking at a different process moving forward, I think that's perhaps a conversation with the Director of the Office of Economic Development. Did that answer your question?

COUNCILMEMBER LEE: My experience, we have the type of relationship where they...generally the Economic Development Director would contact me if certain things come up, and if I'm agreeable, then it...it goes forward. But they always have the advantage because they have way more time to deal with...you know, with nonprofits and different kinds of projects that come up throughout the year, whereas we don't have time. We have such a constrained amount of time to figure out what may or may not come up, so that's the part. I...I will not...you know, if 140,000 is allocated to me and for my district and the Administration says well, if you don't tell us by a certain time what you want specifically, then I'm just going to allocate the whole thing in the

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beginning. But that doesn't make sense because not everybody needs, you know, X amount of dollars. So you know, to...in the spirit of collaboration, they should just let it be open and we work together, you know, as projects come up. But you can't write that down, you know. How do you do a synopsis on that?

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Mahalo, Chair Lee. So basically, by leaving it under the...the district, office of...so it's grants for economic development, cultural preservation and education. And like we did with some other items, it...it's basically like an open pot of money for the community to be able to apply for. So we...we don't condition it unless we want to direct those funds to specific entities, or for a more specific purpose. And so it...it's...it's the 140,000 is already in a category for economic development, cultural education and...and protection. And so that...that's what the money is earmarked for in the budget. And so like you said, collaboration with the Office of Economic Development. Okay. I think Member Paltin --

COUNCILMEMBER LEE: Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: -- had her hand up? Okay. Mahalo, Chair Lee. I think Member Paltin had her hand up, and then followed by Member King. Okay. And then Member Paltin (*audio interference*) --

COUNCILMEMBER KING: (*audio interference*)

CHAIR RAWLINS-FERNANDEZ: -- the phone. So we'll...we'll just...we'll go to Member King and then we can check on Member Paltin after. Okay. Member King?

COUNCILMEMBER KING: Okay. Well...thank you, Chair. Well, two things. One, you did write it down, actually, about the district funds, it's in the Budget Provisions that the Office of Economic Development needs to check with the Councilmember before they expend open funds in our district funds. So I believe that is taken care of, and I appreciate that because I had the same concerns as Member Lee with...about the district funds, you know, not...not provisoing it all. But I...I...I think you took care of that, so thank you for that. And then the other thing I wanted to say, because I might not be here when you have the discussion about Member Sugimura's concern, is that I...I never...I mean, I didn't...I don't really look at the budget as these items being our individual items and our right to any extra money that wasn't provisoed. I...you know, I think all the decisions that we make as a...as a body are...are the Council's decisions. And so I assume that if there was...if some Members didn't have as high a dollar amount on their requests and there was extra money, you know, in their supposed, you know, "pot" that that would go back towards funding the entire budget and all the items that we together approved of. So I just wanted to make that point that I...I hope we don't go back to, you know, taking money away from some of the items that we've all approved and giving it to individual Members to expend or put where they want. Because this process is supposed to be a body process, not an individual process. So in case I'm not there to make the point at 1:30, just wanted to say that I appreciate the fact that all of our decisions together are funded except for...of course we haven't funded the 20

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million...or the 11 million that we originally proposed for affordable housing. But I...I would hope that that would remain the case. Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Member King. So to your first point, the condition that was added was "notice must be provided to Council if funds are to be expended outside of the named area without prior consent." So that's the condition that was added to the district OED funds. So it...it doesn't say that the Director must consult with the Councilmember if funds are being used in the district that the funds are in, only if the funds are intended to be used outside of the district of that funds.

COUNCILMEMBER KING: Oh, okay. Okay. Stand...stand corrected on that. I thought it was a little more specific.

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

VICE-CHAIR PALTIN: I just wanted to clarify with the extra 1.-something, my intention was for that to go to the Affordable Housing Fund with the lowering of the Tier 3. I'm not sure if there's consensus on that, but...or if we spoke about it, but I just wanted to clarify.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. What we did on Friday was amend...what was it, page 7 of the Budget bill...page 4. Was it page 4? Yeah, page 4 of the Budget bill. We amended it from the 11 million to the remaining 7, you know, .5-ish million. So in order to recognize that in the Affordable Housing Fund, we would need to make that amendment, which we can do after lunch. We'll...we'll wait until we're done with RPT, and then we can make that final decision.

VICE-CHAIR PALTIN: And I just was wondering if Ms. Milner could give us her posting deadline of when...I know it's 4:00, but when do we need to be done for her to make that 4:00 posting?

CHAIR RAWLINS-FERNANDEZ: Ms. Milner?

MS. MILNER: Now that you've decided on tiers, I'll get that part ready to go, but let's say by 2:30? That's doable. Please.

VICE-CHAIR PALTIN: So are we taking a shorter lunch or...I do have a prior commitment at 2:45.

CHAIR RAWLINS-FERNANDEZ: We can take a shorter lunch.

VICE-CHAIR PALTIN: You know, because Ms. Milner is bomb, and I don't want her to stress out.

CHAIR RAWLINS-FERNANDEZ: Yeah. If you don't want her to stress out, then we shouldn't have made amendments to the resolution, but here we are. So I don't know, Members,

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it's already 12:22. So if we return earlier than 1:30, then we'll have less than an hour for lunch. What's the Members' preference, 1:30, 1:15?

COUNCILMEMBER MOLINA: 1:30.

CHAIR RAWLINS-FERNANDEZ: Okay. Okay. So if we can hold off on discussion until we return from lunch, then we can eat our lunch during lunch break. Okay. So we'll reconvene at 1:30. It's 12:23 on April 29th and the Budget, Finance, and Economic Development Committee is in now recess. . . .(gavel). . .

RECESS: 12:23 p.m.
RECONVENE: 1:35 p.m.

CHAIR RAWLINS-FERNANDEZ: . . .(gavel). . . The Budget, Finance, and Economic Development Committee please return to order. It's 1:35 on April 29th. I'm going to turn my video off, it's still showing low bars. Sorry, Members. I tried to fix the internet over the break. Okay. So the first thing we need to take up, because we have a deadline, is RPT, and then we'll take up the other items, including Member Sugimura's request. Okay.

REAL PROPERTY TAX

CHAIR RAWLINS-FERNANDEZ: Okay. Members, are there any other proposals for RPT? Okay. Ms. Milner, will you please show...share screen so Members can see where we're currently at with our tiers, threshold, and rates. Okay. Members, so the only change that we've made is to the tier threshold, so changing it back to 800,000 to 1.5 million. All right. So that's the rates that we set on Friday. And if there are no further proposals to amend RPT rates and threshold, then I will entertain--oh, Member Johnson?

COUNCILMEMBER JOHNSON: Sorry, Chair, just a point of information. Can you scroll...can you have Lesley scroll down so I can see the total? That's all I'm asking. Thank you. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

COUNCILMEMBER SUGIMURA: I wanted to make a motion to recognize Owner-Occupied Tier 3 level to take it back to the Mayor's recommended \$2.61. I'd like to make that motion. Thank you.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sugimura. Is there a second? Seconded by Chair Lee.

COUNCILMEMBER LEE: Can you repeat the motion?

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COUNCILMEMBER SUGIMURA: Oh. I'd like to move Owner-Occupied Tier 3, which is...which...to \$2.61, which was proposed to be at \$2.71. And if I get a second, I can explain.

COUNCILMEMBER LEE: Okay. Second for discussion.

COUNCILMEMBER SUGIMURA: Thank you. Thank you. So...

CHAIR RAWLINS-FERNANDEZ: *(audio interference)* by Member Sugimura --

COUNCILMEMBER SUGIMURA: Yes.

CHAIR RAWLINS-FERNANDEZ: -- seconded by Chair Lee.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Sugimura?

COUNCILMEMBER SUGIMURA: Thank you. So I'm just trying to bring that back for Owner-Occupied, these are our neighbors, to the rate that the Mayor suggested or proposed to \$2.61...back to \$2.61. And for reasons because they're our neighbors and because they are the...the ones that are providing, you know, homes for our family. And I...I just wanted to hear the cry from Mr. Matsuda, who sent us an email early on when we first started this term saying, do not raise my taxes. So I'm hearing his voice in my...in my heart and spirit, so I just wanted to bring that last...the third tier down to \$2.61. Thank you. Thank you, Members. Thank you, Member...oh, Chair Lee, for the second for discussion.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Anyone wishing to speak to the motion? Okay. Seeing no hands, I'll call for the question. All those in favor of the motion, which is to maintain the proposed \$2.61 as proposed by the Mayor for Owner-Occupied Tier 3, which is now in excess of 1.5 million, please raise your hand and say "aye."

COUNCILMEMBER LEE: Aye.

COUNCILMEMBER SUGIMURA: Aye.

CHAIR RAWLINS-FERNANDEZ: Okay. I see Member Sugimura, Chair Lee, Member Paltin, and myself. All those opposed, please raise your hand and say "no." I see Member Sinenci, Member Johnson, Member Molina. So four "ayes," three "noes," two excused, Member King and Pro Tem Kama. Motion fails.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, and Sugimura.**

NOES: **Councilmembers Johnson, Molina, and Sinenci.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama and King.**

MOTION FAILED.

COUNCILMEMBER SUGIMURA: Thank you, Members.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. So it will remain at Tier 3, remain at 2.71 for Tier 3 Owner-Occupied. Any other proposals? Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. No proposal, just clarification. So I believe when Member Paltin had proposed to bring the tiers back down to 1,500,000, that additional was also...the 1.5 that was added to that was also added to the total, Chair?

CHAIR RAWLINS-FERNANDEZ: Yes, that's correct.

COUNCILMEMBER SINENCI: Okay. All right. Thank you.

CHAIR RAWLINS-FERNANDEZ: Member Johnson?

COUNCILMEMBER JOHNSON: Thank you, Chair. So this is just a question for clarification. We...we as a body agreed to make it up to 11, right, so we're still short in the 9.6?

CHAIR RAWLINS-FERNANDEZ: Mahalo for your question, Member Johnson. That proposal, or that decision was amended on Friday to 7 million 400-something thousand.

COUNCILMEMBER JOHNSON: That's right. Thank you for refreshing my memory, Chair.

CHAIR RAWLINS-FERNANDEZ: No problem. Any other questions, proposals? Okay. Seeing no other hands with proposals, the Chair will recommend...will entertain a motion to recommend the current tiers and rates as proposed on the screen.

VICE-CHAIR PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Paltin. Is there a second? Okay. So we have a deadline to...to get this to Ms. Milner for posting by 2:30 at the very latest. If Members don't have more proposals, then...then this is what we have as the tier thresholds and the rates. I understand that it's not something that everyone is...is

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thrilled about and happy with. I know that there are Members that are trying to get to 20 million for the Affordable Housing Fund, and there are Members that would prefer not to raise rates at all. And so that's two sides of the...the spectrum that we're on right now, but we have to figure out some forward...forward movement on this because we have a deadline of 2:30. So if there are other proposals, we can entertain those, but otherwise we...we need to get something to Ms. Milner for our posting deadline. Member Paltin, followed by Chair Lee.

VICE-CHAIR PALTIN: Just a point of clarification...

CHAIR RAWLINS-FERNANDEZ: I'm sorry. Before you start, Member Paltin, Ms. Milner, thank you for sharing. You can...can stop. Okay. Member...Member Paltin? Sorry.

VICE-CHAIR PALTIN: Thank you. Point of clarification. If we do not get anything to Ms. Milner, does it go back to the Mayor's proposal?

CHAIR RAWLINS-FERNANDEZ: Ms. Milner or Corporation Counsel?

MS. MILNER: Chair, I would say we do still have that range of rates that's posted, so that that's still out there for discussion, but yeah, I...I guess I don't know what to say if you can't reach a decision. So I will see if Corp. Counsel has anything they would like to add.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Milner. Ms. Toshikiyo?

MS. TOSHIKIYO: Yes. I think that you would still be able to, but then the timing...and I would have to kind of sit down and maybe work with Ms. Milner on what the timing would look like and whether or not you would meet your deadlines to be able to finalize the...the rates. Because I know that you...OCS and the Budget Chair worked really hard on coming up with a schedule to, you know, meet all the deadlines required in order for any amendments to pass. So that would be the tricky part.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Toshikiyo. Chair Lee...mahalo, Member Paltin. Chair Lee?

COUNCILMEMBER LEE: Yeah, didn't we reach a consensus on Friday night? You know, you had two no votes, but everybody else voted aye. So would...I mean, for all practical purposes, you have enough votes now, right? You got two no votes, you got five others.

VICE-CHAIR PALTIN: Yeah, but we need a second.

CHAIR RAWLINS-FERNANDEZ: Yeah, so we have a motion from Member Paltin, and then we need a second to do the vote.

COUNCILMEMBER MOLINA: Second.

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CHAIR RAWLINS-FERNANDEZ: Seconded by Member Molina. Okay. Mahalo, Members. Member Paltin, as the movant, if you would like to speak to the motion, followed by Member Molina if he would like to, and then...

VICE-CHAIR PALTIN: You know we tried, came up short, and...I think this meeting is only for County Staff. So other folks gotta watch on Facebook or *Akakū*. But...

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. Oh. Mahalo, Member Paltin. I have...if any of the participants are not Councilmembers, Staff, OCS Staff, or from the Administration, apology, but I've dropped you from the meeting. If you would like to continue to view the meeting, you can watch on *Akakū* Channel 53, Facebook Live, or on mauicounty.us/agendas. Mahalo, Member Paltin. Okay. Member Molina, did you want to speak to the motion as the seconder? You don't have to.

COUNCILMEMBER MOLINA: Sure, Madam Chair. Why not, I'll just throw in my two cents. You know, I think the process is healthy. I mean, we...let's face it, we're never going to get everything we want, but I think we need to move forward with what we got and, you know, keep our fingers crossed that whatever we do want in terms of what the real property tax revenue will generate will occur. And certainly, we all have our projects, and we needed to get a lot of these projects which is coming from the community. They expect us to...you know, if we got to raise, we got to raise to...in order to pay for...for these proposals, so I see it as added value. If...you know, in general, if the public sees...can tolerate an increase as long as they see a good return coming from that rate increase. So I'm willing to move forward on this. And yeah, I even...I got to admit, I didn't get everything I want; but hey, let's press on and move forward. Thank you.

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

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, clarification. So with the additional \$9 million that was...that we proposed, does that go to the Affordable Housing Fund?

CHAIR RAWLINS-FERNANDEZ: Mahalo for your question, Member Sinenci. It doesn't automatically go. Right now we have the 7.4 million-ish that was...that we generated last week Friday, and that was added to page 4 of the Budget bills under the Affordable Housing Fund. So we...we'll still need to take up Member Sugimura's question about what happens with Members' surplus that they gained through budget reductions. And so we'll...we'll take that up after we set the rates because the rates have a deadline.

COUNCILMEMBER SINENCI: Okay. Yeah. I can support...you know, there were a couple things through this process, we saw that not all hotels are created equal. And so moving forward, I'm hoping that...that's something I can...I can support; however, maybe at the next budget that we can look at creating tiers for those hotels that make far more money than some of our smaller local hotels. Also, listening to the community that came out and talked about generational homes that they've inherited from their...their parents and their grandparents and their great grandparents that are still in the...the...the family, but they don't live in those homes. So I'm hoping that we could go ahead and look forward to creating some type of structure that...that looks at multigenerational

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families that have inherited these properties and want to keep those properties for...for their children and their children's children. So I think those are the two really huge things that came out during this process. And I'm hoping...you know, I can be supportive, I like that the Administration is...is supporting putting in the...the GET [sic] tax revenues into affordable housing. And I appreciate the other Members willing to go as high as we did to get at least some monies into our affordable housing project. So that said, and moving that we have a 2:30 deadline, I'm okay with moving forward. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. And just to correct the record, it's TAT, Transient Accommodation Tax and not GET, General Excise Tax.

COUNCILMEMBER SINENCI: Oh, okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Yeah. Mahalo, Member Sinenci. Okay. Anyone else wishing to speak to the motion? Okay. Member Johnson.

COUNCILMEMBER JOHNSON: Thank you, Chair. This was a lively debate, to say the least. I never stayed up 11:00 at night...11:00 at night talking about budget stuff. I've watched it on *Akakū* back in the day. But you know, I don't think...I disagree with the body and that's okay, I mean we're adults. I...I...I don't think we tried hard enough. You know, it's a crisis, and it's time to act like it's...I say it all the time, if your hair's on fire, you got to act like it. So I...I...I'm not going to vote for this. So that's my two cents, and I...I respectfully disagree. Mahalo.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Johnson. Member King.

COUNCILMEMBER KING: Thank you, Chair. Thanks for letting me back in the meeting, Staff. So can you...I, you know, I hate to ask because I...I...you know, I think when...you know, usually when you're late it's incumbent upon you to get caught up. But I would like to...if you could tell me what we're voting on. I mean, I'm assuming we're voting on the overall RPT, and were there any changes that were made?

CHAIR RAWLINS-FERNANDEZ: No further changes than what we voted on changing the threshold back to 800,000 and 1.5 million.

COUNCILMEMBER KING: Okay. Great. All right, thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Anyone else wishing to speak to the motion? I will share my thoughts, and then I'll call for the question. I...I'm not really stoked about raising property taxes on (*audio interference*) We've worked really hard to set up the infrastructure in order to create safeguards for our residents and those who can afford to contribute more, those who have impacted property taxes significantly to the point of displacing a lot of kānaka 'ōiwi, displacing a lot of local people from their home and pricing us out. I don't believe that there's one way to address the affordable housing crisis. There are lots of different ways, and this Council has made great strides to address the crisis. And as I said earlier, if anyone thinks we're going to build our way

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out of this crisis is completely wrong. Again, we saw what happened on O‘ahu and it didn’t serve them well. They weren’t able to build themselves out of the affordable housing crisis either, so I don’t know what would make anyone think that we would be able to, in Maui County, build our way out of this affordable housing crisis. It’s going to take a lot more creativity, a lot of working together to address the real problems. And ensuring that the solutions we come up with are long-term solutions that will help our local residents to...and...and their next generations to be able to stay in the home that they’ve known. I...I hope that I will be proven wrong, that the additional funds that we have generated through increasing property tax will be used in this next fiscal year, that it will be used to increase affordable housing because a lot of funds have been sitting in the Affordable Housing Fund, and there’s just a balance every year of funds not used. I hope that in this next year that more than just planning, design, engineering, and permitting can be accomplished, but I haven’t really seen that happen. I...I don’t...I don’t think there are projects shovel ready for construction, and planning, design, engineering, and permitting take...take time, as we all know. So I...I’ll...I’ll...I will vote with the majority so that we can move this along. And I look forward to working with my colleagues on the Council and with the community on how to protect our generational families from continuing to be displaced from their ancestral home. And to find ways to address the inequity of Hotel and Resort so that we can appropriately ask for more contribution from the larger hotels and resorts that can afford it, and that hasn’t been ensuring a better quality of our life for our residents. And I think...and next year, the long-term rental classification and exemption will go into effect, and we’ll be able to increase housing in that way as well for our residents to be able to rent and not just have homes sitting vacant for most of the year. So those are my thoughts, and like I said I’ll be voting in favor of the *(audio interference)* Anyone else wishing to speak? If not, I’ll call for the question. All those in favor of the motion, please raise your hand. Member Sinenci, Member Molina, Member Paltin, Member King, and myself. Those opposed, please raise your hand and say “no.” Member Johnson, Chair Lee, Member Sugimura. Okay. So five, three. Five in support, three opposed, Member Johnson, Chair Lee, Member Sugimura, and one excused.

VOTE: AYES: Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers King, Molina, and Sinenci.

NOES: Councilmembers Johnson, Lee, and Sugimura.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Kama.

MOTION CARRIED.

ACTION: APPROVE

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Members.

MEMBERS' SURPLUS FUND

CHAIR RAWLINS-FERNANDEZ: Okay. The next thing is the surplus funding. So before our meeting, Members...before our lunch break, Member Sugimura asked about the funds that each Councilmember gained through budget reductions. About half of the Members ended up with a deficit, and half the Members...or a little, actually a little less than half the Members ended up with a surplus. So what I had proposed earlier with the process is Members can put their surplus toward another Member's priority proposal. The Affordable Housing Fund is Member Johnson and Member Molina's priority proposal. And so if Members would like to put their surplus funding toward that priority proposal, Members may. Otherwise the four other funds that the *(audio interference)*

COUNCILMEMBER LEE: Can't...can't hear you too well.

VICE-CHAIR PALTIN: Chair, maybe you can mute your *(audio interference)* We can't understand what you're saying.

CHAIR RAWLINS-FERNANDEZ: Okay. So if Members would like to use their surplus from budget reductions and put it towards another Member's priority proposal, Members can choose to do that. Priority proposals include the Affordable Housing Fund, increasing the Affordable Housing Fund. And if...four other options is putting their surplus into ERS, OPEB, Emergency Fund, or Self-Insurance. Okay. Member Sugimura, I don't have your total amount, but I believe you had a surplus of about 500,000.

COUNCILMEMBER SUGIMURA: Yeah, I never saw the final calculation because...I'm sorry, I got...the number that I got from my office, that was 4/20...on April 22nd was 741,570, but I never got a corrected spreadsheet. But anyway, there is a surplus.

CHAIR RAWLINS-FERNANDEZ: Okay. So Ms. Milner, are you...are you still on, or did you have to restart BlueJeans?

MR. MITCHELL: Chair, this is Remi Mitchell. She had to restart BlueJeans, it crashed on her.

CHAIR RAWLINS-FERNANDEZ: It's a good thing we're toward our end of our session. Okay. So we'll...we'll get that exact amount, Member Sugimura. Member Paltin, you have that exact amount?

VICE-CHAIR PALTIN: No, I had a question like when you were telling Member Sugimura all the places that she could put the money. So from that, my understanding is everybody's priority proposals except for the 11 million or 20 million to the Affordable Housing Fund is already funded. Like, how I was going to put it towards the Lāhainā LEADs program, no need because it's already funded with our tax increases?

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin, for your question. I'm sorry for not asking if anyone had questions on the process. So yes, because we all participated in increasing RPT, that it went toward our priority proposals. Member Paltin?

VICE-CHAIR PALTIN: In that case I'd like my surplus to go to the Emergency Fund. It's only like hundred-something thousand, but that's my designee.

CHAIR RAWLINS-FERNANDEZ: And then just so you know, so that surplus would be subtracted from the revenue that we generated. So that 9 million that Member Sinenci was asking about whether it would automatically go into Affordable Housing Fund, then it would be subtracted from that 9 million and put into Emergency Fund, just so that everyone's clear. Okay. Okay. So we'll...Ms. Milner is back on. Ms. Milner, will you please pull up the Members' final amount of surplus so that we have that total? Okay. And then while Ms. Milner is...oh, there. So fast. You're so good. All right. Let's go to Member Paltin. Okay. So Member Paltin, then you can move to allocate your \$101,973 toward Emergency Fund.

VICE-CHAIR PALTIN: So moved.

CHAIR RAWLINS-FERNANDEZ: Okay. Moved by Member Paltin. Is there a second?

COUNCILMEMBER LEE: Second.

CHAIR RAWLINS-FERNANDEZ: Seconded by Chair Lee. Okay. Discussion? Oh, wait, hold on. Ms. Milner, will you please stop sharing? And then I'll...I'll ask you for Member Sugimura's one after this. Okay. Member Paltin?

VICE-CHAIR PALTIN: Okay. I know it's not that much but, you know, we've had a lot of emergencies on the West Side and, you know, since I have this \$101,000 and it's not going to make or break the Affordable Housing Fund, I just, you know, that's my choice, Emergency Fund. Sorry it's so little, but it's so little.

CHAIR RAWLINS-FERNANDEZ: Okay. Anyone else wishing to speak to the motion? Okay. Seeing no other hands, I'll call for the question. All those in favor of allocating Member Paltin's surplus for the Emergency Fund, please raise your hand and say "aye." All right, eight "ayes," one excused.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, Lee, Molina, Sinenci, and Sugimura.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: APPROVE

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Paltin. All right. And then we'll...Ms. Milner, will you please share your screen again? And then we'll see what Member Sugimura's surplus. All right. So Member Sugimura, your surplus is \$549,116. Okay. Mahalo, Ms. Milner. Okay. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, so I move to move that \$549,016 [sic] to...\$549,000--I'm sorry--to the Emergency Fund.

COUNCILMEMBER LEE: Second.

CHAIR RAWLINS-FERNANDEZ: Moved by --

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: -- Member Sugimura, seconded by Chair Lee. Member Sugimura, did you want to speak to your motion?

COUNCILMEMBER SUGIMURA: No, I think, you know, I believe that this is a pot that's needed in light of the unpredictability of the elements and, you know, the recent storm and different...just different things we see in the...and it'll help everybody, so it'll be a fair distribution for the entire County. Thank you.

CHAIR RAWLINS-FERNANDEZ: Is anyone else wishing to speak to the motion? Member King?

COUNCILMEMBER KING: Thank you, Chair. I...I...this is 500,000 coming out of the Affordable Housing Fund. If they're already short of what we agreed to at one point so I can't support this. Also, I think there's a lot of emergency funding coming from the Federal government in the next couple of months. So I'm comfortable that that will take care of if there's anything that comes up that we need. Thank you.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Okay. All right. Seeing no other hands. Just for clarification, Member Sinenci...after we set the RPT, Member Sinenci asked if the 9 million would automatically go to the Affordable Housing Fund, and that wasn't part of the process. So the 500,000 that Member Sugimura is talking about in her surplus was achieved through budget reductions, and is a Councilmember's priority or privilege or prerogative to allocate where that Councilmember chooses because that Councilmember did the work in reducing the budget. So it's...just to correct the record, it's not coming from the Affordable Housing Fund. We generated excess revenue, additional revenue through RPT. Member King?

COUNCILMEMBER KING: So you're saying that it won't reduce the Affordable Housing Fund?

CHAIR RAWLINS-FERNANDEZ: I'm saying that it wasn't automatic that it would go to the Affordable Housing Fund. It could go to ERS, OPEB, Emergency, or Self-Insurance as well.

COUNCILMEMBER KING: Okay. But it...it will...if we vote in favor of this, it will reduce the Affordable Housing Fund?

CHAIR RAWLINS-FERNANDEZ: It won't go to Affordable Housing Fund.

COUNCILMEMBER KING: Okay. So it'll reduce that 9 million that we were at?

CHAIR RAWLINS-FERNANDEZ: Yes. Any other questions, comments? Okay. Seeing none. I'll call for the question. All those in favor of the motion, please raise your hand and say "aye."

COUNCILMEMBER LEE: Aye.

CHAIR RAWLINS-FERNANDEZ: I see Chair Lee, Member Sinenci, Member Paltin, and myself. All those opposed, please raise your hand and say "no." I see Member Johnson, Member Molina, Member King.

COUNCILMEMBER LEE: I think Ms. Sugimura is...is frozen.

CHAIR RAWLINS-FERNANDEZ: No, no, she voted.

COUNCILMEMBER LEE: Oh, she voted?

CHAIR RAWLINS-FERNANDEZ: Yeah, yeah.

COUNCILMEMBER LEE: She looks frozen.

CHAIR RAWLINS-FERNANDEZ: No, no, she's...she's moving on my side.

COUNCILMEMBER LEE: Oh, okay.

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CHAIR RAWLINS-FERNANDEZ: So...so it's five "ayes," three "noes," Member Johnson, Member Molina, Member King, one excused.

VOTE: AYES: Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, Sinenci, and Sugimura.

NOES: Councilmembers Johnson, King, and Molina.

ABSTAIN: None.

ABSENT: None.

EXC.: Councilmember Kama.

MOTION CARRIED.

ACTION: APPROVE

CHAIR RAWLINS-FERNANDEZ: I think, Chair Lee, you had a surplus. Ms. Milner, will you please share screen to show Chair Lee her total amount in surplus? Okay. Chair Lee, it's 216,806.

COUNCILMEMBER LEE: Okay. I move that that money is credited to Self-Insurance because we...we do need a special counsel for the Charter Commission.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee.

COUNCILMEMBER LEE: Is there a second?

CHAIR RAWLINS-FERNANDEZ: Okay. Seconded by Member Sinenci. Okay. Anyone wishing to speak to the motion to allocate \$216,806 to Self-Insurance? And this is Chair Lee's surplus. No one wishing to speak to the motion, I'll call for the question. All those in favor of the motion, please raise your hand and say "aye."

COUNCILMEMBER LEE: Aye.

COUNCILMEMBER SUGIMURA: Aye.

CHAIR RAWLINS-FERNANDEZ: All those opposed, please raise your hand and say "no." Six "ayes," two "noes," Member Johnson, Member King, and one excused.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Lee, Molina, Sinenci, and Sugimura.**

NOES: **Councilmembers Johnson and King.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: APPROVE

CHAIR RAWLINS-FERNANDEZ: I think Member King had 76-ish thousand. Ms. Milner, will you please show Member King's surplus?

MS. MILNER: Chair, Member King actually ended up with a deficit once all the numbers were calculated.

CHAIR RAWLINS-FERNANDEZ: Oh. Oh, okay. Mahalo, Ms. Milner. Okay. Was there any other Councilmember that had a surplus?

MS. MILNER: No, Chair. Mahalo for checking.

CHAIR RAWLINS-FERNANDEZ: Okay, Members. So...okay. Ms. Milner, will you please tell us the total remaining from the additional \$9-ish million generated through the increase in real property tax rates, subtracting Member Paltin, Member Sugimura, and Chair Lee's surplus?

MS. MILNER: Yes, I will get you that in just one minute.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. Okay. And while Ms. Milner is doing that calculations, the Chair will entertain a motion to amend, on page 4 of your Budget bill, the surplus being added to...page 4. Budget Director? Oh, there it is. Okay, sorry. It's on page 6. Page 6, it's item number g.(8). So transferring in addition to the 14...oh, I guess that would be 15 million after certification, the additional 8-ish million to the Affordable Housing Fund. Mahalo, Budget Director. Okay. Is there a motion? Moved by Member Sinenci, seconded by Member Paltin. Okay. Anyone wishing to speak to the motion? And I can check with Ms. Milner if she has the amount.

MS. MILNER: Yes, Chair. Minus those three and the additional funds going to Open Space, I'm getting \$8,639,852.

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CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Milner. And --

COUNCILMEMBER LEE: Can you...can...

CHAIR RAWLINS-FERNANDEZ: -- do you have...oh, 8,639,652 [sic].

COUNCILMEMBER LEE: Thank you.

CHAIR RAWLINS-FERNANDEZ: Okay. And then the...Ms. Milner, if you have the...the...what...what would be transferred to the Affordable Housing Fund after certification, or would it remain the 14,856,093 plus 8 million? I guess it would be the 14 million.

MS. MILNER: I believe that after certification, we had determined it would be 15,014,639 plus the additional that you decide to put in.

CHAIR RAWLINS-FERNANDEZ: Okay. Anyone wishing to speak to the motion? Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair. Yeah, in...speak in support. Every little bit counts, and...and just this increases our chances for more affordable housing for our residents, as particularly in the pike is the 600 rental units in Central Maui, including the Waiehu affordable housing at...at Keauhumoa, Kahului Lani Center I and II, Wahinepio Affordable Housing Project, and Hale Pilina. Thank you.

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

COUNCILMEMBER LEE: Yes, can I ask the Director, the Budget Director (*audio interference*) the Affordable Housing Fund for any construction or development of any major infrastructure in support of affordable housing in Maui County?

CHAIR RAWLINS-FERNANDEZ: Budget Director Yoshimura?

MS. YOSHIMURA: Chair...so Chair Lee, the question is, do we have any major projects ongoing?

COUNCILMEMBER LEE: Well, ready to go.

MS. YOSHIMURA: Ready to go.

COUNCILMEMBER LEE: Ready to...to be built, ready to construct that you were planning to use the Affordable Housing Fund for major improvements to infrastructure.

MS. YOSHIMURA: Okay. So the major infrastructure that we are looking at right now is extension to Waiale and the Waikapu Treatment Plant, and those are coming up in the Fiscal Year 2023 Budget, I believe. Right now, the Waikapu Treatment Plant is being...I think they have a preliminary engineering report going on right now, and we'll get more

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information on that once that report is done on how much money we need, and then proceeding with the design and planning for that. I think the body put in \$3-1/2 million under the...the fund for Countywide sewer improvements. For the...this...sorry, the title I think is the capital improvement...

COUNCILMEMBER LEE: So that's already included in the 48 million CIP?

MS. YOSHIMURA: So that's 3-1/2 million that could have...that could come out from there or it could come out of the Affordable Housing Fund, either one. But right now, those are the projects that we're looking forward to in the near future.

COUNCILMEMBER LEE: Okay. Thank you.

MS. YOSHIMURA: Thank you.

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

VICE-CHAIR PALTIN: I just was wondering if Chair Lee's four-lane bridge could be a possibility for the Affordable Housing Fund. Like could we do the bridge with that so her project wouldn't die?

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, I was just going to look up the uses of the Affordable Housing Fund. I think infrastructure, as long as it is related to an affordable housing project, the fund could be used. Hang on. So under Chapter 3.35...3.35.040, letter H, to increase investment in public infrastructure in connection with related affordable housing projects. So if the bridge is connected to that project, or a project, then it could be used, I guess.

VICE-CHAIR PALTIN: And...and just to clarify, if the project isn't like 100 percent affordable, could it be split into the portion of the units? I mean, divided by how many units, and the affordable portion would get their split paid for through the Affordable Housing Fund, and the market-value units would pay their fair share? Is that an equitable or a legal way to do it?

CHAIR RAWLINS-FERNANDEZ: I see Corporation Counsel. Ms. Toshikiyo?

MS. TOSHIKIYO: Yes, thank you, Member Paltin. That's how we interpret the statute, that it would be like a percentage calculation based on what's related to the actual affordability of that project.

VICE-CHAIR PALTIN: And just to follow up, so we can front the full amount to get it done, and then the Affordable Housing Fund could get paid back once the market value gets sold, or is that a possibility?

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MS. TOSHIKIYO: That's a very good question. I hadn't thought about that. The way I read it right now, that doesn't rule it out as an option, but I think I'd want to look a little bit more at the...the intent for this one section of the infrastructure. Because that could potentially drain the...the fund, and not be able to fund other projects, so...until like it gets paid back. That's a very good question. I don't have the answer for you right at this moment. I just need to do some digging.

VICE-CHAIR PALTIN: Us as lawmakers or decisionmakers, if that's not how it's currently written could possibly change it if there is a will, but not saying...just the possibility.

MS. TOSHIKIYO: Yes. And...and you know, a lot of this is...is pretty broad, and you guys are coming up with some really creative ideas. It's just...if it doesn't fit currently in the Affordable Housing Fund requirements, you can always make amendments to the Code as you are coming up with these situations.

VICE-CHAIR PALTIN: Thank you, Ms. Toshikiyo. Thank you, Chair.

MS. YOSHIMURA: Chair?

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

MS. YOSHIMURA: Chair, just so...for the Committee's information, Chapter 3.35.070 also allows for a loan provision. So that doesn't necessarily have to be a grant when it's coming from the Affordable Housing Fund. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo (*audio interference*) Mahalo. Okay. I'm going to call on Member Sugimura, and then I'll come back to you, Chair Lee.

COUNCILMEMBER SUGIMURA: Thank you. So in line of the questions from Ms. Paltin then, the Howard Kihune ohana has that Kilohana Makai project, and there's Wela Street that the neighbors were asking it to be completed. So we could use these funds for that because it's a 100 percent affordable project. Correct, Director?

CHAIR RAWLINS-FERNANDEZ: The Kilohana Makai in South Maui? It's...it's not 100 percent affordable, it's workforce.

COUNCILMEMBER SUGIMURA: It's the...it's the Kihune project. I think it's called Kilohana.

CHAIR RAWLINS-FERNANDEZ: Budget Director?

MS. YOSHIMURA: Chair, I would have to look more into that project. I'm not...I'm not sure on what...

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director. It's okay. I will ask the Members to refrain from continuing this line of questions on specific projects. But I think it's a good point that the Members are bringing up, that infrastructure costs a lot of money, as Member Johnson was saying, and one project alone could take up all of the balance

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of the Affordable Housing Fund. And it could end up being on a road or a bridge, and then that's it. So we'll...we can continue this discussion outside of budget on how we would use the Affordable Housing Fund. Chair Lee?

COUNCILMEMBER LEE: Okay. Thank you, Madam Chair. Director...Budget Director, so as the projects start to line up and vie for funding from the Affordable Housing Fund, who decides which projects will be funded? Like for instance, could some be nonprofits, could some be private sector, and could some be County projects? Who...who decides who gets to have funding from the fund of the three, all?

MS. YOSHIMURA: Chair. Okay. So there's the Affordable Housing Plan that must be presented on an annual basis, and we would put out an RFP for those funds. And the Department reviews all the proposals, and then sets forth the proposals in the annual budget or in an affordable housing annual plan that comes before the Council for approval. So one, it starts off with the Department, and then it moves to the...for approval by the Council for funding.

COUNCILMEMBER LEE: So the Department decides which projects will be presented to the Council?

MS. YOSHIMURA: Correct. The Department proposes the affordable...the appropriations from the Affordable Housing Fund through the Mayor through...to the County Council.

COUNCILMEMBER LEE: So the...the people...the projects potential developers cannot present directly to the Council?

MS. YOSHIMURA: I'm not 100 percent sure on that. I...I can look into that and...

COUNCILMEMBER LEE: Can you check and get back to us? Okay. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. All right, I'll call for the question. All those in favor of the motion to putting the remaining funds into the Affordable Housing Fund, raise your hand and say "aye." Okay. All those opposed please raise your hand and say "no." Six "ayes," two "noes," Chair Lee, Member Sugimura, and one excused.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, Molina, and Sinenci.**

NOES: **Councilmembers Lee and Sugimura.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: APPROVE

APPENDIX E

CHAIR RAWLINS-FERNANDEZ: Okay. Let's move on to Appendix E. Okay. And then, Ms. Milner, was Appendix E emailed to all the Members?

MS. MILNER: Yes, Chair.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo. And so Appendix E, Members, again, is the Executive Summaries and budgets for all the line item...the line item...budget line items that have an entity associated with it. Ms. Milner, will you please share your screen, and then...we don't have to go through the entire thing. It's...it's really long, but just so that the Members and the public can see what the Appendix looks like. So each department that has an associated line item grant to a specified entity, we've requested an executive summary, and that's what you're seeing as Ms. Milner is scrolling through. You'll...you'll see the breakdown of the budget altogether. And again, this is for increased transparency and accessibility for the Members and the public. Any questions, Members? And again, you have this document, Ms. Milner sent it to you. Budget Director Yoshimura, did you have a question?

MS. YOSHIMURA: Chair, just so you're aware that this information was based off of the Fiscal Year 2021 grants, so their budgets are based on Fiscal Year 2021. The information for Fiscal Year '22 will be provided once the grants are issued through the grant review process. So just to make sure we're all aware that this is Fiscal 2021 information.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Budget Director Yoshimura, for that clarification. Member Sugimura?

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COUNCILMEMBER SUGIMURA: Just curious, the Department had that grading system or that matrix. Are you going to reference that matrix at all in any of these grant applications?

CHAIR RAWLINS-FERNANDEZ: No. I...I didn't receive the grant matrix from any of the departments. We can look to do that next year, but for this year, it wouldn't be included. Mahalo, Member Sugimura. Chair Lee?

COUNCILMEMBER LEE: What exactly was due at 2:30 today versus what's due on May 4th?

CHAIR RAWLINS-FERNANDEZ: Okay. So at 2:30, we needed to have the resolutions for Fuel Tax, Weight Tax, and RPT prepared so that it can be posted by today for our public hearing on May 14th. On May 4th is the publish of first notice of the May 14th public hearing for the Weight Tax, RPT, and Fuel Tax.

COUNCILMEMBER LEE: Oh. Oh, so the...the district funds and summaries, et cetera, for the district funds weren't due today? I wasn't really talking about the fees and taxes and whatnot, talking more about the district funds.

CHAIR RAWLINS-FERNANDEZ: Oh.

COUNCILMEMBER LEE: Remember, you asked for summaries and stuff?

CHAIR RAWLINS-FERNANDEZ: Oh, yeah. So it...that's for...to be included in what Ms. Milner is scrolling through. Miss...mahalo, Ms. Milner. Yeah. So what...what we would need is...so if you had an entity that you named in your budget priority, if you have that executive summary and budget, then we would include that into Appendix E.

COUNCILMEMBER LEE: And that was due at 2:30 today?

CHAIR RAWLINS-FERNANDEZ: Oh, I'm sorry. That is due by May 3rd.

COUNCILMEMBER LEE: May...okay.

CHAIR RAWLINS-FERNANDEZ: If you can...if you can get it to Committee Staff, you know, as soon as possible, because I think most of the Members already had that information because they read from it when they were pitching their proposals, and we voted on it. So if, you know, Members had that information already then if that can just be sent over to the Committee so Committee can include that in Appendix E.

COUNCILMEMBER LEE: Okay. Because I only had descriptions, I didn't have budgets and summaries, so now I know. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair. Oh, did you have named entities though? You didn't name entities.

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COUNCILMEMBER LEE: Yes. We...we submitted a list and the amounts, but not a budget, individual budgets and individual summaries. Not...

CHAIR RAWLINS-FERNANDEZ: Oh, okay.

COUNCILMEMBER LEE: As you were scrolling down and showing us examples, I didn't submit that, not that level of information.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Got it. Okay. Mahalo, Chair Lee. Member King?

COUNCILMEMBER KING: So this is just for the ones that actually have an entity that the money is going to, correct?

CHAIR RAWLINS-FERNANDEZ: Yeah, correct. But I think --

COUNCILMEMBER KING: Yeah.

CHAIR RAWLINS-FERNANDEZ: -- what Chair Lee is asking is about the OED district funds and not just --

COUNCILMEMBER KING: Oh.

CHAIR RAWLINS-FERNANDEZ: -- the priority proposals.

COUNCILMEMBER KING: Oh, okay.

CHAIR RAWLINS-FERNANDEZ: Yeah. So for the district funds, yeah, we...we didn't hear each other's proposals for the district funds.

COUNCILMEMBER KING: Okay. But if...you know, just pursuant to your earlier comment about trying to stay a little bit broad, because if we submit a detailed budget and they want to vary, you know, we're going to spend \$100 more here instead of there, then would that require a budget amendment?

CHAIR RAWLINS-FERNANDEZ: So just like we would want to see for ourselves, right, like for equipment, right, and if, you know, they're leasing a quad to do ReTree events, and it ends up being less than what they anticipated and would rather use that funds to buy more seedlings, you know, then, you know, that's...that's...that's great. So I think just...just a round, you know, figure so that there's some transparency over, you know, like okay, so this funds is going to be used for workforce development, and then this funds is going to be used for, you know, salaries and operations. So just...it doesn't have to be, yeah, to the cent --

COUNCILMEMBER KING: Right. Okay.

CHAIR RAWLINS-FERNANDEZ: -- but...

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COUNCILMEMBER KING: So it could be like a round number, like up to this much. Because you know, I wouldn't want them to have to come back to us for every little, you know, dollar and cent change if they were able to get something cheaper, like you said.

CHAIR RAWLINS-FERNANDEZ: Yeah. Yeah.

COUNCILMEMBER KING: Okay. Got it. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member King. Any other comments, questions? Okay. Okay. So that's the Appendix E. And then did Members get the additional...for Appendix D, for any of the Members' items that were not included for the operating bill. And then I believe Ms. Milner sent the grants and special purpose revenue.

MS. MILNER: Chair?

CHAIR RAWLINS-FERNANDEZ: Ms. Milner?

MS. MILNER: Right at the tail end of lunch, we sent out an updated copy of Exhibit 1, which includes the operating budget, the CIPs, the special purpose revenues, and the grant funds, which should also include any conditions that were added or removed.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Milner. Did Members have an opportunity to review those?

VICE-CHAIR PALTIN: I didn't.

CHAIR RAWLINS-FERNANDEZ: Member Paltin? Oh, okay. You mean you chose to eat instead of review your documents? Okay.

VICE-CHAIR PALTIN: I didn't eat. I was bathing somebody.

CHAIR RAWLINS-FERNANDEZ: Oh, oh. Sorry, I wasn't...I wasn't...the question wasn't only directed at you, Member Paltin, I was just being funny, if it fell flat. Okay. All right. So we have General Provisions, Appendix D, Appendix E. All right. Ms. Milner...Member Sugimura?

COUNCILMEMBER SUGIMURA: Yeah, thank you. Appendix D, I said before our lunch that Tasha Kama's Office sent verbiage, so I wonder if we could use their verbiage. So I would like to...if you allow me to make the motion to include that under condition...Appendix D, Condition 82, Prosecution Program, number (2). Up to \$50,000 to create and collect data in support of the Maui Community Outreach Court. My Staff sent it to the Budget Staff. So I wonder if the Members would consider that verbiage instead.

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

COUNCILMEMBER SUGIMURA: Thank you. Do I need...do I need to make a motion or...

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CHAIR RAWLINS-FERNANDEZ: Sure. Go ahead.

COUNCILMEMBER SUGIMURA: Okay. So I move to amend Appendix D, Condition number 82, Prosecution Program, item number (2), up to \$50,000 to create and collect data in support of the Maui Community Outreach Court.

COUNCILMEMBER LEE: Second.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Moved by Member Sugimura, second by Chair Lee. Member Sugimura?

COUNCILMEMBER SUGIMURA: Yes. I think we all spoke enough or understand what the program is, and this verbiage came from their office, I guess, to just clean up what I had submitted before. So appreciate your support in this. This is again for Tasha Kama, her one project that she wanted to start.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura.

COUNCILMEMBER SUGIMURA: Thank you.

CHAIR RAWLINS-FERNANDEZ: Anyone else wishing to speak to the motion? Okay. Seeing no hands, I will call for the question. All those in favor of the motion, please raise your hand and say "aye."

VICE-CHAIR PALTIN: Aye.

COUNCILMEMBER SUGIMURA: Aye. Oh, Tamara.

CHAIR RAWLINS-FERNANDEZ: I see seven "ayes", and hear an 8th, and one excused.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, Lee, Molina, Sinenci, and Sugimura.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: APPROVE

COUNCILMEMBER SUGIMURA: Thank you, Members.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura, for helping Pro Tem Kama. Okay. Ms. Milner, did I get everything?

MS. MILNER: Yes, I believe that was everything you needed to review before the votes.

BUDGET BILLS

CHAIR RAWLINS-FERNANDEZ: Okay. Members, so what we need to do by today is approve all the Budget bills. So a bill for an ordinance relating to the operating budget for the County of Maui for Fiscal Year '22; a bill for an ordinance relating to the Capital Program; a bill for an ordinance authorizing issuance of 85,580,900 bonds; a bill for an ordinance determining that part of the proceeds of the general obligation bonds of the County of Maui (*audio interference*) is in excess of the amounts required for the purposes for which such bonds were initially issued. Those are all the bills that we would need to recommend passage on first reading. And then there's...

COUNCILMEMBER LEE: So move. So move.

CHAIR RAWLINS-FERNANDEZ: Oh, okay. Okay. All right. Is there a second?

COUNCILMEMBER SUGIMURA: Second.

CHAIR RAWLINS-FERNANDEZ: Okay. Seconded by Member Sugimura. Okay. Before...okay. Ms. Milner, do I need to include the authorizing the acquisition of RPT? No, that...we didn't...we took that off.

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MS. MILNER: You took that one off. So I didn't know if you wanted to refer that to committee or file it.

CHAIR RAWLINS-FERNANDEZ: Oh, I see. I see. Okay. Okay. Okay. So...and then for the a bill for an ordinance authorizing the Mayor of the County of Maui to enter into an intergovernmental agreement for a loan from...for the State of Hawai'i's Water Pollution Control Revolving Fund. Is there a reason that one wasn't included in the motion?

MS. MILNER: It's just slightly different from the others and you'd already voted on the water SRF, but you can include that in the motion if you would prefer to pass them all together.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo for that clarification. Okay. All right. I was going to check to see if Members were ready to vote on it, but...there was a motion. So it seems like Members are, and then I will include any necessary revisions to the Appendices, and nonsubstantive revisions to any of the...the bills.

COUNCILMEMBER LEE: No objections.

CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Chair Lee. Okay. Anyone wishing to speak to the motion? Chair Lee?

COUNCILMEMBER LEE: Okay. This was a very difficult budget. I'm not thrilled about some aspects of it, especially raising taxes, but I think we did the best we could, and we tried really hard. And you could tell that we struggled because there was never a full consensus on almost anything. So I applaud everybody for keep trying, everybody kept trying and we never gave up. And I want to commend you, Madam Chair, because this is probably my 13th budget on the Council, but if you add the 8 years in Housing, that's 21 budgets, and this is probably the hardest. Good job. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Chair Lee. Appreciate it. Member Sugimura?

COUNCILMEMBER SUGIMURA: I agree, this is very...a challenging time with the pandemic looming still above us. And just trying to make it through the budget, this time it was a lot different than last budget, which took us all by surprise. But I just want to say that I have strong objections about the...us adding to the Affordable Housing Fund to build infrastructure, which I believe that should be a County responsibility, and that's something that we can bond. You know, we shouldn't try to raise...well, my feeling is, I only can speak for myself, is we shouldn't raise taxes on working families and businesses in this struggling time to build infrastructure, which is something that the County can, as I said, there's \$38.5 million in there for CIP projects. And now we're saying that we need to add on to the Affordable Housing Fund so that we can build infrastructure or whatever we need to do to build houses. And I think the thrust has been for infrastructure, but I...I believe, I really believe, as all of you know, as County officials, that we have the ability to recommend bond funding. And we have a really good bond rating thanks to Scott Teruya and Marcy Martin and the team who've been working really hard on this. And so for me, the hard part about this is to have that comprehensive affordable housing fund [*sic*] recommending to increase our Affordable

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Housing Fund to build infrastructure when we can go through this and do it with a plan and...and bond it and not tax, you know, our...our public or our community in order to satisfy this. So that's my disappointment. And again, you know, I...I...I believe that it's going to...even if you think you're not affecting the working families or the...you know, the homeowners, it is. So thank you very much. And I agree, thank you very much, Ms. Rawlins-Fernandez, for working really hard on this, it's hard. Thank you.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sugimura. Any of the other Members wishing to speak to the motion? Member Sinenci?

COUNCILMEMBER SINENCI: Thank you, Chair, for my opportunity. And...and thanks to you for running a very democratic process and...and hearing everybody's manao nui, and...and just coming from each...each individual Member. You know, for me, I wanted to thank the Members for supporting some of our district proposals including, you know, more protections for our iwi kupuna and archaeology, modern archaeology, for our invasive species, and...and for looking out for our...our unsheltered and homeless out there that...that are still, you know, our most vulnerable and...and we still need to address those issues, I think. And my personal voting to...wasn't more so to raise taxes on our vulnerable or the lowest tiers, but just to ask that there be some extra funds from those who can afford, for those who...who are non...in the Tier 3 that are able to...to put in some extra towards our...our housing needs. We've seen foreign investors coming in and...and presenting cash offers, sight unseen, to homes that are...whatever inventory we have out there. I mean, this is worse than the '70s when we had foreign investors coming in. Now we're...we're having cash offers above ask price, asking for whatever is available on...on Maui. And so to see mass exodus could technically switch and change the way our individual...you know, the gerrymandering of each district should we see a mass exodus of locals out and an influx of foreigners in. So I mean, just think about that. I mean, it...it is at that critical mass, that critical point. So again...but mahalo for...for the collaborative work. Thank you, Chair.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Member Sinenci. Anyone else wishing to speak to the motion? Okay. Member Paltin, just want to make sure that you are included. You don't have to speak to the motion, I just wanted to check. Okay. You're good. Okay. Mahalo, Member Paltin. All right. And I'll just quickly speak. You know, I echo the sentiments of the Members who spoke. This was a very challenging budget. I tried my best to make it as...as fun and lighthearted as possible. I hope the budget survival kit helped you survive this Budget Session. I heard from a lot of you that you did take advantage of the items in your survival kit. And I'm also happy that the Members, Staff, and our OCS Staff enjoyed a little bit of fun during this Budget Session. And I appreciate everyone's diligence and hard work throughout this budget. If no one else is wishing to speak, I'll call for the question. All those in favor of the motion on the floor, please raise your hand and say "aye." Okay. Eight "ayes," one excused, Pro Tem Kama.

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VOTE: **AYES:** **Chair Rawlins-Fernandez, Vice-Chair Paltin, and Councilmembers Johnson, King, Lee, Molina, Sinenci, and Sugimura.**

NOES: **None.**

ABSTAIN: **None.**

ABSENT: **None.**

EXC.: **Councilmember Kama.**

MOTION CARRIED.

ACTION: Recommending **FIRST READING** of Budget bill, CIP Program bill, Bond Authorization bill, Lapsed Bond bill, and Intergovernmental Agreement bill (various wastewater projects); and **FILING** of communications by C.R.

CHAIR RAWLINS-FERNANDEZ: And...oh, shoot, sorry, I meant to reiterate the motion. I don't know if you want me to say it again, but it's for the SRF bill, the Operating Budget, the Capital Program bill, the Bond bill, and the bill for an ordinance determining that part of the proceeds of general obligation bonds, the County of Maui, and I'm not going to read the entire thing, including any nonsubstantive and necessary revisions. Okay. Oh, and it included to file the County Communications. Consensus on filing the CCs?

COUNCILMEMBER LEE: Consensus.

COUNCILMEMBER MOLINA: Consensus.

CHAIR RAWLINS-FERNANDEZ: Mahalo, Ms. Milner. Okay. And then we have the bill [sic] "AUTHORIZING THE ACQUISITION OF REAL PROPERTY IDENTIFIED AS TAX MAP KEY...IDENTIFIED AS THE"...where's the address? It's the "j." on...on the "j." agenda for...it's on Dickenson Street. So the property on Dickenson Street, we have a bill for acquisition for 650,000. We voted to remove that from the Affordable Housing Fund, and refer it to committee for discussion. Any objections to referring that to committee?

COUNCILMEMBER MOLINA: No objection.

COUNCILMEMBER LEE: No objection.

ACTION: **REFERRAL** of proposed resolution, entitled "AUTHORIZING THE ACQUISITION OF REAL PROPERTY IDENTIFIED AS TAX MAP KEY NOS. (2) 4-6-011:011 and (2) 4-6-011:028, SITUATED AT IN LAHAINA, MAUI, HAWAII, FOR AN AMOUNT NOT TO EXCEED \$650,000, by C.R.

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CHAIR RAWLINS-FERNANDEZ: Okay. Mahalo, Members. Okay. Ms. Milner, did I miss anything?

MS. MILNER: Double-checking the checklist.

CHAIR RAWLINS-FERNANDEZ: Excellent.

MS. MILNER: I think you're all set, Chair.

COUNCILMEMBER LEE: Or else we could just start all over again.

CHAIR RAWLINS-FERNANDEZ: That would be fun. Okay. All right. I think...I think that's everything. All right. And then we adjourn today's meeting, correct? I don't want to...I don't want to adjourn if we're supposed to recess again.

MS. MILNER: Well, unless you guys want to do this again tomorrow, you can adjourn, Chair.

CHAIR RAWLINS-FERNANDEZ: . . .*(laughing)*. . . Okay. Any questions or comments? We have our public hearing on May 14th on the Weight Tax, and RPT, and I think that's about it. And then it'll go to Council for first and second reading. Okay. Any questions on the process? Any comments before we adjourn? Seeing no hands--oh. Member Paltin? Okay. All right. Mahalo again, Members, for all your hard work. It's 2:56 on April 29th, and the Budget, Finance, and Economic Development Committee is now adjourned. . . .*(gavel)*. . .

ADJOURN: 2:56 p.m.

APPROVED:



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

bfed:min:210429r:

Transcribed by: Kaliko Reed &
Daniel Schoenbeck

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CERTIFICATIONS

I, Kaliko Reed, hereby certify that pages 1 through 35 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 18th day of June 2021, in Wailuku, Hawai'i



Kaliko Reed

I, Daniel Schoenbeck, hereby certify that pages 36 through 81 of the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED the 18th day of June 2021, in Kula, Hawai'i



Daniel Schoenbeck