

FY 2009-2010 Departmental Budget Reviews

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The departmental budget review reconvened at 12:10 p.m., and proceeded as follows:

DEPT. OF PUBLIC WORKS

Mr. Kaneshiro: At this time I'm going to suspend the rules and take testimony from anyone in the Chambers. So I see Mr. Mickens' hands up. You're up Mr. Mickens. Rules are suspended.

GLENN MICKENS: Thank you Daryl. For the record, Glenn Mickens. Daryl, I apologize again for being off the topic.

Mr. Kaneshiro: No, you're on. It's part of CIP, so go ahead. I'll let you speak.

Mr. Mickens: This I am relatively positive I'm on topic. It's about roads paving, and you know, that's part of our budget, I presume, though I never did see the 09-10 road resurfacing budget. I have no idea why. I talked it over with Jay. He got the 07-08, the 08-09 was in it, now they're going to go to 10, so I'm not sure why. Anyway, you have copies there of my testimony along with backup material that I've given you. I hope it's a little bit in order for you to see. It refers to it. Let me read my testimony. If you have any questions, stop me. I have a long testimony and presentation to make regarding our roads. Since I only have 6 minutes, I'll try and condense what I have to say, and hopefully you'll give me the proper time to express my concerns at a later date.

I've been making the case for 15 years that our roads are not being properly paved. The standard details book gives the proper specifications of how all roads, county roads, are to be paved and repaved, but these specs are not followed. This is a copy of the standard details book. I'm not going to give it to you. I was given this book sometime ago, okay, and it gives the specs in here according to what a road is supposed to be resurfaced, or new roads how they're to be paved. Code specs that new roads will have a 4-inch compacted sub-base with a 2-inch overlay of AC. AC means asphalt concrete. Resurfaced roads will have a one and a half inches compacted overlay of AC, and if we were following Hawai'i Asphalt Paving Industry Standards, it's called HAPI, and you have a copy of HAPI standards in your little thing there. If we were following those, which Glover and Grace Pacific and Niu do, any cracked or badly deteriorated parts would be removed before the one and a half inches of overlay is put down. This is only common sense, since the top layer will only be as good as the base. I got most of my information from my friend Greg Shlepper who has been a paving contractor for 36 years. Some of you, including Donald Fujimoto, met with him. Regretfully he was monopolized off of Kaua'i and is now paving in Colorado. He even offered to put on a symposium to show how roads are properly paved. He wasn't going to charge anything for it, but was turned down.

When our public works asks for a bid, they do not specify these HAPI standards, and thus the winning contractor ignores those recommendations that they abide by with any other bid. Yes, if our roads are repaved without removing the bad sections, it will be cheaper, as Jimmy Tokioka used to keep on saying, I think the other members have said the same thing. But this is being pennywise and dollar foolish as our roads are not lasting one and two years before potholes and deterioration set in. Whereas, if done by HAPI standards, they will last 15 to 20 years; that's why HAPI set these methods. Read their literature, which again you have enclosed. I walk 4 miles everyday over roads and have picked up pieces of AC that are less than one inch thick. I have these pieces I just picked up recently. There's maybe three-quarters of an inch or less from our roads, okay. And whether it's from the edge of the road, as Joe Rosa who as an inspector for the State points out, if it's from the edge of the road to the center of the road, it has to be an even one and a half inches of asphalt that's across the thing. Well, obviously we're not getting it.

Over the years I've met with Councilmembers, Jay can verify what I say when he was one of them. County engineers, road supervisors, and deputy county engineers to show them my concern.

No one to this date has ever given me answers to the many questions I've asked. By our county standards, and see Tokioka's memo to Ladye Martin of 6-25-04 showing...it's enclosed in your thing there too, using one ton of AC to pave 90 square feet, and the 06-07 Glover bid of Ahi street, which is also enclosed there in your thing, 490 feet long, this Ahi street is obviously a short...down in Waimea. 490 feet long by 18 feet wide is 8,820 square feet divided by the 98 tons that they say they used, that's there in their specs, equals one ton per 90 square feet, which is the formula our county uses. The Glover bid and all bids show that we are asking for and using one and a half inches of AC for resurfacing. Again, check their bid right there and you'll see it. However, a check of the asphalt paving job calculator, that's this thing right here for you people to see, this is what every contractor uses. You just set it at the depth they want, one and a half, two inches, three inches, whatever, they go back and it'll show the tonnage that they used to do it. Okay.

It'll show that we should be using one ton of AC to pave 108 square feet to get a one and a half inch overlay. I mean it's here. Simple mathematics. One ton per 90 square feet according to the calculator should give an overlay of approximately one and 7/8 inches. As I said before, the pieces of AC I picked up from our roads aren't even one inch thick, of the case cannot be made that by using one ton per 90 square feet we're getting one and 7/8 inches of asphalt on our roads, or even the one and a half inches that the specs call for. For clarification, by using the county method of one ton per 90 square feet, it would take 1,056 tons of AC to pave a mile of road. Some of you members that were here before saw me put on this presentation. I put the numbers up on the blackboard, which I think, again Jay, you pretty much confirmed what I said. AC today costs about \$200 per ton, so the cost of paving a one mile would be \$1,056 times \$200 a ton, or \$211,200. However, since the specs and bids call for one ton per 108 square feet to get one and a half inches, that means we would need 880 tons to pave one mile. 880 times \$200 a ton equals \$176,000. Thus we are paying \$35,200 more to pave a mile of road using our one ton per 90 square feet rather than the one ton per 108 square feet. And again, this is all simple mathematics according to this thing that every contractor uses. So there's no ifs ands and or buts about that. Since we have 300 miles of roads, county roads on Kaua'i, roughly it is costing us at least \$10,560,000 more by using our county method over the correct method. There are many other problems with our roads—methodology of choosing the roads to be paved, numbers in the bids that I am confused about (if you look at the... in fact, if you look at Glover's bids there, they go all the way from per ton to 700 and some dollars a ton to 200 and some dollars a ton.) I don't quite understand that. Asphalt's about...and if you look at the Niu bid on the same 06-07 thing, you'll see where they're paying I think 214 or \$216 consistently a ton. So I'm not sure why this huge difference in price per ton from Glover to there. There must be a reason. Once and for all I would respectfully request that my concerns are addressed, and do hope that you members want answers as badly as I do.

Mr. Kaneshiro: Thank you Mr. Mickens. Six minutes on the nose. Any questions for Mr. Mickens, committee members? Mr. Furfaro.

Mr. Furfaro: I just have a statement. I do have my own copy of the HAPI asphalt paving guideline, and I do intend to share this with the engineering department, and I do intend to ask some questions. Some of the areas that I might point that need to be in consideration is if you read the copies that I have in more depth, there are roman numeral 5 types of mix. So a question will be around those lines. These different mix types may actually calculate to different pricing.

Mr. Mickens: Well, that's all in the bid there for Glover and Niu. They all say number 5.

Mr. Furfaro: Why don't you let me finish.

Mr. Mickens: Okay, okay. I'm sorry, Jay.

Mr. Furfaro: Because I will direct those questions that way. And I also do notice that there are certain rules when it talks about the surface course, the base course, and any repairs to the sub-base course that are specified in here. But more importantly, it strongly recommends that a...final bids come in after there is a broad evaluation of the roads that are planned to be resurfaced, and they do recommend in these standards that these various conditions are widely at different roads, and therefore the bids include an evaluation before you solicit the bid. So I just wanted to share I'll be asking those types of questions.

Mr. Mickens: Well, I appreciate that, Jay, and since again I've been going at this for 15 or 16 years, I just really would like somebody to address that problem...or these problems.

Mr. Furfaro; Well, I will plan to address specific issues with mixes, evaluations of the roads that are identified, and in particular, I will have some discussion about some repair and maintenance of roads that we've recently done that I've gone out to visit. So...

Mr. Mickens: Well, we'll still have nothing to do with the one ton per 90 square feet as opposed to one ton per 108 square feet. So the mix has nothing to do with that, right?

Mr. Furfaro: I'm not sure. You're assuming it doesn't. I'm not sure.

Mr. Mickens: I am.

Mr. Furfaro: I'm not sure. I'm going to ask that question.

Mr. Mickens: Okay.

Mr. Furfaro: So depending on what kind of mix quotes we get and of what particular roads, one of the interesting things that I did acknowledge in my reading of my material was that the vehicle types and loads do not contribute to that much of a variance, whether it's cars, trucks, buses. According to this material, it does not have that much to do with the mix type. The mix type is driven by the history of the road condition. So I will ask those questions.

Mr. Mickens: Right. Okay.

Mr. Furfaro: Thank you Mr. Mickens.

Mr. Kaneshiro: Thank you Mr. Mickens. Anyone else wanted to testify? Anyone else in the Chambers wanting to testify before I bring the administration up?

JOE ROSA: Good afternoon. For the record, Joe Rosa. I speaking in behalf as doing work with the state highway division for 16 years as a highway construction inspector. And the weights for the various types of mix on your mix 5 is 19.35 pounds per square feet, and for your mix 3, it's 16.87 pounds per square foot. The various types of rock for your mix 5 is more (inaudible). It's mostly rock chips, rock sand, and rock dust. Your mix 3 is mostly rock (inaudible) stone with chips. So there's a difference in those weights. The other thing here, I was on loan to the county on 2 specific jobs, because your county inspectors didn't qualify for working on federal aid projects. Basically because out of the things that was being done wasn't being done correctly. I have to say that. Because we as state inspectors when we were working, my previous fellow workers, there was various things we ought to do. We have to figure out theoretically how far a truckload would go, and we would have to paste it up and just wait for that load in that spreader to reach that (inaudible) point that we set out. And if he didn't reach approximately the distance, we know that we're over running, like putting too much of a base. If we passed that, we under running because we getting a thinner base of material. So a lot of the paving has to be done with your inspectors. They have to be

on the job there. My job when I was working was collecting the trip tickets to see how much tons was on that truck and how far it would go. If I...also would have to check the temperature and it was dumped into the hopper to see that it don't exceed 325 or not go below 250 degrees. If it falls into the hopper below 250, that load is out. So those are the things that has to do with paving, and we as state inspectors, when I was working with my fellow workers, there was strict compliance that we had to follow on the federal aid projects. We had to check temperatures, as I say. Theoretically figure out, check the thickness with a rod that we have. If it was inch and a half finished pavement, we would set the gauge up to 2 inch loose, and it won't go over that quarter inch mark that we had, because if we going over that, would be 2 and a quarter. What we want to do was maintain a tight 2-inch loose asphalt, so that when it's rolled and compact, we'd have the finish of inch and a half. Our tolerance on our cut cores would be point zero two hundredths of an inch; just about a quarter inch. So that's how strict the state was as far as paving. I worked the 2 county jobs, and surprisingly, the council at that time that we didn't have to come and ask for more money so that they could finish the project. I worked on the roadway where Glenn Mickens live up in Wailua Homesteads, and I also was loaned to the county for the Papalina Road by Kukuilono Park, and those 2 jobs was, like I say, I had to be on loan, because the county inspectors didn't do the work that was required to be done on federal aid projects. So paving has lot to do with money, and like I say, if the State had the same policy...I question Mr. Tats Hirano once, to see that they want paving to last at least 10 years. At a paving seminar that I attended, they say 2 inch should give you 10 years. But then the State was doing inch and a half, and then I asked the question why do we do inch and a half and get 7 years? They say, well we want to give the taxpayers more benefit for their money. So instead of lasting 10 years it's going to last 7 years. So it's to do the job right and do what's required. That's all I have to say. If there's any questions, I'm trying to back up Mr. Glenn Mickens as far as expenses is being cost. So I notice that time when they were paving that Waipouli Road when Mr. Mickens...somebody told me, hey how come the county they paving the road, they paving on dirt, all the road crack. I went and take a look. Sure. They don't put no tack coat. You cannot put tack coat on dirt. There's no bind. So naturally the heavy equipment goes on the side it's going to crack, and you can just kick it away, and use it for stepping stones. I've been those samples that Mr. Mickens had, and that's what it is—no tack coat.

Mr. Kaneshiro: Thank you Mr. Rosa.

Mr. Rosa: Yeah, it's not doing the job right. So what I'm trying to say is that you members of the council, do it right and you'll get quality products. The roads are in bad situation, even where I live. Thank you.

Mr. Kaneshiro: Thank you. Anyone else wanting to give testimony before I get the administration up for their public works review, budget review. If not, Mr. Donald Fujimoto, we'll move along according to your handout. So we're going to take administration first. Members of my committee, you have this handout? If you would open to the last page, he has a...now this is a department of public works memorandum. It did not come from the council. It's from Mr. Fujimoto to all his department heads. So since he already has it set up like this, we'll follow the memorandum and move along as such. So take a look at the handout on the last page, and we'll take the administration and fiscal department up first. So with that, we're on page 134 of our budget documents. Okay, Mr. Fujimoto, go ahead and begin. Starting from page 134 members.

DONALD FUJIMOTO: Okay, thank you. Well again, due to the tight economy or recessionary period, the administration gave us a goal to cut 10% prior to the post benefits, and I'm proud to say that public works did meet that goal. In fact, I think our budget reflects a 11% decrease...11.33% decrease. The task did present some challenges, and we did have to make some tough decision, and again, our budget reflects trying to meet the present state of the economy. With that said, we're going to try to go...move through our budget in a systematic way, covering first administration and fiscal, and then going into engineering, building, auto maintenance, wastewater,

and solid waste. And on Thursday we'll pick up highways and CIP. With that said, I think the easiest way to look at administration and fiscal is that, again, there was a slight increase that was due to, again, post benefits, most of it, post benefits and bargaining unit requirements. We did cut travel by 50%. Any questions on that item? I think this graph...

Mr. Kaneshiro: Okay, Mr. Furfaro has a question on those items. Mr. Furfaro, go ahead.

Mr. Furfaro: Yes. This might end up going over in a written question, but we have had, you know, as we've shifted these benefits for all departments, has the administration done any internal training that you or your department heads have participated in that demonstrate how you can control those benefit costs to date? We've shifted the cost to you, have you received any training or briefing on how to control those costs? If the answer is no, fine. I'll send it over as a question.

Mr. Fujimoto: Yeah, can you send that over?

Mr. Furfaro: We'll send it over.

Mr. Kaneshiro: Just to see if you have a procedure to that.

Mr. Furfaro: (Inaudible) if everybody's been able to be briefed on how to...and what to look for in these budget shifts for benefits.

Mr. Kaneshiro: Okay. We'll come with a communication, Mr. Fujimoto, to you in that regards. Then you can come back with an answer. Alright? Thank you. Go ahead. Go on.

Mr. Fujimoto: Anything else on administration?

Mr. Kaneshiro: Anybody has anything else in the administration? For our committee members, you can refer to the first chart on the handout that Mr. Fujimoto handed out, and if we look at our plus and minus program that we got from our staff, it's on page 16, and of course we're on page 134 of our budget.

Mr. Furfaro: I'm sorry. Is mine stapled backwards?

Mr. Fujimoto: It may be. Sorry, first chart should be administration/fiscal.

Mr. Kaneshiro: We got it the same way too. So the first page. Basically we'll start with the budget comparison, again, for administration and fiscal. I just wanted you to refer to the last page, because basically, we'll try to follow that schedule that Mr. Fujimoto is recommending for his department heads. Okay? So administration and fiscal, any questions at this point members? Okay Donald.

Mr. Fujimoto: Moving on to engineering. I'd just like to clarify that in our efforts to provide more support and to provide better direction to our staff, public works has reorganized, and my primary emphasis or focus will be wastewater and solid waste. My deputy Ed Renaud will be overseeing roads, building, and the shop. And Ken Teshima has oversight over engineering. So with that said, I'll defer this to Ken.

Mr. Furfaro: Excuse me. But I do understand that the dialogue on roads is going to be Thursday?

Mr. Fujimoto: Yes.

Mr. Furfaro: Not now?

Mr. Fujimoto: Yes.

Mr. Kaneshiro: If we move along and we have some time, we may be able to take up CIP today. But how we have it posted basically was public works and CIP, so it depends on our schedule how we move along, and if we need to, because we haven't been able to complete some of these, we'll cover CIP on Thursday.

Mr. Furfaro: Thank you.

Mr. Kaneshiro: Mr. Asing, you have a question?

Council Chair Asing: Yes, follow-up on...because I want to write it down. Again, on your assignment, you have Ed Renaud doing roads, buildings...

Mr. Fujimoto: And automotive.

Council Chair Asing: And automotive. And...

Mr. Fujimoto: Ken Teshima, he would be engineering.

Council Chair Asing: Okay, thank you.

Mr. Kaneshiro: Okay Donald, continue. We're on page 139 in our budget text book. Okay with that, for the record just introduce yourselves.

WALLACE KUDO: I'm Wallace Kudo, chief of engineering.

Mr. Kaneshiro: Thank you.

KEN TESHIMA: Ken Teshima.

Mr. Kaneshiro: Thank you. You can begin by stating... You have a statement you want to make about your budget? Just, you know, on your budget comparisons for fiscal year 2009-2010?

Mr. Kudo: We were asked to cut back 10% from our original budget from last year, and I think we did that by... We had an engineering position and construction inspector position which we moved into a dollar funded position.

Mr. Kaneshiro: You know, my comparison shows a 30% cutback. So you know, from fiscal year 09 to fiscal year...08-09 and fiscal year 9 and 10, but just in your public works engineering department you have a 30% cutback, and I believe one of the major ones here that we're looking at was salary was one of them. So that one position does reflect that? There's 106,000 basically under salaries that were cut back on that.

Mr. Teshima: There is also under special projects...

Mr. Kaneshiro: Oh yea, okay, 474,000 under special projects.

Mr. Teshima: That was a one-time deal for this fiscal year, but not for the next fiscal year.

Mr. Kaneshiro: I see. Okay.

Mr. Teshima: That pretty much what the (inaudible).

Mr. Kaneshiro: Yeah I see that. Mr. Bynum?

Mr. Bynum: Looking at engineering, in all of public works, according to our staff there are 4 dollar funded. Is that right? No. I'm sorry, that's not true. But you have 4 positions dollar funded in engineering. Is that correct?

Mr. Furfaro: Page 139.

Mr. Fujimoto: That's right. We have 2 dollar funded positions from contracts, and 2 of the vacancies were converted to dollar funded.

Mr. Bynum: Two vacancies and... Well, they're all vacancies, right?

Mr. Furfaro: Are we all on the same page. Page 139 the council is looking at. Do you have that page, Donald? If we not looking at the same thing it doesn't help.

Mr. Kaneshiro: Donald, we're going right off your memorandum. In the back of your memorandum, you said engineering, and engineering is on page 139 of our budget textbook. So basically that's where we're at. We just following your memorandum.

Mr. Fujimoto: Yes. I'm sorry. Yes, those are vacancies.

Mr. Bynum: So I'll just ask a broad general question. You know, you and I've been meeting about CIP projects that are having a difficulty getting completed, right, and but these are the positions that generally put those out and manage them, right? Like construction inspectors and civil engineers. So I mean if one priority is to get these CIP projects out and on the street, in the spirit of recovery when we have them funded, and we're having a hard time doing that with management. So I'm confused of why the cuts would be here. I mean wouldn't that be a high priority to have these positions that can put these projects out?

Mr. Fujimoto: Well, right now we have the 2 dollar funded positions, and we're still in the process of trying to fill those dollar funded positions. The purpose of the vacancies was to be able to do our 10% reduction. I think at a point in time, all of the vacancies were frozen, and the idea was so that we don't have to lay off people later. You know, these positions, again, were not filled and rather than fill these positions and look at how we're going to balance the budget and start cutting positions, our decision was to just not fill these positions for now. Again, they are dollar funded, so if and when we do have projects that could pay for it, we could easily fill those positions with project moneys.

Mr. Bynum: Because I think we've generally been assuming dollar funded, and correct if I'm wrong colleagues, the dollar fund means there's no intent to fill those positions in this fiscal year.

Mr. Fujimoto: No. The intent actually, in the wisdom of council, was to provide the dollar funded positions so that if and when there was CIP projects, the projects would pay for the positions and we could fill the positions, the management positions, to do the projects.

Mr. Kaneshiro: So what I'm hearing from you then currently, with the projects you have under CIP, you have enough personnel to handle the current projects you have going.

Mr. Fujimoto: Yes.

Mr. Kaneshiro: Is that what I hear from you?

Mr. Fujimoto: Yes, you're right.

Mr. Kaneshiro: So in no way, you know, this could compromise any part of the services that you are now doing for some of those projects.

Mr. Fujimoto: Yeah, and you know, it does give us the added flexibility to hire more people if and when we have more projects, and if we can find the staffing. Really, that's the issues, finding the right people to fill those positions.

Mr. Kaneshiro: But currently at this point you feel comfortable that you have enough positions to do that at the amount of volume and what you're doing.

Mr. Fujimoto: Yes.

Mr. Heu: Chair, Mr. Heu for the record. Just so that... Because I think this is going to be a reoccurring issue relative to the vacancies, the dollar funded positions. And so maybe just have a quick discussion now rather than every division and department we go through, you know, kind of going through the same thing.

Mr. Kaneshiro: Okay, I'll allow you to do that.

Mr. Heu: Thank you. Basically, what we were looking at is attempting in reducing...being able to reduce the budget, take a snapshot in time, freeze positions. Now, the dollar funded positions may in fact be filled next year, and the way we would do that is the discussions we've been having with department heads is that we are looking at no net adds to the organization. So what that basically means is that we may have... We know as we go through the year that through attrition we will create additional vacancies. Now at that point in time, we will reassess and look across the organization and say, okay what is the best use of this particular vacancy. Is it to fill this position that was recently vacated by this retirement, or do we have a higher need somewhere else in the organization, as an example, in engineering, and do we choose to maybe take maybe a position that's deemed less essential or less of a priority, and do we use the funding from that position to fund maybe a higher level or a higher needed position. And so as we go through budget discussion, because we see it as vacant today and/or dollar funded today doesn't mean that we won't continue to assess the needs of the organization as we go through the year and come back to this council to, you know, get whatever authorization and funding that may be necessary at that point in time. And I think...you know, I just want to set the stage for the rest of the budget discussion when you see those vacancies, it doesn't mean that currently that we don't think they are a priority, it's just that when we took the snapshot, that's where the vacancies were, and as we move to the remainder of this year and next budget year, we certainly believe that through attrition we'll have opportunities to fill some of those high priority positions.

Mr. Kaneshiro: Okay, thank you for that explanation. Any questions for Gary?
Mr. Furfaro go ahead.

Mr. Furfaro: Yes, budget chair. I do also remember this discussion maybe 3 years ago, especially as it deals with engineering and building. I think we had an understanding that as projects come onboard, we could earmark as much as 10% of that project money for a special project manager for that particular project. Whether it's a construction expert that reports to Doug Haigh or it's an engineering type person, we could make those evaluations project by project. Is that still part of this...

Mr. Heu: That's correct. The vice chair is correct. So there's like 2 categories of dollar funded positions. One would be for project management type of functions like you've just described, using project money to fund a position. And the other is a dollar funded position which was kept in there as a placeholder to maintain that position in the budget, so that if we were able to fill it at a later time because of, you know, through attrition and transfer the funding over to the dollar funded position that we'd be able to do that also.

Mr. Kaneshiro: Okay. Mr. Bynum, you had a question for Gary.

Mr. Bynum: Just...while we're general, before we move on to other public works departments. We have projects that have waited several years to get put out that were funded several budgets ago, right? And so to me it's kind of like chicken or the egg. You got to do work to get those projects out before you can access the funds that might help pay for part of the salaries, and we're in this economic stimulus period right now where we have new potential money coming, you know, to the county, plus we have the funds that we already funded. And we have high unemployment, and so we, I think, all share a goal to get these projects going, right, to get people on Kaua'i put to work. And so you know, and if I misunderstand this correct me, but it's some of these positions that need to get the projects going, right.

Mr. Heu: In a way that's true, but we've...just to let you know that we've had an internal team looking at...understanding that the stimulus moneys are coming down and in preparation for some of that work, as well as work that we've identified as a county, we've had a team comprised of Donald, Wally, finance director, and others who have been looking at the possibility of getting some consultant project management type assistance. This methodology of getting projects out the door is employed by federal highways and others, and so we are currently doing our due diligence to see if in fact there's a good fit with what we have in the county.

Mr. Bynum: Right, and I'm really... I've also been meeting and dialoguing about that issue, and I'm hopeful that that whole concept gets to the point it can be brought and presented to the council, because it's one solution to this. But in the short term right now, I mean that's something that we're looking at moving to, right. And I just feel like we have to respond to the stimulus projects, but we also have a backlog. Is it true that we have a backlog of our own projects that if we had our way would have been out a year ago or two years ago?

Mr. Heu: Yes, there are CIP projects that probably haven't moved as fast as we'd like.

Mr. Bynum: And so this is...you know, we're in a good climate for those projects to go forward, because we're going to get better bids and we're going to put people to work that are unemployed. And so I'm really frustrated that I don't know how we get there quickly when the pressure's on us to get there quickly, and I'm assuming that it's people like civil engineers IVs who, you know, can put those projects through our system. We're already stalled and the backlog has grown over the last few years of trying to get those projects out. But we were in a really intense economic climate where maybe it wasn't as critical as it is now. So I just want to express those concerns in a broad sense.

Mr. Heu: Sure, and we understand, and I'm sure that you are also aware that it's not like we've had people banging down our doors for some of these engineering positions, and you know, that's why, you know, some of these positions, quite frankly, have gone...have remained vacant for so long with full funding on our books. And so at this point in time, being in the economic condition that we're in, we thought it was more prudent to go ahead and take the savings now and should the opportunity emerge where we're able to leverage, you know, some of those resources, then certainly that would be high on our list of considerations, and we'll be back before the council to get that position funded.

Mr. Bynum: Because we've had a problem hiring these engineering positions, but it's a real different job climate. I mean there may be private sector people who... And so I just really want to...I'll just generally express that concern. This is the time we should be putting these projects out. The need in the community's great, and we're going to get better bids, and we're already frustrated on how difficult it is to get them out. So you know, I certainly... I was here 2 years ago saying how do we get these positions... I was contem... You know, I asked help from the administration about how we could increase the salaries, if that's what it took to get these key positions filled. So you know, that's where we were 2 years ago; we're not there now, but I just see the chicken... It's like, yea these projects can draw down funds to help pay for these salaries, but if we don't have people to get them into the pipeline, they're just going to languish there and we're going to... So I'll be...keep asking questions about that, how we...

Mr. Heu: And I'm sure when we get to the CIP discussion we'll have more depth in the...discussion on the project by project basis why something is moving and why others have not been able to move.

Mr. Bynum: Okay, thank you.

Mr. Kaneshiro: Jay.

Mr. Furfaro: Yes thank you. So I want to make sure, because you know, this is kind of déjà vu of yesterday with planning. We have these projects out here, we have to establish some priorities. What you're saying to us is we have the team that's looking at these projects, with yourself, Mr. Rezentes, Donald, and Wally. You folks are looking at those projects, which in fact when we attract the release for those, we have the people to manage, whether it's engineering or a building project. And I think it's one of the things that clearly came out in our past audits that when we do those releases, we have to have the people in place. But that is the dilemma we're in right now. We put the people in place and not have the project releases ready to go, or does your team put together the basic fundel(sic) elements of scope, design, costing, solicitation of bids, and when we know we have all those parts, you're ready to launch and hire, which is what the stimulus plan is supposed to do—stimulate employment, that we're going to go out and recruit those people. I would strongly concur that you know, it is a chicken and the egg thing, as Mr. Bynum described. But I would urge you to be able to go out and solicit the pool of applicants that might be out there, so when we finally have these projects ready to go, we've got the people that can manage it, you know, from day one. And it is worth, really, you know, putting on the radar screen of HR, it really is.

Mr. Heu: Thank you.

Mr. Furfaro: Thank you Mr. Chair.

Mr. Kaneshiro: Thank you. Thank you Gary. With that members, any further questions for the engineering department?

Mr. Bynum: I don't want to beat a dead horse, but how is your capacity to engineering to put out these projects right now that are assigned to engineering. I mean some of these projects...

Mr. Furfaro: Through contract services. I think that's what we were suggesting. (inaudible).

Mr. Bynum: And I know that public works is looking at that seriously about outsourcing contract, right, which I totally agree is a place we should go. But in the meantime, I mean, you know, do these places hamper your ability to put out these projects that are identified as ones that are going to be managed by engineering.

Mr. Fujimoto: I'd like to say that we've...you know, top priority right now is the stimulus funds, to be able to be prepared to expend those moneys when they come in, and I can assure you that we do have the staffing available. In fact, all of the staff are already committed to these projects that we know we have a good idea that the stimulus moneys will be coming in. So based on available staffing, yes we do have the available staffing for these projects, and yes, we are pursuing other options to be prepared to do more if we need to. But right now I feel very comfortable that our staff can handle the stimulus projects that's coming.

Mr. Kaneshiro: Lani, you had a question?

Ms. Kawahara: I'd like to request from the department a listing of which of these projects are engineering projects, and a percentage of what you think you're going to be able to get done this fiscal year...target date.

Mr. Fujimoto: That's the CIP list. Can we defer that to when we discuss CIP?

Ms. Kawahara: I wanted to give you a headstart.

Mr. Fujimoto: Oh thank you.

Ms. Kawahara: Because it's a long list, and I'm wondering how much.

Mr. Kaneshiro: We're in engineering right now. Anything else for engineering? Alright, thank you Mr. Kudo and Mr. Teshima. Thank you.

Mr. Fujimoto: So the next section is building department.

Mr. Kaneshiro: Members, we're on page 141 of our budget textbook. For the record, please introduce yourselves.

ED RENAUD: Hi, good afternoon. Ed Renaud, deputy county engineer.

DOUG HAIGH: Doug Haigh, building division, department of public works.

Mr. Kaneshiro: Thank you. With that, is someone going to give us a brief summary of your budget comparison 2009-2010 or anything that you wanted to add regarding building department's budget?

Mr. Haigh: Nothing really significant to add. We don't have any real significant changes to our budget. You know, like every year, told to do more with less, and not increase anywhere, and this year we've cut back some more, and trying to survive and continue on.

Mr. Furfaro: I'm looking at the staffing guidelines. I just want to make sure we don't go through what we just did. Page 144. What page do you have in front of you?

Mr. Haigh: Mine was starting with page 141, but...

Mr. Furfaro: Starting with 141, okay.

Mr. Haigh: That is the code enforcement and the administrative section of the building division.

Mr. Furfaro: Does 144 go into your jurisdiction?

Mr. Haigh: Yes, it does.

Mr. Furfaro: So if I look all the way up to 144, you have only one dollar funded position?

Mr. Haigh: Well, in the administrative section, we have several project manager dollar funded positions.

Mr. Furfaro: And I think we just explained conceptually how we're going to do that, right.

Mr. Haigh: We have a maintenance worker who's dollar funded, that's on page 144, and then we had one position actually eliminated in the janitorial section...shifted to department of finance.

Mr. Furfaro: So Doug, all in all, considering how we're going to handle the project manager contracts, which are these dollar funded position here by contract, how many positions did you lose, and how many positions were dollar funded? Was that one in one?

Mr. Haigh: I think we're... You know, the dollar funded positions in the administrative section are the project manager/construction manager. I don't think we have any real change in that from last year. We currently have 2 bodies being funded for those contracts...for those contract hires and being funded by projects.

Mr. Furfaro: Okay, so could you tell me those 2 projects that are currently being managed by people that are not showing up here in the payroll, just the project names is fine. Two or three.

Mr. Haigh: That's correct, there's actually two and a half. Okay, we have our ADA improvements, and with that we're also assisting parks on specific ADA projects. The county annex we're using project management staff. Historic county building we're using project management staff. Wailua golf course maintenance building we're using project management staff. Keālia fire station using project management staff. Nāwiliwili to Ahukini bike path pedestrian project we're using project management staff. Police station ventilation humidity control...

Council Chair Asing: Why don't we get that over in communication.

Mr. Furfaro: Okay, sounds like a... I guess the point I was trying to make is, here's a perfect example that the payroll is not being reflected in the staffing guides, but the reality is we do have two and a half people who's PT&E is being charged actually to the projects.

Mr. Haigh: Correct.

Mr. Furfaro: Okay. So we'll ask for a summary in a...

Mr. Kaneshiro: Okay.

Mr. Furfaro: But that was my point. I just want to make sure we have this manpower working on these special projects, but they're not reflected in the operating budget.

Mr. Kaneshiro: Correct. Okay.

Mr. Rezendes: I just wanted to say that because he has 5 equivalent fulltime project management...project managers listed on page 141, we do have the ability to increase capacity.

Mr. Furfaro: Yeah, understood. But again, I was just using that to demonstrate that we're not shorting oversight and management of the projects. His PT&E is actually showing up in the contract for the project, and I think it's a pretty good way to go about it. But we'll send a summary over, as suggested by Chair Asing, as a communication.

Mr. Kaneshiro: Mr. Bynum.

Mr. Bynum: And so...and that's why I was trying to get out earlier, is I understand that once a project is active, it generates funds that can...that we can hire the contract manager...the project managers from, and that's like Rafal and Pat, right. But all of those projects you mentioned are ones that needed somebody to solicit the bids and do all the...

Mr. Haigh: Well, let me correct you.

Mr. Bynum: Okay, please do.

Mr. Haigh: As soon as the project shows up on the CIP budget, there's funding. What we did is we sent special requests in to council to approve us to use the construction project manager position and so we're using the funds from the CIP and we're really...this is before construction management, actually for project management. So we are...as soon as it's in the CIP budget, we can come to you folks, get approval to start billing management hours. And I've been very fortunate to have some people who are very capable of doing project management, developing projects for us, and that's been a big help, and they're starting... You know, Rafal is actually doing design and a construction management for the ADA stuff...

Mr. Bynum: So what you're saying is the bid doesn't have to be out on the project in order to get the personnel that could be funded by the project.

Mr. Haigh: And that would be the difference between project management and construction management. Project management takes the full spectrum, starting from conception of the project.

Mr. Bynum: So other divisions could do a similar (inaudible).

Mr. Haigh: That is correct.

Mr. Bynum: So maybe...and maybe staff could ask.

Mr. Haigh: And they are. Other divisions are.

Mr. Bynum: That's helpful, thank you.

Mr. Kaneshiro: Thank you. Any other questions for building side? Mr. Asing go ahead.

Council Chair Asing: I think just as a follow-up, Doug, that some of these project management items are not, I guess you use the same people for several projects. Am I correct?

Mr. Haigh: Absolutely. Normally we're all handling at least probably 4 or 5 different projects at one time.

Council Chair Asing: And that's my concern.

Mr. Haigh: And it is taxing us.

Council Chair Asing: My concern is that you don't overload it so that it becomes difficult now to handle the projects. Thank you.

Mr. Furfaro: I think that's a very valid concern that the Chair raises. I do have one more question on staffing.

Mr. Kaneshiro: Go ahead Mr. Furfaro.

Mr. Furfaro: And Doug, and for the engineering department, as we have these dollar funded positions and so forth, you also have an opportunity to evaluate some of these project managers out in the field, and you know, perhaps at some point in time, one or two of them might be interested in actually becoming fulltime project managers for the county. So please make sure that, you know, you've got a high achiever out there, somehow we allow HR to know about the possible recruitment of those individuals, especially the high achievers. Thank you Mr. Chair.

Mr. Kaneshiro: Mr. Bynum.

Mr. Bynum: So the building division's responsible for repair and maintenance of all of our county buildings right.

Mr. Haigh: That is correct.

Mr. Bynum: And so just a general question that...and so your budget includes the materials and the things that you need to accomplish those, and you know, is that sufficient to meet the needs for the year?

Mr. Haigh: We hope so, and I... We don't have any reason not to believe they'll be sufficient at this point. If you notice too, we did cut back quite a bit from last year on the amount of R&M large projects that we be doing, and that was strictly a budgetary response, not a need response.

Mr. Bynum: And so we're deferring some maintenance in these difficult times.

Mr. Haigh: That's correct.

Mr. Bynum: Okay, which we can only get away with for so long before it turns around and bites us, right.

Mr. Haigh: Well, we consider ourselves already bitten, and we do the best we can.

Mr. Bynum: Thank you.

Mr. Furfaro: We just haven't removed the stitches.

Mr. Kaneshiro: Any other committee members have questions for Doug or Ed Renaud? Okay, we'll have the next department up. Auto maintenance. We're on page 196 of our... We'll wait a couple minutes as we have your handouts passed out right now. I guess you got to tab to the highway fund side and fine page 196 on our regular budget, and you'll find auto maintenance and stuff in there. It comes out of the highway fund. So we can ask them the question too if not. Alright. Okay, introduce yourself. Mr. Renaud already introduced himself, so go ahead.

DWAYNE ADACHI: Dwayne Adachi, automotive division, public works.

Mr. Kaneshiro: Thank you. Everyone got the handout that Dwayne passed out regarding the 3 to 5 year heavy equipment replacement schedule, and the 3 to 5 year light equipment replacement schedule. We all have that. Thank you. Brief summary on your department, auto maintenance.

Mr. Furfaro: Mr. Chair, and could we also ask Dwayne, he gave us a very comprehensive list, if he could give us some assumptions on certain vehicles, and if we're deferring anything or so forth. It would be appreciated.

Mr. Kaneshiro: We'll go through that list also. So first of all, any brief comments on your department?

Mr. Adachi: Basically the major reduction in our budget was due to the lack of equipment purchase this fiscal year, and we had one dollar funded position. And post employee benefits. Basically that's it.

Mr. Kaneshiro: Okay. With that, we can go into, because you brought up about the equipment purchase, we can go into either one of the sheets first. Perhaps you want to start with the 3 to 5 year heavy equipment replacement schedule first. Anyone has some questions about that? So in the meantime, you were saying that you did some deferral on buying some heavy equipment?

Mr. Adachi: Yeah. Basically this list was what we projected to replace this year, but during the budget review process, we decided to defer till next fiscal, based on the state of the economy.

Mr. Furfaro: So everything was kind of pushed back one year?

Mr. Adachi: Pretty much.

Mr. Furfaro: Pretty much.

Mr. Kaneshiro: So you were feeling the state of economy might change next year?

Mr. Adachi: Probably not. We're taking one year at a time.

Mr. Kaneshiro: Good answer. Members, any questions on that? If you can see the replacement schedule, he had some scheduled for 2010 and had been deferred that...

Mr. Adachi: This list actually is projects based on the fleet management program that we have. This is based on... We have some criteria we follow, and the criteria is listed in the legend on the...in the 2010 replacement schedule. But that is just a tentative list to give us guidelines on which equipment we should be replacing if we're able to stay on track and follow the schedule. But we have leeway. We can make judgment decisions, you know, and adjust the list as necessary, as we've done in this case.

Mr. Kaneshiro: So far, though, because I guess we're seeing some tight times come down for this fiscal budget, but according to your schedule, according to what we see here, you've been pretty much on top of following your replacement schedule.

Mr. Adachi: Well basically, we've been fortunate the last 4 or 5 years to be able to replace a lot of our equipment. So I would say our fleet right now is about maybe 80% we replaced in the last 5 years. We can afford to forego equipment purchase, you know, this year we not going... After this we not going really struggle too much.

Mr. Kaneshiro: And I thank you guys for really taking such an aggressive step, you know, in trying to really keep up with that schedule. Now you can see that if we hadn't, I think we'll be in deep kim chee about this time if you got something you want to replace, especially in tight fiscal times like we are now going through. I mean congratulations. I mean really. Mr. Furfaro, go ahead.

Mr. Furfaro: You know, Mr. Chair, maybe as the comment, you know, we have been able to do a number of replacements over the last 5 years, but I'm going to kind of reverse the question. Is there anything on this list that you would say to us maybe, if you had to reconsider not deferring another year, is there any item you would like to share with us that maybe we should take a second evaluation on?

Mr. Adachi: Well, the main priority is solid waste, refuse collection. If we could reinstate any equipment if you give us the opportunity, we would first look at solid waste equipment.

Mr. Furfaro: That answers my question.

Mr. Kaneshiro: Alright. Any other questions? Mr. Asing.

Council Chair Asing: Just a follow up. You want to be more specific? I think that's an excellent question, but you know, you make reference to solid waste. As an example, what would it be here?

Mr. Kaneshiro: Two trailers.

Mr. Adachi: Well, that we would have to look at, because right now...

Council Chair Asing: You haven't gone that far.

Mr. Adachi: No.

Mr. Kaneshiro: But we see 2 transfer trailers here deferred for another year, but that could go...

Mr. Adachi: But you know, the other thing too is we in the process of trying to implement the curbside recycling yeah, so we have purchased equipment, collection equipment, that we trying to...I guess would take the place of some of these older trucks, you know. So when the time comes we would have to just make the decision at that time.

Council Chair Asing: Let me follow up a little more then. Would you say then it would be probably the Wilkins transfer trailers.

Mr. Adachi: Could be the trailers or could be that refuse, the rear load refuse truck. I'm not sure. We have to assess the situation when the time comes, you know, if we have the opportunity to replace.

Council Chair Asing: Well, I...you know, I go to Lihu'e transfer station kind of often, and I hear and I notice a couple of the trailers that I think is in not too good shape.

Mr. Adachi: I agree. I agree, but then we also have other equipment that fall in the same category. So we would have to evaluate all of our equipment.

Council Chair Asing: Okay, thank you.

Mr. Furfaro: Maybe we should send it over in a question.

Mr. Kaneshiro: Okay, we'll get a communication over to you.

Council Chair Asing: Maybe they can set some kind of priority.

Mr. Kaneshiro: Tim you had a question?

Mr. Bynum: Yeah, I just appreciate your comments, because probably 6 or 7 years ago we were behind schedule, yeah, and I know you were...you had vehicles you were having to weld the beds because they were rusting and stuff like that. At some point the vehicles spend more time in the shop and they cost us more to keep them old, right, because of the loss of productivity and all of that. I just reflecting back to like my first budget when...you know, we had more assets, and the decision from the administration at the time was let's get caught up on these equipment purchases, you know, both the ones that you're responsible for and things like parks. And as Councilmember Kaneshiro, it's paying dividends now, because maybe we'll make it through these lean times without having those trucks that you see every other day and literally falling apart. But I have to ask one question, because this got to be a typo. There's a 2002 Chevy trailblazer with 478,000 miles on it?

Mr. Adachi: Cannot be.

Mr. Bynum: That cannot be.

Mr. Adachi: Chevys don't live that long. Must be an extra number someplace. You can send a communication, we can correct that.

Mr. Kaneshiro: It's in the solid waste department. They're up later on.

Mr. Bynum: If we have time, I have a general question. You have the biodiesel project, right. It was like a pilot project.

Mr. Adachi: Actually we passed that pilot stage already.

Mr. Bynum: Now are we routinely using biodiesel?

Mr. Adachi: Yeah. We use 5% blend at all of our filling stations now. That's about as far as we can go, 5%. Manufacture... Some of the manufacturers decline to warrant their product if we use more than 5%. So until they loosen up and allow us to go to a...

Mr. Furfaro: You don't want to jeopardize warranty.

Mr. Adachi: Yeah, right.

Mr. Bynum: And I learned that some diesel engines are rated at different blend factors. Is that something we're looking at in the future?

Mr. Adachi: If we are able to, then we would. I would like to go more than 5%, but right now my hands are tied, I cannot.

Mr. Bynum: And our source for biodiesel is?

Mr. Adachi: We go out to bid, but we're currently...our supplier is local.

Mr. Bynum: So that's a good thing. So I just want to acknowledge again your initiative at doing that, and appreciate that.

Mr. Kaneshiro: Lani, you had a question?

Ms. Kawahara: Yeah. I just have to ask this question, because somebody might bring it up and I want it on the record. There's the 2 pickups for parks coming in, yeah, and there's deferred a bunch of older cars and trucks, and I just needed confirmation of that.

Mr. Adachi: Well, when we get to that point we make a judgment call. We decide on the vehicles that are in greater need of replacement, currently. And those that can last longer or are in better condition, we defer.

Ms. Kawahara: So these 2 parks ones are probably high use, right? Higher use than...

Mr. Adachi: Generally speaking, the parks and roads equipment, solid waste equipment, usually get more heavy usage than the...like housing, planning, finance, those are more like office type use.

Ms. Kawahara: I just wanted to confirm that. Thank you.

Mr. Kaneshiro: Dickie, go ahead.

Mr. Chang: Dwayne, just out of curiosity, when the trucks or cars at its peak, you guys re-sell them, or just... What happens to the vehicles?

Mr. Adachi: We auction. Public auction. Usually once a year during the summer, July-August we try get together an auction. Collect all of our replace equipment and offer that to the public.

Mr. Kaneshiro: We used to pass them on to different departments before. They used to do that. Derek, go ahead.

Mr. Kawakami: Thank you Mr. Chair, and maybe we should send this over as a communication. You don't have to answer now, but I was just curious to know the comparison of cost of biodiesel per gallon to regular diesel right now.

Mr. Adachi: Right now biodiesel costs a lot more than petroleum diesel, because the price fluctuation. In August the price of biodiesel and petroleum was about even, comparable. But diesel fuel dropped considerably the past 6 months. But the biodiesel price didn't drop because the factor, main factor, for the price increase or decrease of biodiesel is alcohol. That's the main product used in the manufacturing of the biodiesel, so that dictates their price. So but we have other benefits besides price, financial benefit, with the usage of biodiesel.

Mr. Chang: What kind of mileage you get, typical.

Mr. Adachi: Petroleum diesel gets better mileage than biodiesel, because of the I guess the octane rating. Biodiesel is less octane rating than petroleum diesel. But the benefit of biodiesel right now for us is, well because the newer equipment, engines, have a federal standard or guidelines they need to follow and meet, it's a emission standard, requires the usage of ultra low sulfur diesel now, and removal of the sulfur from the diesel creates more heat build-up in the engine, because like sulfur is a lubricant. What the biodiesel does, it restores that lubricity to the fuel, and it's also...it has a combustion factor that we can benefit from besides our other option would be an additive, you know. But the biodiesel provides us a little more benefit than the additive.

Mr. Bynum: Thank you.

Mr. Kaneshiro: Great. Okay, any other questions for the automotive section of public works? Thank you very much. Okay with that, Donald, we have our next department.

Mr. Fujimoto: Yes, wastewater.

Mr. Kaneshiro: For the record, please introduce yourself, Ed.

Mr. Fujimoto: Donald Fujimoto, county engineer.

ED TSCHUPP: Ed Tschupp, wastewater division chief.

Mr. Kaneshiro: Okay.

Mr. Bynum: Our tab says sewer.

Mr. Fujimoto: I guess on wastewater, the primary changes were decreases to one position, dollar funded, increase to post benefit, employee benefits, and a decrease to reduction of consultant services, R&M, SRF loans, and equipment purchases.

Mr. Tschupp: We also inherited one position which represents a transfer from finance division, finance department to the wastewater division, and that's the billing function in our personnel.

Mr. Kaneshiro: Okay, committee members. Go ahead Mr. Furfaro.

Mr. Furfaro: Should I and can I assume that all of the items that have been identified in the capital improvements plans regarding wastewater are in fact in an effort to make sure that we stay in compliance with department of health requirements?

Mr. Tschupp: Capital improvement includes some plant expansions and you know, down the road, and so it's both a growth...

Mr. Furfaro: As well as a compliance.

Mr. Tschupp: As well as a compliance.

Mr. Furfaro: You feel comfortable where we are at with current inspection scores that we are constantly making improvements?

Mr. Tschupp: We are continuing to attempt constant improvement and upgrade amongst our operational activities. We have the typical problems of some aging infrastructure, and so that does involve, you know, putting money in to replace equipment when needed. We're kind of at a point with a couple of our plants where...we had major plant expansions at Līhu'e and at 'Ele'ele in the early to mid 90s, so now some of those equipments are starting to get out the 15 year, 20 year, and so you know, it's one of those things that you have constant replacement requirements.

Mr. Furfaro: Thank you Ed. Thank you Mr. Chair.

Mr. Kaneshiro: Any other questions? Mr. Kawakami.

Mr. Kawakami: Hi. Thank you Mr. Chair. You know, I'm just looking at the difference in consultant services and the difference of 80,000 less. Can you explain the big kind of change in consultant services.

Mr. Tschupp: Yes. Consultant services includes...there's that particular line item, if you're looking at the line item on consultant services, there is a trigger in our permit, on our NPDES permit, that if we have an exceedence, then we're on a very short leash to go out and do a pretty significant study. It's a relatively new permit condition, and over the last couple of years, we didn't know whether...we didn't have much track record on those particular testing species, it's rain organisms, and we initially put in like \$100,000 as essentially to provide for us to be able to go out and on a fast track hire those consultants. We've now had, you know, a couple years of experience with those marine organisms. We feel a little bit more comfortable that, you know, that we're not going to need to do that. I think it's still prudent for us to have some provision to go hire those consultants if...but we feel a lot better now about not needing quite as panic a situation. I'm not sure that that was...

Mr. Kawakami: Thank you.

Mr. Tschupp: Too technical or...

Mr. Kawakami: No, just the verification that you feel a lot more comfortable addressing the issue at hand was just the answer I was looking for. Thank you.

Mr. Kaneshiro: Committee members any other questions for Mr. Ed Tschupp? You have your hand raised? Mr. Bynum, go ahead.

Mr. Bynum: Planting seeds for the future, just an idea. Think about getting a grease trap inspector and combine that with sign ordinance, you know. Creative thinking, you know. One person do sign ordinance inspection and grease trap inspection, right. Some day. Not this year.

Mr. Furfaro: Grease trap inspections are a requirement of the state department of health.

Mr. Tschupp: Actually it's in our sewer ordinance too. It would fall under the generic classification of a pretreatment requirements, and under the plumbing code, certain classes of facilities, restaurants, are required to have grease traps. So we kind of reflect that in our sewer ordinance, but...and I was looking at the sewer ordinance the other day, the...we have some authority, but we don't actually have an enforcement program established.

Mr. Furfaro: And I guess that's where I'm going with it, because food and beverage facilities actually are subject to an annual review by the state health department, of which the grease trap is part of that definition of inspection. That's where the enforcement and the fines are. Am I correct?

Mr. Tschupp: I don't know the health code with respect to those. It sounds like you know far more than I do.

Mr. Furfaro: I've been around a few restaurants.

Mr. Tschupp: ...on the restaurants. I do know that within the sewer ordinance there is provision for us to go in and ask people to give us their records and so on. And so the...anything that we do would be supplemental to anything that the health department does. For us, grease is very hard to treat at the wastewater plant, so it's actually in our economic interest to have an enforcement, whereas the health department doesn't necessarily have that (inaudible).

Mr. Furfaro: But if we find a grease trap that has problems that are not acceptable before these perhaps go into our treatment and we don't have the right enzymes, your action is to report it to the health department where the real clout is.

Mr. Tschupp: I'm not sure about that. Under our ordinance we do have, you know, some fine provisions. So I don't know how those would stand up if we were to call the cops on them.

Mr. Furfaro: That's why I would suggest you work closely with the state health department on their inspection, which is an annual inspection. I think we also understand the other out product of this is the fact of the matter is convince this restaurant that they can sell their cooking fats. They can in fact turn some waste into a actual profit margins by doing it right.

Mr. Tschupp: Biodiesel.

Mr. Bynum: And increase our island supply of biodiesel. I just. I didn't mean to open a can of worms, but I've learned a lot from Ed about how wastewater works, and more grease in the system costs us money, especially energy costs, right. So I think we've contemplate... In the past we've had or there was a proposal to have a grease trap inspector?

Mr. Tschupp: Yeah. This year is not the year to ask for staffing.

Mr. Bynum: But some day, because it will save us money and it has all these benefits.

Mr. Furfaro: Yeah, but I guess my message is, why add staffing when you should be able to convey to the restaurant food and beverage operators that they can turn their waste into money, and it saves everybody.

Mr. Kaneshiro: Okay. Any other questions for Ed?

Council Chair Asing: I think I want to double up on that, though, because I believe that that, you know, that is part of the board of health's responsibility. So I thought that they make it a point to do that.

Mr. Furfaro: I think they have one inspector. That's it.

Mr. Kawakami: But I can confirm that they do inspect, because we get inspected at least once a year.

Mr. Kaneshiro: Okay. No further questions? Next department please, Mr. Fujimoto.

Mr. Fujimoto: Next section is solid waste.

Mr. Kaneshiro: We're on page 207 of our text, budget textbook. Okay Donald, have them introduce themselves for our records, and they can begin.

TROY TANIGAWA: Troy Tanigawa, I'm the division chief.

ALLISON FRALEY: Allison Fraley, solid waste program manager.

Mr. Kaneshiro: Thank you. Any highlights of your department?

Mr. Tanigawa: We have in the solid waste division a decrease in personnel cost due to dollar funding of 3 positions, and a decrease in overtime cost. Decrease was offset by additional automated collections...automated collections personnel. There was an increase due to the addition of post employee benefits, and we also have a decrease due to reductions in building maintenance, equipment purchases, and various programs. We'll take any questions you may have now.

Mr. Kaneshiro: Okay, with that, I'll open it up for my committee members.
Mr. Kawakami?

Mr. Kawakami: You know Mr. Chair, I think this is going to be more appropriate as a communication sent over. It's in regards to our tipping fees. I just wanted to know if the increase in the tipping fees are going to cover the operational cost, and if not, I would like to see the real dollar amount that would cover these costs.

Mr. Kaneshiro: Okay, you got that? We're going to send that communication over. I guess in regards to the tipping fees. And also we do have that coming on our agenda in couple weeks, I believe, on our council agenda. So hopefully with the communication we can address that before it comes to the agenda. Thank you. Mr. Furfaro.

Mr. Furfaro: Yes. This is just a general statement as it probably relates to their budget, but we are at a disadvantage at this time. You know, we have not seen a really current estimate of the bond float. We're at a huge disadvantage. I'm asking particular questions here, and I don't know in our bond, are we going to secure some land for a MRF? Are we going to have a MRF? I have voted in favor of curbside recycling, but I understand in the evolution of this, we are first going to use it for collection. But I want to make sure we understand that curbside recycling is also supposed to eventually help us separate trash from recyclables. But those recycled items have to go somewhere. I mean it's as simple as that. I mean...and as we were talking about grease traps for the county, this recycled material has some dollar value, salvage credit, at some point which has not been a truly good market recently with the falling prices, and we have to realize that. And I

certainly realize that, you know. It may not reflect the kind of profitability that many salvage companies went into the business for. But from a strategic plan, you know, the more we invest in curbside recycling, I just...whether it's a clean MRF where it comes to us separated, whether it's a dirty MRF and we separate it there, you know that for me is the big question unanswered, followed by the fact that I have not seen the current bond float that, you know, supports the financial foundation of a strategic plan dealing with waste. So I just want to plant that seed, Mr. Chair, because I think in 2 weeks we have them in front of us in a presentation. Am I correct?

Mr. Kaneshiro: I'm not sure about...

Mr. Furfaro: (Inaudible) I think some of us would really like to, you know, to know that... The strategic thinking has to be supported by a financial plan that invests in the amenities required for this. And I just want to say, you know, until I have a better understanding how the financial plan supports the strategic thinking of solid waste, you know, I'm going to have a more difficult time, you know, voting on some of these things that'll be in front of us, and I think that's a good business question. So I don't need the answers now, Wally. I just want to make sure everybody understands.

Mr. Rezentes: Well, and it'll be... The bond float information will be part of the CIP discussion.

Mr. Furfaro: Very good. Very good. I appreciate that. I didn't give away the floor yet, but they all want to grab because he's answered my question. That's fine. I surrender the floor.

Mr. Bynum: I just... When are we going to receive information?

Mr. Furfaro: He just said, when we go into our CIP.

Mr. Kaneshiro: Yeah, and if we're moving right along, we'll even take them up right after this.

Mr. Furfaro: So I surrender the floor Mr. Chair.

Mr. Kaneshiro: We don't need to wait until Thursday, since we're...if we're moving right along, we'll bring that back to the committee members and see what they want to do. Let's focus on solid waste side right now. Any other questions from his presentation in regards to solid waste?

Mr. Bynum: We just got this handout about recycling which I haven't had time to read, but we had that public hearing about the bins, and member of the public wanted to know if we were going to ship the recycled materials off island, and I assume that is the case if we can't process them here.

Ms. Fraley: Yes. It's on that handout, actually.

Mr. Bynum: Yeah, I haven't had a chance to read it. It was just handed to us

Ms. Fraley: Yeah, so for processing we've been, you know, speaking with potential bidders for that service for the pilot program, and it's looking at though we would ship loose materials off island for processing on O'ahu probably. We have to go through, you know, the formal bid process for this, but that's what it's looking like now that no place on island can sort...has the capacity to sort mixed loads.

Mr. Bynum: So maybe I'll... I assume, because we just got the integrated solid waste final, that's the final right?

Ms. Fraley: Well, it's the final draft because it needs to be reviewed by the public, and then after that review period, if there were any changes, it would come to you after that and it would be adopted by the council at that point.

Mr. Bynum: So I assume we're going to come...you're going to come to the council and make a presentation about that, and we're going to have dialogue. I want to focus on budget, and so...

Ms. Fraley: Right.

Mr. Bynum: I want to honor the chair's requirement. So what... So I'll ask a broad question. What is in this current budget that is supporting the rollout of the integrated solid waste plan.

Ms. Fraley: In the recycling part of the budget, I can give you the account numbers... Here it is. It's under other services for recycling.

Council Chair Asing: What page is that?

Ms. Fraley: 219. Is everybody there? There's 2 different descriptions there. One is for the processing for a hundred...estimate of \$100,000 for the pilot period. And then there's \$50,000 for consultant services to help with the education...for educating the target group for developing and administering a pre and post pilot survey about recycling behaviors, and also for developing a strategy for monitoring garbage bins and set-out rates, and then also for assisting with the final report on the program. And that's all contained in the write-up that I handed out.

Mr. Bynum: And so in this current budget that's the only budget items that anticipate a change in...

Ms. Fraley: No. Also there's a budget for carts. We'll need 1600 carts, collection carts. They're the same kinds of carts that were...so it's in the same line item. It's page 216, other supplies, and part of that. So 216 other supplies, at the bottom there is a line item of \$560,000 for carts, and part of those carts, \$160,000 would be for the carts for this program.

Mr. Bynum: Yes, also at the public hearing, I hadn't done the math before, but these carts are a thousand dollars a piece?

Ms. Fraley: A hundred dollars.

Mr. Bynum: A hundred dollars.

Ms. Fraley: Yes.

Mr. Bynum: That's... Okay, that's... I didn't do the math.

Ms. Fraley: A thousand would be a lot.

Mr. Furfaro: Perhaps somebody moved the decimals.

Mr. Bynum: At a hundred dollars they sound like a bargain, but at a thousand.

Mr. Kaneshiro: That's why for 5,600 it's 560,000.

Mr. Bynum: Right.

Ms. Fraley: So those are the only costs for that program.

Council Chair Asing: I have a question. How are we handling the greenwaste hauling now? Are we... We used to contract that out. Am I correct? And then now we're doing it ourselves on overtime. Is that correct, wrong?

Mr. Tanigawa: Partially correct. We're doing it both ways. At the 2 sites we're managing greenwaste onsite where we hire a contract to come and shred onsite, and they do the hauling of portion of the mulch offsite. The portion that they don't haul, we keep and we use onsite for different purposes. At 3 other locations, we use our in-house forces to load and haul unprocessed greenwaste to permitted processors on-island. There are 2 right now that we're utilizing. Because of the way our hauling routes are conducted, using 2 different processors, you know, that one is located on the north shore and one is located just outside of Puhi, we were able to save some money on hauling cost.

Council Chair Asing: Okay, so both ways then.

Mr. Tanigawa: Yeah.

Mr. Furfaro: That's only 2 sites; you said there were 3. Northshore, Puhi, and where?

Mr. Tanigawa: Hanalei transfer station, Kapa'a transfer station, and Lihu'e transfer station we conduct the hauling of unprocessed greenwaste offsite. At the Hanapēpē transfer station and the Kekaha landfill, we manage greenwaste onsite and have the hauler or processor haul it off.

Mr. Furfaro: So I guess, Mr. Chair, to follow up on your question, so the overtime incurred is a follow-up to Chairman Asing's question is, the 3 sites we haul from? It's the hauling that we're incurring the overtime?

Mr. Tanigawa: Yes. Loading and hauling operations.

Council Chair Asing: The hauling that we do.

Mr. Tanigawa: Well, what happens is we utilize other public works personnel to provide the truck and the...you know, trucks and loading equipment to help us move the large volumes.

Council Chair Asing: Is there a way we can do it without overtime?

Mr. Tanigawa: We haven't been able to avoid overtime thus far, because during the regular workweek they've busy doing their normal duties, so most of the overtime have been incurred on the weekends.

Council Chair Asing: Thank you.

Mr. Furfaro: Can I do another follow-up?

Mr. Kaneshiro: Absolutely.

Mr. Furfaro: So you're actually using public works people?

Mr. Tanigawa: Yes.

Mr. Furfaro: So from an accounting standpoint and an auditing of that overtime, is that overtime showing up in public works, or is it showing up in solid waste?

Mr. Tanigawa: I believe we're paying for the overtime.

Mr. Furfaro: Okay, could we send it over as a question? The overtime incurred in public works is actually being transferred to solid waste.

Mr. Kaneshiro: Committee members, any more questions? Lani.

Ms. Kawahara: I just had the same questions that Councilmember Furfaro had about where the MRF fits in into all of this and why there is not something budgeted. But I understand that the solid waste management plan update might address that. And the...what was my other question. The other question was, is it really a pilot project or is it a phase one of recycling?

Ms. Fraley: The curbside?

Ms. Kawahara: The curbside recycling. I know that's not a budget question, but I've always been trying to say that it is a phase one of curbside recycling that the county's going to continue.

Ms. Fraley: Well, it hasn't at this point been characterized as a phase one. It's a pilot and the goal is to test the service to determine potential participation rates and other logistics to determine any improvements for an islandwide implementation. So you know, the cost, though, of processing it is going to be higher and it shouldn't be used because we don't have a MRF. So those costs won't be used to determine cost factors...cost factors for the program.

Ms. Kawahara: Then (inaudible) do you come back to the county council to expend that \$10,000 for the amendment to the contract, that if that occurs in public discussions, the page 209. Page 209, bottom, integrated solid waste management plan update contingency for amendments to RW Beck contract. That \$10,000 is something that you'd have to council to get in order to finalize that plan?

Mr. Tanigawa: No. We didn't intend for that to be. We put that in there and we wanted to get your approval to go ahead and make the expenditure if the need arose during the plan finalization process of the integrated solid waste management plan.

Ms. Kawahara: And that would include all the public hearings that would take place in that final phase of this?

Mr. Tanigawa: It's part of the adoption process or approval process for the plan to do a public hearing and, you know, take additional reviews with the department of health. This \$10,000 is actually to address consultant costs to do any changes or modifications to the plan that...or were a result...or came about...the need came about because of the public hearing, you know, meetings with the county council during the adoption process.

Ms. Kawahara: So my question I guess... Thank you for that. The adoption process will have to come back through us after this \$10,000. Yeah.

Mr. Furfaro: That maybe I can help here...

Ms. Kawahara: Thank you.

Mr. Furfaro: ...on a couple of questions, Lani. First of all, if we look for the MRF, because of the size of the project, the money for that will probably show up when we see the bond float, because it is a major asset of the county—additional building, land acquisition, and so forth. So you know, that wouldn't come up in the regular operating budget. What they do is they place this 10,000 contingency in this so that when we have the public hearing on the actual operation, the reality if they need a money to fall back on, it's in that contingency. Now what we should expect from the reality of this from now until May 2 is we should ask for a reconciliation of the surplus money. So each year for when we put contingency moneys in the budget, if they're not used, they actually show up in what is labeled here as a surplus, what I see as a reserve. So I hope that has helped you understand that process a little bit.

Ms. Kawahara: Yes. But I do want us to be able to have some type of input and say over what the final is going to look like, and thank you for that.

Mr. Kaneshiro: Mr. Bynum.

Mr. Bynum: Regarding the pilot project, when you make a contract for processing, is that going to take into account the potential revenue from the recyclables...I mean like... Because those prices have fluctuated so dramatically in the last year. If they go up again, are we going to realize some of that savings? So you factor that into the contract?

Ms. Fraley: Right. What we did was look at all the costs that a potential processor might incur, and one of the cost is the cost of actually sorting the material and the sale of the material. It actually is a cost still at this point; it's not a revenue, but it's not that high, because the cost of sorting takes into account the revenues.

Mr. Bynum: Right, but let's say the marketability of the recyclables goes up dramatically. Will that impact the amount we would pay the vendor?

Ms. Fraley: Well, they're going to put in a bid at the time, you know...at one point. So a bid won't be fluc... It's a 6-month period they'll be accepting materials. It won't be varying by the month. So the time they quote, the cost of sorting would be, you know, the market at that point for the 6 month period.

Mr. Bynum: Because...I mean I visited a MRF this year, and the guy said a year ago they were covering all their operating costs from the sale of the recoverables, and now they were actually having to pay people to take them. So that's a pretty dramatic change. And then I guess my other question, even though this is a pilot project, once we educate this segment of the community that's recycling, we don't intend to stop right? We're going to continue the service that (inaudible).

Ms. Fraley: We don't know at this point what will happen after the pilot. You mean... Are you asking if we'll continue to service that one population? We'd need to get back to you on that.

Mr. Tanigawa: Right now all we have is 6 month program...or pilot project budgeted for recycling.

Mr. Bynum: Well, I would...and you would hope once we start doing recycling in this community that we're rolling out beyond the pilot to do it for the community on an ongoing basis, and our solid waste plan will make that commitment, and it won't be a break in service. So I'm thinking that even though you sign a 6-month contract, you may need to extend it, because you don't want to start and then stop and start. Are you going to try to integrate this pilot into the regular mainstream roll-out for curbside recycling?

Mr. Tanigawa: We'll have to get back to you on that question.

Mr. Furfaro: Okay, but let's all get back to the concept of what happened. We plan to recycle, we have somebody we contract for, they give a bid. Their bid is a salvage credit for what they collected which is offset on the cost of their bid. If they lose money on what they recycle, it's going to come out of their pocket, not ours. If a company finds themselves that it's no longer profitable, right, they could cancel the contract with us. The idea is to find a bid that has enough salvage credit in it and accomplishes the specifications that we want, but we never see revenue from that. We see a cost. But it is projected to be a net cost, is what we see.

Mr. Tanigawa: Yes.

Mr. Furfaro: Thank you.

Mr. Bynum: And I apologize for asking the same question that Councilmember Kawahara just asked, but I'm not a good multi-tasker. I was trying to read your thing and I...but you know, because I feel just the same way that...you know, I have a problem with calling it a pilot; just call it phase one, because I think we're committed. I assume we're going to be probably committed to the recycling program into the future. So hopefully we won't stop and start (inaudible).

Mr. Kaneshiro: Well, like anything else it takes money to start and to continue, so I want to point that out as the budget chair that, you know, you can find the money, we can continue. Mr. Kawakami you had a question?

Mr. Kawakami: No.

Council Chair Asing: Let me follow-up on that question then, because I believe that, you know, we're... You're calling it a pilot project, and I agreed in the beginning, and I still agree. But this pilot project that you're making reference to is a project that has been going on in Honolulu. Am I correct?

Ms. Fraley: Yes.

Council Chair Asing: Now, from all the information you've been able to get from Honolulu, because I believe they have been doing it for, am I correct, over a year?

Ms. Fraley: Yes.

Council Chair Asing: So would you have any idea as to where they are today and are they like they're through with the pilot and they're actually doing it today. Am I correct?

Ms. Fraley: Yes.

Council Chair Asing: Then I guess with that said, it goes back to Councilmember Kawahara and Councilmember Bynum on calling it phase one, because it looks as though there's no reason to believe that it'll not pencil out. Thank you anyway. I thought that using Honolulu's...Honolulu as a guideline would give us more definitive information.

Mr. Kaneshiro: Okay, any more questions? Mr. Kawakami, you had one?

Mr. Kawakami: I just want to send a communication over to find out some of the goals, benchmarks, and measurables that we're looking for while we're conducting this pilot project.

Mr. Kaneshiro: Okay, very good. We'll do that. Anything else committee members for solid waste? Any other questions?

Mr. Furfaro: I just want to reconfirm we're going to have it in committee in 2 weeks.

Mr. Kaneshiro: Yep. Okay, with that, thank you. Members want to take a 5 minute recess. We don't have any caption, but we'll take a 5 minutes break and come back and continue with our budget sessions. Five minutes break.

There being no objections, the Budget Chair recessed the meeting at 2:01 p.m. The budget review reconvened at 2:15 pm., and proceeded as follows:

Mr. Kaneshiro: Can I have your attention please.

Mr. Furfaro: Mr. Mickens, Mr. Taylor, we are in session. Mr. Chair, may I get your recognition for a moment?

Mr. Kaneshiro: Absolutely. Mr. Furfaro go ahead.

Mr. Furfaro: Thank you. For the purpose of... I believe there are number of people here that want to testify. I thought I'd make a quick summary specifically of what we've got scheduled for public works coming up in the near future. I should point out that tomorrow, April 15, we actually have a appropriation of \$400,000 from the solid waste fund for other supplies in the relationship of ordering 4,000 bins for the automatic refuse collection plan. Also, on April 22 we will be having a public hearing scheduled, and also on April 29 these items will be back in committee. So I just thought I wanted to summarize that so people are aware of dates. Thank you Mr. Chair.

Mr. Kaneshiro: Thank you for that Mr. Furfaro. With that, I will suspend the rules. Anyone wanting to give testimony before I continue with our budget review? This is your change now. Go ahead. Rules are suspended.

JOHN HARDER: Thank you Councilman Kaneshiro. My name is John Harder. I'm the chairman of zero waste Kaua'i. We're a small local nonprofit that's dedicated to maximizing diversion through recycling, reuse, and reduction. With the integrated solid management plan update still to be reviewed and approved, zero waste Kaua'i questions the expenditure of additional funds to analyze the feasibility of waste to energy. Especially as little or no effort has been made to see just how far and aggressive diversion program can take us. In addition, last year the Big Island developed and released a detailed RFP for waste to energy, and the results indicated that the costs were unacceptable. Now the county of Hawai'i is drafting a zero waste management plan. Why do we need to spend our limited financial resources to come up with the same conclusion as the county council of Hawai'i? While the draft integrated solid waste management plan does call for the implementation of curbside recycling, there's no funding for a development of a detailed curbside

implementation plan. It's difficult to develop a detailed implementation budget when you don't really know where you're going. More importantly, there's no provision in the budget for the development of a material recovery facility. Without a material recovery facility or MRF, the county will be forced to ship the collected recyclables off island for processing. From zero waste Kaua'i's perspective, the priority issue in this budget should be the siting, design, and construction of a MRF. As far as the curbside pilot is concerned, we question the need to study the cost and participation rates of curbside recycling. First the one year pilot, and now I hear it's only 6 months, especially if the collected recyclables can't be processed locally won't provide an accurate assessment of cost. Second, during the initial rollout of the program, with no economic incentive to recycle, the participation rates will be next to meaningless. With the numerous curbside recycling programs initiated in small communities over the past decade, a better estimate of diversion would come from analyzing results in comparable communities. We feel that the pilot curbside recycling program that is proposed in the current budget should be more properly designated phase one, launching curbside recycling on Kaua'i, and it's implementation should be tied into the development of a MRF and a long term commitment to include recycling as a major element in the county's solid waste management strategy. The curbside pilot should be considered the first phase of the implementation of islandwide collection, and not a study of costs and participation rates. As the administration feels it's beneficial to proceed with the implementation of curbside collection prior to the development of adequate processing capacity, then there should be a commitment to proceed with the MRF as quickly as possible, and ship the material to O'ahu until the MRF is completed. In addition, as part of the development of curbside recycling, the county should initiate residential collection and residential collection fee structure, leading to the implementation of pay as you throw.

Mr. Kaneshiro: Thank you. With that, any questions for John? Mr. Furfaro, go ahead.

Mr. Furfaro: John, thank you for that testimony. John, will zero waste Kaua'i, do you have any recommendations as it relates to the county initiating any residential collection fees, and if you do, could you be prepared to share that with us in the April 29 committee meeting?

Mr. Harder: I can definitely make some recommendations. We thought some of these things through. However, I'm going to be off-island April 29, but I think somebody from our committee will be able to discuss that at that time.

Mr. Furfaro: Good, because I do think zero waste Kaua'i is made up of just more than you, right?

Mr. Harder: Yeah. There's about a dozen or two dozen of us that are core workers, and about 60...70 people that we email regularly.

Mr. Furfaro: Okay, well we'd like to hear your opinion, and if you have anything to share, April 29 would be good for us. Thank you John.

Mr. Kaneshiro: Mr. Kawakami?

Mr. Kawakami: Just more a philosophical question. Are you against all types of feasibility studies, or just one that pertains to recycling?

Mr. Harder: No. I think in a case where there is something to be learned and there is not a wealth of data already out there, feasibility studies makes sense. But if a similar communities have already done, you know, that work for you, it doesn't really need, you know, spending a whole lot of money to come up with the same results.

Mr. Kaneshiro: Okay, thank you.

Council Chair Asing: I have another question, and let me read what you just stated. In addition, last year the Big Island developed and released a detailed RFP waste to energy, and the results indicated that the costs were unacceptable. My question is, the definition of unacceptable.

Mr. Harder: Okay, the definition was actually made by the county council, but the numbers were... They released an RFP, request for proposal, for an incinerator, or waste to energy facility, to handle east Hawai'i's trash, which is in volume just about the same as Kaua'i's. The price for that facility came in at \$135million, and the cost, the tipping fee, the related tipping fee, after they deducted for the sale of electricity was going to be \$125 a ton. When the council looked at that, they said we can do better some other way, or they also said, we can't afford this. So those are the numbers that the council found unacceptable.

Council Chair Asing: Thank you.

Mr. Furfaro: May I follow up on that? I want to follow up on the Chair's question. You know, I looked into that a little bit, John, just simply that... You know, I have 3 daughters that live on the Big Island (Hilo, Waimea, as well as Kona), and what portion of the cost made up for the actual community pick up, because I was shocked to find out that the Big Island has not county refuse collection, and I often figured on a...okay, from this 120,000 population, how you guys first going to collect it to make sure it all gets to one place. Was that in the bid cost?

Mr. Harder: No. The bid cost were only for receiving the material on the tipping floor of the incinerator. As you mentioned, Big Island does not have a county collection system. They have basically 2 ways of handling your trash. You either contract with a private hauler and pay him a contracted rate, or you haul it yourself to a transfer station where there's no charge; however, when that material gets to the landfill or an incinerator, the county then has to come up with the...pay those costs.

Mr. Furfaro: Yeah, I just tell you, I was shocked, you know. I have 2 daughters that are married there, and they use their husband and their truck, but I have a daughter who's single there and has a very busy professional schedule, and she actually pays a third company to pick up. So I just wondered if that was in their cost as well.

Mr. Kaneshiro: Okay, thank you very much. Next speaker. Do we have another speaker? Anyone else wanting to speak?

ROB ABREW: Aloha Councilmembers. My name is Rob Abrew for the record. I'm here as an individual. I missed most of the presentation by the solid waste administration, so I'm not quite sure if I'm going to touch on a couple of things that had been talked about, but I did hear a couple more information. One of the first things I want to talk about is the issue, in this budget, is...items in this budget is a budget for 5600 more carts. Tomorrow you guys going to vote on a proposed \$400,000 for 4,000 carts, so we're going to have 9600 carts on this island in the next year. Does our pilot program and does the new solid waste program even have that many customers they're going to deal with in the next year? Are they going to have that many customers? There's 17,000 residence...households on this island, so we're going to... In the first year before our program even starts, we're going to have half of our containers on this island. To me, as a business person, we have those carts sitting here, if they're sitting here collecting dust, why are we spending our money until we know for sure we're going to continue these programs, and then we bring the carts in. I don't know how many trucks we have...automated trucks we have on order, but if we have 9600 carts and physically the carts can't go around every week and pick up those 9600 carts, what are they here for? We're spending money that we could use in other programs for the next

year. The next thing I want to address, because... The pilot program is 6 months. I thought it was a year. We might have had more consideration from that; now it's only 6 months. I think that's one budget item that could go. You pass one tomorrow, but get rid of... \$560,000 can come right out of the budget right there. The next issue I want to talk about is the staffing issue in the solid waste department. One of the things that I'm sure all you guys know and in the budget they have dollar funded the coordinator job. Just to be up and up, and be a disclosure, I am one of the applicants that did apply for that job. I've been told it's on hold. But I would like to give the job description of that job to this council as testimony to come back and ask the solid waste administration or the public works administration, who's going to do these duties? We are talking about all these new pilot programs, all this new stuff, we have a limited staff now, they're worked to their bones, we have 2 supervisors in the entire public works department, except the ones that go out on the road and do the landfill and do the transfer stations to do all these programs. You know, it's ridiculous to try to have these wonderful people who work for us not have the people to implement these, and it's wrong to spend the money upfront when we don't have the people to do it. So basically that's the only 2 things I wanted to touch on... Oh, one more thing. In the new solid waste plan that's going to be coming out, there was a page in it that referred back to the 94 plan of recommendations back in 1994 of what this county should do to control solid waste. I believe out of the 8 recommendations it had, this county has followed through on 2 of them. To me, that is not an employee problem; that's an administration problem. If we have an administration that's out there talking all fluffy and thing and not backing up by doing the actual things, I know you guys can't do anything about it, the only people that can do about it is the administration. Don't fund them until they put the people in, process, the processes are in place, and then fund it. Once they come to you and say this is our plan, then you fund it. Don't just give them a blank check. That's all I have to say. Thanks.

Mr. Kaneshiro: Thank you. We'll have that passed out to the community members. Do we have another speaker here in the Chambers? Ken Taylor.

KEN TAYLOR: Chair and members of the council, my name is Ken Taylor. First I would like to acknowledge what John had raised to you all earlier in his presentation, and it's people like him in the community that have a lot to offer that I sometimes wonder why we're not spending more time with people like this to help set the direction of county activities, because he is got a lot of knowledge and experience. I myself come from a community that started their recycling program way back in the 70s, and been doing curbside recycling for approximately 20 years now, had a small MRF to start with, and that's private industry has built a bigger newer one in more recent years. But what concerns me is a pilot project. To me, pilot projects are projects where you're going off to do something that nobody's ever done before, and so you feel it out, you do a pilot project to see how things go. But...and as far as curbside recycling and MRFs are concerned, they've been done for many, many years all over the world. There's no reason in the world to spend time and money on pilot...so called pilot project. You make a decision, you make a decision that you're either going recycle or you're not going to recycle, and once that decision is made, then you can move forward with the proper procedures. But to play around with this thing, it's really sad because we're at a time and the world conditions that we don't have a lot of time, and we need to move forward with recycling, there's no question about it, and it shouldn't be a big deal to make that decision. And if we make that decision, then it requires curbside pickup, a MRF, to move the process completely forward. I just find this is the time. This is the time to bite the bullet and go for it. Thank you.

Mr. Kaneshiro: Thank you for that testimony.

Mr. Furfaro: May I have a moment?

Mr. Kaneshiro: Go ahead.

Mr. Furfaro: Thank you. Ken, this is not in a question. This is in a summary, because I think it's really important that the entire community understand we need to weigh out the financial opportunities and costs that are here because of these economic times, and we also need to weigh out the value as a community of recycling. And here's what I want to say. Our budget is subsidized by 69% for waste operation from the general fund. Taxpayers in this county do not pay for waste pickup. In fact, as I gave an example, you're on your own on the Big Island. \$7.8million comes out of the general fund for this. We have an opportunity to add value by recycling, and at the same time, it poses an opportunity because we're giving the community more value to make the political will to charge for trash pickup which will help us offset what could possibly be an \$11.8million shortfall when the State takes away our TAT. Because what they're going to say to us is, that money is now... For you to supplement your budget, you will now have an opportunity to charge additional taxes on your transit accommodation tax to make up for that shortfall. So what we're really wrestling with here is doing the right thing for the right reason, and at the same time, addressing the potential increases and the political will to make a decision to pay for trash and rubbish collection. And it makes sense, because if we are going to fund through the bond a MRF that will allow us to have the proper facilities for recycling, then the general fund should be paying for that bond to get us a MRF. But collection in this concept, substitute it by a collection and giving the community a value of curbside collection will help us offset this enterprise fund shortfall. Second and from the previous speaker, we go into these containers on the first go around. The fact of the matter is that is intended, and I think I heard Mr. Kawakami speak on that. That is to introduce the equipment and the collection cycle which will offer us an opportunity to be more cost effective in our day to day operations, and in fact as you follow what's happening in Honolulu, the second group of containers that come now are color coded that will be for recyclable items. And hopefully we'd be able to get a contract that subsidizes that collection, but also, we will reduce collection in the community, which equals overtime and operating costs, because people will be more conscious of what they're throwing away. So it is not just a question about waste to energy. It's not just a collection about dealing with the apparatus associated with equipment for a MRF. It also is directly related to the fact that we could lose nine and a half percent of our funding from the State, and we may have to make the political decision to start charging for collection, but add value to the community on recycling and so forth. So I wanted to paint that picture a little different than what people are looking at—just seeing cost and so forth. There is hopefully an opportunity in a long term strategy to be able to reduce operating costs, and yes, have the political will to charge for those collections. That's what I wanted to say. So it's a bigger problem.

Mr. Kaneshiro: Alright. With that, thank you Mr. Taylor. Anyone else here? If not, I'm calling the administration back up at this time. We'll go into... You already had you 6 minutes. I'm not able to allow you to speak again. I gave you your 6 minutes to speak earlier. You could have taken 3 minutes first and 3 minutes later when there were hardly anyone here. So at this time, if there's anymore solid waste items you want to speak on, there'll be, as Mr. Furfaro mentioned, several committee meetings coming up within the next couple weeks, and even a public hearing on the 22nd of April, I believe...

Mr. Furfaro: 22nd, that's correct Mr. Chair.

Mr. Kaneshiro: So at this time we want to get back on the budget, and we're going to take up and move up and take highways now as the next item on our budget review.

ED RENAUD: Ed Renaud, deputy county engineer.

Mr. Kaneshiro: Thank you. For the record, Ryan.

RYAN NISHIKAWA: Ryan Nishikawa, public works.

Mr. Renaud: To make it quick, roads, we decreased...our decrease is in 5 positions dollar funded right now, and then we increased, again like everyone else, the employee benefits, and then we decreased due to reduction in equipment purchases and supply purchases.

Mr. Furfaro: May I raise a question?

Mr. Kaneshiro: Absolutely.

Mr. Furfaro: We're talking roads right now.

Mr. Kaneshiro: Yeah, 183 I believe. From 183 on our budget...

Mr. Furfaro: Ed, there was a statement earlier from someone who worked a very long time for the State, Mr. Rosa, on resurfacing roads and so forth, and he implied that the State people actually found themselves having to help the county on inspecting certain conditions that drove the budget for roads. And I have got a lot of material here that I'll be glad to share with you, but there's a couple very obvious concerns that I have that I need to know, when we make our evaluation each year for roads, do we have an outside consultant or someone else that actually looks at these road conditions, because this HIPA piece indicates...HAPI piece indicates that there are 3 approaches to this. It's incipient cracks that start in the road that they do recommend sealing so that no water gets in, and it complicates the lower bed lining, because if the integrity isn't in the bed lining, then you are required to cut and patch. Secondly, you know, do we consider any of these opportunities to slurry seal or put a roughness coat on there to extend the life of the roadway which will help us manage the cost. And number 3 I found very interesting here is, after you do these evaluations, it does leave you the liberty, and I will read from this, this is on the pavement instruction of resurfacing. It says, the minimum recommended HMA layer thickness if 2 inches. We've had people come up and tell us the minimum is an inch and a half. This particular thing says 2 inches is the recommended piece for the longevity, but if you had evaluated the road and you have the maximum aggregated sides, which might make it difficult to compact, and you are treating the underside road appropriately by patching, this says that you may actually, under State mix category 5, you may actually lay a thinner layer if you've done this inspection, up to three-quarters of an inch, if you've done the inspection right. So it seems to me that according standards driven by HAPI, if we're doing the appropriate evaluation, if we're using slurry seals to promote the longevity of the road, and if we're cutting and patching according to the scope here on areas that really have serious deficiencies, we might actually be able to reduce to three-quarter inch the coating. But that's all based on the evaluation and patching done correctly. Do you have any comments please?

Mr. Renaud: Yeah, you're correct. We have not done that, okay, in the past. What we are trying to do now, and if you look at Papalina, we trying to do this. And what's going to happen there, if we do this process, which is the correct way, I come from that field, it's going to cost more, but if you have a dollar amount like what you folks give us, then what's going to happen, to do this repair the proper way and everything, maybe that first next time around we're not going to have the lineal feet on the miles. But we are looking into that approach. You're correct.

Mr. Furfaro: Well, I think if we do look into this approach, and there's some very interesting equipment identified here and some very interesting categorizing of subgrade conditions that you should look at here that it might put us in a position that using these specs in the long deferral that we have, I think we actually might be able to look at some transportation funds to be more aggressive with this. I'll pass this on to you. Thank you Mr. Chair.

Council Chair Asing: Let me follow-up on that a little bit. Ryan, I believe you gave us a study that you did on repaving and why we don't do what we perhaps should be doing. Didn't you give us a...and some examples were on the side of the road where, you know, it gets eaten away, and

therefore it would be cost prohibitive and we would end up not being able to pave and meet our requirements?

Mr. Nishikawa: Yeah, I recall...something...I don't know whether it was a study, but it was more of a justifying...trying to justify why we do...we use the method we do...what currently to pave roads, and bottom line was the fact that in order to do what, I guess Mr. Furfaro was saying, and to do all the patchwork and stuff before we surface would be so costly that, you know, the number of miles of roads we could resurface under the current budget would drastically be reduced.

Council Chair Asing: Yeah. I'm not sure if you recall that piece...

Mr. Furfaro: I do recall that.

Council Chair Asing: And it was just... You know, when I heard that presentation that you made, it was, you know, a choice, and the choice was such that I believe we would probably end up with less than half of the roads being repaved that if we follow this procedure. Am I correct?

Mr. Nishikawa: Well, I'm not sure whether it be half or what percentage...

Council Chair Asing: Well, I'm not sure whether it's half, but it's considerable.

Mr. Nishikawa: Yes.

Mr. Furfaro: Well, I only brought that up, Mr. Chair, because on Thursday I had a previously booked lunch with Congresswoman Mazie Hirono, and I wanted to look at the opportunity at some federal moneys to... You know, if we've done this kind of deferred maintenance for a long period of time, you know, maybe it's time to really raise our hand and say, hey we got to do this thing correctly, because, you know, I went to hotel school, but I'm reading all these instructions that, you know, I can see we're doing sometimes the minimum of the layering. But...and it says we can't do that if you do the patch and seal work appropriately; that's what it says, you know. If you're not going to do the patch and seal work appropriately, this thing says you should be laying 2 inches on top of it, not an inch and a half.

Mr. Renaud: One thing that happened to one of the projects we did was Maluhia Road, and thanks to Donald pushing (inaudible), we did that road properly. We repaired first and then we did the overlay. So that's an example, thanks to Donald.

Mr. Furfaro: And I did notice, when you did the shoulders at Maluhia, you did put another aggregate base on it, and then the asphalt, which is exactly what this says we should be doing. You know, the block top isn't going to adhere, and there's at least 3 gradings of different soil types from, you know, clay to sandy silt and so forth that determines these things. But you have to go out and evaluate it first. So I concur. We could come up short, but maybe this is the right time to be asking for some money too. So thank you gentlemen. Thank you Mr. Chair.

Mr. Kaneshiro: Thank you. Any other questions? Mr. Chang.

Mr. Chang: Yes, thank you. Ryan, I thought I heard you say we...do we use consultants, and where are the consultants from?

Mr. Nishikawa: For the road resurfacing?

Mr. Chang: Yeah.

Mr. Nishikawa: No, we don't. We do the work in-house...the design in-house.

Mr. Renaud: We can bring one consultant, that's not a problem, but I believe right now we have some expertise within county.

Mr. Chang: No, I wasn't... I thought I heard of a consultant, and I'm not asking for one. But I thought if we had one... I think I'm noticing that we... Was the budget for the maintain roadways for 68,000, was that last year's request also? Last year's budget?

Mr. Furfaro: There was a year, gentleman, that with the generosity of Mr. Asing, we actually put more money than we typically do in the budget, so the comparisons might be...not be totally consistent in trend.

Mr. Nishikawa: You talking about the 79,000? That's for our operating budget materials...in this case, for the Hanapēpē Baseyard. Each Baseyard has a line item like this, and so it'll vary between baseyards as to the amount of dollars we allocate for materials.

Mr. Chang: I understand. Thank you. Ricky, thank you.

Mr. Kaneshiro: Councilmembers, any other questions for Ryan?

Mr. Furfaro: I just want to follow-up. I think Mr. Chang asked a very good question, because you've got material in each Baseyard for patch and repair and so forth, but the moneys for the actual road resurfacing is in the capital appropriation, and when we get there, we should make note that in the past, and as I mentioned, under Mr. Asing we were able to give additional money in the CIP typically more than what we got, and that money actually comes from our roadway tax for county fuel prices.

Mr. Kaneshiro: Okay. Thank you Ryan. Thank you Ed. Moving right along, we're going to move into the CIP budget. We polled the members; most of the members said they want to move on.

Mr. Furfaro: I blocked out my schedule 'till 4:30, so...

Mr. Kaneshiro: We blocked out 'till 4:30, so we have all the departments here.

Mr. Bynum: We just received this document too, right?

Mr. Furfaro: Yeah, I understand, but you know, we all know how to read it and we got all of these guys here, and...

Mr. Kaneshiro: We understand, but... Budget and review; they're all here. We got 'till 4:30.

Mr. Furfaro: We have a long way to go in the budget process, man. We got 'till May 2, so...

Mr. Bynum: And we haven't scheduled any callbacks, so...

Mr. Kaneshiro: Yeah.

Mr. Furfaro: So let's go through everything and then decide what we have to call back.

Mr. Kaneshiro: And decide what you guys want to do, you know. But then we're through the review process right now and should continue. At this time, Mr. Fujimoto, go right ahead.

Mr. Fujimoto: Yes. I guess we're ready to jump into CIP. With that said, there is a separate parks department, and just to...I think it's easier if we just take care of parks first, because I think that's more...and then we can get into the more detail on public works side.

Mr. Kaneshiro: Before we do that, Mr. Bynum, Councilmember Bynum, had a few questions for Wally. So before we go into the parks side, let's get Wally up here. Wally, Mr. Bynum had some questions for you.

Mr. Bynum: I want you to help me and make sure I correctly... This is a new document, right, we just got?

Mr. Rezentes: Yes.

Mr. Bynum: Okay, and so the column here that says bond, this is a... I want you to distinguish the previous bond from the new bond. You're giving us information about the...

Mr. Rezentes: Okay, last page.

Mr. Bynum: Is it integrated in the first part of this document as well?

Mr. Rezentes: Yeah, it should be.

Mr. Bynum: Because I saw the last page was just kind of summary, so the 20...

Mr. Rezentes: The last page is basically all of the new bond line items and projects that... This is our draft of the projects that we had listed at the time.

Mr. Bynum: Right, so the new bond...

Mr. Rezentes: And again, I just wanted to caveat the fact that these projects and the funding amounts may change; it may change depending on such things as the amounts received from grants, stimulus moneys, etc. So it's a moving target right now, and we will likely want to refine this as we work with the council on finalizing the bond ordinance as we move forward.

Mr. Bynum: Okay, I just want to get acclimated, so... On this last page there's 2 columns. The column to the far right is total, right.

Mr. Rezentes: Yes.

Mr. Bynum: And that's all new...proposed new bond money.

Mr. Rezentes: Yes. So if you run from 12 million all the way down to the 1million line item that'll equal the 53,810...

Mr. Furfaro: So the new bond is 53.8million.

Mr. Bynum: Yeah, I got that. But the 2 columns that are to the left, what is the distinction between those 2 columns?

Mr. Kaneshiro: For the record, Clint, just introduce yourself.

CLINT SAIKI: You talking about the funding that's being proposed in these 2 columns?

Mr. Furfaro: First 6 items in the left column.

Mr. Saiki: The first column is primarily all of the solid waste projects, from the 9 million down to the 2 million. Those are the 6 solid waste projects that we're looking at, and it's purely to separate the solid waste projects since there were so many of them. The second column separates the rest of the projects which the 12 million represents the cost for Waimea and from the 1.9 it's the Wailua emergency bypass down through the balance of the projects.

Mr. Bynum: Right, I got that. So some of these projects are new, and some of them are ones that have been on CIP...

Mr. Saiki: Actually these are all new moneys being proposed. There are...some of these projects may have had some initial funding for design in the past in our CIP, but these are all for new scope of work for new projects.

Mr. Rezentos: And if you look at, just for your edification, the items 5 and 6, if you see the amounts for those, 6.99 and 2 million, and if you move to the right you see 600,000 and 1.6, that's...the reason for that difference is the timing of the project on the go forward basis. This is what was needed I think at the initial 2 or 3 year timeframe for that total project.

Mr. Bynum: So the 6... So like on number 5, the 6 is for now...

Mr. Rezentos: No, the 6.9 is the all in total. And the 600,000 is design and land acquisition is for that specific purpose.

Mr. Bynum: So I should read that as saying total cost projected of a central composting facility is 6.9, and the total cost of a MRF is 2?

Mr. Furfaro: That's permitting, design, and feasibility study.

Mr. Saiki: That does not include the construction.

Mr. Furfaro: And may I just expand...

Mr. Bynum: So the composting is just what it say, design and no land acquisition.

Mr. Rezentos: Right.

Mr. Furfaro: If I can, in our past meetings when I was finance chair, we're talking of upwards of \$6.5million on the MRF, of which a certain percentage is tied to the acquisition of the land, a certain percentage is talked in terms of the building of the facility, the operational components, and so forth, but what's in the bond is only the design and items as mentioned earlier. And for the other members here, we had 26.7 million focused on what will really be talked in terms of solid waste program, and we have 27.110 on all other projects. The 2 of them together is the 53810.

Mr. Rezentos: Correct.

Mr. Furfaro: And thank you for putting all the solid waste items in one category.

Mr. Bynum: So the rest of this I get. The first column in the main body is the new bond...new proposed bond, the rest of it is the other CIP line items we're used to seeing, right?

Mr. Saiki: If you look at pages 1 through 8, those are details for all of the projects which are inclusive of the new bond float, as well as the residual funds that are remaining in our CIP today that you saw on our...what was submitted for the ordinance. So the cumulative cost is what's shown on those pages. The detail of the 2, of the bond float as well as the residual amounts that are in the CIP now.

Mr. Bynum: Got it. Okay, I just want to make I was acclimated to this document before I...

Mr. Furfaro: And I just wanted to summarize for all members too, so... Mr. Chair can I look at items other than solid waste?

Mr. Kaneshiro: Absolutely.

Mr. Furfaro: Pono Kai seawall. Mr. Chang and I were discussing this, and you know, perhaps he wants to comment on this as well. Do we have a fairly good estimate from the consultants we have on how we arrived at that number? I know we had some Oceanit people looking at that, but I'd like to...

Mr. Rezendes: I guess we initially were hoping to do parks first, but you want to change, or...

Mr. Kaneshiro: Sorry about that.

Mr. Furfaro: We'll come back to that. Mr. Chang and I will come back to that.

Mr. Kaneshiro: Yeah, sorry about that. We'll start with that. Okay members, go to page 6 of your handout. You'll find the parks projects there under the CIP project data. With that, Mr. Rapozo, again introduce yourself, and also...

Mr. Rapozo: For the record, Lenny Rapozo, director of parks and recreation.

Mr. Nishihara: Mel Nishihara with the park planning development section.

Mr. Kaneshiro: Thank you. Okay. Mr. Bynum you had a question?

Mr. Furfaro: I have a question.

Mr. Kaneshiro: He raised his hand first.

Mr. Furfaro: Yeah, but is he ready? Are you ready?

Mr. Bynum: Yeah I'm ready. I'll just start with this. What's the status of the 11-acre park in Kapa'a? I didn't see it in here, so...

Mr. Nishihara: The soccer... We completed the EA and we also completed the conceptual plan for that. We haven't started any on the construction design and...

Mr. Kaneshiro: Hold on a second. Glenn, if you need to continue with your conversation, I would have to ask you to leave the chambers. We have the administration here before us to give us some information regarding the budget and programs.

Mr. Bynum: I just...yeah, because I didn't hear what you said, Mel.

Mr. Nishihara: We completed the EA and the conceptual design of the project; that's it. We haven't got any funding for do the construction design of the 11-acre site yet. So right now it's on hold.

Mr. Bynum: So it's on hold, because I thought I was going to see it in the new bond. Okay. That's the answer.

Mr. Kaneshiro: Mr. Furfaro go ahead.

Mr. Furfaro: Mr. Bynum are you finish with this?

Mr. Bynum: I have other questions, but I can wait.

Mr. Furfaro: But you turn the floor over. Thank you. I would like you to look at this item from a stand...

Mr. Kaneshiro: Mr. Rosa, that also goes for you too, if you're going to continue with your conversation, I would say if you would please leave the chambers and continue. We're trying to go over our budget review with the administration, and the communication that you're continuing is disrupting our review. Mr. Furfaro, go ahead and continue.

Mr. Furfaro: Thank you. Just for the purpose... When you sit in the front row, ladies and gentlemen, we get an echo.

Mr. Kaneshiro: That's right.

Mr. Furfaro: Okay? We can't hear their response, so... I just want you to look at Northshore parks improvement, 505,175. I just want to say with conceptually our plans to look at expanding Hanalei, I know this money is earmarked for Hā'ena as well as Black Pot area, but I just want you to consider, you know, perhaps a portion of that money is better used for us to actually do some land acquisition at this point, because once we have our new master plan for Black Pot, you know, it might change the scope of what we want to do with improving the pavilion. And I know we've addressed the most serious part with wastewater earlier on, but you know, that's a pretty sizable amount, and you know, if we could use a portion of it for the land acquisition and then once we have a master plan for Hanalei, you know, look at future bond money. But you know, to do something now and then find out we're going to move the pavilion or change the boat ramp or something like that, it may be something we want to consider in actually land acquisition at this point. And I only make that as a comment, because it is on our radar screen to come up with a master plan for Black Pot.

Mr. Nishihara: Just to update you on that funding right now, Hā'ena... This project was earmarked... First priority is the Hā'ena comfort station, Hā'ena beach park improvement. Hopefully we can go out and re-bid the project again; we had a little problem on that, but also, we have some HTA money available that we want to use. So we on a crunch time trying to get done. If we do, then that would split this project amount where we estimated close to half a mil based on where the location of the project is. But there will be some funding left if, you know, we can get the

project out in time and get that HTA funding secured. So there will be some balance left once we encumber the money before the end of fiscal year.

Mr. Furfaro: I appreciate you looking at that, Mel. Thank you Mr. Chair.

Council Chair Asing: Let me follow up. Mel, this is specific to Hā'ena beach park eh?

Mr. Furfaro: No, it's both.

Mr. Nishihara: It's... It also mentions line item pavilion, but majority, right now we haven't done anything for the pavilion area. We...this project, as you well know, is a long standing project of...

Council Chair Asing: Very long standing.

Mr. Nishihara: Very, very long.

Council Chair Asing: Very long standing. As a matter of fact, you know, that park has seen very little improvement for years and years and years, and the parking especially is just horrible.

Mr. Nishihara: So that's... You know, we have all the specs, everything, bids all ready to do. We had a little problem on the...we had to cancel the bids, but we going out again.

Council Chair Asing: Thank you.

Mr. Furfaro: You have an idea of what you might get in the way of money from HTA?

Mr. Nishihara: HTA, 250,000 I believe.

Mr. Furfaro: Thank you Mel.

Mr. Kaneshiro: Go ahead Dickie.

Mr. Chang: Thank you Chair. You know, Mel, I had a question. I heard you saying that the money for Hā'ena will be used for the comfort station?

Mr. Nishihara: Comfort station, do the ADA walkways in there, and the parking lot. Of course the parking lot is based on what the community want. It's just going to be typical base course; we're not going to pave it at all. That's what the community wanted. The only section that's going to be concreted or AC will be the ADA parking.

Mr. Chang: Are we going to re-stripe that area?

Mr. Nishihara: Can't re-stripe on...

Mr. Chang: Re-stripe in meaning identifying the parking stalls.

Mr. Nishihara: It's going to be as is. We just going improve it, base course, and that's...we not going to put any kind AC pavement. That wasn't what the community wanted when we went through all these meetings. So...

Mr. Chang: So even the handicap parking stall is not going be...

Mr. Nishihara: The handicap we'll provide the parking be concreted...we have provided parking for, and that will be clearly marked. But everything else will be as is, only thing we just going to trim and dress the parking lot.

Mr. Chang: Because I'm sure that, you know, having HTA moneys, you know, because it's a heavily traffic local and tourist area, especially camping is permitted out there also? Is that correct, Hā'ena park?

Mr. Nishikawa: That's the park by the dry cave.

Mr. Chang: Yes.

Mr. Nishikawa: There's camping there, but we talking about the end of the road.

Mr. Chang: You not talking about Kē'ē, right?

Mr. Nishikawa: No.

Mr. Chang: You talking Hā'ena. Is there money for Kē'ē?

Mr. Nishikawa: That's State.

Mr. Chang: That's State, yeah, I understand that. But we're talking Hā'ena, right? Okay. Because I just had heard...and I'm sure... I hadn't heard from the community, but just people in general, it's hard to identify the parking out there. And earlier we had George over here with that big \$6,000 blower or something. I just kind of visualize blowing that whole area clean, and then re-striping to at least make the appearance look nice out there, because as the chair was saying, the parking there is pretty horrendous, because you can't park going to Tunnels, you know, all that area. So that's where most of the people park, and they either walk or they swim, or walk along the beach. So that's long overdue as far as that park. I'm glad we got money.

Mr. Bynum: If I can interject?

Mr. Kaneshiro: Mr. Bynum, go ahead.

Mr. Bynum: I concur with Councilmember Chang that there are several north shore parks I'd love to see us organize the parking, because we have parking issues everywhere. But just, you know, I also understand, Mel, that, you know, a strong vocal element on the north shore that comes to the meetings is opposed to that kind of paving, and so I just wanted Councilmember Chang to know that... I would love to see us organize the parking there and at Hanalei pavilion in particular where it's always problematic and always a mess. And you know, I know if we organize it and stripe it, we would park more efficiently and get more cars, and it would have a better feel, and that's my personal opinion. But to parks credit, they're listening to a very strong group out there that is very invested in their...anything beyond Hanalei bridge... I got that right, Mel, they've been opposed to that kind of parking area, is that?

Mr. Nishihara: That's correct.

Mr. Kaneshiro: Derek.

Mr. Kawakami: I got a question now that kind of lines up with this. I think some of the push back on these kind of parking projects also it has to deal with runoff too, especially close to

the beaches. So if we're considering this, have we ever considered some sort of like porous concrete that I've been seeing around. You know like Po'ipū Beach, that whole thing floods, and I was wondering, you know, if we ever thought of using that kind of porous concrete in our projects?

Mr. Nishihara: I think we...when we worked with the community we talked about it. We talked about different types of...our consultants brought up different types of parking, and one was this I think using plastics, which is...I'm not sure on that. It's cells, fill it up, grow the grass in. From what... They came back and when we met with the community on that, it didn't last long, so you know, you end up with this same thing, you know. And again, you know, likelihood there are problems where if you look at Po'ipū beach, that's the lowest areas always flooded. You know, historically it has been that before it paved or cleared. So you can have porous material, but you have water table that high, where are you going to put it?

Mr. Kawakami: That's true.

Mr. Kaneshiro: Okay. Any other questions for parks department under the CIP?
Mr. Bynum.

Mr. Bynum: The Kalāheo neighborhood floor...gym...is that... It's zeroed in here.
Is that because it's done?

Mr. Nishihara: They should be starting sometime this week.

Mr. Bynum: Right, so it's not a budget item because it's already been funded.

Mr. Rapozo: It's being used now.

Mr. Bynum: Okay, good, good. Great answer.

Mr. Kawakami: I got a question if you're not ready.

Mr. Kaneshiro: Okay, go ahead Derek.

Mr. Kawakami: You know under lighting retrofits, is the habitat conservation plan included under the lighting retrofits, because there is a study portion of it too, yeah, the lighting side, which the actual HCP. So I was kind of wondering where that was as far as funding.

Mr. Nishihara: All I know is we have...we have the HCP plan that's under contract that's ongoing, and the money that we have here is my understanding is supposed to match the State money that's for Vidinha, Peter Rayno, Isenberg, Lihu'e county park, and the Hanapēpē stadium light retrofits. So contract is being reviewed by county attorney. Once that's...form and legality, once that's done then we'll send it out to a consultant for execution, then we can give notice to proceed as far as the design work. So if you're saying we...there should be provision for the HCP plan, I don't think we have reached the point to know what kind of commitment money-wise the plan's going to take. I don't think we have reached that as far as the HCP plan. Maybe that's why there's no money there, but that's all I know on that.

Mr. Kawakami: Well I know eventually if they don't approve it, this is something we're going to have to continually fund, because there's no way out of it, so...I mean that's a good answer you gave me, and I think we should be aware that if there's nothing here, we got to be prepared to see these guys come up and ask us for some money, because there's no way around the HCP.

Mr. Kaneshiro: Okay. Any other questions for parks? Tim you have one more on the parks side on the CIP?

Mr. Bynum: I may send over some written question, because I haven't had the... It looks like some of these funds have been moved around. They were in one place, now they're in a different place. Is that right? Like... Well, no, I guess I do have questions about the islandwide parks ADA full accessibility. That's like phase 2 of the walkways and parking areas, or... Because we had extensive discussion at...during the previous council before there was a parks department, or actually with Donald, about round 2 of ADA improvements and... So maybe you could just give a short explanation of that.

Mr. Nishihara: Very brief. I believe this is hopefully the catch-all on all those projects that we need possibly to go back or we need to start the tying the dots together so to speak. I mean we doing some now through building division quite a bit, department of justice and some (inaudible) transition plan, but there's others that we have to complete down the road right now. So...but we are doing some...building is doing right now quite a bit trying to get...tie the dots on all the projects that some of them have completed but we have to go back and complete it to meet the new requirements.

Mr. Kaneshiro: Anything else committee members on the parks on the CIP budget? Okay, thanks.

Mr. Fujimoto: I guess the easiest way to address this is by starting from page 1. We'll go right down the list. So the first section is wastewater. The big item on that one is the 12million that we added to the bond float for Waimea wastewater treatment plant. Any other questions?

Mr. Bynum: I mean that's designed already, yeah?

Mr. Fujimoto: Yes. We're going to be doing a design build.

Mr. Bynum: So no luck in getting stimulus funds?

Mr. Tschupp: Actually... Yeah, that one we're on the state's list for \$7.5 million worth of ARRA funds for that project.

Mr. Bynum: Seven and a half... So what's the 12 here?

Mr. Tschupp: Well, the bulk of the project. The project budget is 12 million. We may in fact just yesterday or this morning we got correspondence from the health department that they may actually be able to fund the project not...through a combination of SRF plus ARRA for the full funding. That would be great. That would allow the bond float to... I've got about 4 projects, all of which are smaller that are not in the CIP because we couldn't get them in.

Mr. Bynum: So we may get other funding for this 12 which would...

Mr. Tschupp: But if the 12 gets funded by a combination of ARRA, which is looking really good, and SRF funds, then hopefully we'll be able to...

Mr. Bynum: I don't know what SRF is.

Mr. Tschupp: The state revolving fund.

Mr. Bynum: Oh, okay. For the wastewater... Right, right.

Mr. Tschupp: For wastewater, that's the traditional source of funding. Federal funds funnel through the state.

Mr. Bynum: So we might move that 12 to other departments, Ed.

Mr. Tschupp: Well, that's of course not my call. I can use it.

Mr. Bynum: I'm sure you could. Because I... I mean that's good news, because I thought that was a high priority. We set it as a high priority. It was a ready to go one, right? So it seems like if we're going to get stimulus money, that's a good one.

Mr. Tschupp: And the health department is very... They really like that project partly because it's got the renewable energy component in it, and so it looks green, and...

Mr. Bynum: Right, and I won't ask you to talk about that now, but in the future we want...I want... That's a question I wanted to pose you about, because I think we've said that in some of our stimulus funds that we were going to look at alternative energy in wastewater...

Mr. Tschupp: Different pools of stimulus moneys.

Mr. Bynum: Yeah, so...and you know, again maybe not at this point, but that'd be a good topic for you to come brief the council on, I think, yeah?

Mr. Tschupp: Yeah.

Mr. Kaneshiro: Anything else for wastewater? Any other questions, members? I guess that was a previous ticket item that you had there on wastewater.

Mr. Bynum: Just a procedural thing, because there's this thing that... These 2 items, one that says minus 123 and one that adds 123.

Mr. Fujimoto: That's just to close out the line, I believe.

Mr. Tschupp: We replaced the centrifuge about a year ago, which was an appropriation of 600,000. The project bid for 477, so that minus is returning the balance of funds.

Mr. Bynum: Right, but right above it there's a plus with the same... You mean both of them? So both of these are gone. Okay. Thank you.

Mr. Kaneshiro: You had a question for Ed, Lani, on this from wastewater?

Ms. Kawahara: No.

Mr. Kaneshiro: Okay Ed, thank you. Thank you for the report.

Mr. Fujimoto: Councilman Bynum, just to confirm that. That is just really just to cancel that line item just to close out.

Mr. Bynum: So you put it in there and then you put a line to cancel it. Okay. That's just me understanding.

Mr. Fujimoto: The next CIP category is solid waste. This one you guys had a lot. Anyway, Troy. So again, on the bond float we're looking at about 26.7million of additional projects, plus ongoing projects. Any particular questions?

Ms. Kawahara: If you can help me. The Kekaha lateral expansion and the Kekaha landfill phase 2 closure, those were I believe...were they on our list for the stimulus?

Mr. Kawakami: It was appropriations request.

Ms. Kawahara: Oh okay. So none of these have any chance of getting any of the stimulus moneys.

Mr. Fujimoto: Yeah, it didn't make it. It has to go through a federal process or...

Ms. Kawahara: Competitive or something, okay. That's all I have for right now. Thanks.

Mr. Kaneshiro: Okay Mr. Bynum.

Mr. Bynum: Kapa'a RTS reconstruction, what is that?

Mr. Fujimoto: It's a refuse transfer station.

Mr. Tanigawa: RTS is acronym for refuse transfer station.

Mr. Bynum: So that's a project we're moving on now?

Mr. Tanigawa: Yeah, currently we're trying to finalize negotiations with the consultant, contract negotiations for planning design work.

Mr. Bynum: And that's going to accommodate drop-off recycling?

Mr. Tanigawa: Yeah.

Mr. Bynum: So the new landfill money, that's not all the money, that's just planning money, or...?

Mr. Tanigawa: No. It's just some planning funds. We already have some funds currently in the CIP under general fund. The additional funds are for additional planning funds and land acquisition costs.

Mr. Bynum: So this 3.4 is for land acquisition and planning.

Mr. Tanigawa: A little bit planning, yeah.

Mr. Bynum: And the same with the central composting, that's for planning or land acquisition or...

Mr. Tanigawa: Planning and some land acquisition funds.

Mr. Bynum: And the same for the MRF. These are like first steps.

Mr. Fujimoto: Right.

Ms. Kawahara: I don't remember. I'm getting tired.

Mr. Bynum: We don't know where it is yet.

Ms. Kawahara: No. What is the central composting site.

Mr. Bynum: That's where we're going to deal with the greenwaste.

Ms. Kawahara: It's a greenwaste facility?

Mr. Tanigawa: Yeah, that's a facility that manages greenwaste.

Ms. Kawahara: Okay. I mean that makes sense automatically. I just didn't...I haven't heard of it today. Sorry.

Mr. Tanigawa: No problem.

Mr. Kaneshiro: Derek, go ahead.

Mr. Fujimoto: Anyway, let me just try to give you a brief explanation. The central composting site is just a central site where we receive all the greenwaste, and where we process it, where we grind it, and we would compost it ourselves. The MRF is a center where you actually sort the recyclables. Today the standard is a single stream what they call single stream, so everything is mixed together—newspaper, plastic bottles, everything, and then so you pick that up in a container, and then you bring it to a central site and it goes through a conveyer and people just sort the things out.

Ms. Kawahara: And I remember now. The greenwaste stuff we're paying...there's 3 different people that a certified that we're paying, yeah.

Mr. Fujimoto: Yes. One of the things that we found out is when we did the Kaloko cleanup that did...we actually saturated their capacity. So there was a period when they couldn't take any greenwaste. And so we felt that there is a strong need for us to control a site and permit it.

Mr. Bynum: And waste reduction consultant services is? Why don't you call it waste to energy consultant?

Mr. Fujimoto: Alternative... What is the correct term? Alternative conversion technology I think is the politically correct.

Ms. Kawahara: So that's a study for waste to energy.

Mr. Bynum: So now we have waste to energy, incinerator, and what's the new one?

Mr. Fujimoto: There's so many different processes right now.

Mr. Bynum: So in that... Wasn't this in the... So this is money that's moved from the general CIP to the bond?

Mr. Tanigawa: No.

Mr. Fujimoto: No, it was always there.

Mr. Tanigawa: It's in the general fund.

Mr. Bynum: Because it's in the bond line item now on this document I'm looking at.

Ms. Kawahara: Is that where it's supposed to be?

Mr. Tanigawa: I stand corrected. It's in the bond fund from a prior fiscal year.

Mr. Bynum: Oh, it's not new bond.

Mr. Tanigawa: It's not in the new proposed bond.

Mr. Bynum: I got it. Click. The status of that, we haven't hired that person or...

Mr. Fujimoto: We're in the process of executing a contract, I believe.

Mr. Bynum: In the process of executing a contract?

Mr. Tanigawa: It's just going to be doing a ownership analysis...very preliminary step to determine what the optimum ownership scenario should be for the county. For waste to energy facility, it could apply to any type of other major investment type of facility that requires a major investment.

Mr. Fujimoto: Feasibility study.

Mr. Tanigawa: It's basically a feasibility study on ownership.

Mr. Bynum: Is there a contract... Is there a scope of work or some kind of document we could review?

Mr. Tanigawa: It's under negotiation now. After award... I believe it has been awarded, so I think we can forward something like that to you folks.

Mr. Bynum: It has been awarded?

Mr. Tanigawa: Yes.

Mr. Bynum: This 385,809 has been awarded.

Mr. Tanigawa: No. That's the fund... That's the amount of money that's available in the...and I believe what's been awarded is not shown there, but it's a portion of that amount budgeted.

Mr. Bynum: You don't know how much?

Mr. Tanigawa: I'd say it's about a hundred...a little over \$100,000.

Mr. Bynum: A hundred thousand. Okay, so this was funds...this was funds to study the feasibility of waste to energy.

Mr. Tanigawa: No. It's the ownership analysis.

Mr. Bynum: But it's not like the waste to energy in any way?

Mr. Tanigawa: It is, because it looks at the cost, but it's, you know, considering the cost and the different scenarios or options for ownership whether it's public or private or a joint venture.

Mr. Bynum: Whether we fund it or contract it and where the capital investment comes from. Does it look at how much the capital investment would be?

Mr. Tanigawa: It anticipates a certain size facility and a certain cost.

Mr. Furfaro: At some point it would say that the investment is greater than the risk associated with it, and that's what it would be. It would be a study about the value of the asset being owned by us or them.

Mr. Bynum: I guess it's just news to me that before we adopted the integrated solid waste plan we're spending money on the feasibility of things we haven't voted on yet. So that's news to me.

Mr. Furfaro: Well let's make sure we all understand. Is that in the old bond or the new bond. Because with the new bond...

Mr. Tanigawa: Old.

Mr. Furfaro: Yeah, but I want to point out, with the new bond, we have a whole ordinance to go through. We have a whole discussion point of what's in there. But the stuff from the old bond that might be carried over is still subject to the council having an evaluation of it. I want to make sure we understand, the new bond we have plenty of time to look at the items.

Mr. Bynum: Well, if... I said...and maybe it's my fault in terms of doing due diligence that it's news to me that we're spending money on the feasibility of waste to energy before we make that decision, so you know, I assume if it's... Unless this happened before I was on council and I missed that, because...

Ms. Kawahara: How old is this original funding?

Mr. Fujimoto: Well actually, the study is about prolonging the landfill.

Ms. Kawahara: No, no, no. The actual funds. How long back ago.

Mr. Furfaro: Let me answer that for you. The bond, when we float a bond, we have 2 years to actually make decisions about spending that money before we enter into a penalty period, okay, and we did not float a bond last year. So this is at least...we're on the verge of hitting that deadline.

Mr. Bynum: So was this funding before I was on the council then?

Mr. Furfaro: No, you were on the council. It's the first year you were on the council, I think. I don't disagree with what you're asking, but I want to make sure we understand. It's not a study about waste to energy. It is a study about if we do go into waste and energy, do we want to own the asset, or somebody else operate the asset. And now that I think of it, Mr. Bynum

may not have been on the council. This is probably a 3-year old bond. You've been on the council 2 years. It might be 3.

Mr. Bynum: This is my third budget. But it's just news to me that we're spending money on...

Mr. Furfaro: Let's have the finance director answer the question.

Mr. Bynum: Okay.

Mr. Rezentos: I'm sorry. I just wanted to clarify. It's not specific to a waste to energy technology. It's open up. It's open for other technologies that may want to participate in the RFP, and then an analysis ultimately will be made as to what...

Mr. Bynum: So it would be applicable to a composting facility or a MRF or a...

Mr. Rezentos: Other types of technologies, as well as...inclusive of waste to energy.

Mr. Bynum: So if we're awarded the contract, I can see the contract and the scope of work, right?

Mr. Tanigawa: I don't have it with us.

Mr. Bynum: Well, I don't mean right now, this minute.

Mr. Furfaro: But just so we're all clear. The solid waste people, you kind of brought this question onto yourself, because that understanding could be a study on the value of ownership versus leasing or operating itself, on a MRF, on whatever it could. But you said we're going to be using it for evaluating the asset of a waste to management plan. It's not about are we having a waste to energy plan; it's about that asset, and if you did enter a contract, you know I think you should be sharing that with us. If it's still funds that can be used from the previous bond to evaluate MRFs and so forth, then you know, we should have a clear understanding of that as well. I'm sorry, Mr. Bynum.

Mr. Bynum: Like I said, you know, if that's the case, then it's not... You know, maybe I missed something somewhere along the line. But now I want to understand it more clearly, so...

Ms. Kawahara: I appreciate that, Councilman Furfaro. That clarified it. I do... I do want to say the reason why we're struggling up here, in case anybody's wondering, is I have had people asking about the use of any moneys to do a study on what may be a waste to energy plan before we even try to do diversion programs to the highest and best amount possible, as people have been saying to me that that would be further down the line after we figure out how much we're able to divert from the waste stream. So that's just where...why there's difficulty in understanding where this came from and what it's for. I hadn't known that there was something out there kind of like ticking away that was linked to that. So I...not ticking, okay.

Mr. Furfaro: Don't think it's linked to that. Here's how we should pose the question. It's an ownership asset study, but at the same time, what you just told us in solid waste, on the flipside we're looking for a bond that talks about us designing and studying a MRF. So the money could be used to evaluate that, but what we heard was we have a contract issued about asset management of a plant related to waste to energy. We heard that. Okay, so let's say it's for an ownership asset study and it's not yet determined what we're studying.

Mr. Bynum: Waste conversion.

Mr. Rezentes: Waste conversion technology.

Mr. Bynum: That's not what it says. It says waste reduction, and so...

Ms. Kawahara: So we'll just get a contract from you so we can see it ourselves. That will work huh? We could get a definition of... Put our minds at ease? No, not our minds at ease, but where we are.

Mr. Bynum: I don't want to belabor this because we'll come back to it, but what I want to say is that...similar to what Councilmember Kawahara is saying that I received communication that says there's money in the budget to do a waste to energy study. That was news to me. I went looking for it. When I saw this waste reduction consultant services, reduction doesn't necess...is not the same as conversion, and so then I asked where is this in the budget and I got pointed to this. And then that's hence my question, because you know, I'm not convinced one way or the other on waste to energy, but we haven't voted on it. And I think my position has been we shouldn't pull the trigger until we pull the trigger, you know. We shouldn't spend money until that decision is made, and so...

Mr. Furfaro: Yeah, I'm not going to beat this horse dead. The buggah is also make, but the word over there is waste reduction. To me, tells me it's tied to a MRF.

Mr. Bynum: Well, and I just heard conversion...

Mr. Furfaro: And we shared with him we heard a different word.

Mr. Kaneshiro: We'll come with a communication.

Mr. Bynum: We'll discuss this further.

Mr. Fujimoto: To just put this body at ease, the new bond float does not include any bonds for that, what you guys talking about.

Mr. Kaneshiro: Okay.

Mr. Bynum: Well I didn't know the old one did either.

Mr. Kaneshiro: Derek, you had a question you wanted to ask?

Mr. Kawakami: No.

Mr. Kaneshiro: Okay. Anything else for solid waste projects that's on the CIP budget?

Ms. Kawahara: I love seeing the MRF on here. Thank you for having the MRF on here.

Mr. Bynum: I think the new information we received today about the new bond that we're allocating funds to move on composting and materials...that's good. So I'm pleased to see that.

Ms. Kawahara: It's really good to see. Thank you.

Mr. Bynum: One other question. This host community benefits. Is that from last year or is that new?

Mr. Fujimoto: The last budget.

Mr. Kawakami: Can I... You know, because you raise that question, all last year or before last year, CIP projects would be in regular font and all new proposed ones is in bold.

Mr. Fujimoto: Excuse me?

Mr. Kawakami: That's an easy identifiable way to see all new CIP projects are the proposed in bold?

Mr. Fujimoto: Yes.

Mr. Kawakami: Okay.

Mr. Bynum: Thank you.

Ms. Kawahara: Can I ask about the Maluhia...

Mr. Kaneshiro: We're not on roads.

Mr. Fujimoto: If no more questions for solid waste, go to page 2.

Mr. Kaneshiro: I want to address a concern that was brought up to me. I have a note that was passed to me here speaking about saying that they want to say... For the second or third time today we have asked for public testimony before we started the CIP budget. So what I would like to do is still continue with the CIP budget. When we're done with the presentations, then anyone else who wanted to speak will have the opportunity to do so. So at this point I want to continue with out CIP going to the different departments. I will give you an opportunity to speak after we're done with the administration, I'll open it up for public just to let you know, because I've already given the opportunity before we started. So with that...

Mr. Fujimoto: This is going to get a little complicated, because we've got a combination of roads, engineering, and building. There's 4 projects: Apapane road is roads. Hanapēpē flood control and Waimea flood control, I think those 2 are actually levee projects, and Hanapēpē and Waimea levees, so that... Sorry, those are building projects. Excuse me. Hanapēpē Waimea levee is a roads project, because it's dealing with maintenance. I'm not sure who's going end up taking it. Doug, are you going to be doing that levee? The erosion control? So 3 roads and one engineering.

Ms. Kawahara: Hanapēpē flood control is engineering?

Mr. Fujimoto: Hanapēpē flood control and Waimea flood control are actually certification of the levees, I believe.

Mr. Kaneshiro: Okay, so we'll start with the drainage projects. Anyone has questions on that at this point under the CIP budget?

Ms. Kawahara: I just have a question just the formality. So when these are on the list, because some of them have been on the CIP list for a long time, are you saying that you're committing to actually going to be doing these within a (inaudible).

Mr. Fujimoto: Well, Ryan can give one update on Apapane Road. It's supposed to be (inaudible).

Mr. Nishikawa: For Apapane Road, we plan to do the work. We just have not got the time right now to address that particular project, but we do intend to complete the work...do the work.

Ms. Kawahara: This fiscal year?

Mr. Nishikawa: I hope so.

Mr. Fujimoto: Again, in defense of Ryan, we've had several major emergency projects, and Aliomanu Road was one of them. So he was spending a lot of time working on that, and that is where we put the sand bags and now we're still trying to push forward to get the permanent repair done there. And he's actually had...was actually doing the levee work prior to engineering taking it over. So there was a lot of other priorities. This Apapane Road came about after the 30 and 40 days of rain. Apapane is on the valley side of that...on the Grove Farm museum side. There's an erosion from a county road, and so we need to address that, because all the county water is flowing through that area. So it is important that we do it, but it's not a real high priority project.

Ms. Kawahara: Okay, thank you.

Mr. Kaneshiro: Anything else for drainage projects? If not, move on to the next items would be on the highway projects.

Mr. Furfaro: May I make a statement for the council benefit, so that... You know, a lot of items we're going to continue to have discussion on and so forth, but for the new members of the council as well, when it comes to roads and so forth, every 5 years we get earmarked some money for us, and we have some projects that are identified accordingly. And then of course we have other projects that need to be in place that we could actually apply some stimulus money to project ready and so forth that deal with transportation. And then of course we have our regular roads maintenance that deals with moneys available to us from the county fuel tax and so forth. So I just wanted to summarize this. There's 3 opportunities here for money for the new members, and we are in that 5-year cycle right now for federal moneys. So thank you for letting me get that clarified.

Mr. Kaneshiro: Thank you for that statement.

Mr. Fujimoto: I guess one way to address this is if you look at the new bond float, roads is involved with that Wailua emergency bypass road, 1.9million, Aliomanu road repair, emergency repair. Those 2 are roads projects. You have any questions on those 2 projects?

Mr. Kawakami: I got a question on Aliomanu road.

Mr. Kaneshiro: Okay. Mr. Kawakami, go ahead.

Mr. Kawakami: Have you ever identified the cause of why that road is in the condition that it is?

Mr. Fujimoto: Aliomanu?

- Mr. Kawakami: Yes.
- Mr. Fujimoto: Just high surf.
- Mr. Kawakami: High surf.
- Mr. Fujimoto: Yes. And so the erosion is going to harden that coastline. We're looking at putting a revetment, permanent revetment.
- Mr. Kawakami: Is that revetment going to affect any of the other properties?
- Mr. Fujimoto: I think definitely anything will have some consequence, so we are doing an EA, and the EA should address the consequences of our proposed improvements.
- Ms. Kawahara: In line with his, are you guys working with Jim O'Connell?
- Mr. Fujimoto: Yes, definitely. And you know, initially we were looking at all kinds of different alternatives, you know, from concrete walls to whatever, but it's coming back to, you know, what is the most natural, and I think we talking about revetment, which is rocks. It dissipates the energy better and it's more natural. I think it's more environmentally friendly from all the different solutions, and I think cost-wise too, I think it's probably going to be the most cost effective.
- Ms. Kawahara: Great. Thank you.
- Mr. Kaneshiro: Okay committee members. Any other questions? Mr. Bynum.
- Mr. Bynum: Maybe I had my thinking wrong, but the Hardy street improvements I thought were on the STIP.
- Mr. Fujimoto: It is. In fact, we're asking for the match. The million dollars is the match to the STIP. I think the project is like four point something million, and so the million dollars is our match.
- Mr. Bynum: Okay, that answers that... I didn't know the cost was that high.
- Mr. Fujimoto: That's an engineering project.
- Mr. Bynum: And that's become a high priority to move, huh?
- Mr. Fujimoto: Yes.
- Mr. Bynum: Thank you.
- Mr. Fujimoto: And again, thanks to Doug, the highway department has given us an opportunity to pursue program management to actually pursue that project.
- Mr. Bynum: Thank you.
- Mr. Kaneshiro: Okay, thank you. Anything else that pops out?

Ms. Kawahara: The Pono Kai revetment wall? That's the one, right, everybody talks about.

Mr. Fujimoto: Yes. Pono Kai seawall, I think the question was...

Mr. Furfaro: (Inaudible) that was my 4 item before I was told we were going to parks. I want to reverse back to there. We spent money for a consultant, it was Oceanit, and my question was this, if you don't mind Lani...

Ms. Kawahara: No.

Mr. Furfaro: Do we have a more firm number as Mr. Chang and I were discussing that number?

Mr. Fujimoto: No.

Mr. Furfaro: Do we have something in today's dollar to fix the rocks...the wall fronting Pono Kai?

Mr. Fujimoto: Let me give you some history on that project. Initially, again, somehow it got dropped on Ryan's lap, and since then, it went back and forth. I think Doug, again, volunteered to do that because of his...just to ensure that his contract guys were fully funded. And so now the project is now with Doug. But anyway, to make a long story short, this budget item number came from Aliomanu cost estimates, and we do not, as far as I know, we do not have any firm numbers yet on that wall, the construction estimate. We're still trying to finalize the EA, and that would...

Mr. Furfaro: What did we get by hiring Oceanit?

Mr. Fujimoto: No. They're doing the EA, which is actually the first part of the planning process that we need to complete before we can do anything.

Mr. Furfaro: But they were asked right here by me in the last council meeting, can you give us some today estimated cost of that revetment, and I was almost certain that they were more than willing to give us a cost and we also wanted our seagrant people to look at these estimates.

Mr. Fujimoto: And again, I guess they throw numbers very liberally, and sometimes prematurely. In fact, their first estimate was like \$900,000...600 to 900,000.

Mr. Furfaro: I remember that, as Mr. Bynum is pointing out, and that's why now I'm looking at 2.5million, right?

Mr. Fujimoto: Yes.

Mr. Furfaro: I'm going, ho that's about 3 times. I'm going to have to reconsider the next time we hire these guys.

Mr. Fujimoto: What we're looking at doing now is constructing a wall behind the existing wall because of the so called issues.

Mr. Furfaro: I understood that as being one of the options.

Mr. Fujimoto: Because of that, you know, we wanted to make sure that we have enough money in there. And so I used the estimate they gave us for Aliomanu, which is about the same distance; we talking about 500 feet of front, you know, revetment work, and their estimate...

Mr. Furfaro: So (inaudible) the same at Aliomanu? Are we going to dig a trench and pour a revetment and then let it naturally erode? We're doing the same kind of work?

Mr. Fujimoto: Well, again, we're still looking at various options. I think we're looking at a revetment...one hybrid between a revetment and a seawall.

Mr. Furfaro: Okay. Well like I said earlier, you know, this is in the new bond, right. We have to go through the whole ordinance. We're going to have more discussion on that, but I was very surprised to see that number.

Mr. Fujimoto: Yes, and I think...

Mr. Furfaro: But you've answered my question for now.

Mr. Fujimoto: For all practical purposes, I'm hoping it's going to be a lot less, but right now, again based on preliminary estimates, we using that as our budget.

Mr. Bynum: I'll remember that when you come back here and say you need some more money to get it done.

Council Chair Asing: Okay, with that, anymore questions for Donald on... I guess Donald you referred us back to the bond because of the 2 road issues?

Mr. Fujimoto: Yes.

Council Chair Asing: Are we going to go back to highway projects now? Am I correct? With that Councilmembers, any questions on the... We're on page 3 on highway projects now.

Mr. Furfaro: I have none, Mr. Chair.

Council Chair Asing: Okay. Anyone have any questions? We're on page 3 now, highway projects.

Mr. Fujimoto: I'd just like to mention. I think you guys already know that the bike path did make the stimulus funds, so it will be funded through the stimulus program, Kapa'a through Lihi segment.

Mr. Furfaro: From Lydgate to Lihi, right?

Mr. Fujimoto: Yes.

Mr. Furfaro: And then in the other federal money, the 5-year piece, we have money for the Nāwiliwili side, right?

Mr. Fujimoto: Yes.

Mr. Bynum: We're asking. We need to get it.

Mr. Fujimoto: Yes, it's in the STIP, and again, you know, thanks to Doug, I think we're leveraged. I mean Maui was trying to apply too, but they're not quite as ready as we are, so I think we've got a good position on the EA process.

Mr. Bynum: Our strategy pays off.

Mr. Chang: Can you call Glenn Mickens and let him know the good news?

Mr. Fujimoto: I can talk to him about it. I'll personally walk him through.

Council Chair Asing: Can we take the next one. Shall we go to page 4?

Mr. Fujimoto: And I think that Wailua bypass road, I think the State legislature is going to appropriate it...sounds like a good chance they're going to give us... Any other questions?

Council Chair Asing: Okay. Can we go on to buildings then now? We're on page 5.

Mr. Kawakami: Question.

Council Chair Asing: Yes, Councilmember Kawakami.

Mr. Kawakami: Thank you Mr. Chair. The adolescent residential treatment center, what are the funds specifically for?

Mr. Haigh: Well, the project's been closed, and so we're just getting rid of the funds.

Mr. Kawakami: Oh, I see.

Mr. Furfaro: (Inaudible) was our financial exposure up unto that point?

Mr. Haigh: Well, there's a whole history behind this that's not reflected in this number.

Mr. Furfaro: I know the history. My question is directed (inaudible).

Mr. Haigh: This number does not all reflect money that we've spent.

Mr. Furfaro: Okay. So it doesn't reflect the whole project.

Mr. Haigh: No.

Mr. Furfaro: Thank you.

Mr. Bynum: It's just what's left, right?

Mr. Haigh: It's just money that's left that hasn't been reallocated.

Council Chair Asing: Daryl, I have a question.

Mr. Kaneshiro: Go ahead, Chairman Asing.

Council Chair Asing: Okay. In the middle of the page, historic county building, is that enough money?

Mr. Haigh: If we get our FEMA grant for hardening the windows, it should be adequate.

Council Chair Asing: If we do not, then we will be short.

Mr. Haigh: If we do not, we may have to ask for some more funds. We still don't have 100% design, so we not, you know...we're still moving with the estimate. So once we get the 100% design done, we'll have a better idea of where we're at. FEMA is poised to approve the grant, but we have some issues with out hazard mitigation plan that civil defense is working on.

Mr. Bynum: That's the grant we used for the fishbowl as well? The same?

Mr. Haigh: Yeah, it's relate... It's a wind mitigation grant, similar grant. Right now we have one for the Piikoi building, one for the Moikeha building, and one for the...where planning is.

Mr. Furfaro: But they're 3 separate grants.

Mr. Haigh: Well, they have Moikeha and the one at planning are mixed together, but there's... Yeah, 3 grants. Actually, I've got 4 FEMA grants right now (inaudible), because we had a wind study also that we're managing. We're managing 4 grants right now.

Mr. Bynum: And that was... That came about from initiative from the building division?

Mr. Haigh: Yes. We were very fortunate. These grants had been put in years ago, and after the disasters that happened on the other islands, the mitigation measures from the other counties fell down and we were their last resort. It's good to have a reputation for spending money.

Mr. Bynum: So taking our opportunities when we find them.

Mr. Haigh: Yes.

Mr. Bynum: Thank you.

Mr. Kaneshiro: Councilmember Furfaro?

Mr. Furfaro: Yes Mr. Chair. I'd like to know, the number you have in here for the new Kapa'a fire station...

Mr. Haigh: Excuse me, I couldn't hear.

Mr. Furfaro: Yes, I'll wait. Did you need to answer him?

Mr. Haigh: With 2 coming in at once, I don't hear it...

Mr. Furfaro: I have that problem.

Mr. Haigh: I'm getting older.

Mr. Furfaro: Does the Kapa'a fire station reflect the money that we recently approved for the waterline?

Mr. Haigh: No, it does not.

Mr. Furfaro: It does not. So there's additional money on top of this that's for the waterline.

Mr. Haigh: That's correct.

Mr. Furfaro: So this is basically the building project estimate without the waterline.

Mr. Haigh: Correct.

Mr. Furfaro: Thank you. Thank you Mr. Chair.

Mr. Kaneshiro: Okay. Any other questions on the building projects before us right now under the capital improvement budget data?

Ms. Kawahara: Yes, thank you chair.

Mr. Kaneshiro: Ask the question.

Ms. Kawahara: Piikoi interior renovation. Is that the one that we've been waiting for?

Mr. Haigh: Well, the administration has funded it. It has not been finalized how that funding will be sent, but they're plugging a number in there as we finalize the decision of where to spend the money.

Mr. Bynum: For construction though.

Mr. Haigh: Construction yes. There's got to be design...

Mr. Bynum: Not planning or design...

Mr. Haigh: Design and construction, yes. And how much design, we don't know yet depending on what direction they want to take.

Mr. Bynum: And some day they'll tell us who goes there, right? Who (inaudible).

Mr. Haigh: I'll defer to Ed.

Mr. Kaneshiro: You have a timeline on this? Perhaps what we need to do is come with a communication or request for a timeline on this particular project.

Mr. Haigh: That would probably be the best way to get an answer from us.

Mr. Kaneshiro: Okay, you'll get one. Mr. Furfaro, go ahead.

Mr. Furfaro: So is this a new accounting term called plug? I'm serious.

Mr. Haigh: I mean it's done periodically, we do that, we just plug in numbers. I mean like this civic center phase 3 which had the historic county building, the annex, and the (inaudible), we plugged a number in there, and then as we develop design and plans, then we start using the funds.

Mr. Furfaro: And I don't mean that in any other way, but it's very important for us to understand. You put a number there to identify a cost. It may not be refined. It might not be scoped out. It might not have building specs. It might not have fire department's comments. It's a plug. Thank you.

Mr. Kaneshiro: Any other questions? You had a question Lani? Anyone else? Committee members. If not, thank you. We'll go on to... We'll skip over... We've already done parks... Hold on one second, Mr. Asing has a question.

Council Chair Asing: Before you go off of that, you're going to be sending over...

Mr. Kaneshiro: A communication on the timeline of the...

Council Chair Asing: Well, besides timeline, I'd like to know exactly what the plan is.

Mr. Kaneshiro: Okay.

Council Chair Asing: I don't want just timeline. Timeline to do what. What is the plan.

Mr. Kaneshiro: Okay, you got that?

Mr. Furfaro: You hear the Chair wants more definite information as to regards to the plug.

Mr. Haigh: Thank you for being so efficient in these meetings. We're 2 days ahead of schedule. I wish all our contractors could be as good as you guys.

Mr. Kaneshiro: Okay, with that, we'll skip over to page 8. We're on page 8, Donald, other projects and so forth.

Mr. Fujimoto: Yes, we can address the bridge projects. I think most of these are miscellaneous bridge repair projects.

Mr. Kaneshiro: Okay, go ahead. Any questions on that? We see there's additional funding on the bridge projects, as you can see...or anything that you see in relationship to the public works office.

Mr. Furfaro: I would like to get a better understanding of Opaekaa.

Mr. Fujimoto: Opaekaa bridge...

Mr. Furfaro: You got emergency repairs there as...

Mr. Fujimoto: Yes. Right now the emergency repair, based on the last bridge evaluation, the recommendation was to drop the rating weight limit from I believe it was 5 tons to 3 tons. And so 3 tons is just barely SUV vehicles, I think, going over 3, and because of that we have

implemented this emergency repair. And the emergency repairs is supposed to reinforce the bridge sufficiently to bring the rating back up to at least 5 tons.

Mr. Furfaro: So right now, Donald, the bridge... Right now the bridge is posted with a 3 ton limit.

Mr. Nishikawa: Let me clarify. The bridge is currently posted at 3 tons. The additional support or bracing of the bridge will just...we will not be changing the weight limit on the bridge. But you know, it'll reinforce the bridge to a point where hopefully if something gives way, these beams are going to support everything up in place.

Mr. Furfaro: So let me understand this. We've downgraded it from 5 to 3, we have put some temporary repairs in, the plan going forward is to strengthen the bridge but leave it at 3 tons.

Mr. Nishikawa: That's correct.

Mr. Furfaro: Okay. Does that meet the requirement for school buses?

Mr. Nishikawa: School buses, no. School buses are something like...I would guess 12...15 tons.

Mr. Furfaro: May I ask, have we notified the DOE as such when we change the bridge levels that they actually have official notice from the county of Kaua'i that our plans are not to repair the bridge and restrengthen it beyond the 3 tons?

Mr. Nishikawa: No, we have not.

Mr. Furfaro: Could we make sure we do that and get the appropriate notice reviewed by the county attorney's office?

Mr. Nishikawa: Okay. But you know, remember that the bridge has been posted 5 tons for many, many years.

Mr. Furfaro: Yeah, I understand. That's why I want to make sure we send notice. If our plan is not to reinforce the bridge or get it back to the, you know, the posted 5 tons, let's make sure we send an official notice to DOE and have it reviewed by the county attorney.

Mr. Nishikawa: We can do that.

Mr. Kaneshiro: Mr. Bynum.

Mr. Bynum: So...and this is for now, and then we're going to do this contact sensitive design right. Because in the historic society newsletter this month was a story about this bridge, and it was pretty fascinating, if you didn't get to read it. So there's that historic aspect. So for these bridges, we're going to make sure they're okay for now, and then eventually get around to addressing the long term issues.

Mr. Fujimoto: I believe we're in the process of issuing the RFQ (inaudible).

Mr. Kudo: (Inaudible) out to get RFQ and resumes from the consultants.

Mr. Bynum: Okay, so we're moving forward.

Mr. Kudo: Yeah.

Mr. Bynum: Good, thank you.

Mr. Kudo: Initially we had it on the RFQ and found out that we weren't in compliance to federal requirements. So we had to go out to get that RFQ.

Mr. Bynum: We'll all look forward to the public discussion on this one.

Mr. Kaneshiro: Mr. Chair, go ahead.

Council Chair Asing: I thought we... Did we issue a contract for this?

Mr. Fujimoto: For the emergency repair I believe we did. That's to reinforce the bridge.

Council Chair Asing: It's done already. Am I correct?

Mr. Nishikawa: No, no, no. The work has not been done.

Council Chair Asing: No, not the work has been done, but the contract has been issued.

Mr. Nishikawa: Yeah, is currently onboard. About week and a half ago.

Council Chair Asing: Right. Okay. And that is for the 200,000 or... The 200,000, am I correct?

Mr. Nishikawa: The contract we current...just executed, the purchase order we issued is for both Opaekaa and Pu'u'ōpae bridge, the temporary repairs.

Council Chair Asing: So is it the 200,000 or the 300,000?

Mr. Nishikawa: The 300,000.

Council Chair Asing: I thought it was 200.

Mr. Furfaro: No, but the line says, as the Chair is...you have 200,000 for the temporary repairs. You have 300,000 for the new construction and design.

Mr. Fujimoto: The 300,000 is a STIP match for the design money.

Council Chair Asing: Okay, thank you.

Ms. Kawahara: We pau with bridges?

Mr. Kaneshiro: We're still on bridges. You have any questions?

Mr. Bynum: Yes. The Hanapēpē bridge, the town is organizing a birthday party or something, right? So we feel confident we can have those improvements done prior to their celebration?

Mr. Fujimoto: Should. 2011 the celebration, I believe.

Mr. Bynum: Yeah, they're planning already though. And we're going to retain the walkway on...

Mr. Fujimoto: We have about half a dozen projects ready to go for RFQ and that is one of them that is with that other Opaekaa and (inaudible).

Mr. Bynum: Yet to be determined whether we can make it ADA compliant, or that will be part of the design.

Mr. Fujimoto: And in that particular bridge, it may just be infeasible.

Mr. Bynum: Right. No, I understand.

Mr. Furfaro: What did you say, the bridge might be invisible?

Mr. Fujimoto: No, infeasible. (Inaudible)

Mr. Furfaro: That's a no cost bridge.

Mr. Kaneshiro: Okay. Moving on, Donald.

Mr. Furfaro: May I take a moment just for a clarification?

Mr. Kaneshiro: Absolutely, Mr. Furfaro. Go ahead.

Mr. Furfaro: I said that a bond fund might lapse in 2 years, and the finance director corrected me; it lapses in 3 years. So just FYI. Thank you Mr. Rezentos. Don't want to have any miscommunication. The penalties are incurred in the third year. Thank you.

Mr. Kaneshiro: Yes Lani.

Ms. Kawahara: Are we done with bridges, and then the rest of the stuff on the page can we discuss?

Mr. Kaneshiro: Yeah, you have anything else you wanted to discuss on the CIP?

Ms. Kawahara: On this page 8, yes.

Mr. Kaneshiro: On page 8. Okay.

Ms. Kawahara: The big one is the Kilauea agricultural park for 2.6.

Mr. Fujimoto: Can you submit those? That is under (inaudible).

Mr. Kaneshiro: Yeah, we'll submit a communication to that, in other words, because it is under OED, office of economic development.

Ms. Kawahara: Okay. Should I voice my concerns on it now, or in the communication?

Mr. Kaneshiro: It's your wish.

- Mr. Furfaro: It's your choice.
- Mr. Kaneshiro: As long as it's on here, it shows here under CIP.
- Mr. Furfaro: I should make mention to you we've been working on this for a very long time, and the 2.6 was the minimum investment. There were 3 proposals that came out of my committee last year, so...
- Ms. Kawahara: I'll put it in a communication. Thank you.
- Mr. Kaneshiro: Thank you. Alright, anything else on page 8 for discussion or questions to the administration? Mr. Bynum.
- Mr. Bynum: Well, maybe this is a discussion for tomorrow, and I don't know that these gentlemen know the answer anyway, so... But there's this line item...
- Mr. Kaneshiro: On the open space. Okay. We'll have that tomorrow. In fact it's on committee agenda.
- Ms. Kawahara: The photovoltaic project.
- Mr. Fujimoto: Can you send a communication to this?
- Ms. Kawahara: That's somebody else...with OED? Okay.
- Mr. Kaneshiro: I think we talked a little about that, right.
- Mr. Bynum: It's for the round building eh?
- Mr. Kawakami: We did.
- Mr. Kaneshiro: We did, right, in economic development. Was that came out of the departments? Okay.
- Ms. Kawahara: Okay that's all. Thank you.
- Mr. Kaneshiro: Okay. I guess that's it then. Yes I will now. I think we went through all of the departments. With that, rules are still suspended, so at this time we'll take testimony from anyone in the chambers. So you're welcome to come up and give testimony. How many are here to give testimony on this? One, two? Just go ahead and for the record state your name, and you may begin with your testimony.

JAMES GERARD TRUJILLO: James Gerard Trujillo for the record. (Inaudible) Thanks for the opportunity to provide testimony in regards to a number of budget items. First off, I hope in the future we might be able to find funding for the procedures to be televised for those who can't make it. I wanted to speak specifically about the issue that came up through solid waste regarding the waste to energy, the consultation fees or the...as you try to clarify what we were going to be spending a significant amount of money on, I think it's very important that we understand what we are going to be spending our money on. Chiefly, the waste to energy issue, as a former member of the integrated solid waste management plan committee member, I was on the advisory committee that worked with R.W. Beck as a number of other community members were. That plan was drafted over a number of months, about a year and a half actually, and I do remember that when the waste to energy component came up there was quite a bit of discussion and conflict. It was not something that we

felt was unanimously supported. There was actually some hard feelings in regard to how that did make itself into the plan after much discussion, and how the options were limited for us as the solid waste advisory committee learned more about the expenses, learned more about the operations of a waste to energy facility. As we're all aware, the economic situations have changed quite a bit. The energy situation has not gotten better. The...I guess attractiveness of being able to convert municipal solid waste into an energy is one that initially seems like it be a good idea, especially when we're dealing with solid waste issues such as our island with our landfill being well over the limit and in need of an extension before we will site a new one. We know that it's not a panacea that we will still need to site a landfill, and we know that there are a number of components that are necessary before the actual siting of a waste to energy facility would even happen. I think that in the community there's a growing awareness about the liabilities of such a facility. I think that the resistance or opposition to such would be one to consider in regards to even having this on the table for discussion. And so I do appreciate that you all spent a fair amount of time clarifying what Troy and Allison guys were proposing in their budget. I do know that the materials recovery facility was also discussed as an option in this integrated solid waste management plan. The fact that it wasn't on the table for discussion when the plan was first proposed, and then through the procedures here, I think Mr. Bynum that might have been your first council budget hearing when there was discussion what were we going to do, and I do remember Diane Zachary from the Kaua'i Planning Action Alliance that she was also a SWAK member, she forcefully advocated that a MRF was one of our key components of this plan and should have been on the table, and it was omitted. That the inclusion of it was after the fact, and realizing that this is something that we need as a community as another one of the tools or strategies for us to deal with a growing landfill. And our current budget doesn't seem to have that component being part of the solid waste management plan. And Mr. Furfaro, you shake your head. Is that in agreement that it's not part of the plan, or that it is...

Mr. Furfaro: I'll answer you when your time's up.

Mr. Trujillo: Okay, thank you. That there is a need for, as this pilot project so called for recycling comes into play that we need to have all the components in place in order for us to have a viable program. To have part of it there and to think that we're going to do a viable study on how effective or its efficiency of a program, I don't think it sets ourself up for success. So I really appreciate the scrutiny that you're giving it, and I do hope that we're able to, through a variety of means, whether it's further public hearings, if it's another workshop, look at these issues and look at these budget numbers, and look at the program in total as a whole that we can then come up with a plan that's workable and serves the community. It's unfortunate, I don't know how many years have passed since R.W. Beck kind of gave it that stamp, and how many budgets have kind of come and gone, and we're still looking to approve it. I do remember testimony or feedback that Chair Asing brought up was that we've done this, we had one a long time ago, we haven't done anything with it. let's get to it. And I think that's what people are asking for. I think that recycling has its place, that we have a community that's willing to do what's necessary for us to do the right thing for our future generations. This is what we're talking about—a sustainable Kaua'i, and that's about government being able to help community work the systems that are necessary for us to all to have a quality of life that we so desire for our children and their children.

Mr. Kaneshiro: Thank you for the testimony. We have questions. Mr. Furfaro, then Mr. Bynum.

Mr. Furfaro: Thank you. First of all, your question about broadcasting, we hope to be able to fund the summary after May 6, just so you know. The reality of doing daily expressions would certainly get people an audit trail to do this, but when we do the final summary of the budget, it will provide the mayor an opportunity to speak on this budget, it would provide the comments from the councilmembers here to speak particularly on how they foresee these very difficult economic times, and so we are planning something when we get to that summary point, so there will be a

broadcast and it is something Councilwoman Kawahara is working on. And I want to say also that we work as a body. And I get very discouraged sometimes when people come up and say, it's something Diane Zachary did, it's something Mr. Bynum did, and if you've been following this over the last 6 years, I want to say, the R.W. Beck plan did not have a MRF in it in their first presentation.

Mr. Trujillo: That's right.

Mr. Furfaro: Okay? But there were people on this council, including myself and other members like Councilwoman Yukimura and Mr. Asing, we basically said they needed to go back and study that opportunity. So I want to make sure you don't perceive this is some individual effort, but this is an effort of an entire body. We've had people today talk to us about not even spending money on investing in containers for curbside pickup, because we need to educate and make sure we evaluate all of these particular pieces. And I have no problem telling people I've been a proponent of a MRF for a long time, and in fact, the last 3 council meetings we had, I pointed out, you know, I want to make sure the MRF is in this bond, which it is. And then we went into this presentation about some money we had which really deals with asset management about energy pieces, and clearly, the message needs to go across to the people in solid waste that that money is not about studying for a waste to energy piece. It is money that's put aside, as Mr. Rezentes came up and said we're going to study certain assets and certain technologies. There's technologies moving today about other alternatives for energy that are not specifically waste to management, but that money is set aside, and I'm also going to repeat this for the rest of the body, if it ends up being something that weighs should a MRF be an actual county asset or a third party, you know, it might be used for that. But if we come in with a alternative energy piece that's an investment of say \$20million, then quite frankly, it's going to depend on the value of that asset where we direct that money to do the study. If we've got an alternative piece that's \$20million, well we're going to use that money to determine is that a third party operation, and we're not going to use it to study the MRF. And that's business sense, and that's what, you know, we need to really convey in these meetings here that, you know, so often you say if government ran like a business, we wouldn't have these problems. But the reality is that's not the answer either, you know. The answer is, you know, it's not all capitalism. It's not always the social issues that are driving the decision. It's about doing the right thing for the right reason for the right people at the right time. This article right here, China is not even sure they want to be in the recycling market anymore. There's no money in it for them. They were buying steel from all over the world, and having collected the recycling gauge on that, but in today's economy, it changes quickly. And I just want to say, that's what the administration, I believe, put on the table for us. That money is used to find out if there's a third party asset to be managed. Is it done by the outside, or is it by us. And if nothing, we might use that money for the MRF, a MRF that I think members of this council as a body have been very, very focused on conveying to the administration the value in the re-use of items. So I want to make sure we're really clear that, you know, as a businessman, I was the first winner of the green star award on this island. I had housekeepers taking bottles home, and we were changing light fixtures in corridors, and automating the circulating pumps to make sure only use at peak demand, and there's all these technologies today that I think we want to find out, hey is it a third party that has the skill and the expertise to tell us where that best dollar is spent for this, and not to just say it's money for a waste to energy. It is an ongoing view, I think, on the part of the administration to say, you know, who's going to own this investment and whose dollars are going to be investing in it. That's what that money is interpreted for. And I just want to make sure we're really clear, it's not just waste to energy. It's all other possibilities.

Mr. Trujillo: And I thank you for that. I do think that as a body, as fiscal manager, that it is the responsibility, especially as elected officials, public servants, that you have that in mind for the general populace, for the community that contributes (inaudible).

Mr. Furfaro: What I have in mind is to do the best possible job I can, and function as a body of 7 people to air out the differences in the opportunities, and I want to make sure it's... You know, some of us are very, very supportive of KPAA, and I know that's one of the funding items that I'm going to ask to restored, because the \$35,000 we spend on KPAA, I mean she gathers so much data and information for this council, we could never do that in the planning department.

Mr. Trujillo: That's right, and the return of investment is significant.

Mr. Furfaro: It is outstanding.

Mr. Trujillo: That's right. You're absolutely right.

Mr. Furfaro: So I'm glad we had this moment.

Mr. Trujillo: Well thank you, and I appreciate the opportunity for clarity.

Mr. Kaneshiro: Hold on one second. Mr. Bynum you had a question?

Mr. Bynum: Yeah, I just...you know, I don't want to be redundant with what Mr. Furfaro said, but you know, when the solid waste thing came out, it gave, in my view, a lot of lip service to recycling without the meat and the components that needed to be there. And my memory is that a majority...a big majority of the council had problems with that, pushed for a revision that would make more sense and make clear our commitment to recycling and other alternatives, and you know, in fairness to R.W. Beck and the administration previous to this one, they came back with those components, identified, they even accelerated some of the composting things. I hope we can stick to that time schedule. I have misgivings about whether just as a bureaucracy that we can move at that quick a pace to implement as quick as the...and you know, that I think should be our goal to do that. And in spite of the budget difficulties we have, you know, to proceed. And the bond money information we got today, just a couple hours ago for the first time, you know, has funds in there for the, you know, for the MRF, for the composting facility at least. So that commitment's being followed up with a specific proposal, and that's good. But I...you know, I'm not convinced that waste to energy should be part of our mix, not necessarily on philosophical grounds, but on scale and economy and what I just said about being able to roll out a composting facility, a waste to energy facility, automated collection, curbside collection, those are big changes, pay as you throw, implementing trash collection fees, which I think we may need to do sooner rather than later. You know, the R.W. Beck, I haven't looked at their final draft in totality yet, but my skimming of it, it gives us information like the true cost if we roll that out for every household per month, is like \$86. That's huge, and we're going to have big challenges meeting those capital needs and doing what... But I think we have that responsibility, because the way we're doing solid waste now is absolutely wrong way, and we need to do the absolutely right way going into the future. But it's... We got huge challenges. So I was concerned today that...and I think we got to get to the bottom of this confusion about what this money's for, because you know, we were hearing different things, and sometimes the language we use is very important. It's like, you know, whether it's... anyway, I said at one point, why don't we just call it waste to energy if that's what it is, right, instead of using these nuance language right. So you know...and I also said earlier I wanted to take responsibility. You know, I've been here 2 and a half years, and I don't think I ever approved...at least knowingly approved something that was going to spend money on waste to energy prior to making that decision. So...but I also want to thank you for your involvement in the solid waste task force, and just clarify that Diane Zachary, I think there was as an individual, not representing KPAA, right?

Mr. Trujillo: Absolutely.

Mr. Bynum: That she was just one of the citizens members of that. But I concur with Mr. Furfaro that the organization provides tremendous value.

Mr. Kaneshiro: Thank you. With that, Councilmember Yukimura...former Councilmember Yukimura.

JOANN A. YUKIMURA: Well, they still call Governor Ariyoshi governor. Thank you Chair. Thank you councilmembers. I appreciate this. I know it's been a long day. I just wanted to... JoAnn Yukimura for the record. I just wanted to try to shed some light on the question of when did we vote for waste to energy expenditures, because we didn't. We never did. We never had a discussion that we would. And we voted for waste reduction, that was the line item we voted for, and in my mind and also in the mind of solid waste experts, waste reduction is recycling, composting, expansion of thrift shops, it's things that reduce the waste stream. And waste to energy is called waste conversion. And so I actually think there was a mis-use of funds on the part of the administration because the council never voted for waste to energy expenditures. We were waiting for the...we were waiting for the integrated solid waste management plan that would set forth the vision or the end in mind, and if it included waste to energy, then we'd allocate the budget accordingly. You know, the budget really tells the story, and that's what concerns me about this budget, both the operating and capital. I sent you copies of the Maui budget, and if you look at the Maui CIP, there's a MRF in there, there's a construction demolition facility in there, these are all part of their 6-year CIP, and I think they started on their solid waste plan after we did, and we have waited for 4 years and we don't have a solid waste plan, yet we have an administration that's spending money and making decisions, strategic decisions about how we're going to do our solid waste. So this is a problem, and we could use that 385,000 for...to buy land for a MRF. I mean you'd get close to that... I think Maui put in half a million dollars, you know, and if we had started on MRF planning, we could have used stimulus moneys to build a MRF. I mean plans for a MRF have already been submitted to us by Eric Lombardi who came from...and, you know, so we have... The MRF is not complicated. It's basically a big warehouse with the proper kind of equipment. So we're at a disadvantage now because we've been pussyfooting around on the planning process. And we missed the opportunity to use stimulus moneys for it. And I think the question to be asked is what useful information will the waste to energy study give us. I mean you know, what...how is it going to help us develop our solid waste planning process. So I don't know the answer to that question, but I mean... Anyway, that's the question that should be asked. And the last thing I want to say about the recycling markets, they go up and down, but they go up and... They go up with the price of oil, and we all know that the price of oil is going to go up, because it costs so much oil and money to create finished materials from raw materials. It just costs so much money to go from box site to aluminum, or from iron ore to steel, or from trees to paper, and that's what you saw. When the price of oil went up, recycled materials were really valuable, because they are cheaper; they're a cheaper alternative. And that's what's going to happen again, and we need to plan for that, or we're going to be in big trouble. We're going to... We may need the paper rather than China, one of these days, but we're not there yet. So anyway, those are my comments, and thank you very much.

Mr. Kaneshiro: Mr. Kawakami, you had something?

Mr. Kawakami: You know that waste reduction study we're talking about, I was confused about it, but I think it was clarified like 3 or 4 times that it was a asset ownership study, and it didn't just cover a waste to energy plan, but it encompassed every type of waste facility, a MRF...

Ms. Yukimura: Well, let's see the contract...

Mr. Kawakami: And if I'm wrong... Wait. If I'm wrong, then the administration should tell me that I'm misunderstanding what this money is for, and they should be clear about it. If I'm wrong.

Ms. Yukimura: Well, they've never told it to the public with any clarity on public record what they're doing with those moneys, at least to my...

Mr. Furfaro: Excuse me. I just want to say, JoAnn, you were out of the room when I clarified it.

Mr. Kaneshiro: When I came with a communication and we had some clarification on this.

Ms. Yukimura: Well, they've done it now after they contracted for it.

Mr. Kaneshiro: Well, we've had it. But we've done it. We had that discussion...

Mr. Furfaro: We are asking them to review the document.

Ms. Yukimura: Yes, and that's very good, and I'd like to see it myself.

Mr. Kaneshiro: We are asking for that document.

Ms. Yukimura: But the question is, what information will it give you that is top priority for solid waste planning and implementation. I'd like to know the answer to that.

Mr. Kawakami: From what I understand, the information is whether we should own it or not.

Ms. Yukimura: Own what?

Mr. Kawakami: The waste facilities.

Ms. Yukimura: It depends on the specific facility and the feasibility of different facilities.

Mr. Kawakami: That's what the study is for, though.

Ms. Yukimura: But you can't do it for a whole category of facilities. You have to do it on a specific facility, because some of them are going to have a much bigger return on investment. For example the MRF, it will start paying for itself within 5 to 10 years. A waste to energy facility will, in a conventional sense, will be 30 years to pay for it.

Mr. Kawakami: And my understanding is that it's not going to just encompass all of them under one package, but take them individually as they should be as you suggest.

Ms. Yukimura: Well, I hope so, but I don't believe that for...

Mr. Kawakami: And like I said, there's administration in the room, so if I'm wrong, then they should say I'm wrong.

Mr. Kaneshiro: We'll have them up right after you're done.

Ms. Yukimura: Okay. Thank you I'm done.

Mr. Furfaro: I just wanted to reassure you that the way the question was posed to the group was very similar to the points you're trying to make.

Ms. Yukimura: I did hear some of them, and I don't want to show any lack of appreciation for that. Thank you.

Mr. Furfaro: But we are pursuing an understanding of exactly what they perceive that contract to cover.

Ms. Yukimura: Yes. That's good, I wish it had been done before they spent the money. But thank you.

Mr. Kaneshiro: Mr. Gary Heu.

Mr. Heu: Good afternoon Chair and councilmembers. Gary Heu for the record. Actually, I wasn't necessarily coming up to speak to the contract, which is...

Mr. Kaneshiro: I've already requested to send over a communication for the material and whatever questions to, you know, committee members have. So we'll be sending that over to you. But in the meantime, go ahead.

Mr. Heu: I mean... You know, and I'll just... I just wanted to share what might have...some of the discussion that may ultimately have led to the request for the funding and subsequently the development of the request for proposal. And quite frankly, the initial discussion was waste to energy, because you know, I think a fundamental question goes back to, again, asset ownership. In preparation for getting off to a start based on what the plan was recommending and currently still recommends, we felt that it was necessary to do some due diligence so that we were working things not so much sequentially, but in tandem with the process. Because admittedly, and I think to the, you know, frustration to a lot of people, including the administration, this whole process, the integrated solid waste management plan update process, has taken a lot longer than anybody would have initially anticipated. I mean I don't think it's a matter of laying blame anywhere. I mean the process has just taken a long time. I mean it's gone through many iterations and updates just to get us to where we are now where we finally have a document that we put out for public review. And that document has been transmitted to council. So you know, at least as far as the previous administration was concerned, it was prudent for us to at least begin activities which would prep us to be ready to move on whatever the plan recommended. And if in fact the plan held true and recommended as a component waste to energy, then we should be prepared to move on that. Again, instead of acting in a sequential manner. And you know, with all due respect to JoAnn Yukimura, I think that she and I have seen differently on this particular issue for a number of years now, and I understand where she's coming from, and I hope that in some ways that she can understand things that I put forward. But I guess the reason why I wanted to come up and say something was because if you subscribe to her contention that if it hasn't been approved in the...you know, if something has not been approved, formally adopted via the integrated solid waste management plan, then a lot of the things that we're currently discussing, we shouldn't be working on either. We shouldn't be talking about a MRF. We shouldn't be talking about putting moneys in a bond float for a MRF, or putting moneys, you know, to set aside lands for a centralized composting facility, because those are all components of the integrated solid waste management plan that are identified in this update. And again, if we're going to subscribe to we don't move until have an adopted plan, then we shouldn't move on anything. But I think that it's prudent for decision makers, policy makers, to base on what you see and what appears to be the way something is headed, then you start making preparations for that, and that's all this has ever been. So it's not that we were

ever going to propose building a waste to energy plant or facility prior to the adoption of the plan. But I think that there's always going to be planning and some due diligence that needs to take place in preparation for what looks to be an inevitable outcome. Now maybe that's taking too much for granted, but again, we've had this discussion with council, and in my mind, settling an ownership for a facility like that is something that decision makers and policy makers need to understand before you can get to the point where you're able to make a proposal in terms of how you're going to proceed. I mean that's the key issue, is who's going to own that facility, and that's what this was an effort to do. So again, what the verbiage in the contract...request for proposal says, I couldn't tell you right now, but I can tell you that the concept was borne out of a need to have a better understanding of when the administration comes before the council to make a recommendation on how to proceed on a waste to energy facility, what was it that we were going to use as a basis to stand on to make that recommendation. And it had to be more than we feel this way about moving forward with a county owned facility or we feel this way about a...the county moving forward on a privately owned facility, and we don't... At that point in time, and I asked around, but nowhere could I find within the county a person or a set of people who had expertise to be able to do that kind of analysis for us. So I just wanted to share that.

Mr. Kaneshiro: Thank you. With that, any questions for Mr. Heu?

Mr. Bynum: Gary, I appreciate you giving a...your synopsis and a straight forward answer. The difference... You know, because I had the same thought that, you know, we...and I'm advocating that we move on MRF and put things in the budget and saying yes I'm glad it's there, you know. The difference for me is that, you know, I've said that straight upfront, you know, I want this to happen, I want it, you know, and we had that dialogue. But on this waste to energy thing that we're discussing now, it was news to me. And I said a couple times, maybe I didn't understand or I...you know, I'm willing to look at that, but you know, I... If you would have made this argument six months ago, you know, we need to do this kind of analysis, I probably would have voted for it. But I don't ever recall that that's the way that was framed. So the difference... You understand what the distinction I making?

Mr. Heu: Sure.

Mr. Bynum: It's like... But you know, when we were having this dialogue, I had the same thought you did. Well we've moving on curbside recycling, we're moving on bins, we're moving on other aspects of the solid waste plan with the assumption that we're going to head that way, but... So I just wanted to make that point. But I appreciate you being straight forward, because I do want to see the contract, and my guess is it's probably going to be related to waste to energy. So you know, we'll find that out when we cross that bridge. But I appreciate your comment.

Mr. Kaneshiro: Okay, with that. Mr. Furfaro.

Mr. Furfaro: Very simple. We're back to where I said it's an asset and ownership question. Thank you.

Mr. Kaneshiro: Got it. With that, thank you Gary. Since we don't have anymore questions, I'd like to call this budget session back to order and open up for any discussion that members would want to have. If not, I'm going to recess this... Yes, go ahead.

Mr. Bynum: Well Mr. Chair, I... Because we've completed our business, we're not going to meet on Thursday?

Mr. Kaneshiro: We're not... We still have finance.

Mr. Bynum: So we're at the end of our budget...

Mr. Kaneshiro: We still have finance.

Mr. Bynum: This round... Oh we still have finance. That's right. I'm sorry.

Mr. Kaneshiro: We're not done yet.

Mr. Bynum: Okay. So I'll reserve... I wanted to make some general sum up, but I'll save that for the end.

Mr. Kaneshiro: But we still have finance department to deal with, so we're going to recess. What I'm going to do is actually for a recess... Hold on, I'm explaining that we're going to be calling for a recess till Thursday at 1:30. I believe we had them...finance department scheduled for 1:30 on Thursday. It's already been posted also, just to let you know. So we're going to keep on that schedule. Mr. Furfaro?

Mr. Furfaro: Yes budget chair, may I ask if I can ask a few questions of the county clerk?

Mr. Kaneshiro: Oh absolutely.

Mr. Furfaro: Mr. Nakamura, can you come up for a second?

Mr. Kaneshiro: Rules are suspended. Go ahead Peter, for the record, again.

Mr. Furfaro: Thank you Peter.

Mr. Nakamura: Peter Nakamura, county clerk for the record.

Mr. Furfaro: I just going to ask Mr. Heu and Miss Yukimura if they could take their discussion outside so I can...don't get an echo. Just so that we can... Peter, can you give us a quick synopsis, the Thursday, the big questions for me are, you know, the financial ones and kind of getting an update on what may or may not happen with the TAT tax and so forth. But could you just give us a little bit of an overview on when we can expect some of the summary notes from your staff and so forth?

Mr. Nakamura: For?

Mr. Furfaro: From all these divisional meetings. I know I got caught up on one from our first day...the summary questions. Or am I just...have I just missed...

Mr. Nakamura: Oh, the questions over back to the administration for...

Mr. Furfaro: Yeah, are we going to... Are we maybe...until Friday, or...

Mr. Nakamura: I think we're up to...

Mr. Kaneshiro: We're up till today. There's copies coming out.

Mr. Furfaro: I'm sorry. I better go back and check my mailbox.

Mr. Kaneshiro: In your mailboxes there's copies that I just signed.

Mr. Furfaro: I got the first day...the second day...

Mr. Kaneshiro: But I just signed some earlier, and it's...

Mr. Nakamura: So we just finish today, and I think today generated a number of questions.

Mr. Furfaro: So we're current up until Wednesday. I'll go look for my notes from the budget chair. I have no more questions for the clerk.

Mr. Kaneshiro: With that, Lani?

Ms. Kawahara: I just did want to address one comment that was made...not for Peter.

Mr. Kaneshiro: Okay, I'm going to call this meeting back to order, and you have a comment. I'll open it up for discussion. Any further discussion?

Ms. Kawahara: Yes. I wanted to respond to the gentleman that was up here, I think Jimmy Trujillo, about having the hearings televised. I just wanted to share that Chair Asing and finance chair have been receptive to doing the...to televising the general one at 5 o'clock on May 6 as a public hearing. So they seem to be receptive to that, and we do seem to have enough money to do that. So I'm looking forward to hopefully being able to help you with the request. Thanks.

Mr. Furfaro: Thank you for pursuing that for the entire body.

Mr. Kaneshiro: Alright, with that, we're going to be in recess till Thursday at 1:30, because it's already posted for 1:30, and then we'll take finance for further budget review as the next department. With that, we're in recess.

There being no objections, the departmental budget reviews recessed at 4:50 p.m.



The departmental budget review reconvened on April 16, 2009 at 1:36 p.m., and proceeded as follows:

FINANCE DEPARTMENT:

Mr. Kaneshiro: Let the record reflect that all members are present. Anyone in the Chambers wanting to speak on this item? I see no one. With that, I will suspend the rules.

There being no objections, the rules were suspended.

Mr. Kaneshiro: I will have Mr. Rezentes present the Finance budget to the Committee today. Mr. Rezentes, for the record, just introduce yourself and then you can begin.

WALLACE REZENTES, JR., DIRECTOR OF FINANCE: Good afternoon Chair and Councilmembers. Wallace Rezentes, Jr., Director of Finance. I have with me today Belma Baris, Deputy Director of Finance, Alvin Honda as well as Dave Spanski who could possibly add to my testimony today, and answer some of the questions that you folks may have. I have provided you a 2 page summary sheet of the Finance Department's overview I guess. For fiscal year 2010, we have a 49% reduction over the current fiscal year and the reason for that is what you have heard throughout this discussion is spreading out to the various departments the OPEB cost which was once centralized in the Department of Finance, so it is a significant decrease in our budget. If netted our the OPEB cost, the Finance Department would have been... is reduced by 10.9% which was our goal... net our goal of 10%. If you look at the charts below, you will see that salary and benefits make up 51%, operations make up 49% approximately of our budget. Reductions in operations and a small reduction in the overall salaries assisted us in attaining our 10% goal for the upcoming here. Some of the highlights that I have listed, we are dollar funding 4 positions throughout the Department of Finance which will save about \$300,000 a year.

We have a transfer of a Public Works vacant position that would provide a courier mail function for the County and we hope to do this on a... roll it out on a Countywide basis as we move forward. Many of you may know that right now, we have various department staff throughout the island coming in centrally to the civic center for mail pickup, delivery, documents that need, you know, signatures on them and we hope that by adding this position, we can centralize that process. You may also know that, right now, our purchasing staff... our purchasing technicians have historically provided that function. We don't think it is too wise to have a purchasing technician double as a mail clerk when we could better utilize that person for helping the departments with the purchasing function of the County. We... not in the March submittal, but I believe the Police Department... the Police Chief in his testimony to you earlier, you know, stated that we... stated our plan of trying to move the County Telecommunications Administrator... Public Safety Telecommunications Administrator to finance IT from the Police Department. We hope to include that change in our May submittal to you. We have a... the Finance Department has an equivalent full-time... equivalent count of 80 people, 80 employees. We currently have 9 vacancies or 1% vacancy factor and that... I have been holding off on a number of these vacancies, and some of them we are planning to move ahead on filling, but, you know, we still will likely have a certain amount of a vacancy factor that will help us in the upcoming budget cycle.

You will also note in our Treasury Division and I can bring Dave Spanski up here to provide further details, but in our Treasury Division, we have... since I think... Dave, what was it, about '06 started the... April of '06 we started accepting payments via credit cards and that was a statewide roll out. That program has drastically increased in usage over the past few years. A decision was made sometime ago to have the County eat the merchant services charges versus passing it on as a convenience fee to the users. We are the only County right now that still eats that fee. Because of increase in usage, right now we actually have real property taxes and wastewater (sewer fees) as well... we just started this year with motor vehicle registration fees online. But because of the

increase in usage and I think I indicate here that about 14% of the sewer customers utilize the service and 12% of the real property taxpayers utilizes the service. This year we feel that the cost will increase above \$250,000 and it may actually hit \$300,000. So in the... right now, in our budget, our March submittal, we only included a line item of \$120,000 for that purpose and our intent is to phase out the coverage of those fees and pass it onto the consumers as a convenience fee for the use of that service as the other counties have done in the past. I think that is basically the major, you know, shifts or changes that we foresee in the Finance Departments various budgets that is before you right now and I am open to receiving questions that you folks may have.

Mr. Kaneshiro: Thank you Wally. With that, Mr. Kawakami?

Mr. Kawakami: Thank you Mr. Chair. Thank you Wally. My question is on page 1, number 3, the intent to transfer a Public Safety Telecommunications Administrator to IT. Can you give me more details on that? Is that a position that they didn't need and that is why they are transferring it or...

Mr. Rezentes, Jr.: No, we had discussions with the Police Chief and the Deputy during our budget process and they support this move. The current (inaudible) of the position has a Countywide focus on telecommunications that is beyond the Police Department. He obviously services the Civil Defense Agency, Fire, Police, and manages the 800 megahertz system that actually also benefits Public Works. Our Wastewater Division, our Roads crew, etc. We felt that shifting that position back into IT would provide a better Countywide focus for that position as we move forward and IT has, obviously, a lot of dealings with this position in, you know, in their support of the 800 megahertz system and other duties that he has. So I think it is... we think it is a better fit. To give some history of this position, it actually started in Public Works, right Alvin? It started in Public Works, it was shifted for, I forget... maybe Ricky can tell you. For some reasons (inaudible), but we feel ultimately the right fit for this particular function would be in the IT Division.

Mr. Kawakami: This is a filled position?

Mr. Rezentes, Jr.: Yes, it is.

Mr. Kawakami: So the whole body is moving...

Mr. Rezentes, Jr.: The body and the function, yes.

Mr. Kawakami: Thank you.

Mr. Kaneshiro: Any other questions?

Mr. Furfaro: I was in meetings all day. I am not quite ready with some other questions, but I want to go back to Mr. Kawakami. So that position is in IT and are you going to allocate any of the cost?

Mr. Rezentes, Jr.: The position will move to IT.

Mr. Furfaro: And are you going to allocate out any of the cost?

Mr. Rezentes, Jr.: We don't intend to and it is all... the departments that they service, predominately, the General Fund supported the departments.

Mr. Furfaro: And I guess I think we need to start changing attitudes about not where the money comes from, but who is accountable for those individuals. Their performance and output, you know. So when you have someone who services several departments, but the guy

that is overseeing him is, you know, not ultimately responsible for his work distribution. I have seen this system both central and department specific and I think it is always harder when you have somebody doing work... multiple hats.

Mr. Rezentes, Jr.: Serving multiple agencies.

Mr. Furfaro: We are trying to say to these agencies, hey, you know, you have to be responsible for your department. If somebody knows that he has 15% of this guys time in Public Works, make sure you get 15% of the productivity, and yet I see your point. It comes out of the General Fund, you know, that is where the cost is, but we are trying to get these guys all to understand that we have very few profit centers in the County. I mean Liquor Commission might be one, but all of those funds as we set up as Enterprise Funds are supposed to be profit centers or at least breakeven. That is not necessarily the interpretation from an accounting standpoint you know, but you are not going to plan that kind of allocation?

Mr. Rezentes, Jr.: You know, if there is opportunities to allocate funds to special funds that are self-supporting, we definitely could look at that. We should look at that. You are right. I agree that we should look at... if we can prorate some of the cost to departments that can help support that function, we could try to analyze and do some pro-ration.

Mr. Furfaro: It is just that, you know, we are cultivating this seed about departments being more accountable. You know, everything from their benefit packages, you know, being put in their departments and so forth. I think it is worth watching because that is really the message. During these tight economic times, everybody has to be responsible for their cost centers.

Mr. Kaneshiro: Tim, go ahead.

Mr. Bynum: A couple of questions relating to IT. Are there vacant positions in IT right now?

Mr. Rezentes, Jr.: Yes, there are.

Mr. Kaneshiro: Give us the page number Tim?

Mr. Bynum: Page 33.

Mr. Kaneshiro: Okay, it makes it easier for everyone.

Mr. Bynum: Do you know off hand how many or which positions?

Mr. Rezentes, Jr.: We have a Senior GIS Analyst and Information Technology Specialist IV and an Informational Technologist Specialist II.

Mr. Bynum: What position was Lynette?

Mr. Rezentes, Jr.: Is it...

Mr. Kaneshiro: The position number.

Mr. Rezentes, Jr.: I believe it is 244, but let me confirm.

Mr. Bynum: Because she was like the Supervisor, right?

Mr. Rezentes, Jr.: Right.

Mr. Bynum: And is that position... and is somebody supervising now?

Mr. Rezendes, Jr.: Eric.

Mr. Bynum: Eric?

Mr. Rezendes, Jr.: The IT Administrator.

Mr. Bynum: I know, but we tragically loss Lynette last year, right?

Mr. Rezendes, Jr.: We hired someone else and then that person is no longer in that position, so now it is vacant.

Mr. Bynum: It is vacant.

Mr. Rezendes, Jr.: Yes.

Mr. Bynum: And we are not moving somebody into it?

Mr. Rezendes, Jr.: Not at this time. It is one of the positions that we may consider trying to hold off on funding, but right now it is funded though. Right now it is funded in the budget.

Mr. Bynum: It is not a frozen position?

Mr. Rezendes, Jr.: No, no.

Mr. Bynum: I just wondered if you were going to do an internal because it is like a senior position.

Mr. Rezendes, Jr.: And to be honest, I am not sure that there is anybody even internally, but anyway.

Mr. Bynum: Under peripherals, there is a significant reduction and I assume that is kind of deferred rotation...

Mr. Rezendes, Jr.; And you will see actually when we start discussing the bond issuance, there is a couple of new significant projects that IT will be working with the bond... the proposed bond moneys that will be coming in, so there will be... some of their staff on the development side will be pretty busy going forward.

Mr. Bynum: Pretty what?

Mr. Rezendes, Jr.: Pretty busy going forward, you know, if we are able to get those funds via the bond float.

Mr. Bynum: But this thing that went from 657, is that just kind of our routine replacement of computers?

Mr. Rezendes, Jr.: Yes.

Mr. Bynum: So we are just kind of sliding that back as a cost savings.

Mr. Rezentes, Jr.: Yes.

Mr. Bynum: In terms of the IT projects that were underway, we are not delaying those like laser fiche and...

Mr. Rezentes, Jr.: No.

Mr. Bynum: Digital documentation kind of stuff?

Mr. Rezentes, Jr.: No. The document imaging, no, we are not. I believe the Council is the first wave... is on the first wave of the...

Mr. Bynum: I keep waiting to see them... but we can talk about that some other time, but those projects are not being delayed by budget constraints.

Mr. Rezentes, Jr.: No.

Mr. Bynum: That is the answer that I wanted to hear.

Mr. Kaneshiro: Did you have a question Lani?

Ms. Kawahara: Yea, I am going through the pages though. Are we going in order?

Mr. Kaneshiro: What are you, back to page 1 then?

Ms. Kawahara: Back to page twenty...

Mr. Kawakami: I have a question on IT Mr. Chair if we could stick to that subject.

Mr. Kaneshiro: Since we are on IT right now...

Mr. Kawakami: Fellow Councilmembers, I am going to go off of this that was created by staff, so you can refer to page 7, and just under other services, I am looking at a zero out of other services under IT. What are the other services? The decrease of \$242,000?

Mr. Rezentes, Jr.: Alvin, do you know what that is?

Mr. Kawakami: And this would be on page 34 on the budget.

Mr. Rezentes, Jr.: We can get back to you on that.

Mr. Kawakami: No problem. Thank you.

Mr. Kaneshiro: Can we follow up with a communication on that on other services for \$242,000? They took it out of there and they must have put it somewhere else. Hold on for a second, we might get that cleared now.

Mr. Rezentes, Jr.: Oh, I am sorry. What that is, it is the streaming media. That is what we pay our Hō'ike contract out of. If you recall, we are switching that over to Boards and Commissions.

Mr. Kaneshiro: Okay.

Mr. Kawakami: Okay.

Mr. Rezentes, Jr.: It is a transfer of the management of that program to Boards and Commissions.

Mr. Kawakami: Thank you Wally.

Mr. Kaneshiro: Okay, thanks for that. We don't need to send a communication staff. Does that answer your question Mr. Kawakami?

Mr. Kawakami: Thank you.

Mr. Kaneshiro: Any other questions by Committee members? Lani, go ahead.

Ms. Kawahara: Thank you. On page 27, cost allocation management study and (inaudible) and I am curious to what that was... consultant services.

Mr. Rezentes, Jr.: The County from time to time, goes and attains services to cost allocate or to provide GASB which is a government accounting standard boards training. We also... out of their... pay for... what is that program Alvin? The one that Myles does. The central services allocation cost and what that is, is annually we have a consultant that provides a document that allows us to allocate cost to cost centers and recoup moneys from Federal and/or State grants. But because of the grant requirements, we need to have a third party do the cost allocation study that is approved... that is, you know, approved by the Federal government and the State. So that is usually, you know, done annually through Finance/Accounting.

Ms. Kawahara: The (inaudible) the item that you were talking about for the credit card fees, could you show that to me please?

Mr. Rezentes, Jr.: Yes, what page is that on Dave? Let me get there. It is on... actually it starts on 43 and ends on 44. On 44, it is described as credit card fee for \$120,000 in the text.

Ms. Kawahara: Okay. In previous... I think it is great that we are doing the credit card services and I do agree that we should definitely be charging it as a convenience fee, but you are scaling it down from... which it could have been \$300,000 this fiscal.

Mr. Rezentes, Jr.: We could have. We are hoping that the \$120,000 will take us approximately mid fiscal year. It may not. It may take us maybe 5 months depending on how much the usage increases, but...

Ms. Kawahara: But the end of the \$120,000 period, then we will be totally...

Mr. Rezentes, Jr.: That is our intention to make sure... we are made whole with whatever the cost are.

Mr. Bynum: Can I ask a question about that? We get savings when people use credit cards online, that saves us money, right? It increases productivity?

Mr. Furfaro: When they use credit cards, the service fee that we incur...

Mr. Bynum: I understand that.

Mr. Furfaro: Yea, I was going to answer the rest of your question, but since you understand, there is a schedule that you should be asking about. You have to ask them what the schedule is based on the volume.

Mr. Kaneshiro: Go ahead and ask your question Mr. Bynum.

Mr. Bynum: The question is, I know there is cost involved in processing credit cards and that is what we are talking about, but when people use credit cards, they are not coming to the counter right? We cost savings as a result of that?

DAVID SPANSKI, TREASURER: Okay, as far as... it is a convenience to the customer. They don't have to drive in, okay. Yes, the face to face is some kind of saving. They come and they talk and how about this, how about that... now they just come and go to their computer and do that, but our process is still the same. We still have to count, we still need to allocate it to the right guy, and so on and so forth. So the operations portion has not changed much. It has been a convenience to the customer. They don't have to get in their car. Yes, they will be... I can see where you are going with this, face to face thing. There is some time with that, but it still, you know, it is minimal as far as the staff's time.

Mr. Rezentes, Jr.: I think it lessens some of the lines that is there from time to time. You know, we have 12% to 14% of the traffic now not coming through, but...

Mr. Bynum: That is kind of similar to ATM. When I go to the ATM, it is a lot cheaper for the bank than if I am using an employee's time? I just wondered if you have looked into that. You know, if 90% of the people get there... someday...their licenses renewed online, you know, is that going to keep us from hiring new staff. According to Dave, it takes as much staff time to process the online request as it does the...

Mr. Spanski: Right, because what happens is, okay, you go and... the fee to the provider is \$2.50 per transaction and if you pay with a credit card, it is an additional 2.2%. So say, for example, for sewer, you have a \$100 bill, okay, you pay with a credit card, so it is \$2.50, plus \$2.20. Okay, you have a hundred dollar bill and the County gets approximately \$95 even though the bill was \$100, we are netting \$95 because we are paying the provider his \$2.50, plus he has to pay his merchants the 2.2%. Okay, now if you take it further and you have a \$1,000 bill on real property, it will be \$2.50 and now the merchant fee is \$20.20. So now you are only netting \$975 from a \$1,000 bill.

Mr. Bynum: Who is our merchant provider?

Mr. Spanski: It is HIC consortium. It is a State... the State picked them up in 2003, okay, to start putting their stuff on the Internet. So we interviewed... the County at that time, we interviewed all the local banks. We had them come in and make a presentation and official payments which is IRS's payment engine and Hartland Securities which is another payment engine used. So at the lowest cost... putting those things together, this HIC was the lowest cost. They kept their cost the same since fiscal year 2007.

Mr. Bynum: So that is a competitive thing. People process credit cards for a fee and some will charge more than others.

Mr. Spanski: We had all the local banks come in, make a presentation, we had official payments come in, and...

Mr. Bynum: What I really wanted to get it... how does that impact our labor? I am coming from the assumption that we saved labor cost, we might not need to hire new people because it is quicker to process this online, but maybe I am wrong about that.

Mr. Spanski: Well, there is still a back office. We still have to account it to the right person. Make sure it is up there. A lot of things are simpler with the real property, it is a lot simpler because they can give us a file. Who paid them... we can upload it in the system and it populates it. With the sewer, we have it all in-house, so we are not that sophisticated there yet, so we still have to... they will get it, we will pay it, they will give us a list of people and their account number, we have to give it IT, and they forward it into the HTE system.

Mr. Bynum: And I don't want to belabor this, but, you know, are we looking at those kinds of systems because I renewed my license the other day and they are still using the typewriter. Anytime you see typewriters and they are filling out forms on the typewriter, it makes me question about whether there is a more efficient process.

Mr. Spanski: Right now, that is all that we have. (Inaudible) until something change, you had to update your card, they might have changed it. I am going to still use the same old card... there is this real ID coming into play, so next time you come in and renew your license, you are going to have to bring your birth certificate, your social security card, your marriage license... if you want to change your name or if you changed your name, you have to bring in that documentation, so that can be processed into a nationwide network.

Mr. Bynum: Homeland Security, right?

Mr. Spanski: Right, so they are trying... being delayed, we don't know what is going to happen with that and our cost still incurs some of that stuff, and now we are talking about scanners at each person's desk to update that... and then access to a nationwide system where all 50 States driver's licenses are in there, so that is the little convoluted stuff. We haven't got to that point yet.

Mr. Bynum: Thank you.

Mr. Furfaro: To follow up on the question. So the bid we have, there are no discounts on merchant fees based on how much volume you do?

Mr. Spanski: That is correct. Here is what it is to you County of Kaua'i.

Mr. Furfaro: Whether you do \$100,000 or \$10 million, it is...

Mr. Spanski: It is a flat fee.

Mr. Furfaro: Unbelievable.

Mr. Rezentes, Jr.: But I think when they went into it with the other counties, wasn't it done that way?

Mr. Spanski: The other counties... okay, the only counties that... motor vehicle registration, County of Maui uses that. Real property tax, they are going to try and use HIC, the same vendor. Big Island uses the same vendor for real property tax and City & County is going to try and use them for their real property tax.

Mr. Bynum: Presumably, you look at that periodically.

Mr. Spanski: That is correct.

Mr. Bynum: It is still costing pretty high, but I think...

Mr. Furfaro: Where they are encouraging the use of this and vendor we selected, every time we market more volume, they get richer.

Mr. Spanski: That is correct.

Mr. Rezentes, Jr.: But they did estimate at the time a certain... obviously, when you stated, it was at zero and they estimated a...

Mr. Furfaro: We would figure that, but there are no tiered breaks.

Mr. Spanski: We started out... when we first started out in '07, we were 8%, '08 we went to 10%, presently now at '09, we are probably at 12 to 13%, and we are probably forecasting 14% for the next year. Now, when we take that away from us paying, you probably going to see that go down because the Big Island paid on their first half and they just introduced on their second half in February. They had a 2% usage rate, but we are at 12% to 13%.

Mr. Furfaro: Another follow up question. When was the last time we... because of all the necessities coming up and the need for new equipment, when was the last time we actually increased fees to get your drivers licenses?

Mr. Spanski: 1987 I believe.

Mr. Furfaro: So it has been 22 years. Is the Treasury going to be making any recommendations? Not now, but as we get to the point that we are going to have all these new expectations put on us which may put more demands on staff, will we at least get to a point where maybe the cost of a driver's license is at least equal to the cost for us to recover?

Mr. Rezentes, Jr.: We will definitely look at that and we have proposed... I think more than once to Council and the Councils have shut it down in the past, but now we have different circumstances, and we will... that could be definitely part of the mix. We are far behind the other counties in that respect. I think some of the other counties have up fees 2 or 3 times since we have touched ours.

Mr. Furfaro: Dave, when is the Federal government expecting us to do all these new applications on the licenses that you explained to us?

Mr. Spanski: December of 2010, but this stuff keeps getting pushed back because a lot of the States have said that they are not going to do it and so far our State is one of them.

Ms. Kawahara: Okay.

Mr. Rezentes, Jr.: The unfunded mandate.

Ms. Kawahara: Yea, okay.

Mr. Rezentes, Jr.: Or the partially funded mandate.

Mr. Furfaro: I just want to say that it is worth and maybe this can come back in your Committee later, but it is worth looking at on these mandates how we recover our cost. We can look at and we have time it seems, 2010 you said Dave?

Mr. Spanski: Yes Sir.

Mr. Bynum: One other question. I didn't really even go there, but when is the contract renewed for the merchant processing rate?

Mr. Spanski: It is a statewide contract now. Okay, so what we have done is, the State gave us the opportunity to go ahead and use that.

Mr. Bynum: To be part of that.

Mr. Spanski: To be part of that, so it is basically, we have left it in the State's ballpark if you will unless we see that the, you know, the rates get absorbent, but, you know, from my background, from my investigation and stuff, there are still the lowest game in town. Overall cost, you know.

Mr. Bynum: The reason it is interesting because I shut down my small business this year and I process \$34,000 in a whole year and I think the rates are similar to what you are quoting.

Mr. Spanski: Right.

Mr. Bynum: So I assume our volume is much greater than...

Mr. Spanski: Right, but, again, they are dealing with VISA, Mastercard, American Express, Discover, Diner's Club, you know, so that is a conglomeration... that is the weighted average of all those guys.

Mr. Bynum: Okay, we will talk about this in the future some time.

Mr. Kawakami: Mr. Chair, my apologies, this is more of a comment then a question, so I will defer it until you call the meeting back to order for discussion.

Mr. Kaneshiro: Any other questions for the Finance Department? Lani, you had a question?

Ms. Kawahara: And I am now on page 34, IT.

Mr. Kawakami: Eh, you stay go Japanese style, backwards.

Mr. Kaneshiro: It is like a line dance. They do a line dance. They do 2 steps forward, 3 steps back.

Ms. Kawahara; Because I am interested in IT.

Mr. Kaneshiro: Continue cowgirl.

Ms. Kawahara: Because I am interested in the IT stuff. I was curious about the GIS line here for \$50,000, and then the broadband, the wireless broadband part and where we have wireless broadband.

Mr. Rezentes, Jr.: Can you put that question in writing?

Ms. Kawahara: Okay. Then how about the IT consultant for \$60,000, convert data, is that the digitizing?

Mr. Rezentes, Jr.: Yes. It is converting data to objects data migration. I apologize, I can't answer... if you put it in writing, I will definitely have a one page...

Mr. Kaneshiro: We will get that to you Wally.

Ms. Kawahara: Is the real ID training with the unfunded mandate, is that going... it might not happen, yea?

Mr. Rezentes, Jr.: It may not.

Ms. Kawahara: Yea.

Mr. Rezentes, Jr.: Or it may be pushed out further as Dave said.

Ms. Kawahara: I am going in order now.

Mr. Kaneshiro: Okay, we going forward now.

Ms. Kawahara: Yes. Oh, maybe not. Getting back to the driver's license and typing the stuff out, is any of the counties actually computerized?

Mr. Spanski: No.

Mr. Rezentes, Jr.: It is all on the same system.

Ms. Kawahara: All on the same system and the County & City of Honolulu that we pay \$70,000 for... to use their driver's license computer, that is something...

Mr. Rezentes, Jr.: The City manages the system.

Mr. Spanski: Both motor vehicles and driver's license data systems are runned and operated by the City & County of Honolulu. So we pay them... you know, they have the IT professionals that are there 24-hours a day, they fix the machines, and they do the program. So say, for example, if we raise our driver's license fees or motor registration fees, somebody has to go in there and update the computer.

Ms. Kawahara: Is it remote or they physically visit here?

Mr. Spanski: No, no, no. It is all there in Honolulu. It is housed in the City & County of Honolulu. It is housed there.

Ms. Kawahara: And I would imagine...

Mr. Rezentes, Jr.: And they do that for all the counties.

Ms. Kawahara: Computerizing the whole State would be crazy expensive, huh?

Mr. Spanski: Right.

Mr. Furfaro: Can I expand on your question?

Ms. Kawahara: Yes.

Mr. Furfaro: So Dave, is that charge \$70,000 just to be part of it, the base, and then...

Mr. Spanski: No, it is by hit.

Mr. Furfaro: So we pay additional when we want to change a program? We pay time and materials?

Mr. Spanski: If it is specific to us. If it is general to everybody, you know, our City & County feels good about it, they will do that. You see, City & County has a County registration fee for the motor vehicles if you will. They charge \$20 in addition to all the other fees, so that is how they house... pay some of those people. So if it is a County... you know, if it is something that they have already done like for themselves, you know, it is not a big deal, so they... usually everything is a statewide, so they just do it.

Mr. Furfaro: But if it is something unique to us, you should anticipate budgeting a fee to do that.

Mr. Spanski: Yes, and we will get that data if we ever have that, but in my tenure here, we would never have that.

Mr. Furfaro: Well, we have not made many changes 198...

Mr. Spanski: Well, that is correct, but everybody else has raised their driver's license fees.

Mr. Furfaro: That is the whole point. We are sitting here 22 years...

Mr. Spanski: And if we are going to do that, they will probably need, you know... I just got an e-mail from the Department of Information Technology from them. They said to remind out Councilmembers that if we do change the fees, they will need a couple of months lead time to update the system. You know, so if you want to approve it effective July 1, we have to let them know now, so it would be effective.

Ms. Kawahara: So like \$5,000 maybe for the charges to do it?

Mr. Spanski: Oh no. That would be a free one.

Mr. Furfaro: Because that is something that... can we ask what Honolulu's licenses are?

Mr. Spanski: Okay, you guys ready for this one?

Ms. Kawahara: Yes.

Mr. Spanski: The license plate is going to 8 years now. Okay, so prior to... it used to be 6, we are at 12... okay, we will talk about a 6 year license first. We are 12, City & County and Big Island are at 18, and Maui is at 30. Okay, we are going to go to an 8 year...

Mr. Furfaro: And we are where?

Mr. Spanski: 12. Now we are going to a (inaudible) which effective...

Mr. Rezentes, Jr.: That is not time, that is dollars.

Mr. Spanski: Every time there was an update, so it really was a 4 year license and the Legislature changed it to 6. Everybody upped their fees but us. Okay, now they are going to 8... now proposed for City & County is \$24. Proposed for Big Island and Maui is \$40. That is what those guys were posing to their Council.

Mr. Bynum: And we are still at \$12.

Mr. Spanski: We are still at \$12 at the present time.

Mr. Kaneshiro: You get senior discount.

Mr. Spanski: As a side note, you will see a lot of people that maybe come from the outer islands and maybe they are visiting relatives or are here for a meeting, they will come and update their license here.

Ms. Kawahara: Please don't say that.

Mr. Spanski: When they come to visit, they will come and update their license here. It is a Hawai'i driver's license.

Mr. Kaneshiro: Okay.

Mr. Chang: Hold on. Run that by me again. I am a visitor...

Mr. Furfaro: It is a marketing tool.

Mr. Spanski: If you live in the State of Hawaii and you have a Hawai'i driver's license and your license is coming due...

Mr. Kaneshiro: So you are at the cheaper place now, so stay here.

Ms. Kawahara: But if people from Maui want to come...

Mr. Furfaro: They save \$28 by coming here.

Mr. Kaneshiro: They will lose with the plane fare anyway.

Mr. Rezentes, Jr.: Only if they are visiting relatives.

Mr. Kaneshiro: Any other questions?

Mr. Bynum: At \$12, our cost to process higher than \$12?

Mr. Furfaro: Oh, yes.

Mr. Spanski: For every dollar that we take in, we spend \$4.

Ms. Kawahara: It says here, \$60,000 for the...

Mr. Spanski: That is the data processing fee that City & County charges us.

Mr. Bynum: Was I on the Council when we said "no" to a fee increase?

Mr. Kaneshiro: No.

Ms. Kawahara: Materials \$60,000 cost of license and permit over the (inaudible).

Mr. Spanski: Right, again, that is all for the plastic and the machine and everything. So to process a license, just to get your laminated picture and everything is \$2.45.

Ms. Kawahara: I have a question and it is related to something that has come up 3 different times in conversations and I am not sure if it is addressed here, but the tickets that people pay for speeding and all of the violations...

Mr. Furfaro: The money all goes to the State.

Ms. Kawahara: So there is nothing in here?

Mr. Kaneshiro: No.

Ms. Kawahara: And does it come back to us?

Mr. Furfaro: No, so that is what we lobby for. We want to bring that.

Mr. Bynum: Every year, that is an HSAC proposal for like 20 years.

Ms. Kawahara: Okay. We are going to talk about bond yea later?

Mr. Rezentes, Jr.: We can tell the police to only give warnings and the State would be upset.

Ms. Kawahara: I know. The rest of my questions are actually going to be about bonds.

Mr. Kaneshiro: Hold on one second.

Ms. Kawahara: I did have another question while we are waiting. Can you tell us what your 9 vacancies are in which departments?

Mr. Rezentes, Jr.: I have 2 Tax Clerks in real property. Drivers License Examiner and Inspector in Driver's Licensing.

Ms. Kawahara: If you can send that back and how long have those been vacant and should we expect any impacts from them being empty?

Mr. Rezentes, Jr.: I mean there are always impacts. I mean it is a matter on how you can manage them with the existing staff. I mean, obviously, there is going to be some give by not having all of the individuals there. You know, one of my main priorities right now is trying to fill one of the 2 Tax Clerks that is in real property, and we are hoping to fill one of them soon because we are down 2 there out of a contingent of what...full-time equivalent, there are 4 with Belma, so we are down 50% in that area.

Ms. Kawahara: So that is your priority?

Mr. Rezentes, Jr.: Yes.

Ms. Kawahara: Thank you.

Mr. Kaneshiro: Go ahead Derek.

Mr. Kawakami: Real fast again. I am trying to take notes on this, but how many credit card transactions did we have so far? Number of transactions? Is there like a one number you can give me for 2008? Just a total.

Mr. Spanski: For 2008, credit card transactions, real property... out 54,000 bills mailed, there is 5,600 people used the real property system for 2008. Okay, for sewer, out of approximately 25,000 bills mailed, 2,800 people used the system or 11.46%. So essentially when we started the program in '07, fiscal year '07, the use rate was about 8% and it has gradually increased 2% per year. So I would anticipate for fiscal year 2010, it would be about 14% across the board, and that would approximate with motor vehicles coming on board, we should anticipate over \$300,000.

Mr. Chang: So on the bill, at the bottom, it says, Mastercard, VISA, Discovery, American Express...

Mr. Spanski: It just says you can pay online.

Mr. Chang: Okay.

Mr. Spanski: And then you can go to the County's website, okay, and it gives you those choices there. You just dump in your credit card number. It takes it all.

Mr. Furfaro: So Dave, that number is about 7,800 transactions a year?

Mr. Spanski: Yes. So, for example, you know, that was real property, that was about \$8.6 million collected and about \$312,000 for sewer.

Mr. Rezentes, Jr.: So we are about...

Chair Asing: (Inaudible).

Mr. Kaneshiro: You can pass that over to us Dave. We appreciate it Dave.

Chair Asing: (Inaudible).

Mr. Spanski: I can tell you what the total loss is.

Chair Asing: It is really the key.

Mr. Spanski: Right. It is the fees...

Chair Asing: It is good, but it is not as important as the total loss now.

Mr. Spanski: Okay, say for example, in fiscal year '07, total fees we spent out was \$131,000. Okay, total fees in fiscal year '08, \$214,000... well, \$201,000 and through March of this year, we have spent \$234,700.

Ms. Kawahara: And you are expecting it to be \$300,000?

Mr. Spanski: About \$316,000, \$317,000 with motor vehicles coming online.

Mr. Rezentes, Jr.: So we are spending about \$5,000 a week in fees.

Mr. Kawakami: But there is going to be a mechanism to recover some of that?

Mr. Rezentes, Jr.: We have a toast of things that we are discussing internally that could be implemented next fiscal year and I think we are developing as Dave has, you know, the backup support documentation for those things, but there are a number of areas that we definitely can look into and are looking into to potentially enhance revenues.

Mr. Chang: So if you lose or you misplace your license, you go and you fill out your paper, you do your eyes and everything else, and they give you the license in 10 minutes, that doesn't cost us anything? Us, meaning the person that lost or misplaced the license?

Mr. Spanski: No, you have to pay for it if you lost your license. It would be a \$5 charge.

Mr. Chang: Oh, they do charge you?

Mr. Spanski: Yea.

Mr. Bynum: Such a deal, \$5.

Mr. Spanski: Think of it this way Mr. Chang. When they give you back that card that cost \$2.45 just to get that laminated right there.

Mr. Chang: So we make \$2.55?

Mr. Spanski: No, you have to pay for the labor.

Mr. Furfaro: Manpower.

Mr. Spanski: Manpower, lights, water...

Mr. Kaneshiro: Okay, any other questions for Finance?

Ms. Kawahara: One more. I might had learned from Councilmember Furfaro. The Risk Management Coordinator...

Mr. Chang: What page?

Ms. Kawahara: Page 55. We have a coordinator and not an officer and we have a dollar amount here.

Mr. Bynum: You dollar funded your Risk Management guy?

Ms. Kawahara: Is that dangerous not to have a Risk Management Officer? Is there possibilities of major loss?

Mr. Rezentes, Jr.: There is always possibilities of major loss and we are really happy that the County Attorney's Office is taking a more active role in helping the departments lessen risks along these lines. And ever since Al took over and hopefully once he gets, you know, fully staffed and in the process of assigning individual attorneys to the various departments, we are going to... you know, that is all... part of their function is risk management as well. You know, it will definitely help each of the departments in the risk management area. But, yes, it is...

Ms. Kawahara: Aren't you bound to have one as a County?

Mr. Furfaro: We don't have one Lani and there is a PowerPoint presentation that I made last year, and I will be glad to share it. It went over to Mr. Rezentes, and it seemed like the emphasis for the immediate control would be in Police Science, and that is why we had budgeted... positioned it and that is the position that moved to Al's office.

Mr. Rezentes, Jr.: And it is great because Al just informed us of something that his deputies are working on with the Police Department that is going to save us some potential exposure and moneys because of their active involvement with the Police on a couple of personnel issues that have just popped up. So, I mean, we are already seeing some of the dividends of the active nature of the County Attorney's Office.

Ms. Kawahara: The Risk Management Coordinator that you are currently salaried, paying?

Mr. Rezentes, Jr.: Yes.

Ms. Kawahara: Without a Risk Management Officer, what exactly will that person do?

Mr. Rezentes, Jr.: Basically the same thing he does today.

Ms. Kawahara: Is he temporary assignment at another level?

Mr. Rezentes, Jr.: No, he is not.

Mr. Furfaro: He actually works with our insurance carrier. He (inaudible)... kind of documentation and administrative part of it. It doesn't do the next step which we intended that really is focused on the investigation, interviewing the Department Heads...we have somebody who is kind of a more administrative flow through person. When it is time to make a settlement based on recommendations from our insurance company, he usually comes to the Council.

Ms. Kawahara: And we use the County Attorney.

Mr. Furfaro: We use the County Attorney and our insurance guy to make the recommendation.

Mr. Rezentes, Jr.: Our third party administrator.

Mr. Kaneshiro: Tim, you had a question?

Mr. Bynum: So remind me Wally that... The position that you lobbied for was this EM-5 one.

Mr. Rezentes, Jr.: Right. I still want it.

Mr. Bynum: Of course you do. We had the other one, right?

Mr. Furfaro: Yes.

Mr. Bynum: Because I worked for the County of Riverside and I managed 40 people and I got audited by my department to make sure that everybody had their risk management safety training and I know that that process was so much more sophisticated than anything I have ever seen in our County save the County huge sums of money. That is still our plan. We are going to get more sophisticated at risk management and it is just one of the sacrifices of this economic times.

Mr. Rezentes, Jr.: We hope to be fully staffed one day, absolutely.

Mr. Bynum: Wally went out on a limb and pushed for the...

Mr. Rezentes, Jr.: I did.

Mr. Bynum: And we supported him and so when we can get back to that, that will be a good thing Wally. I want to acknowledge that you took the initiative on that.

Mr. Rezentes, Jr.: Thanks. We will get there.

Ms. Kawahara: Thank you.

Mr. Kaneshiro: Any other questions for Finance? Okay, thank you very much Wally. At this time, I will call the meeting back to order.

The meeting was called back to order, and proceeded as follows:

Mr. Kaneshiro: Any discussion? Mr. Kawakami?

Mr. Kawakami: You know, in light of like the credit card transactions and I am trying to look past the loss that we are having with the merchant fees. I mean I think when we are all campaigning, we talk about things like reducing traffic and getting cars off the road and then we start focusing on increasing our buses and bikepaths which are all wonderful things, but I think at the essence of this, this credit card option does exactly that. It takes cars off the road and in 2008, it took 8,400 off the road and it is going to increase. So at the same time, we have to look at recovering some of those fees and on the flip side, I mean, when you look out into private sector realm, we don't pass on the credit card fee to the customer. It is a convenience and there are some businesses that choose to not use credit cards and they lose the convenience and they may lose customers, but here in government, we have a monopoly. So there is no choice. It is not like somebody can say that I am going to be part of County of Maui then because they have a better system. It is offering a convenience to our taxpayers, so I really see a value and I think we really should look at what kind of ways we are going to try and recover some of those fees because just to see 8,400 cars being taken off the road in 2008 at the beginning of the program is kind of promising. When we start talking about 14% of real property taxpayers using our online services, to me, it is worth the investment, but we just have to do tweak it a little bit, and see where we can stop some of that loss. So with that, thank you Mr. Chair.

Mr. Kaneshiro: Thank you. Any further discussion?

Mr. Bynum: I just want to follow up on what Councilmember Kawakami is saying and that was the source of my question about whether we had cost savings... the banks charge us fees to use the ATM's and it saves us money anyway and it is a source of revenue. And,

you know, for all the reasons that Derek said, I have some discomfort with the idea of charging those fees because it serves so many roles. I also want to acknowledge that the Administration is moving forward of kiosk in our neighborhood centers, so people can access that very system, right? So that was the source of my questions earlier was I am... I am glad that we are the only ones not charging fees and I am going to be sad if we start charging fees because I think it does meet a lot of our stated goals.

Mr. Kaneshiro: The other part is that it could be an administrative call, so just to let you know where the Council has no say.

Mr. Bynum: Right.

Mr. Kaneshiro: So just to let you know that the Administration needs to recover and we can comment all we want, but it is still an administrative function. Go ahead Lani?

Ms. Kawahara: I just wanted to say that I believe people will pay it for the convenience of being able to do it. I know that I pay for convenience being as busy as we get, so, you know, it is probably 2 extremes, but I believe that the services that we provide are services that are to be valued and to show a value, sometimes you have to show that there is a cost to doing a service and I think a convenience is a cost.

Mr. Kaneshiro: Anything else before I close this Finance Department...

Mr. Furfaro: About revenue in the Treasury report. It is in my e-mail yesterday.

Mr. Kaneshiro: I don't it has anything to do with this budget right now.

Mr. Furfaro: It has everything to do with those 2 gentlemen right there.

Mr. Kaneshiro: But not with the budget that is currently...

Mr. Furfaro: It absolutely does.

Mr. Kaneshiro: I don't think so. At this point, I don't...

Mr. Furfaro: I disagree with you.

Mr. Kaneshiro: That is fine, but I think that as the Chairman of this Committee, I saw the questions that you particularly asked. One was the bond for Black Pot replacing and that is not particularly on Finance Department here before us. We are discussing Finance Department budget and I want to make that clear.

Mr. Furfaro: I have already explained to you Sir, I disagree with those comments.

Mr. Kaneshiro: That is fine. You can disagree... I don't care if we got 10 gentlemen in front of us, but currently I am saying...

Mr. Furfaro: (Inaudible) if you want to cut me off, but I am disagreeing on your position.

Mr. Kaneshiro: His budget has nothing to do with the bond float at this point. We are talking strictly Finance budget. Remember that.

Mr. Furfaro: Sir, if you move a half a million dollars out of the budget into the bond, it provides the money...

Mr. Kaneshiro: Do we see it here in his budget?

Mr. Furfaro: If we are proposing a forecast...

Mr. Kaneshiro: I am telling you right now that I will not allow that to continue. At this time, if you want to come with a communication and bring it up to the Chair to bring this to the Sunshined meeting, that is fine, but I am looking at his budget right here and this is the discussion. We are scheduled right now, Finance Department budget, 1:30 to 2:30, and that is strictly on their budget.

Mr. Furfaro: I will make my comments if you call the meeting back to order. If you don't, then I won't make comments.

Mr. Kaneshiro: The meeting is still back in order. I would like to comment on what we have in front of us people. The Sunshine is we have Finance budget Committee members. Remember that and as Chair, I will not allow my Committee members to discuss anything else which in regards to the Finance Department right before us here. If you are not clear with that, fine. I am just telling you, you want to discuss, we discuss what is on this budget right in front of us. I don't care if you got 10 of the Finance guys in here. We Sunshine this review and the review is budget.

Mr. Furfaro: Mr. Chair, there is no need to go on. I agree with your position.

Mr. Kaneshiro: Thank you. Then okay.

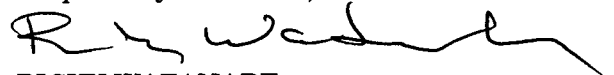
Mr. Furfaro: But I don't agree with the process.

Mr. Kaneshiro: Well, thank you. At this point, I would like to... we don't have to recess the budget hearing at this time. We adjourn the budget hearing. With this, I am going to, again, adjourn this departmental review session. All those in favor?

The motion to adjourn the departmental budget reviews was then put, and unanimously carried.

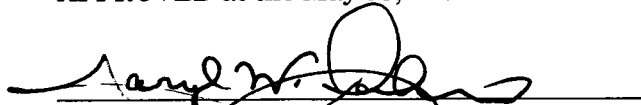
There being no objections, the departmental budget reviews adjourned at 2:40 p.m.

Respectfully submitted,



RICKY WATANABE
Council Services Administrator

APPROVED at the May 13, 2009 Committee Meeting:



DARYL W. KANESHIRO, Chair
Budget & Finance Committee