

# SPECIAL COUNCIL MEETING

MAY 27, 2009

The Special Council Meeting of the Council of the County of Kaua'i was called to order by the Council Chair at the Council Chambers, Historic County Building, 4396 Rice Street, Room 201, Lihu'e, Kaua'i, on Wednesday, May 27, 2009 at 8:45 a.m., after which the following members answered the call of the roll:

Honorable Tim Bynum  
Honorable Dickie Chang  
Honorable Jay Furfaro  
Honorable Daryl W. Kaneshiro  
Honorable Lani T. Kawahara  
Honorable Derek S. K. Kawakami  
Honorable Bill "Kaipo" Asing, Council Chair

## APPROVAL OF AGENDA:

Mr. Furfaro moved for approval of the agenda as circulated, seconded by Mr. Kawakami, and unanimously carried.

Chair Asing: Can we have the first item please?

PETER A. NAKAMURA, COUNTY CLERK: The next matter is a communication for receipt communication C 2009-184.

C 2009-184 Communication (05/06/2009) from the Mayor, submitting his supplemental budget communication for Fiscal Year 2009-2010 and proposed amendments to the budget bills: Mr. Furfaro moved to receive C 2009-184 for the record, seconded by Mr. Chang, and unanimously carried.

Chair Asing: Next item please?

Mr. Nakamura: The next matters for are Committee reports.

## COMMITTEE REPORTS:

### BUDGET & FINANCE COMMITTEE REPORTS:

A report (No. CR-B&F 2009-13) submitted by the Budget & Finance Committee, recommending that the following be received for the record:

"B&F 2009-4Communication (5/14/2009) from Daryl W. Kaneshiro, Budget & Finance Chair, transmitting the Budget & Finance's proposed amendments (+/- sheet) to Resolution No. 2009-32 (real property tax rates), Bill No. 2310 (Operating Budget), and Bill No. 2311 (CIP Budget),"

Mr. Furfaro moved for approval of the report, seconded by Mr. Kaneshiro, and unanimously carried.

A report (No. CR-B&F 2009-14) submitted by the Budget & Finance Committee, recommending that the following be approved as amended:

“Resolution No. 2009-32 RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010 FOR THE COUNTY OF KAUAI,”

Mr. Furfaro moved for approval of the report, seconded by Mr. Kaneshiro, and unanimously carried. *(See later for Resolution No. 2009-32, Draft 1)*

A report (No. CR-B&F 2009-15) submitted by the Budget & Finance Committee, recommending that the following be approved as amended on second and final reading:

“Bill No. 2310 A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010,”

Mr. Furfaro moved for approval of the report, seconded by Mr. Kaneshiro, and unanimously carried. *(See later for Bill No. 2310, Draft 1)*

A report (No. CR-B&F 2009-15) submitted by the Budget & Finance Committee, recommending that the following be approved as amended on second and final reading:

“Bill No. 2311 A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010,”

Mr. Furfaro moved for approval of the report, seconded by Mr. Kaneshiro, and unanimously carried. *(See later for Bill No. 2311, Draft 1)*

Chair Asing: Next item please?

Mr. Nakamura: The next matter for approval is a Resolution.

## RESOLUTIONS:

Resolution No. 2009-32, Draft 1 – RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010 FOR THE COUNTY OF KAUAI: Mr. Kaneshiro moved to adopt Resolution No. 2009-32, Draft 1, seconded by Mr. Furfaro.

Chair Asing: Go ahead.

Mr. Bynum: Thank you Mr. Chair. Oh, I will wait for the budget.

Chair Asing: Roll call please?

The motion to adopt Resolution No. 2009-32, Draft 1 was then put, and carried by the following vote:

FOR ADOPTION:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0.

Chair Asing: Next item please?

Mr. Nakamura: The matters are bills for second reading. First bill for second reading is Bill No. 2310, Draft 1.

BILLS FOR SECOND READING:

Bill No. 2310, Draft 1 – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010: Mr. Kaneshiro moved for adoption of Bill No. 2310, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Mr. Furfaro.

Chair Asing: Any discussion? Councilmember Bynum?

Mr. Bynum: Thank you Mr. Chair. This is our budget for this year. It was a fascinating year. My third budget and a difficult year for the entire State and entire country. I wanted to start by acknowledging our Budget & Finance Chair Daryl Kaneshiro for shepherding us through this difficult year and also our staff who worked really hard, particularly Jade Tanigawa and Stephanie Iwasaki and Ricky Watanabe who worked late to get us through this process. It was really tough year because of a reduction in County resources and revenues, and I think we've made a lot of sacrifice and did a very fiscally prudent budget. You know, one of the... you know, we have dollar funded 53 County positions and those are positions that are important to our County to provide services, but in this difficult time and they weren't filled with warm bodies. They were positions that we could hold off, but those are in my view positions that are important to the long term efficient operation of the County. The Administration deferred a lot of maintenance items and equipment purchases which we can get away with for a year or two (2), but eventually it would come around to being a difficult situation for the County because we want our workers equipped with the tools that they need to do their jobs

appropriately. The positions were particularly difficult. There were three (3) that I personally felt like we should seriously consider continuing. One of which was the Police Legislative Analyst for the Police which the Mayor put in the supplemental budget, and there was unanimous approval for it. The other was the Recycling Coordinator and we chose not to go forward with that position, but I am hopeful that in the course of the year, we will see the need for that because of our need to address the solid waste issues. The third position which I didn't really bring up on the floor, I didn't make an effort, but I am really concerned about an engineering position for a Civil Engineer, and the reason is because I think our need to put forward our capital improvement projects and expedite that as quickly as possible. The County of Kaua'i has over \$100 million of capital improvements already funded and approved waiting to get to the bureaucracy and on the street. And with unemployment around 10%, I think this is a very important time for the County of Kaua'i to put forward those projects in order to employ our people and get them to work. We just saw in the *Garden Island* this week that in the construction trades where those jobs would likely be created or many of them that the entire State is hurting. In the future as the Chair of the Public Works Committee, I hope in a few weeks to have a review of those CIP projects and an update from the Administration regarding their efforts to get them out to bid and get people back to work. So that engineering position is a position that would help through that bureaucracy, but I know the Administration... it is important to them as well, and so hopefully we will have more dialogue about that. By and large, I thought we did a good job as a County addressing the budget. We collaborated and worked together and got through a difficult year. So thank you for being able to make those comments.

Chair Asing: Thank you. Any other comments Councilmembers?  
Councilmember Furfaro?

Mr. Furfaro: Thank you very much. I would also like to also extend my courtesies for the staff who was very flexible during this period, documented the discussions, and, you know, we had certain demands during all of the meetings, but I, again, want to be very complimentary of the work that was prepared, the narrative that is associated with the Operating Budget itself. I want to thank Councilman Kaneshiro for a job well done. It was reported in the media that the fact that we only made about \$11,000 worth of changes from the first draft to the second draft, but the reality is... what I think needs to be mentioned is the excellent response from the Administration during the budget meetings. Many, many items were discussed in the first draft as Mr. Kaneshiro brought us through this process and the Administration heard us and they made the appropriate changes, so when we actually got the final draft as outlined in the Mayor's budget message for the fiscal year 2009-2010, it was reported that there was only about \$11,000 worth of changes. I do want to note the many things that the Administration heard during the dialogue especially in the area of the social programs from our request to increase Food Bank opportunities to fully fund our previous share of the Red Cross when the second draft came back to us. The

responses were very positive from the Administration and I also want to compliment Mr. Asing. I know those points were also driven home by his comments. There are a couple of things as we talk about the Operating Budget that we now have put in place, but we have to manage. There is comments regarding the kilowatt hour management going forward. As we all know, fuel prices are rising as well. We talked about the timeliness of the Treasurer's report actually showing us the variances that we need to look at quarterly by Charter. We have made some drastic changes over the years with the Building Department and Doug Haigh... what we now have building permits that are aged and show us the flow through. We get better idea of the potential additional revenues by construction projects. Of course, another one we need to watch is... as the Finance Department under Mr. Rezentes adjusted our share of the TAT, we need to continually monitor those revenues when they come in as our share.

So my message on the Operating Budget is... we are looking towards the staff both here as well as in the Administration to do all they can to help us monitor the expenses that have been identified in this budget. Also, again, I just want to thank the Mayor's Office for responding to some of the needs with the social programs that we are refunded after the first draft. Thank you Mr. Kaneshiro.

Chair Asing: Thank you. With that, any other comments Councilmembers? Councilmember Kawakami?

Mr. Kawakami: Thank you Mr. Chair. I just want to say thank you to the staff and also to the Chair of the Budget & Finance Committee Councilmember Kaneshiro, our Council Chair, and also the Councilmembers that have been through the budget process before. I just have to say that the staff really impressed me because going through our first budget, it is a huge binder and it can be a labyrinth of numbers that start to just look the same after you review them for days upon days. And whenever there was a question, there was always an immediate response. They knew exactly where each line item was. If there was something that I thought was missing out of the budget, they were quick to point it out. So I just want to say that they made it so much easier to work with having such good support, and with that being said, that is my only comments.

Chair Asing: Thank you. Any other comments Councilmembers? Councilmember Kaneshiro?

Mr. Kaneshiro: Thank you Mr. Chair. I just, again, I know this has been echoed before many times, but I just wanted to thank the staff and the Administration being able to work together with us to put this budget together. We know it was a very difficult budget for us because we knew about the money constraints and the economic downturn. But, again, you know, I have to give the credit to each of my Committee members also. Mr. Chang with his many years in the visitor industry. Mr. Furfaro with his hotel management experience. Mr. Kawakami has been able to be on top on what we call... looking at the public

safety, his concerns with the KPAL programs. And with Lani Kawahara going green talking about the Farm Bureau being able to... these are things that we started to implement. We are doing it ourselves. Even though it is a small amount of money, we fund it, we are trying to set an example of how we are also trying to conserve energy. Mr. Bynum on some of the talks he had about coastal erosion and he had brought that up and I know that was a bigger issue for him. And, of course, with Mr. Asing's 26 years... I believe almost 26 years of working on the budget every year has been so much of a valuable information and being able to give us a lot of knowledge as to the history of being able to put a budget like this together especially... I think Mr. Asing would agree that this might have been one of the most difficult budget for us to have worked on when we talked about fiscal constraints. So my hat goes off to each and everyone of them and I just wanted to note for the record and this is just for the record, but I would like to have this on the budget message that... it has to do with the Planning Department side.

With the Planning Department, I wanted to note for the record that I know that we have had some discussions in regards to how they could apply and receive and expend coastal management funds and so forth. So I want to make it clear so the finance is clear, Planning is clear, so we can still be able to proceed, and to be able to meet the goals of the Planning Department. Basically, the Planning... my comment would be that the Planning Department is authorized to apply, receive, and expend coastal zone management certified local government and open space program for grant funds as set forth in the budget submittal of the department. So I want to make it clear that it is set forth by the budget submittal of the department, and therefore, to proceed in that manner. Again, with that, my hats... well, I don't have my hat on today, but... I always wear it during the weekend, but goes off to the staff, the Administration, Wally, the Mayor, and Mr. Heu... and to be able to put something like this together, I would have never have been able to do it without the six (6) other compadres that I have here that worked so hard to be able to stick together, and come up with a plan that I think we put a good budget together that we would be able to fulfill the needs of the community for this year. Thank you Mr. Chair.

Chair Asing: Any other comments Councilmembers? If not, I just want to echo what everyone brought up. I thank the staff for their hard work, that Councilmember Kaneshiro for his leadership, and for the participation of all Councilmembers in all of the actions that was taken. Also, the Administration for their cooperation and help in getting the budget together. I have always mentioned that the single most important item that the Council makes every year is the budget. That is the single most important item. That is our guide on where we go from the budget period to the end. So I want to just thank everyone. I would also like to express my gratitude and mahalos to the Legislature, you know, for not taking away our TAT. Had we lost that, that would have been, you know, \$11.8 million that we would have to make up, and that was just a tremendous amount to make up if we had to make that up. So there was a lot of hard work done behind the scenes. I know many of you have testified at the Legislature. I know

that Councilmember Kawakami was present at many of those meetings, and our Legislators are working hard to retain the TAT. The one word of caution that I can use that have been expressed in our deliberations is next year, would could happen next year, and this budget reflects that. This budget is not a one year budget, this budget is looking forward to next year. What happens next year, so with all of that, I just want to thank everyone for their hard work. With that, roll call please?

The motion to adopt Bill No. 2310, Draft 1 was then put, and carried by the following vote:

FOR ADOPTION:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0.

Chair Asing: Next item please?

Mr. Nakamura: The next bill for second reading is Bill No. 2311, Draft 1.

Bill No. 2311, Draft 1 – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2009 TO JUNE 30, 2010: Mr. Kaneshiro moved for adoption of Bill No. 2311, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Mr. Kawakami.

Chair Asing: Any discussion? Councilmember Furfaro?

Mr. Furfaro: Yes, and I think this would be appropriate in following up on your comment just recently made about the Operating Budget. This comment being focused on the ordinance to approve our capital improvement plan. Obviously, there is and going to be some deferred maintenance over the next few years as we go through these difficult cycles of economic times and the uncertainty on our revenue share in future years from the State. I do also want to say that when it comes to some of the capital items for the Planning Department, we do have an understanding that we will get a summary report in my Committee on or around the 10<sup>th</sup> of June for those nine (9) projects covering from the CZO to the important ag lands. But it will be about 60 to 90 days before we actually see the Administration’s final summary of the bond float which will make moneys available for certain projects. And at the same time, I did want to make certain that we understood that to accomplish this task before us this year, there was some maintenance deferred items. There are hopes to get some other improvements focused on in future years such as Kapa’a Pool improvements with the pump house and so forth. There are hopes that when we do finally see a version of the bond float, we will be able to do some reimbursable for the Black Pot application that we are using for the Open Space account, but I do want to say that some of these

extensions of certain repair and maintenance items were necessary to get us where we are at in today's Operating Budget, and there will be further discussions when the Administration is submitting the bond float which will represent a number of capital projects. Thank you again Chairman Kaneshiro.

Chair Asing: Councilmembers, any other comments?  
Councilmember Bynum?

Mr. Bynum: Yea, I just want to... you know, from the Public Works point side of this, I just want to say that, you know, there are a number of projects that I think will be online in the next few months, and I am very pleased about that because of... you know, this is really... the Federal government has engaged in stimulus because of our economic situation and the County of Kaua'i is a recipient of some of those stimulus funds, and the Administration is applying them appropriately where possible, and we are seeking those to see that Kaua'i gets their fair share. But the County of Kaua'i also has funds available and this is probably the best time for County government to put those projects online because of the bids we receive will be better than they were a few years ago because of... you know, potential bidders are anxious for work, you know, so we will get a better bang for the buck for those funds. And for the funds that we have already set aside, and so as I mentioned earlier, and I will be asking the Administration as Councilmember Furfaro is doing in Planning to outline their plans in a reasonable timetable to also do that for our CIP projects some of which are backlogged two (2), three (3), four (4) years, and we need to look at our system about how to get those funds on the street and working to put our people to work.

Chair Asing: Thank you. Any further discussion? If not, I just want to echo all the things that were said by Councilmember Bynum and Councilmember Furfaro, and also would like to urge the Administration to put an extra effort to try to get our Capital Improvement Projects moving. We are kind of behind normally and we need to put some extra effort at this particular time. So with that, roll call please?

The motion to adopt Bill No. 2311, Draft 1 was then put, and carried by the following vote:

FOR ADOPTION:	Bynum, Chang, Furfaro, Kaneshiro, Kawahara, Kawakami, Asing	TOTAL – 7,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	None	TOTAL – 0.

Chair Asing: There being no other business on the agenda, the meeting is adjourned.