

MINUTES

BUDGET & FINANCE COMMITTEE February 18, 2009

A meeting of the Budget & Finance Committee of the Council of the County of Kaua'i, State of Hawai'i, was called to order by Council Chair Bill "Kaipo" Asing, Committee Vice Chair, at the Historic County Building, Room 201, Lihue, Kaua'i, on Wednesday, February 18, 2009, at 9:04 a.m., after which the following members answered the call of the roll:

Honorable Bill "Kaipo" Asing
Honorable Tim Bynum
Honorable Dickie Chang
Honorable Jay Furfaro
Honorable Lani T. Kawahara
Honorable Derek S. K. Kawakami

EXCUSED: Honorable Daryl W. Kaneshiro

The Committee then recessed at 9:04 a.m.

The Committee was called back to order at 1:35 p.m., and proceeded on its agenda items as follows and as shown in the following Committee reports which are incorporated herein by reference:

Minutes of the February 4, 2009 Budget & Finance Committee Meeting

Upon motion duly made by Councilmember Bynum, seconded by Councilmember Chang, and unanimously carried, the Minutes of the February 4, 2009 Budget & Finance Committee Meeting was approved.

Bill No. 2292 A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A,
KAUA'I COUNTY CODE 1987, AS AMENDED, RELATING TO
REAL PROPERTY TAX APPEALS
[This item was deferred.]

BILL "KAIPO" ASING, COMMITTEE VICE CHAIR: I am asking for a motion to defer this item, please.

JAY FURFARO: Yes, move to defer and I know our chairperson is off island.

Mr. Asing: Yes.

Mr. Furfaro: And I need the time as well to submit another amendment.

Mr. Asing: Okay.

Mr. Furfaro: So I will move to defer.

Mr. Asing: Thank you.

DICKIE CHANG: Second it.

Mr. Asing: All those in favor...Oh, I'm sorry. We have someone who wants to speak on this item. I'd like to suspend the rules. Bruce, please.

Mr. Furfaro: I remove my motion to defer.

Mr. Chang: I remove my second.

Mr. Asing: Okay, thank you. Bruce?

There being no objections, the rules were suspended.

BRUCE PLEAS: Bruce Pleas for the record. I have gone through this appeal process. I find it kind of quasi-judicial. I stepped in not knowing what I was getting into and by the time I got out of there I was very well educated as to how the system works. I think that may be part of the problem why people go into the Review Board and come out saying that it doesn't work. It is because they have a...they have a set way and you have to really present and have verification of what you have done. In light of that, the...the...there are things that can be done. As for this bill, the first one that it puts out the reduction from 20% to 10% in the assessment of market value, I support that and I hope that will stay. What I'd really like to add to this and I've asked before is to add wording that ensures that all owners filing an appeal and appearing before the Board are provided complete copies of information...of the information provided to the Board by the county assessor. I think we need to put that wording into this document so that it happens because they have a read-out, they have everything there but you don't get it. And that is the same as me coming here without a copy of this bill. So, I...it's something that would be nice if it happened, but I think for it to happen...I think it needs to be included in this bill as a procedure that they supply the information to the people. Also on another note, the assessments can be wrong and...as in the case mine was wrong. But the biggest blaring problem that I saw when I came in was that they...the assessor did not recognize that Kekaha was a flood area. That was why I came in because I had been flooded and you get a 25% reduction...in your property tax. But the assessor did not even know that Kekaha was a flood area and that it flooded and the Board was kind of amazed at that and luckily I got my 25%. But...so the system is working but it has to be...there are some things that need to be done in the system. So, I would hope that that would be an amendment that comes in to ensure that the public, as they come in, can get documentation so they know what they're doing and also that the 10%...the 20% is decreased to 10%. Thank you.

Mr. Asing: Thank you. Is there anyone else? Glenn. Glenn, you weren't here when I...

GLENN MICKENS: Yes.

Mr. Asing: ...made the announcement that we're going to defer the item.

Mr. Mickens: Because Daryl's not here as the committee chair.

Mr. Asing: Yes, a combination of things and yes, you're right, Daryl is not here also.

Mr. Mickens: Sure, I'll go ahead and you got a copy of my testimony. I'll...I'll give it for the record anyway. I have a copy of the last floor

amendment January 7th. I presume that was the last one that's come out. Is it the January 7th floor amendment? Am I right? I also have the other one that it was amended from. There's no date on it, but it is the bill for an ordinance amending Chapter 5A, as amended relating to real property tax appeal. That was the original one and then the floor amendment came out on January 7th which has, oh...about 10 pages I think...10 or 12 pages and it's got the underlining like on page 5 where Section 5A-12.12 Disposition of Costs, etc. It's been...it's been modified. It was never passed, but I...and I presume...

TIM BYNUM: It was never introduced.

Mr. Mickens: It was never introduced, right.

Mr. Furfaro: That's what we said at the beginning. Because Daryl is out...

Mr. Mickens: Yeah.

Mr. Furfaro: ...those amendments will be introduced at the next meeting.

Mr. Mickens: Okay.

Mr. Furfaro: They haven't formally been introduced.

Mr. Mickens: They haven't been formally introduced.

Mr. Furfaro: They address a couple of things that the previous speaker mentioned, but it has not been formally introduced and therefore we'll not be able to have discussion on it.

Mr. Mickens: But...but...okay, but no other ones have come out besides. This is it, right?

Mr. Furfaro: Yes.

Mr. Mickens: Okay, good. Okay, let me quickly just read this. Because of...for the record Glenn Mickens. Because of statements made at the last committee meeting, some clarification should be made. First, although assessments may be reduced this year, the bill does not affect revenue to the Council...as the Council may establish rates at the levels needed to produce desired amounts of tax. Second, while at the last meeting the floor amendment given out had not been formally received, which it still hasn't by the committee, as the agenda for this meeting referred to the bill as having been amended, the proposed changes calling for a settlement conference and arbitration are apparently now included. Both these changes will provide your constituents fair treatment than are now available which we agree with. Third, while the assessment personnel of the Assessor's Office are competent, they are few in number and with over 33,000 assessments to make, they do not...they do make mistakes. If you believe, as I hope you do, that the county government should treat its citizens and taxpayers fairly, the procedures for resolving appeals need change. Only a small number of county taxpayers appeal their assessments each year and they do not deserve a process that fails to give them a reasonable hearing. And I think from what I heard you guys say, I think it was only about 1% or 0.6%, maybe you said it Kaipo, of the Kaua'i residents...

Mr. Furfaro: Six tenths of one per cent.

Mr. Mickens: Six tenths of one per cent were the appeal, but as somebody pointed out, I think...one of you councilmembers pointed it out that could be too because people just don't think the system's going to work so they just fail to go ahead and appeal as you were pointing out, Kaipo, on Maui and some of the other places which are higher. Fourth, the bill as amended only is to be effective in 2010. That does not serve our citizens who are suffering in the current economic crisis who need the help to adjust their taxes to a fairer level this year. The bill should be adopted and provide that it will be effective upon enactment. This bill has no adverse effect on county revenues and it creates a far better climate for resolution of assessments and are (sic) sincerely believed by some of your constituents to be excessive. I urge adoption of this bill. Thank you, Kaipo.

Mr. Asing: Thank you, Glenn. I'd like to call the meeting back to order now and can I have a motion to defer.

There being no other wishing to testify, the meeting was called back to order, and proceeded as follows:

Upon motion duly made by Councilmember Furfaro, seconded by Councilmember Chang, and unanimously carried, Bill No. 2292 was deferred.

Bill No. 2299 AN ORDINANCE AMENDING ORDINANCE NO. B-2008-672 AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUAI, STATE OF HAWAII, FOR THE FISCAL YEAR JULY 1, 2008 THROUGH JUNE 30, 2009, BY REVISING THE SURPLUS ESTIMATED IN THE GENERAL FUND (Appropriation of \$40,203 from the General Fund to Building Lease, Fire)
[This item was deferred.]

Mr. Asing: Thank you.

Mr. Furfaro: Mr. Chair, I...as you know last week I had asked for an update on the space planning options that we had and the Administration asked for an additional two weeks. Since both 2299 as well as 2301 reflect a better understanding of the space planning, I would like to see if we could not defer this item.

Mr. Asing: Thank you. What Councilmember Furfaro is referring to is his letter which is coming on the next council meeting agenda and at that council meeting we will get an update on the status of the retaining...of the interior space program consultant for vacant interior areas within the Piikoi building and then get all of that information. Jay, I will also include this building too.

Mr. Furfaro: Very good.

Mr. Asing: I think we should get an update kind of everything so that we know where we stand. So, I think it would be...

Mr. Furfaro: It sounds very practical, yes.

Mr. Asing: ...good for us to get an update on everything. So with that before we hear the motion to defer, any other comments? Is there anyone in the audience that wants to speak on this item? If not, can I have a motion to defer?

Upon motion duly made by Councilmember Furfaro, seconded by Councilmember Bynum, and unanimously carried, Bill No. 2299 was deferred.

CR-B&F 2009-03: on Bill No. 2300 AN ORDINANCE AMENDING ORDINANCE NO. B-2008-672 AS AMENDED, RELATING TO THE OPERATING BUDGET OF THE COUNTY OF KAUA'I, STATE OF HAWAI'I, FOR THE FISCAL YEAR JULY 1, 2008 THROUGH JUNE 30, 2009, BY REVISING THE SURPLUS AND APPROPRIATIONS ESTIMATED IN THE GENERAL FUND (\$833,696 from the County's General Fund to the Golf Fund of \$233,405 and Sewer Fund of \$600,291)
[Approved.]

CR-B&F 2009-04: on Bill No. 2301 AN ORDINANCE AMENDING ORDINANCE NO. B-2008-673 AS AMENDED, RELATING TO THE CAPITAL BUDGET OF THE COUNTY OF KAUA'I, STATE OF HAWAI'I, FOR THE FISCAL YEAR JULY 1, 2008 THROUGH JUNE 30, 2009, BY REVISING THE SURPLUS AND APPROPRIATIONS ESTIMATED IN THE GENERAL FUND (Work Force Initiative (Fishbowl) Project)
[Approved.]

There being no further business, the meeting was adjourned at 2:31 p.m.

Respectfully submitted,

Wilma Akiona

Wilma Akiona
Secretary

APPROVED at the Committee Meeting held on March 4, 2009:


DARYL W. KANESHIRO
Chair, Budget & Finance Committee

