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**HAWAI'I COUNTY COUNCIL
COMMITTEE ON FINANCE
11th Session**

DATE: May 6, 2003 (Tuesday)
PLACE: Councilroom
TIME: 10:00 a.m.

(Note: Please turn cell phones, pagers and other mobile communication devices on silent mode.)

CALL TO ORDER

STATEMENTS FROM THE PUBLIC ON ITEMS ON THE AGENDA

PRESENTATION BY DR. BRUCE PLASCH, PRESIDENT OF DESIGN ANALYSTS HAWAI'I, INC., AND JOHN B. RAY, PRESIDENT, HAWAI'I LEEWARD PLANNING CONFERENCE, ON A STUDY TO EXAMINE COUNTY PROPERTY TAX REVENUES DERIVED FROM RESORT RESIDENTIAL DEVELOPMENT IN WEST HAWAI'I (COMM. 175)

REFERRALS

Comm. 196: SINGLE AUDIT REPORT FOR FISCAL YEAR ENDING JUNE 30, 2002
From Legislative Auditor Constance Kiriū, dated April 1, 2003, distributing a copy of the above report, prepared by KPMG, LLP, as part of the Council's overall audit contract. The Single Audit Report is prepared for federally awarded programs to meet reporting and auditing requirements. Two issues of noncompliance are listed; however, except for those, the County complied in all material respects with the requirements applicable to each of its major federal programs for the Fiscal Year ending June 30, 2002.

Comm. 207: POST-AUDIT REPORT OF THE COUNTY OF HAWAI'I - FISCAL YEAR ENDED JUNE 30, 2002
From Legislative Auditor Constance Kiriū, dated April 11, 2003, submitting the post-audit *Financial Audit Report of the County of Hawai'i for the Fiscal Year ended June 30, 2002, and Management Letter dated March 7, 2003*, as prepared by KPMG LLP, which satisfies the requirement of §10-13 of the Hawai'i County Charter, relating to the responsibility of the County Council to conduct an annual independent audit of the accounts and other evidences of financial transactions of the County and of every county agency and executive agency.

- Comm. 37.29: COUNTY OF HAWAI'I, HAWAI'I GENERAL OBLIGATION BONDS 2003 SERIES A, \$36,310,000
From Finance Director William Takaba, dated April 16, 2003, informing the Council that he has proceeded with the sale and issuance of the above-mentioned bonds, pursuant to Ordinance No. 03-49. Submits a four-point report regarding the sale and issuance of said bonds, which were delivered and paid for on April 16, 2003.
- Comm. 205: QUARTERLY REALLOCATION REPORT - JANUARY THROUGH MARCH, 2003
From Deputy Director of Personnel Rodney T. Kaido, dated April 10, 2003, transmitting a report of reallocation actions taken on the positions covered by civil service classification and pay laws for the third quarter (January through March) of the 2002-2003 fiscal year.
- Comm. 206:
(Bill 92) AN ORDINANCE AMENDING CHAPTER 21-36.1 OF THE HAWAI'I COUNTY CODE 1983 (1995 EDITION), RELATING TO RECYCLED WATER SERVICE CHARGE RATES (by establishing a fee for recycled water)
From Environmental Management Director Barbara Bell, dated March 25, 2003, transmitting the above bill. This is a new rate which will be getting more use in the future. The uses are basically landscaping and some dust control. Currently, there are a few customers for recycled water, using approximately 40,000 gallons a day. There could be three to four times that usage in the next few years.
- Comm. 209: SUPPLEMENTAL SUMMARY OF INDEBTEDNESS OF THE COUNTY OF HAWAI'I AS OF MARCH 31, 2003
From Finance Director William Takaba, dated April 11, 2003, transmitting the above documents pursuant to Hawai'i Revised Statutes §47C-3, and certifying they are correct. The closing of the \$36,310,000 General Obligation Bonds, 2003 Series A on April 16, 2003, requires preparation of this report, and is included in this report. Concurrence to the supplemental summary of the Chairman of the Finance Committee and the Corporation Counsel are also attached.
- Comm. 219:
(Bill 99) AN ORDINANCE TO AMEND ORDINANCE NO. 02-76, AS AMENDED, THE OPERATING BUDGET FOR THE COUNTY OF HAWAI'I FOR THE FISCAL YEAR ENDING JUNE 30, 2003 (by appropriating additional funds of \$15,740 into the Speed Enforcement account and bringing the total grant appropriation to \$50,740)
From Finance Director William Takaba, dated April 11, 2003, transmitting the above bill. The State Department of Transportation Public Affairs - Safe Communities Program is providing additional funding to the Hawai'i County Police Department for the purchase of five (5) laser speed detection systems for its Speed Enforcement Program.

- Comm. 220:
(Bill 100) AN ORDINANCE TO AMEND ORDINANCE NO. 02-76, AS AMENDED, THE OPERATING BUDGET FOR THE COUNTY OF HAWAI'I FOR THE FISCAL YEAR ENDING JUNE 30, 2003 (by appropriating additional funds of \$250,000 into the Victims of Crime Act account and bringing the total grant appropriation to \$575,000)
From Finance Director William Takaba, dated April 11, 2003, transmitting the above bill. The Attorney General's Office is providing an additional funding of \$250,000 through its Victims of Crime Act Grant to the Office of the Prosecuting Attorney. These funds will be used to supplement the Victim Assistance Program's salaries and wages account.
- Comm. 222: DONATION OF TEN (10) GALLONS OF WATERBORNE PAINT (TOTAL ESTIMATED VALUE OF \$180), FOR THE REPAINTING OF THE BLUE LINE AND GUTTERS AT NAS POOL, BY MR. ALAN MARTINS; A \$25 MONETARY DONATION FOR EDUCATIONAL PROGRAMS AT THE PANA'EWA RAINFOREST ZOO, BY THE KAMEHAMEHA SCHOOLS - HAMAKUA PRESCHOOL, MS. MARGARET JOHNSON; AND A \$30 MONETARY DONATION FOR THE PURCHASE OF SUPPLIES FOR THE AQUATICS DIVISION'S AMERICAN RED CROSS CLASSES TO THE COMMUNITY, BY WAL-MART HILO, MS. LAURA COSTA TO THE DEPARTMENT OF PARKS AND RECREATION
From Finance Director William Takaba, dated April 16, 2003, requesting the Council's approval of the above donations.
- Comm. 228:
(Res. 67-03) RESOLUTION AUTHORIZING THE OFFICE OF THE MAYOR TO ENTER INTO AN AGREEMENT WITH THE STATE OF HAWAI'I DEPARTMENT OF TRANSPORTATION, PURSUANT TO HRS 46-7, FOR THE FEDERAL TRANSIT ADMINISTRATION GRANT; and
- (Bill 105) AN ORDINANCE TO AMEND ORDINANCE NO. 02-76, AS AMENDED, THE OPERATING BUDGET FOR THE COUNTY OF HAWAI'I FOR THE FISCAL YEAR ENDING JUNE 30, 2003 (by appropriating a \$251,000 Federal Transit Administration Grant)
From Finance Director William Takaba, dated April 21, 2003, transmitting the above resolution and bill. The State of Hawai'i Department of Transportation has approved a \$251,000 Federal Transportation Administration Section 5311 grant for the Hawai'i County Mass Transit Agency. The funds will be used for public transportation services and equipment.

- Comm. 229:
(Bill 106) AN ORDINANCE AMENDING CHAPTER 2 OF THE HAWAI‘I COUNTY CODE 1983 (1995 EDITION) RELATING TO ADMINISTRATION (by adding a new section to Article 4, §2-11 which will allow the County of Hawai‘i to issue checks, or use other means to pay our creditors and employees, rather than issuing warrants)
From Finance Director William Takaba, dated April 21, 2003, transmitting the above bill. Currently, the County issues warrants which are presented to the bank for redemption. The fee for this service will be increasing significantly on July 1, 2003. It has been determined that the County could obtain more favorable fees by issuing checks instead of warrants.
- Comm. 230:
(Res. 68-03) RESOLUTION CREATING A MOTOR VEHICLE REGISTRATION CLERK I POSITION, AN ACCOUNT CLERK POSITION, AND A CLERK III POSITION FOR THE DEPARTMENT OF FINANCE, TREASURY DIVISION
From Finance Director William Takaba, dated April 23, 2003, transmitting the above resolution. The positions are necessary to bring the Treasury staffing to an adequate level which will allow the Division to meet the ever increasing demands of the public as well as continuing to service the fiscal needs of the County.
- Comm. 231:
(Res. 69-03) RESOLUTION CREATING SIX (6) POLICE OFFICER II (TEMPORARY) POSITIONS FOR THE HAWAI‘I COUNTY POLICE DEPARTMENT (for the COPS in Schools program)
From Finance Director William Takaba, dated April 23, 2003, transmitting the above resolution. These new positions are part of the School Resource Office Program, which places law enforcement officers in designated schools within the County of Hawai‘i, and will be assigned to the Hilo, Waiakea, Kea‘au, Honoka‘a, Konawaena and Kealakehe school complexes.
- Comm. 232:
(Res. 70-03) RESOLUTION AUTHORIZING THE PAYMENT OF FUNDS OF A LATER FISCAL YEAR AND OF MORE THAN ONE FISCAL YEAR FOR MULTI-YEAR LEASES FOR SEVEN (7) COPY MACHINES FOR THE HAWAI‘I COUNTY POLICE DEPARTMENT
From Finance Director William Takaba, dated April 23, 2003, transmitting the above resolution. These leases cover the replacement of six (6) existing copy machines and the addition of one for the new cellblock detention facility. The original multi-year leases on the existing copy machines have ended but they are kept under a month to month agreement. The department estimates an overall cost savings will be realized with the lease of these new machines.

- Comm. 233:
(Res. 71-03) A RESOLUTION COMMITTING TO FUNDING THE COST ITEMS AWARDED TO THE HAWAI'I FIRE FIGHTERS ASSOCIATION BY ARBITRATION, AFFECTING FIRE FIGHTERS IN BARGAINING UNIT 11 FOR THE CONTRACT PERIOD JULY 1, 2003 THROUGH JUNE 30, 2005
From Mayor Harry Kim, dated April 24, 2003, transmitting the above resolution, in accordance with HRS §89-11(e) and (g), which authorizes the appropriation in future fiscal years of funds to cover the cost items awarded by the arbitration panel to resolve the impasse between the employers and the Hawai'i Fire Fighters Association (HFFA) for Bargaining Unit 11. The settlement covers the period from July 1, 2003 through June 30, 2005. Cost items presented for your consideration are across-the-board increases, step movements, increase in proficiency pay, and rank for rank recall - overtime. An exhibit to the resolution is attached which is a schedule showing the total cost of these various adjustments over the two years of the contract.

UNFINISHED BUSINESS

- Comm. 175: PRESENTATION ON A STUDY TO EXAMINE COUNTY PROPERTY TAX REVENUES DERIVED FROM RESORT RESIDENTIAL DEVELOPMENT IN WEST HAWAI'I
From Hawai'i Leeward Planning Conference President John B. Ray, dated March 18, 2003, regarding the above presentation to be made before the Finance Committee meeting of April 1, 2003. The Hawai'i Leeward Planning Conference has contracted the study, which has been prepared by Dr. Bruce Plasch, President, Design Analysts Hawai'i, Inc. The purpose of the study is to illustrate the tax benefits derived from resort residential projects and to help the County better forecast tax revenues for budgeting purposes, and to explore changes in future tax policy discussions. The study is focused on the designated resort nodes in West Hawai'i.

(Note: The presentation, originally scheduled for April 1, 2003, was deferred to a later date.)

STATEMENTS FROM THE PUBLIC/ADJOURNMENT

The meeting place is accessible for persons with physical disabilities. Persons who need special accommodations to attend this meeting should call 961-8245 by **May 2, 2003**. Persons using TDDs may call 961-8521.

(Copies of this agenda and the communications are posted and filed at the County Clerk's Office, 25 Aupuni St., Hilo; the Office of the Mayor, 75-5706 Kuakini Highway, Suite 103, Kailua-Kona; and the Kona Councilmembers' Office, 77-6399 Nalani St., Suite 104, Kailua-Kona. For further information, please call 961-8245. Those wishing to testify, please register with the County Clerk's staff prior to the convening of the meeting. If possible, submit fifteen (15) written copies of the testimony to staff prior to the convening of the meeting.)

VIEWING OF MEETINGS ON GOVERNMENT ACCESS TELEVISION – Channel 52 (Hilo/Kona)
Public Works & Intergovernmental Relations Committee and Finance Committee meetings - Tuesdays, May 13 and 20, at 8:30 p.m.; Parks & Environmental Management Committee, Human Services and Economic Development Committee and Planning Committee meetings - Thursdays, May 15 and 22, at 8:30 p.m. All five Committee meetings - Sunday, May 25, at 10:30 a.m.