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J. Curtis Tyler, III, *Member*

**HAWAI'I COUNTY COUNCIL  
COMMITTEE ON FINANCE  
33rd Session**

**DATE:** April 6, 2004 (Tuesday)  
**PLACE:** Councilroom  
**TIME:** 10:30 a.m.

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

**CALL TO ORDER**

**STATEMENTS FROM THE PUBLIC ON COMM. 563**

**REFERRAL**

Comm. 563: APPOINTMENT OF JEFFREY B. JUDD TO THE HAWAI'I COUNTY SALARY COMMISSION  
From Mayor Harry Kim, dated March 22, 2004, submitting for confirmation the nomination of Mr. Jeffrey B. Judd of Council District 6 to the Hawai'i County Salary Commission. A lifelong resident of Hawai'i, Mr. Judd is a retired Special Agent with the Hawai'i Volcanoes National Park. Not affiliated with any political party, if confirmed, he will serve a term to expire on December 31, 2007, replacing Mr. Richard Rego, who has resigned.  
**Recommends approval of the appointment of Jeffery B. Judd to the Salary Commission**

**STATEMENTS FROM THE PUBLIC ON ITEMS ON THE AGENDA**

**REFERRALS**

Comm. 8.26: TRANSFER OF FUNDS - MARCH 1 - 15, 2004  
**Close file** From Controller Deanna Sako, dated March 24, 2004, transmitting a Report of Transfers Authorized showing transfers made from March 1 through 15, 2004, and copies of the approved transfer forms.

Comm. 21.101: FINAL REPORT - STATEWIDE MARIJUANA ERADICATION GRANT  
**Close file** From Assistant and Acting Police Chief Charles M. Chai, dated March 5, 2004, transmitting the above report pursuant to Ord. 02-76.

- Comm. 21.103: FINAL REPORT - HAWAI'I NARCOTICS TASK FORCE GRANT  
**Close file** From Assistant and Acting Police Chief Charles M. Chai, dated March 8, 2004, transmitting the above report pursuant to Ord. 02-76.
- Comm. 21.104: FINAL REPORT - CHILD SUPPORT ENFORCEMENT AGENCY GRANT  
**Close file** From Corporation Counsel Lincoln Ashida, dated March 3, 2004, transmitting the above report pursuant to Ord. 01-55.
- Comm. 21.105: FINAL REPORT - ENERGY COORDINATOR GRANT  
**Close file** From Research and Development Accountant Wendy Maeda, dated March 10, 2004, transmitting the above report pursuant to Ord. 02-76.
- Comm. 21.106: FINAL REPORT - CIVIL DEFENSE - REGULAR (STATE/LOCAL ASSISTANCE [SLA]) GRANT  
**Close file** From the Civil Defense Agency, dated March 8, 2004, transmitting the above report pursuant to Ord. 02-76.
- Comm. 21.107: FINAL REPORT - CIVIL DEFENSE - REGULAR (STATE/LOCAL ASSISTANCE [SLA]) GRANT  
**Close file** From the Civil Defense Agency, dated March 8, 2004, transmitting the above report pursuant to Ord. 01-55.
- Comm. 21.108: FINAL REPORT - GANG PREVENTION - KONA GRANT  
**Close file** From Assistant and Acting Police Chief Charles M. Chai, dated March 12, 2004, transmitting the above report pursuant to Ord. 02-76.
- Comm. 21.109: FINAL REPORT - CLANDESTINE DRUG LAB RESPONSE GRANT  
**Close file** From Assistant and Acting Police Chief Charles M. Chai, dated March 12, 2004, transmitting the above report pursuant to Ord. 01-55.
- Comm. 21.110: ANNUAL REPORTS - COASTAL ZONE MANAGEMENT GRANT  
**Close file** From Planning Director Christopher J. Yuen, dated March 15, 2004, transmitting the above reports pursuant to Ord. Nos. 01-55 and 02-76.
- Comm. 417.5: AN ORDINANCE AMENDING ORDINANCE NO. 03-90, AS AMENDED, RELATING TO PUBLIC IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2003 TO JUNE 30, 2004 (by adding the North Kona Sewer Improvement District project for \$100,000)  
(Bill 252)  
**Deferred** From Finance Director William Takaba, dated March 23, 2004, transmitting the above bill. Resolution 129-03 directed the Director of Environmental Management to prepare for submission to the Council a broad regional sewerage master plan for the region north of Kealakehe and a specific detailed implementation plan for an improvement district. This appropriation will be used to conduct this study.

- Comm. 500:  
(Bill 228)  
*See next*
- AN ORDINANCE AMENDING ORDINANCE NO. 03-49 OF THE COUNTY OF HAWAI'I ADOPTED ON MARCH 25, 2003, AS AMENDED BY ORDINANCE NO. 03-125 ADOPTED ON AUGUST 27, 2003, RELATING TO THE ISSUANCE OF GENERAL OBLIGATION BONDS (by including reference to the new CIP project, Prosecuting Attorney's Office at Aupuni Center)  
From Finance Director William Takaba, dated February 4, 2004, transmitting the above bill. This new project is in the process of being added to the Capital Budget Ordinance, No. 03-90, of the Fiscal Year 2003-04.
- Comm. 500.1:  
(Bill 228)  
(Draft 2)
- From Finance Director William Takaba, dated March 23, 2004, transmitting Bill 228, Draft 2, which includes the Puainako Sewer Improvement District Project and the North Kona Sewer Improvement District Project. Due to a change in the scope of the Queen Lili'uokalani Collector Sewer project, it is estimated that there will be an excess allotment of 2003 A General Obligation Bonds in the amount of \$200,000 which can be used for these project studies.  
*Recommend passage of Bill 228, Draft 2, on first reading*
- Comm. 523:  
(Bill 239)
- AN ORDINANCE AMENDING ORDINANCE NO. 03-90, AS AMENDED, RELATING TO PUBLIC IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2003 TO JUNE 30, 2004 (by adding the Prosecuting Attorney's Office at Aupuni Center project for \$3,450,000)  
From Finance Director William Takaba, dated February 4, 2004, transmitting the above bill. The existing Prosecuting Attorney's office, located at the Old Memorial Hospital on Waiianuenue Avenue, is in a building that needs extensive repairs. Relocating the Office of the Prosecuting Attorney to Aupuni Center will eliminate the extensive costs to renovate the existing building.  
*Recommends passage of Bill 239 on first reading*
- Comm. 518:  
(Bill 236)
- AN ORDINANCE TO INITIATE A CHARTER AMENDMENT TO THE HAWAI'I COUNTY CHARTER (2000), RELATING TO THE LEGISLATIVE BRANCH-VACANCY IN OFFICE  
From Council Chairman James Y. Arakaki, dated February 18, 2004, transmitting the above bill. The purpose of this Charter amendment is to allow the voters of a council district in the County of Hawai'i to elect their council member when a vacancy has occurred during a two-year term. Only when a vacancy occurs in the last ten months of a council term will the current appointment procedures apply.  
*Recommends passage of Bill 236 on first reading*

- Comm. 551: REPORT ON HAWAI'I COUNTY POLICE DEPARTMENT VEHICLES  
From Councilmember Joseph Reynolds, dated March 4, 2004, transmitting the above report pursuant to budget discussions in April/May, 2003. Requests that the report be placed on the April 6, 2004 Finance Committee agenda for a presentation by the Legislative Auditor's Office, which prepared the report, with invitations to Police Chief Lawrence Mahuna, Corporation Counsel Lincoln Ashida and Finance Director William Takaba to give their comments.  
**Forwarded to Council to be taken up no later than June 16, 2004, along with related communications (listed below)**

(UNFINISHED BUSINESS)

*(Note: The following communications, 240 through 240.4, regarding the above subject, were deferred on June 17, 2003, pending submission of the report.)*

- Comm. 240: REPORT COVERING POSSIBLE CHANGE FROM SUBSIDIZED AUTOMOBILES USED BY POLICE OFFICERS TO A FLEET OF MARKED POLICE VEHICLES  
From West Hawai'i Crime Stoppers, Inc. President Alan J. Pratt, Ph.D, dated April 22, 2003, transmitting part 2 of their recent report on the above matter, and recommending the change be over a two-year period since obviously the sooner a decision is made one way or the other the better the figures. The figures are based on the proposal from the Ford Credit Company, Dearborn, recently submitted to the Council for study. They also have a similar quote for vehicle prices from the local Ford dealership.
- Comm. 240.1: From West Hawai'i Crime Stoppers, Inc. President Alan J. Pratt, Ph.D, dated April 27, 2003, transmitting revised figures to the report contained in Communication 240.
- Comm. 240.2: Copy of letter to Police Commission Vice Chair Dwight K. Manago from West Hawai'i Crime Stoppers, Inc., President Alan J. Pratt, Ph.D, dated May 25, 2003, commenting on a West Hawai'i Today article in the May 18, 2003 issue concerning the police car study the Crime Stoppers had sent to the Commission.
- Comm. 240.3: Copy of letter to the Hawai'i County Police Commission from West Hawai'i Crime Stoppers, Inc., President, Alan J. Pratt, Ph.D., dated June 16, 2003, regarding marked police cars, states the figures that should be used are those submitted with their final revision, which were also shown on the full page advertisement in the West Hawai'i Today dated May 25, 2003, and is posted on the WHCS Web Board at [www.whcrimestoppers.com](http://www.whcrimestoppers.com).
- Comm. 240.4: Hawai'i Police Department Fleet vs. Subsidized Vehicle Report.
- Comm. 240.5: From Michael Ikaika Soo, dated June 23, 2003, supporting a change to marked police cars.

- Comm. 240.6: From West Hawai'i Crime Stoppers, Inc., President Alan J. Pratt, Ph.D., dated July 12, 2003, enclosing their analysis of the Hawai'i County Police Department Fleet vs. Subsidized Vehicles Report.
- Comm. 567:  
(Bill 251)  
Deferred  
AN ORDINANCE AMENDING ORDINANCE NO. 03-90, AS AMENDED, RELATING TO PUBLIC IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2003 TO JUNE 30, 2004 (by adding the Puainako Improvement District Project for \$100,000)  
From Finance Director William Takaba, dated March 23, 2004, transmitting the above bill. The County Council recently adopted Res. 157-04, which directed the Director of Environmental Management to prepare for submission to the Council a broad regional sewerage master plan for the Waiakea region and a specific detailed implementation plan for an improvement district. This appropriation will be used to conduct this study.
- Comm. 568:  
(Bill 253)  
Deferred  
AN ORDINANCE AMENDING CHAPTER 2 AND CHAPTER 18 OF THE HAWAI'I COUNTY CODE 1983 (1995 EDITION), AS AMENDED, RELATING TO ADMINISTRATION AND TO MASS TRANSIT  
From Finance Director William Takaba, dated March 23, 2004, transmitting the above bill. The bill amends Chapter 2, Article 2, §2-7, by properly identifying the departments and agencies under the direct or administrative supervision of the managing director, instead of the Mayor, pursuant to the 2000 Charter Amendments. For consistency, it also amends Chapter 2, Article 14, by replacing "mass transportation" and "transportation coordinator" with "mass transit" and "mass transit administrator" respectively. Also amends Chapter 18, Article 1, Division 1, §18-4 to change the mass transit administrator position from exempt to civil service and to note it as the agency's chief administrator.
- Comm. 569:  
(Res. 173-04)  
Postponed  
Indefinitely  
RESOLUTION AUTHORIZING INCREASE OF THE COUNTY OF HAWAI'I FUEL TAX (proposed increase of six (6) cents per gallon to be used for highway maintenance projects and mass transit expansion)  
From Finance Director William Takaba, dated March 23, 2004, transmitting the above resolution. Specifies that four (4) cents per gallon will be designated for highway improvements and two (2) cents per gallon for mass transit expansion. States the current fuel tax rate (8.8 cents per gallon) was set in 1988 and has not been increased for sixteen years. Provides a summary of the County's fuel tax history. Previous resolutions regarding fuel tax proposals are attached for reference.
- Comm. 569.1: From Public Works Director Bruce C. McClure, dated March 24, 2004, attaching documents for the Council's information and use in their deliberation of the administration's fuel tax proposal. Documents listed as attachments are entitled Fuel Tax 2004 - Highlights; Fuel Tax Allocation Formula, \$50; Department of Public Works Highway Maintenance Division Budget Narrative for FY 2004-05; Traffic Budget Needs for FY 04-05 Justification for Fuel Tax Increase; and Summary of Fuel Tax Resurfacing Projects Contracted vs. Inhouse.

- Comm. 569.2: From Keith King, dated March 16, 2004, opposing the fuel tax increase.
- Comm. 569.3: From Aaron Stene, dated March 14, 2004, opposing the fuel tax increase.
- Comm. 569.4: From F. Wandell, dated March 3, 2004, opposing the fuel tax increase.
- Comm. 569.5: From Keith King, dated March 15, 2004, opposing the fuel tax increase.

### **UNFINISHED BUSINESS**

- Comm. 547:  
(Res. 169-04)  
*See below* RESOLUTION AUTHORIZING A GRANT OF EASEMENT FOR RETAINING WALL PURPOSES AT KONA HEIGHTS SUBDIVISION, INCREMENT II, FP 1077, HIENALOLI 5<sup>TH</sup> AND 6<sup>TH</sup>, NORTH KONA, ISLAND, COUNTY AND STATE OF HAWAI'I, TAX MAP KEY: (3) 7-5-29: PORTION OF ALOHA KONA DRIVE AND NELE PLACE, TO MS. BETH ANN FRYE \_\_\_\_\_  
From Finance Director William Takaba, dated March 1, 2004, transmitting the above resolution. An independent appraiser has determined that the fair market value of the retaining wall easement, with an area of 29 square feet, is \$572. A copy of the appraisal is attached for information.
- Comm. 547.1:  
(Res. 169-04)  
(Draft 2) From Finance Director William Takaba, dated March 22, 2004, transmitting Res. 169-04, Draft 2. Draft 2 replaces two instances of "its" with "her" as requested at the Finance Committee meeting held on March 16, 2004; and, as also requested, a copy of the Planning Director's approval of the variance request for the setback encroachment is attached.  
*Recommends adoption of Res. 169-04, Draft 2.*

### **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 *April 2, 2004*. 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, April 13 and 20, 2004, at 8:30 p.m.; Parks & Environmental Management Committee meeting - Thursdays, April 15 and 22, 2004, at 8:30 p.m.; and all three Committee meetings - Sunday, April 25, 2004, at 10:30 a.m.