



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair
Stanley Chang, Vice Chair
Carol Fukunaga
Joey Manahan
Kymberly Marcos Pine

MINUTES

REGULAR MEETING
FRIDAY, JANUARY 17, 2014

COUNCIL COMMITTEE MEETING ROOM
2ND FLOOR, HONOLULU HALE
HONOLULU, HAWAII 96813

Note: The video of the full proceedings of this meeting can be viewed at <http://honolulucountyhi.igfm2.com> or a copy of the video may be requested by calling the City Clerk's Office at 768-5822.

CALL TO ORDER

The regular meeting of the Committee on Budget was called to order by Committee Chair Ann H. Kobayashi at 9:01 a.m. Voting Members Chang, Fukunaga, Manahan and Pine were present at the meeting. Nonvoting Member, Council Chair Martin, also attended the meeting.

STAFF PRESENT

Michele Sansone, Senior Advisor to Committee Chair Kobayashi
Catherine Pligavko, Analyst, Office of Council Services
Lloyd Yoshioka, Attorney, Office of Council Services
Amy Kondo, Deputy, Department of the Corporation Counsel, assigned to the Committee
Cynthia Nakazaki, Council Committee Aide, Office of the City Clerk

ORDER OF BUSINESS

APPROVAL OF MINUTES

The minutes of the Committee on Budget meetings held on November 20, 2013 and December 4, 2013, were approved as circulated.

AYES: CHANG, FUKUNAGA, MANAHAN, KOBAYASHI – 4.
NOES: None.
EXCUSED: PINE – 1.

SUNSHINE ITEMS

At this juncture, Committee Chair Kobayashi moved to add to the agenda Resolution 14-11 and Resolution 14-12, pursuant to HRS, Section 92-7, the Sunshine law.

With no objections from the four members present, Resolution 14-11 and Resolution 14-12 were added to the agenda to be considered at the end of the Action Items.

AYES: CHANG, FUKUNAGA, MANAHAN, KOBAYASHI – 4.
NOES: None.
EXCUSED: PINE – 1.

FOR ACTION

1. RESOLUTION 14-6 - COMMITTEE REPORT 17

APPOINTMENT OF DAVID B. MONK TO SERVE ON THE GRANTS IN AID
ADVISORY COMMISSION.

Administration/Others

David B. Monk, Appointee

There was no public testimony.

Mr. Monk provided the Committee with a brief statement on his background and expressed his willingness to serve on the Commission.

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Resolution 14-6 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, KOBAYASHI – 4.
NOES: None.
EXCUSED: PINE – 1.

Related communication:

MM-2 Kirk Caldwell, Mayor, requesting confirmation of David B. Monk as a member of the Grants in Aid Advisory Commission, for a term to expire on January 14, 2018.

2. RESOLUTION 14-7 – COMMITTEE REPORT 18

APPOINTMENT OF DIANE PETERS-NGUYEN TO SERVE ON THE SALARY COMMISSION.

Administration/Others

Diane Peters-Nguyen, Appointee

There was no public testimony.

Ms. Peters-Nguyen stated that she was honored to be appointed by the Mayor and provided the Committee with a statement on her background and experience.

Resolution 14-7 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

Related communication:

MM-3 Kirk Caldwell, Mayor requesting confirmation of Diane Peters-Nguyen as a member of the Salary Commission, for a term to expire on January 15, 2018.

3. RESOLUTION 14-8 – COMMITTEE REPORT 19

ACCEPTANCE OF GIFT. Relating to the acceptance of a gift to the City from the AED Institute of America, Inc. for a HeartSaver CPR/AED training course valued at \$1,321.98.

There was no testimony from the Administration and public.

Resolution 14-8 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.

NOES: None.

4. RESOLUTION 13-295– COMMITTEE REPORT 15

ACCEPTANCE OF REIMBURSEMENT OF REGISTRATION FEES. Authorizing the Director of Community Services, or the Director's designated representatives to accept from the State of Hawaii, Executive Office on Aging registration reimbursements to attend the 2013 Hawaii Home and Community Based Services (HBCS) Conference.

Administration/Others

Gary Kurokawa, Deputy Director, Department of Budget and Fiscal Services

Committee Chair Kobayashi requested an explanation on the necessity of the authorization of the Resolution. She also requested that a copy of the intergovernmental agreement to accept registration reimbursements be provided.

Deputy Director Kurokawa stated that the information requested will be provided prior to the January 29, 2014 Council meeting.

The following individual testified:

Natalie Iwasa (comments)

Resolution 13-295 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.

NOES: None.

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Related communication:

D-881 (2013) Pamela A. Witty-Oakland, Director, Department of Community Services, transmitting draft Resolution.

At this juncture, Committee Chair Kobayashi announced that Items 5 and 6 would be taken up together.

5. COMMUNICATION D-840 (2013) - COMMITTEE REPORT 23

TAX COMPROMISE FOR ST. FRANCIS HEALTHCARE SYSTEMS. From Department of Budget and Fiscal Services requesting a one-time real property tax compromise of \$520,912.45 for Fiscal Year 2013-2014 for St. Francis Healthcare Systems for real property taxes due on properties identified by Tax Map Key numbers 180180030000, 180220060000, 180220070000.

6. COMMUNICATION D-841 (2013) – COMMITTEE REPORT 24

TAX COMPROMISE FOR ST. FRANCIS HEALTHCARE SYSTEMS. From Department of Budget and Fiscal Services requesting a one-time real property tax compromise of \$539.95 for Fiscal Year 2013-2014 for St. Francis Healthcare Systems on real property taxes due on property located at 91-1758 Oohao Street and identified by Tax Map Key Number 911260190000.

Administration/Others

Gary Kurokawa, Deputy Director, Department of Budget and Fiscal Services

Deputy Director Kurokawa provided the Committee with a brief background on the on the subject properties.

The following individuals testified:

1. Sister William Marie Eleniki, St. Francis Healthcare System (support)
2. Natalie Iwasa (comments)

Communication D-840 (2013) reported out for approval.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

Communication D-841 (2013) reported out for approval.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

7. RESOLUTION 13-294 – COMMITTEE REPORT 14

COLLECTIVE BARGAINING COST ITEMS FOR BARGAINING UNIT 11.
Approving collective bargaining cost items for the Hawaii Fire Fighters Association Bargaining Unit 11 included and excluded managerial employees of the City and County of Honolulu.

Administration/Others

Carolee Kubo, Director, Department of Human Resources

Director Kubo testified in support of the Resolution.

The following individual testified:

Robert H. Lee, President, Hawaii Fire Fighters Association, Local 1463,
IAFF, AFL-CIO (support) (M-67)

Resolution 13-294 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

Related communications:

MM-176 (2013) Kirk Caldwell, Mayor, Office of the Mayor, submitting cost items
for the Hawaii Fire Fighters Association Bargaining Unit 11.
M-67 Robert H. Lee, President, Hawaii Fire Fighters Association,
Local 1463, IAFF, AFL-CIO (support)

8. RESOLUTION 14-10 – COMMITTEE REPORT 20

AGE-FRIENDLY CITIES. Supporting Honolulu becoming an age-friendly city.

Administration/Others

Michael D. Formby, Director, Department of Transportation Services

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Director Formby testified in support of the Resolution.

The following individual testified:

Cindy McMillan, The Pacific Resource Partnership (support) (M-68)

Resolution 14-10 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

Related communications:

D-26 Michael D. Formby, Director, Department of Transportation Services, submitting testimony in support of the Resolution.
M-68 Cindy McMillan, The Pacific Resource Partnership (support)
M-69 Barbara Kim Stanton, AARP State Director (support)
M-70 Deborah Goebert, Chair, Injury Prevention Advisory Committee (support)

9. RESOLUTION 14-9

EXTENDING FIREWORKS PERMITS. Urging the Honolulu Fire Department to extend the use of expired fireworks permits for another calendar year.

The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 14-9: The proposed CD1 (OCS/011314/04:15/CT) makes the following amendments:

1. Adds a reference to Section 20-6.13(e), ROH, to the second WHEREAS clause.
2. Adds a reference to Section 20-6.13(f), ROH, to the third WHEREAS clause.
3. Makes miscellaneous technical and nonsubstantive changes.

Administration/Others

Socrates Bratakos, Assistant Chief, Honolulu Fire Department

There was no public testimony.

Assistant Chief Bratakos reported that State law does not allow fireworks permits to exceed one year but stated that the HFD would be able to reassign the permits to other up coming holidays.

The following was discussed:

- Reasons for shortage of fireworks
- Replacing the expired permit with a new permit

Assistant Chief Bratakos was requested to research the State law and the possibility of initiating refunds and replacing expired permits with new permits.

Action on Resolution 14-9 deferred.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

10. RESOLUTION 13-297 – COMMITTEE REPORT 16

RELATING TO REAL PROPERTY TAXATION. Urging the Administration to annually review the new Residential A real property tax class's assessed value threshold.

Administration/Others

Gary Kurokawa, Deputy Director, Department of Budget and Fiscal Services

There was no public testimony.

Director Kurokawa stated that the Administration, as part of their review process, would be reviewing the stratification of property values annually.

Resolution 13-297 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, KOBAYASHI – 4.
NOES: None.
EXCUSED: PINE – 1.

11. BILL 70 (2013) – COMMITTEE REPORT 13

RELATING TO FEES FOR CERTAIN PERMITS AND SERVICES. Amending the Revised Ordinances of Honolulu 1990, as amended, relating to fees for certain permits and services administered by the Department of Planning and Permitting.

The following amendment was circulated at the meeting:

PROPOSED CD1 TO BILL 70 (2013) – The proposed CD1 was transmitted by Communication D-35 from the Department of Planning and Permitting.

Administration/Others

George Atta, Director, Department of Planning and Permitting (DPP)
Art Challacombe, Deputy Director, DPP

Director Atta reported that the proposed increase in processing fees was to make the rates current and comparable with other cities of the same size.

Deputy Director Challacombe explained that the proposed increase of fees were for major discretionary permits which are more complicated and complex to process, such as Special Management Area Permits, Planned Review Uses and Zone Changes.

The following was discussed by the Committee:

- Fees generated as a revenue enhancement
- Rededicating fees generated back to the DPP
- Special dedicated fund for DPP

The following individuals testified:

1. Barbara Armentrout (comments)
2. Natalie Iwasa (comments)
3. Martha Townsend, The Outdoor Circle (support)

At the suggestion of the Department of Planning and Permitting, the Committee considered and approved a proposed handcarried CD1 version which was transmitted by Communication D-35 dated January 15, 2014.

Bill 70 (2013) amended to a handcarried CD1 (Communication D-35) and reported out for passage on second reading and scheduling of a public hearing.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

Related communications:

D-871 (2013)	Department of Planning and Permitting, transmitting draft Bill
D-35	Department of Planning and Permitting, transmitting proposed CD1 to Bill 70 (2013)
M-71	Gladys Marrone, Government Relations Director, Building Industry Association of Hawaii (BIA-Hawaii) (oppose)

12. BILL 69 (2013)

RELATING TO PUBLIC TRANSIT. Authorizing the Department of Transportation Services (DTS) to sell advertising space on the exterior of City fixed route public transit buses and paratransit vehicles.

Administration/Others

Michael D. Formby, Director, Department of Transportation Services

Director Formby provided a powerpoint presentation entitled "Transportation Equity and Exterior Fixed Route Bus Advertising" as detailed in Communication D-40.

Director Formby stated that the Department would be submitting an amendment to the Bill.

The Committee discussed the following:

- Establishing rules, enforcement and challenges to content of ads
- Revenue generation through advertising
- Finding other sources of revenue
- Restoration of bus services
- Intermodal connections between the bus and rail system

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The following individuals testified:

1. Geno Tamayo (support)(M-92)
2. Martha Townsend, The Outdoor Circle (oppose)(M-106)

In response to Committee Member Pine, the following was discussed with Ms. Townsend from the Outdoor Circle regarding the proposed Bill violating the spirit and intent of the Hawaii State Law:

- Limiting third-party advertising
- Enforcement of vehicular advertising
- Defending the blanket ban on billboards
- Vehicular versus billboard advertising

3. John. P. Whalen, Scenic Hawaii, Inc. (oppose)(M-89)
4. Kathy Whitmire, The Outdoor Circle (oppose)(M-103)
5. Barbra Armentrout (oppose)
6. Martin Schiller (comments)
7. Sol Ray Duncan (oppose)
8. Carol Hopkins (oppose)
9. Susan Spangler (oppose)
10. Vern Hinsvark (oppose)(M-105)
11. William Metzger (oppose)
12. Alexandra Avery, The Outdoor Circle (oppose)(M-104)
13. Pauline MacNeil (oppose)
14. Bev Harbin (oppose)
15. Eric Kvam (oppose)

In response to Committee Chair Kobayashi's query of the need to repeal ROH, Chapter 41, Article 14, Deputy Corporation Counsel Jayaram opined that the ordinance has been permanently enjoined and that a repeal is not necessary.

Committee Chair Kobayashi recommended that Bill 69 (2013) be deferred until questions regarding legal and funding issues are discussed further.

Council Chair Martin and Committee Member Manahan spoke in support of the recommendation to defer and the need to review other sources of funding.

Council Chair Martin also suggested deferring the issue until the Mayor's 2015 Budget has been received.

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Committee Member Chang expressed his desire to keep the measure alive for discussion as the Bill proposes to increase revenue without increasing fares and merits more discussion.

Committee Member Pine stated her support for the recommendation with strong reservations. She expressed her concern that without the Bill revenue would have to be generated through the raising of taxes or fees.

Action on Bill 69 (2013) deferred.

AYES: FUKUNAGA, MANAHAN, PINE*, KOBAYASHI – 4.
NOES: CHANG – 1.

*Committee Member Pine voted ayes with reservations

Related communications:

D-870 (2013)	Michael Formby, Director, Department of Transportaiton Services, transmitting draft Bill.
D-40	Michael Formby, Director, Department of Transportation Services, submitting copy of powerpoint presentation.
M-72	Win Bennett (oppose)
M-73	Allyn Bromley (comments)
M-74	Julia Caplett (oppose)
M-75	Richard and Joann Caplett (oppose)
M-76	Donna Ching (oppose)
M-77	Henry Curtis, Executive Director, Life of the Land (oppose)
M-78	Joan Fleming (oppose)
M-79	Ruth Freedman (comments)
M-80	Cinnie Frith (oppose)
M-81	Carol Hendricks (oppose)
M-82	Diana S. Lantow (oppose)
M-83	Mike McFarlane, Island Recreation (oppose)
M-84	Marilyn Martinson (oppose)
M-85	Michele Matsuo (oppose)
M-86	Daisy Murai (oppose)
M-87	Pam Princenthal, AirCare Environmental Services, Inc. dba AirCare Hawaii & Restoration Science (oppose)
M-88	Stann W. Reiziss, Ph.D. (oppose)
M-89	John P. Whalen, FAICP, on behalf of the Board of Directors, Scenic Hawaii, Inc. (oppose)
M-90	Susan R.S. Schofield (oppose)

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M-91	Jean Stromberg (oppose)
M-92	Geno Tamayo (support)
M-93	Representative Cynthia Thielen, District 50 (oppose)
M-94	Dana Anne Yee, FASLA, ISA CA, LEED AP, Dana Anne Yee, Landscape Architect, LLC (oppose)
M-95	Penelope Burniske (oppose)
M-96	Patricia Godfrey (oppose)
M-97	Kathrin G. Kohler (oppose)
M-98	Barbara Krasniewski (oppose)
M-99	Bob Leinau (oppose)
M-100	Barbara Marumoto, Board Member, The Outdoor Circle (comments)
M-101	Stephen F. Mechler, ASLA, Landscape Architect, The Mechler Corporation (comments)
M-102	Paula Stuart (oppose)
M-103	Kathryn J. Whitmire (oppose)
M-104	Alexandra Avery, President, The Outdoor Circle (oppose)
M-105	Vern Hinsvark (oppose)
M-106	Martha Townsend, Executive Director, The Outdoor Circle (oppose)
Petition-1	3 signatures (oppose)

At this juncture, Committee Chair Kobayashi announced that Addendum items Resolution 14-11 and Resolution 14-12 would be taken up together.

ADDENDUM ITEMS

1. RESOLUTION 14-11 – COMMITTEE REPORT 21

NINETEENTH (19TH) YEAR COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS. Relating to reprogramming of the City's Nineteenth (19th) Year Community Development Block Grant (CDBG) Funds.

2. RESOLUTION 14-12 – COMMITTEE REPORT 22

AMENDING HONOLULU'S NINETEENTH (19TH) YEAR ACTION PLAN. Approving an amendment to the City and County of Honolulu's Nineteenth (19th) Year Action Plan for Community Development Block Grant, HOME Investment Partnerships, Emergency Solutions Grants and Housing Opportunities for Persons with AIDS Program Funds, and authorizing its submittal to the U.S. Department of Housing and Urban Development.

Administration/Others

Nelson Koyanagi, Jr., Director, Department of Budget and Fiscal Services
Pamela Witty-Oakland, Director, Department of Community Services

Director Koyanagi explained that the purpose of Resolution 14-11 is to reprogram Community Development Block Grant (CDBG) funds to meet timeliness.

The following were discussed:

- Identifying projects for selection
- The Family Justice Center project meeting timeliness
- Consideration of the projects listed in lieu of City projects

Council Chair Martin requested detailed information regarding a project that would require the developer to make up the difference in funding.

In response to Committee Chair Kobayashi, Director Koyanagi stated that the deadline for passing the Resolutions would be at the January 29th Council meeting in order to allow the organizations time to expend the funds.

Director Koyanagi informed the Committee that the amount stated in the Resolution to be reprogrammed would need to be amended.

The following individuals testified:

1. Bev Harbin (comments)
2. Sister William Marie Eleniki, St. Francis Healthcare System (support Resolution 14-11)
3. Natalie Iwasa (comments)

Resolution 14-11 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

Related communication:

D-15 Nelson H. Koyanagi, Jr., Director, transmitting draft Resolution.

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Resolution 14-12 reported out for adoption.

AYES: CHANG, FUKUNAGA, MANAHAN, PINE, KOBAYASHI – 5.
NOES: None.

Related communication:

D-16 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services, transmitting draft Resolution.

FOR DISCUSSION

13. STATUS OF REPORT REQUIRED BY RESOLUTION 13-167, CD1, FD1 RELATING TO THE RIVER STREET SENIOR AFFORDABLE HOUSING COMPLEX.

Administration/Others

Jun Yang, Executive Director, Office of Housing, Office of the Mayor
Pamela Witty-Oakland, Director, Department of Community Services

Executive Director Yang provided a status report on the River Street Senior Affordable Housing Complex as detailed in Communication MM-8.

The representatives of the Community Center Association expressed concern with the Administration's lack of response to their proposals for the River Street project.

Director Witty-Oakland explained that the CCCA and the City are at an impasse with what the CCCA is requesting and the City Administration's responsibility on their implementation of the CDBG program.

The following were discussed:

- The Chinatown Community Center Association's (CCCA) interest in a for-sale-affordable project.
- The City's interest in partnering with a developer to provide best use for the property as a rental project.

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- Complying with CDBG requirements.
- Community concern of the potential shift in the community from mixed income to more low income housing.

The following individuals testified:

1. Wesley Fong, Chinatown Community Center Association (CCCA) (comments)
2. Howard Lum, CCCA (comments)
3. Lee Stack, CCCA (comments)

Related communication:

MM-8 Jun Yang, Executive Director, Office of Housing, Office of the Mayor, submitting status report on the River Street Senior Affordable Housing Complex.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:34 p.m.

Respectfully submitted,



BERNICE K.N. MAU
City Clerk

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DATE APPROVED

February 26, 2014