

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
WEDNESDAY, FEBRUARY 26, 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://www1.honolulu.gov/cameras/council/index.htm> 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 9:34 a.m. Voting Members Chang, Fukunaga, Manahan and Pine were present at the meeting. Nonvoting member, Council Chair Martin (temporary voting member for quorum), and Councilmember Menor 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 January 17, 2014 and February 5, 2014 were approved as circulated.

AYES: MARTIN (temporary voting member), PINE, KOBAYASHI – 3.
NOES: None.
EXCUSED: CHANG, FUKUNAGA, MANAHAN – 3.

At this juncture the Committee Chair announced that Items 1 thru 5 would be taken up together.

FOR ACTION

1. RESOLUTION 14-41 - COMMITTEE REPORT 61

ACCEPTANCE OF GIFT. Requesting acceptance of a gift to the City valued at \$3,477.00 from W. Philip Kau, BS, MS, DVM consisting of medical and surgical equipment.

The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 14-41 – The proposed CD1 (OCS/022414/04:05/CT) makes the following amendments:

1. Attaches second page of gift form, which details the medical and surgical supplies included in the gift.
2. In the first BE IT RESOLVED clause, describes the gift and removes reference to "attached letter" from DES Director.
3. Makes miscellaneous technical and nonsubstantive amendments.

2. RESOLUTION 14-45 – COMMITTEE REPORT 65

ACCEPTANCE OF GIFT. Requesting acceptance of a gift to the City valued at \$37,330.70 from the Honolulu Zoo Society for the period January to March 2013.

3. RESOLUTION 14-44 – COMMITTEE REPORT 64

ACCEPTANCE OF GIFT. Requesting acceptance of a gift to the City valued at \$64,532.06 from the Honolulu Zoo Society for the period April to June 2013.

4. RESOLUTION 14-43 – COMMITTEE REPORT 63

ACCEPTANCE OF GIFT. Requesting acceptance of a gift to the City valued at \$26,607.48 from the Honolulu Zoo Society for the period July to September 2013.

5. RESOLUTION 14-42 – COMMITTEE REPORT 62

ACCEPTANCE OF GIFT. Requesting acceptance of a gift to the City valued at \$46,680.09 from the Honolulu Zoo Society for the period October to December 2013.

Administration/Others

Gerald H. Saito, Director, Department of Enterprise Services

There was no public testimony.

Director Saito provided a brief comment on the submittal of the gifts to the Honolulu Zoo.

Resolution 14-41 amended to CD1 and reported out for adoption.

AYES: MARTIN (temporary voting member), PINE, KOBAYASHI – 3.
NOES: None.
EXCUSED: CHANG, FUKUNAGA, MANAHAN – 3.

Related communication:

D-107 Gerald H. Saito, Director, Department of Enterprise Services, transmitting draft Resolution.

Resolution 14-45 reported out for adoption.

AYES: FUKUNAGA, PINE, KOBAYASHI – 3.
NOES: None.
EXCUSED: CHANG, MANAHAN – 2.

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Related communication:

D-103 Gerald H. Saito, Director, Department of Enterprise Services,
transmitting draft Resolution.

Resolution 14-44 reported out for adoption.

AYES: FUKUNAGA, PINE, KOBAYASHI – 3.
NOES: None.
EXCUSED: CHANG, MANAHAN – 2.

Related communication:

D-104 Gerald H. Saito, Director, Department of Enterprise Services,
transmitting draft Resolution.

Resolution 14-43 reported out for adoption.

AYES: FUKUNAGA, PINE, KOBAYASHI – 3.
NOES: None.
EXCUSED: CHANG, MANAHAN – 2.

Related communication:

D-105 Gerald H. Saito, Director, Department of Enterprise Services,
transmitting draft Resolution.

Resolution 14-42 reported out for adoption.

AYES: FUKUNAGA, PINE, KOBAYASHI – 3.
NOES: None.
EXCUSED: CHANG, MANAHAN – 2.

Related communication:

D-106 Gerald H. Saito, Director, Department of Enterprise Services,
transmitting draft Resolution.

6. RESOLUTION 14-9 – COMMITTEE REPORT 59

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

The following amendment was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 14-9 - The proposed CD1 (OCS/022014/08:39/CT) makes the following amendments:

- A. Amends the first BE IT RESOLVED clause to urge the Honolulu Fire Department to allow the exchange of unused fireworks permit issued for use on December 31, 2013 and January 1, 2014 for a new fireworks permit for use on December 31, 2014 and January 1, 2015, and to amend its rules as necessary.

Administration/Others

Socrates Bratakos, Assistant Chief, Honolulu Fire Department (HFD)
Amy Kondo, Deputy, Department of the Corporation Counsel, (COR)
Dwayne Pang, Deputy, COR

There was no public testimony.

Assistant Chief Bratakos stated that the HFD would consult with COR on the legality of exchanging unused fireworks permits for a new permit. If allowed, the HFD would amend their rules to grant an exchange.

Deputy Corporation Counsel Pang reported that COR would look into the distinction between extending and exchanging of the fireworks permits and would advise the HFD accordingly.

Committee Chair Kobayashi recommended amending the Resolution to the posted CD1 and be reported out for adoption.

Resolution 14-9 amended to CD1 (OCS/022014/08:39/CT) and reported out for adoption.

AYES: FUKUNAGA, MANAHAN, KOBAYASHI – 3.
NOES: None.
EXCUSED: CHANG, PINE - 2.

7. BILL 1 (2014), CD1 – COMMITTEE REPORT 58

RELATING TO PARKING. Authorizing certain parking stalls for mobile food vendors.

The following amendment was circulated at the meeting:

PROPOSED CD2 TO BILL 1 (2014), CD1: The proposed CD2 (OCS/022514/02:15/YL) makes the following amendments:

- A. Includes definitions of "DTS director", "DES director" and "Hawaii capital special district" in the definitions section.
- B. Provides for a two-year pilot project.
- C. Provides that the ordinance is only applicable to the Hawaii capital special district, and deletes zoning districts where eating establishments are permitted by the Land Use Ordinance.
- D. Provides that except for permittees with valid permits, no itinerant vendor, peddler or huckster may operate a mobile food unit on any street or highway in the Hawaii capital special district during reserved hours.
- E. Provides that the DTS director is responsible for stall locations, stall use outside of reserved hours, and signage.
- F. Provides that the DES director is responsible for permit solicitation and award, permit card issuance, and permit fee collection and deposit.
- G. Provides that the DTS director and the DES director shall adopt rules to implement their respective responsibilities.
- H. Adds a new subsection (d) to ROH Section 15-13.6 ("Selling on highways restricted") to provide that for so long as the pilot project established in Section 15-13. is in effect, Section 15-13.6 does not apply to any itinerant vendor, peddler or huckster operating a mobile food unit during the reserved hours in the Hawaii capital special district.
- I. Adds an uncodified section requiring the DTS director and DES director to submit to the Council a joint evaluation report within 180 days prior to expiration of the pilot project.

- J. Provides that the ordinance takes effect 180 days after its approval, and is repealed two years after the effective date.
- K. Makes other technical and non-substantive amendments.

Administration/Others

Michael D. Formby, Director, Department of Transportation Services (DTS)

There was no public testimony.

Director Formby spoke in support of the Bill and the proposed CD2 with suggested changes.

Committee Chair Kobayashi requested that the Director provide the Committee with the recommended language.

In response to Committee Member Manahan, Director Formby noted penalties for the illegal parking of lunch wagons would need to be established.

Committee Chair Kobayashi recommended amending Bill 1 (2014), CD1 to the handcarried CD2

Bill 1 (2014), CD1 amended to CD2 (OCS/022514/02:15/YL) and reported out for passage on third reading.

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

8. BILL 7 (2014)

REAL PROPERTY TAX CREDIT. Refining the requirements regarding the real property tax credit for low-income homeowners.

There was no testimony from the Administration.

Committee Chair Kobayashi expressed interest in placing a cap on either the real property tax or assessment until the property is sold or transferred to help the taxpayers in need.

The Committee Chair encouraged the submittal of names for the Tax Review Commission to the Council Chair's office.

The following individual testified:

Natalie Iwasa (comments)

Action on Bill 7 (2014) deferred.

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

9. RESOLUTION 14-34 – COMMITTEE REPORT 60

DEVELOPMENT OF A SENIOR AFFORDABLE HOUSING COMPLEX.
Establishing a Council policy concerning the development of a senior affordable housing complex on a City-owned parcel located on River Street.

The following amendment was posted on the agenda:

PROPOSED CD1 TO RESOLUTION 14-34 - The proposed CD1 (OCS/021914/03:16/CT) makes the following amendments:

- A. Amends the Resolution by changing "Concerned Citizens On River Street Housing" to "Concerned Citizens of River Street Housing" throughout the Resolution.

Administration/Others

Jun Yang, Executive Director, Office of Housing
Pamela A. Witty-Oakland, Director, Department of Community Services

Committee Member Fukunaga stated that she would like to encourage the City Administration to consider pursuing a Request for Proposal (RFP) for a senior housing complex with a multi-cultural community center that the Chinatown community has been advocating for.

Executive Director Yang reported that the Administration is currently processing a Request for Information (RFI) to see what options are available for the site. The RFI would create an RFP for the Chinatown Community.

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The following was discussed by the Committee:

- An RFI to discover other options to discover the best use of the property.
- Additional uses of the property besides a senior development.
- Concern that a proposal would be submitted that the community would not support.
- Concern that the consensus of the community vision would not be considered.
- Foregoing the RFI and going forward with an RFP.

The following individuals testified:

1. Howard Lum, President, Lum Sai Ho Tong & Chinatown Community Center Association (support)
2. Clarence W.H. Lam (support)
3. Ron Lam (support)
4. Lita Lum (support)
5. Richard M.C. Lum (support)
6. Yew Fong Lum (support)
7. William H. Lum (support)
8. Richard W.K. Lum (support)
9. Betsy Y. Lum (support)
10. Kehaulani Lum (support)
11. Barbra Armentrout (support)
12. Roland Louie (comments) (M-312)
13. Polly A.K. Grace (support)
14. Choon James (comments)

Committee Chair Kobayashi recommended amending the Resolution to the posted CD1 and be reported out for adoption.

The Committee members expressed the desire for the Administration to proceed directly with an RFP.

Resolution 14-34 amended to CD1 (OCS/021914/03:16/CT) and reported out for adoption.

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

Related communications:

M-311 Wesley F. Fong, President, Chinatown Community Center Association (support)

M-312 Roland Louie (support)

10. BILL 70 (2013), CD1 – COMMITTEE REPORT 57

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 posted on the agenda:

PROPOSED CD2 TO BILL 70 (2013), CD1 – The proposed CD2 (OCS/020314/01:35/YL) was approved by the Committee on Budget at its February 5, 2014 meeting and makes the following amendments:

- A. Makes numerous corrections to Ramseyer and drafting errors. No substantive changes were made to the posted CD2.

The following amendment was circulated at the meeting:

PROPOSED CD2 TO BILL 70 (2013), CD1: The proposed CD2 (OCS/022514/10:40/HM) further amends the posted CD2 to:

- 1. Require that the monies collected from the fees identified this bill be deposited in a land use permit account in the general fund to be used to pay for costs relating to the processing and administering of land use permits.
 - a. This requirement does not apply to Sections 5 through 10 of the bill since fees collected in these sections are designated for deposit in the highway fund.

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- b. This requirement does not apply to Section 20 of the bill since fees collected in this section are designated for deposit in the Ewa Highway Improvement Trust Fund or Account.
2. Add two new sections to establish that the fees collected pursuant to Chapter 18, Article 6, and Chapter 22, Article 1, must be deposited in the land use permit account.
3. Make miscellaneous technical and nonsubstantive amendments.

Administration/Others

Arthur Challacombe, Deputy Director, Department of Planning and Permitting (DPP)

Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services

Deputy Director Challacombe proposed providing a nexus between the increase in fees and an increase in efficiency in the permitting process by providing measurable efficiencies in the level of service.

Director Koyanagi stated that the fees collected by the DPP are placed in specific revenue accounts which make it possible to track fees paid by the users.

The following individuals testified:

1. Natalie Iwasa (comments)
2. Choon James (comments)
3. Gladys Marrone, BIA-Hawaii (oppose) (M-313)

Committee Chair Kobayashi recommended amending the Bill to the posted CD2 which was approved by the Committee on Budget at its February 5, 2014 meeting and be reported out for third reading.

BILL 70 (2013), CD1 amended to a CD2 (OCS/020314/01:35/YL) and reported out for passage on third reading.

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

Related communication:

M-313 Gladys Marrone, Government Relations Director, Building Industry Association of Hawaii (BIA-Hawaii) (oppose Bill 70, proposed CD2)

11. BILL 6 (2014), CD1

RELATING TO LEASING OF CITY AFFORDABLE HOUSING PROJECTS. Providing new authority for the issuance of a Request for Proposals under the City's Honolulu Affordable Housing Preservation Initiative in the event a transaction is not consummated thereunder before the repeal of Ordinance 2-12 on April 1, 2014.

Administration/Others

Pamela A. Witty-Oakland, Director, Department of Community Services

Director Witty-Oakland stated that they are currently working on the language for the Request for Proposal (RFP) and would be submitting the RFP by March 7th for Council's review.

The following individual testified:

Charles Wathen, CEO, Hawaii Housing Alliance, Managing Partner of Pier Management (comments) (M-315)

Action on Bill 6 (2014), CD1 deferred.

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

Related communications:

M-314 Steve Lohse, The Chinatown Gateway Plaza Tenant Association (CGPTA) (comments)

M-315 Charles P. Wathen (comments)

12. BILL 9 (2014)

CITY-PROVIDED REFUSE SERVICES. Amending Chapter 9, Revised Ordinances of Honolulu 1990, as amended, to allow the City to charge for City-provided refuse collection services.

Administration/Others

Lori M.K. Kahikina, P.E., Director, Department of Environmental Services
(DES)
Timothy Houghton, Deputy Director, DES

Director Kahikina provided a powerpoint presentation on the overview of the City's refuse collection services, as detailed in Communication D-124.

The following was discussed by the Committee:

- Problem of people dumping trash into their neighbor's bins
- Charging for bulky item pick up
- Community unhappy with the level of service provided
- Providing a low-income exemption or a reduced fee for low-income homeowners

In response to Council Member Menor, the Director and Deputy Director provided the following information:

- They are looking at the private sector to pick up front-end loader bins from businesses and nonprofits.
- The \$21 million projected revenue increase would be from the residential customers.
- There would be an initial cost for billing software but the price would be relatively low thereafter.

The following individuals testified:

1. Scott Slagle (oppose)
2. Lisa Maruyama, Hawaii Alliance of Nonprofit Organizations (oppose)(M-317)
3. Barbra Armentrout (oppose)
4. Choon James (comments)
5. Polly Grace (oppose)
6. Natalie Iwasa (comments)

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Council Chair Martin requested that members vote no on the measure so that the Mayor would not include these revenues in his budget.

Committee Member Pine expressed concern about residents opting out from paying the refuse fee and that the Department's argument for the fee increase was weak. She stated she would not be supporting the Bill at this time.

Committee Member Fukunaga stated that her community is dissatisfied with the level of service provided and would not be able to support the Bill.

Committee Member Manahan expressed his opposition to the measure.

Council Member Menor noted that should the measure pass, he anticipates significant enforcement issues arising.

Committee Member Chang supported a deferral of the Bill until the Administration addresses 1) the nexus between the increase in the fee and the improvement in the quality of service; and 2) fees that accommodate lower income homeowners.

Committee Chair Kobayashi stated that the Department should look at ways to save money and be more efficient rather than increasing fees.

Committee Chair Kobayashi recommended that Bill 9 (2013) be deferred.

Action deferred on Bill 9 (2014).

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

Related communications:

- D-94 Lori M.K. Kahikina, P.E., Director, Department of Environmental Services, transmitting draft Bill.
- D-124 Department of Environmental Services submitting powerpoint presentation on Refuse Collection Fees.
- D-316 Katherine T. Kupukaa (oppose)
- D-317 Lisa Maruyama, President and CEO, HANO (Hawaii Alliance of Nonprofit Organizations) (oppose)

FOR DISCUSSION

12. PROGRESS OF WORK ON LAND STABILIZATION PROJECTS.

Administration/Others

Chris T. Takashige, Director, Department of Design and Construction (DDC)

There was no public testimony.

Director Takashige reported that the Palolo Valley project is a land stabilization project to try to stop a landslide and is on schedule. He provided a brief explanation on the process of stabilizing the area.

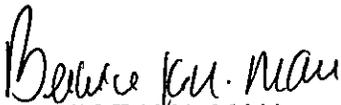
The Director provided the following information:

- Due to the coordination of the different phases of work, complaints were received of no one working.
- It is a requirement in DDC contracts that emergency vehicles be provided accessibility to the residents in the area.

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:31 p.m.

Respectfully submitted,


BERNICE K.N. MAU
City Clerk

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DATE APPROVED

April 23, 2014