



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Ann H. Kobayashi, Chair
Joey Manahan, Vice Chair
Carol Fukunaga
Trevor Ozawa
Kymberly Marcos Pine

MINUTES

REGULAR MEETING
WEDNESDAY, APRIL 1, 2015

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

Note: A copy of the video of the full proceedings of this meeting 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 9:04 a.m. Voting Members Fukunaga, Manahan and Ozawa were present at the meeting. Voting Member Pine was excused from the meeting. Nonvoting member, Council Chair Martin, also attended the meeting.

STAFF PRESENT

Steve Uyeno, 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
Gail Uehara, Council Committee Aide, Office of the City Clerk

ORDER OF BUSINESS

APPROVAL OF MINUTES

The minutes of the Committee on Budget meeting held on March 4, 2015 and the March 10, 12, 13 and 16, 2015 Departmental Budget Briefings were approved as circulated.

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

FOR ACTION

1. RESOLUTION 15-54 – COMMITTEE REPORT 109

APPOINTMENT OF EDWARD M. JOSEPH TO SERVE ON THE BOARD OF REVIEW III FOR REAL PROPERTY TAX APPEALS. Confirming the appointment of Edward M. Joseph to serve on the Board of Review III for real property tax appeals of the City and County of Honolulu.

Administration/Others

Edward M. Joseph, appointee

There was no public testimony.

Mr. Joseph explained his background and expressed his willingness to serve on the Board of Review III for real property tax appeals of the City and County of Honolulu.

Resolution 15-54 was reported out for adoption.

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

Related communication:

MM-22 Mayor Kirk Caldwell requesting confirmation of Edward M. Joseph as a member of the Real Property Tax Board of Review III, for a term to expire on June 30, 2016.

2. RESOLUTION 15-74 – COMMITTEE REPORT 112

ACCEPTANCE OF GIFT. Relating to the acceptance of a gift to the City from the Association of Government Accountants (AGA) for travel expenses valued at \$1,300 to participate in the AGA's Sectional Leadership Meeting on May 15 and 16, 2015 in Kansas City, Missouri.

Administration/Others

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

There was no public testimony.

Director Koyanagi testified in support of the Resolution noting that the gift is for a member of the Department's staff, who is currently the president of the local chapter, to attend the meeting.

Resolution 15-74 reported out for adoption.

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

Related communication:

D-149 Nelson H. Koyanagi Jr., Director, Department of Budget and Fiscal Services transmitting Resolution 15-74.

3. BILL 11 (2015) – COMMITTEE REPORT 107

ADVERTISING IN CITY PARKS. Allowing limited advertising in City parks.

Administration/Others

Michele K. Nekota, Director, Department of Parks and Recreation

Director Nekota testified in general support of the Bill, but indicated that she would like Kapiolani Park exempted from the list of parks.

In response to Committee Chair Kobayashi's questions, the Director shared her Salt Lake City, Utah park advertising experience.

Committee on Budget Minutes
Wednesday, April 1, 2015

The following individuals testified:

1. Carol Hopkins, Kapiolani Park Preservation Society (oppose) (M-689)
2. Barbra Armentrout (oppose)
3. Mark Blackburn (oppose)
4. Carol Hopkins (oppose)
5. Willie Holly Jr. (comments)

Council Chair Martin explained that he authored the Bill in response to private party interests to assist the City in meeting costs for its recreational facilities. The Council Chair stated his support for excluding Kapiolani Park from the Bill noting that he would work with the Committee to further refine the measure.

Committee Chair Kobayashi recommended amending the Bill to exempt the Kapiolani Park.

Bill 11 (2015) amended to a CD1 and reported out for passage on second reading and scheduling of a public hearing.

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

The CD1 (OCS2015-0318/4/16/2015 2:59 PM) makes the following amendments:

1. Amends Bill 11 (2015) by specifying that no advertising shall be allowed at Kapiolani Regional Park pursuant to the new section.
2. Makes technical and non-substantive changes.

Related communication:

M-689 Carol Hopkins and Alethea Rebman, Kapiolani Park Preservation Society (oppose)

4. BILL 10 (2015)

CAR SHARING. Establishing a pilot program to test the utility of the public transit system to improve the mobility of Honolulu residents by providing support and regulation to car-sharing organizations.

The following amendment was posted on the agenda:

CD1 to BILL 10 (2015) – (Submitted by Councilmember Ozawa) as reported out by the Committee on Budget on 3/4/15. The CD1 (OCS2015-0169/3/3/2015 4:48 PM) makes the following amendments:

1. Changes the number of reserved car-sharing parking stalls from 125 to 50.
2. Changes the set dollar amount for the annual fee for car sharing meter parking decals from \$2,500 to \$750.
3. Adds a new subsection 13-_.3(h) to establish that car-sharing parking decals are not effective during parades, special events or during tow-away zone hours.
4. Makes various technical and non-substantive changes.

Committee Chair Kobayashi stated that the posted CD1 to Bill 10 (2015) was reported out for second reading and scheduling of a public hearing by the Committee at its March 4, 2015 meeting but was recommitted back by the Council.

Administration/Others

Mark N. Garrity, Deputy Director, Department of Transportation Services
Amy Kondo, Attorney, Office of Corporation Counsel (COR)
Adina Cunningham, Attorney, COR

Committee Member Ozawa explained that because Bill 65 (2014) had flaws, he introduced Bill 10 (2015). However, as Bill 10 (2015) evolved, the purpose clause was too narrow for what he wanted to accomplish leading him to introduce Bill 24 (2015) which has a broader purpose clause.

In response to the inquires, the COR representatives concurred that a Bill with a broader purpose clause would be appropriate to include both on- and off-street parking.

Committee on Budget Minutes
Wednesday, April 1, 2015

Deputy Director Garrity testified in support of a car-sharing program.

A discussion ensued regarding on-street parking spaces in residential neighborhoods.

The following individuals testified:

1. Walter Rosenkranz, Business Development Manager, Car2Go (support) (M-690)
2. Joslyn Bantilan, EAN Holdings (oppose Bill 10 (2015), CD1) (M-708)
3. Barbra Armentrout (oppose)
4. Carol Hopkins (comments)
5. Natalie Iwasa (support)
6. Cinnie Firth (comments)
7. Mark Blackburn (support)

The Committee Chair recommended that action on the Bill be deferred because Bill 24 (2015) introduced by Committee Member Ozawa replaces Bill 10 (2015).

Committee Member Ozawa concurred with the Committee Chair's recommendation.

Committee Member Manahan stated that he would appreciate more discussion on the issue and suggested charging an impact fee for each time a car is rented as done in other cities.

Action on Bill 10 (2015) deferred.

AYES: FUKUNAGA, MANAHAN, OZAWA, KOBAYASHI – 4.

NOES: None.

EXCUSED: PINE – 1.

Related communications:

M-680 Brooke Wilson, The Pacific Resource Partnership (support)

M-690 Walter Rosenkranz, Business Development Manager, Car2Go (support)

M-708 Joslyn Bantilan, EAN Holdings, (oppose Bill 10 (2015), CD1)

5. RESOLUTION 15-7 – COMMITTEE REPORT 108

MEMORANDUM OF UNDERSTANDING WITH THE HONOLULU AUTHORITY FOR RAPID TRANSPORTATION (HART) REGARDING THE GENERAL OBLIGATION BONDS. Authorizing the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu or the Director's designee to enter into a Memorandum of Understanding with the Honolulu Authority for Rapid Transportation (HART) regarding the issuance of general obligation bonds.

Administration/Others

Nelson H. Koyanagi Jr., Director, Department of Budget and Fiscal Services
Lloyd Yoshioka, Attorney, Office of Council Services
Daniel Grabauskas, Executive Director & CEO, HART
Diane R. Arakaki, Chief Financial Officer, HART
Michael McGrane, Budget Analyst, HART

Director Koyanagi gave a brief background on the purpose of the Memorandum of Understanding (MOU) and explained that their CD1 transmitted by Communication D-180 was in response to Committee Chair Kobayashi's request as detailed in Communication CC-77.

The Committee Chair requested that the MOU be further amended with the following:

- Replace references to the Council's Budget Chair with "the Council"
- Amend Section 1.06 to include the Council when HART submits documents as listed
- Amend Section 4.01(f) to remove all reference to 5307 formula funds
- Amend Section 3.06 to replace the word "fund" in the Project Bond reserve fund with "account"
- Attach the updated Financial Plan as referred to in Section 2.01

The following individuals testified:

1. Richard DeConti (oppose)
2. Michele Matsuo, Time Out Honolulu Rail (oppose) (M-709)
3. Ted Kanemori (oppose) (M-710)
4. Mark Blackburn (oppose)
5. Barbra Armentrout (comments)
6. Cinnie Firth (oppose)
7. Carol Hopkins (oppose)

Committee on Budget Minutes
Wednesday, April 1, 2015

8. Roland Louie (oppose)
9. Gerald Chang (oppose and comments) (M-711)
10. Tek Yoon (oppose)
11. Natalie Iwasa (comments)
12. Willie Holly Jr. (comments)

Executive Director Grabuaskas testified in support of the Resolution.

In response to the inquiries, the HART representatives provided the following:

- A written response for the \$140 million footing error on the Capital Plan Cash Flow schedule would be provided to the Council.
- An Independent Auditor's Report is available on the HART's website.
- An explanation that the MOU is the first step and that a separate request would be needed to issue general obligation bonds for HART.
- The HART confirmed that their rail columns are not impacting the drinking water supply with the Honolulu Board of Water Supply.
- The HART would keep the Council informed on their soil testing for contamination.
- The HART would provide the Council with information on how much they have spent on the Honolulu Rail Transit Project (H RTP) for the last 12 months.

Mr. Yoshioka explained the City's process for issuing general obligation and responded to questions.

Committee Vice Chair Manahan made the motion to move the Resolution forward at the request of the Committee Chair.

Committee Members Ozawa and Fukunaga stated their votes with reservations.

Committee Vice Chair Manahan also voiced his vote with reservations.

Committee Chair Kobayashi expressed concern on the use of City funds for the H RTP.

Committee on Budget Minutes
Wednesday, April 1, 2015

Resolution 15-7 reported out for adoption.

AYES: FUKUNAGA*, MANAHAN*, OZAWA* – 3.
NOES: KOBAYASHI – 1
EXCUSED PINE – 1.

*Committee Members Fukunaga, Manahan, Ozawa voted aye with reservations.

Related communications:

- CC-77 Councilmember Ann H. Kobayashi requesting amendments to Resolution 15-7 Authorizing a Memorandum of Understanding with the Honolulu Authority for Rapid Transportation (HART)
- D-5 Department of Budget and Fiscal Services, transmitting Resolution 15-7.
- D-180 Nelson H. Koyanagi, Jr., Director, Department of Budget and Fiscal Services transmitting amendments to Resolution 15-7 Authorizing a Memorandum of Understanding with the Honolulu Authority for Rapid Transportation (HART)
- M-683 Nicholas Bléecker (comment)
- M-684 Lynne Matusow (oppose)
- M-709 Michele Matsuo, Time Out Honolulu Rail (oppose)
- M-710 Ted Kanemori (oppose)
- M-711 Gerald Chang (oppose)

At 11:58 a.m., Vice Chair Manahan conducted the meeting until the return of the Committee Chair at 12:03 p.m.

6. RESOLUTION 15-60 – COMMITTEE REPORT 110

ADVISORY COMMITTEE TO RECOMMEND EXPENDITURES FROM THE WAIPIO SOCCER COMPLEX FUND/ACCOUNT. Requesting the Director of Parks and Recreation to establish an advisory committee to recommend expenditures from the Waipio Soccer Complex Fund/Account.

Administration/Others

Michele K. Nekota, Director, Department of Parks and Recreation Services

There was no public testimony.

Director Nekota testified in support of the concept of the Resolution noting the Department's willingness to receive further suggestions concerning the Park's finances and maintenance. The Director stated that the District Manager meets with various soccer organizations every three to four months to get input.

Council Chair Martin stated that he introduced the Resolution in response to a Waipio Soccer Complex user group and requested that the measure move forward to establish a more formalized process.

In response to Committee Member Ozawa's question, the Council Chair explained that he wanted to give the Park's Director and the Budget and Fiscal Service's Director the prerogative of establishing an account for flexibility as opposed to a special fund. The Council Chair noted that he does have a Bill drafted to create a special fund should there be a need.

Resolution 15-60 reported out for adoption.

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

7. RESOLUTION 15-69 – COMMITTEE REPORT 111

2014 CONTINUUM OF CARE HOMELESS ASSISTANCE PROGRAMS. Authorizing the Director of Community Services or the Director's designee to apply for grant funds awarded through the U.S. Department of Housing and Urban Development's 2014 Continuum of Care Homeless Assistance Programs and to enter into intergovernmental agreements related thereto.

Administration/Others

Gary K. Nakata, Director Designate, Department of Community Services
(DCS)
Keith Ishida, Division Chief, DCS

Director Designate Nakata testified in support of the Resolution.

Committee on Budget Minutes
Wednesday, April 1, 2015

In response to the inquiries, the DCS representatives provided the following:

- An explanation of the U.S. Department of Housing and Urban Development grant process.
- The concurrence of a printing error with the Resolution's Exhibit B.
- The DCS representatives agreed to provide the Council with the following:
 - Locations accommodating the 600 authorized households
 - A cost estimate for the Housing First wrap around services
 - State Senator Donna Mercado Kim's perspective on the Housing First Sand Island site
 - Explanation for the \$266,748 located on page 5 of Exhibit B

Committee Chair requested that the Resolution be amended to a floor draft which would replace Exhibit B.

The following individual testified in support:

Kimo Carvalho, IHS the Institute for Human Services

Resolution 15-69 reported out for adoption.

AYES: FUKUNAGA, MANAHAN, OZAWA, KOBAYASHI – 4.

NOES: None.

EXCUSED: PINE - 1.

Related communication:

D-850 (2014) Gary K. Nakata, Director Designate, Department of Community Services, transmitting Resolution 15-69.

Committee on Budget Minutes
Wednesday, April 1, 2015

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:21 p.m.

Respectfully submitted,


GLEN TAKAHASHI
Acting City Clerk

gu

DATE APPROVED

April 29, 2015