



CITY COUNCIL
CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

Joey Manahan, Chair
Brandon J.C. Elefante, Vice Chair
Ikaika Anderson
Kymberly Marcos Pine

MINUTES

REGULAR MEETING
WEDNESDAY, JUNE 28, 2017
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 Joey Manahan at 9:13 a.m. Voting Members Anderson, Elefante and Pine were present at the meeting.

STAFF PRESENT

Mitchel Cabrerros, Legislative Analyst to Committee Chair Manahan
Catherine Pligavko, Analyst, Office of Council Services
Lloyd Yoshioka, Attorney, Office of Council Services
Geoffrey Kam, Deputy, Department of the Corporation Counsel, assigned to the Committee
Pearlene Otto, Council Committee Aide, Office of the City Clerk

ORDER OF BUSINESS

APPROVAL OF MINUTES

The minutes of the Committee on Budget April 11, 2017 special meeting and the May 3, 2017 regular meeting were approved as circulated.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.
NOES: None.

FOR ACTION

1. RESOLUTION 17-153 – COMMITTEE REPORT 261

APPOINTMENT OF MICHAEL J. GOLOJUCH, SR. Relating to the appointment of Michael J. Golojuch, Sr. to serve on the Board of Review III for Real Property Tax Appeals of the City and County of Honolulu.

Administration/Others

Michael J. Golojuch, Sr., nominee

There was no public testimony.

Mr. Golojuch provided comments on his nomination to serve on the Board of Review III for Real Property Tax Appeals of the City and County of Honolulu.

Committee Chair Manahan thanked Mr. Golojuch for his willingness to serve on the Board of Review III for Real Property Tax Appeals.

Committee Member Anderson spoke in support of the measure and thanked Mr. Golojuch for his willingness to serve.

Resolution 17-153 reported out for adoption.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.

NOES: None.

Related communication:

MM-69 Office of the Mayor, transmitting draft resolution.

2. RESOLUTION 17-174 – COMMITTEE REPORT 267

ACCEPTANCE OF A GIFT (DES). Relating to the acceptance of a gift to the City from the County Council of Maui for the cost of roundtrip airfares for two employees from the Department of Enterprise Services to participate as resource panelists in Maui County Council's Parks, Recreation, Energy and Legal Affairs Committee meeting on June 27, 2017, at Wailuku, Maui, Hawaii.

Administration/Others

Guy H. Kaulukukui, Director, Department of Enterprise Services

There was no public testimony.

Director Kaulukukui provided an overview of the Resolution and asked for the Committee's favorable consideration.

Resolution 17-174 reported out for adoption.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.

NOES: None.

Related communication:

D-451 Department of Enterprise Services, transmitting draft resolution.

3. BILL 22 (2017), CD1 – COMMITTEE REPORT 259

PUBLIC SPAY AND NEUTER CLINIC. Amending the City's spay and neuter clinic and program.

The following amendment was posted on the agenda:

PROPOSED CD2 TO BILL 22 (2017), CD1 (Submitted by Councilmember Manahan) – The CD2 (OCS2017-0562/5/22/2017 8:14 AM) makes the following amendments:

1. Removes subsection 7-5.1(a)(5) which established a fee of no more than \$10.00 for the spay or neutering of a feral or community cat.
2. Removes subsection 7-5.1(e) which set the reimbursement to veterinarians at \$25.00 for spaying or neutering of a feral or community cat and required microchip identification not to exceed \$10.00.
3. Adds an uncodified Section 3 which sets forth the requirements for a pilot project with the goal of reducing the contribution feral cats make to pet overpopulation.

4. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Randy Leong, Deputy Director, Department of Customer Services

Deputy Director Leong stated that the Administration supports the intent of the measure, however, some concerns need to be addressed.

Discussion ensued regarding the following matters:

- Expanding the pool of subsidized certificate buyers to Medicaid and low income housing recipients.
- Creating an affordable feral cat certificate and a fair reimbursement to participating veterinarians.

The following individuals testified:

1. Rylee Kamahale (comments)
2. Mike McFarlane (support CD1)
3. Sabrina Dela Rama (support CD1)
4. Kevin Rathbun (support CD1)
5. Ms. Chris Medrano (support CD1)
6. Tasha Kamahale (support CD1)
7. Alexis Jamison (support CD1)

Committee Member Anderson requested that Bill 22 (2017), CD1 move forward.

Committee Member Elefante expressed that the overall goal of the measure is to reduce the feral cat population. The Committee Member suggested that a spay and neuter pilot project be developed at the \$10 rate and operated through the end of 2017 to determine its effectiveness.

Committee Member Pine also expressed that the focus is to reduce the feral cat population and acknowledged that there are veterinarians willing to perform the service at the lower rate.

Committee Chair Manahan stated that although he prefers the CD2 amendment, the CD1 version provides a more practical solution. The Committee Chair recommended that Bill 22 (2017), CD1 move forward for passage on third reading.

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Bill 22 (2017), CD1 reported out for passage on third reading.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.
NOES: None.

Related communications:

M-3290 Stephanie Kendrick, Hawaiian Humane Society (support
proposed CD2)
M-3291 Adele (highlightning808@gmail.com) (support)
M-3292 Alli Kim-Yamane (support)
M-3293 Cinde Fisher (support)
M-3294 Deborah Bukala (support)
M-3295 Deborah Wilson (support)
M-3296 Edward Bendet (support)
M-3297 Eric Ako DVM (support)
M-3298 Erik Pegg (support)
M-3299 Francis Hogan (support)
M-3324 Janine Fujiwara
M-3300 Jennifer Chiwa (support)
M-3301 Jodie Mishima (support)
M-3302 Joy S. Inada (support)
M-3303 K. Saiki (meatstinks@gmail.com) (support)
M-3304 Lee Cuccia (support original bill)
M-3305 Liana Vila (support)
M-3306 Louise Hung (support)
M-3307 Lynne Matsusow (support)
M-3308 Maile Van Unen (support)
M-3309 Pat Meyers (support)
M-3310 Rebecka Arbin (support)
M-3311 Reena Shah (support)
M-3334 Rosemary Fazio (support)
M-3312 Selene Mersereau (support)
M-3313 Thomas Chmielowicz (support)
M-3337 Traci H. Fasi-Paiva (support)
M-3314 Wayne Niide (support)
M-3315 William Kemp IV (support)
M-3316 Yuka Hashimoto (support)

4. BILL 52 (2017) – COMMITTEE REPORT 260

MINIMUM REAL PROPERTY TAX. Amending the minimum real property tax.

The following amendment was circulated at the meeting:

PROPOSED CD1 TO BILL 52 (2017) (Submitted by the Administration) - The CD1 (transmitted by the Administration) makes the following amendments:

1. Amends Section 8-11.-1 to reference ROH Sections 8-10.22.
2. Amends Section 8.10.22(f) as follows:

Except as otherwise provided in Section 8-9.1, residential real property approved for dedication is subject to real property taxation in the following manner:

- (a) Fully exempt property is subject to a minimum real property tax of a \$1,000.
- (b) Partially exempt property is subject to real property taxes no less than \$1,000.

Administration/Others

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

Committee Member Anderson, introducer of the Bill, provided an overview of the measure and expressed his gratitude to the Administration for addressing the issues on such short notice. The Committee Member noted that low-income homeowners with a financial hardship may apply for the low-income real property tax credit.

Director Koyanagi testified that the Administration supports the Bill but had concerns with some of the language. The Director offered a proposed amendment to the Bill that addresses the concerns.

Committee Member Elefante requested that the financial impacts of the Bill be provided to the Committee.

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The following individual testified in opposition:

Ihilani Burgess Chun Staton

In response to Committee Member Pine, Ms. Staton stated that her home was built by Charles E. King.

Committee Member Anderson stated that it was neither justifiable nor sustainable for the City to continue subsidizing the historical home program at the existing \$300 threshold and expressed that the \$1000 threshold offered a substantial tax break and a fair compromise. The Committee Member spoke in support of the proposed CD1 amendment offered by the Administration and looked forward to further discussion.

Committee Member Elefante spoke in support of the proposed CD1 amendment offered by the Administration and thanked Committee Member Anderson for his efforts on the measure. The Committee Member iterated the comments of Committee Member Anderson on the real property tax credit and noted that the City provides workshops on real property taxes.

Bill 52 (2017) amended to the hand-carried CD1 (transmitted by the Administration) and reported out for passage on second reading and scheduling of a public hearing.

AYES: ANDERSON, ELEFANTE, PINE*, MANAHAN – 4.
NOES: None.

* Committee Member Pine voted aye with reservations.

Related communications:

M-3317	Anita May Rosenstein (oppose)
M-3318	Brook Hart (oppose)
M-3319	Chalsa M. Loo (oppose)
M-3320	Duane Okamoto (oppose)
M-3321	Elizabeth Perry (comments)
M-3322	Gaylien S. Hall (oppose)
M-3323	Jane Moulin (oppose)
M-3325	Joe Ferraro (comments)
M-3326	Kiersten Faulkner, Historic Hawai'i Foundation (oppose)
M-3327	Linda Legrande (oppose)
M-3328	Mike Speer (oppose)

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M-3329 Nate Ikehara (oppose)
M-3330 Norborne R. Clarke (oppose)
M-3331 Patricia Godfrey (oppose)
M-3332 Robert E. Fox (oppose)
M-3333 Rona L. Holub (oppose)
M-3335 Sharon M. Au (oppose)
M-3336 Sharon Tanaka (oppose)
M-3338 Victor Weeks (oppose)
M-3339 Wayne A. Goo (oppose)
M-3340 Willis Yap (oppose)

5. RESOLUTION 17-168 – COMMITTEE REPORT 262

GRANT OF EASEMENT 10000. Approving the grant of Easement 10000 to the State of Hawaii, Department of Land and Natural Resources within a portion of the City's proposed H-Power expansion property, TMK: 9-1-026:035.

Administration/Others

Timothy A. Houghton, Deputy Director, Department of Environmental Services

There was no public testimony.

Deputy Director Houghton provided an overview of the Resolution and testified in support of the measure.

In response to Committee Member Elefante, Deputy Director Houghton stated that the sinkholes would be fenced up.

Resolution 17-168 reported out for adoption.

AYES: ELEFANTE, PINE, MANAHAN – 3.

NOES: None.

EXCUSED: ANDERSON – 1.

Related communication:

D-405 Department of Budget and Fiscal Services, transmitting draft resolution.

6. RESOLUTION 17-169 – COMMITTEE REPORT 263

GENERAL OBLIGATION BONDS. Authorizing the Director of Budget and Fiscal Services to issue and sell in one or more series not to exceed \$500,000,000 principal amount of general obligation bonds of the City and County of Honolulu for financing the amounts appropriated in certain capital budget ordinances of the City and County of Honolulu specified in such capital budget ordinances.

Administration/Others

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

There was no public testimony.

Director Koyanagi provided an overview of the Resolution.

Committee Member Pine requested that a list of capital improvement projects pertaining to the Resolution be provided to the Committee before the July 12, 2017 Council meeting.

Resolution 17-169 reported out for adoption.

AYES: ELEFANTE, PINE, MANAHAN – 3.

NOES: None.

EXCUSED: ANDERSON – 1.

Related communication:

D-408 Department of Budget and Fiscal Services, transmitting draft resolution.

7. RESOLUTION 17-170 – COMMITTEE REPORT 264

23RD YEAR ACTION PLAN FOR CDBG, HOME, ESG AND HOPWA PROGRAMS. Approving the City and County of Honolulu's Twenty-Third (23rd) 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.

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The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 17-170 (Submitted by the Office of the Mayor) – The CD1 (Communication MM-82) attaches the 23rd Year Action Plan as Exhibit A.

Administration/Others

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

Director Koyanagi provided an overview of the Resolution and clarified the allocation amount for the Housing Opportunities for Persons With Aids funds as requested by Committee Member Elefante.

In response to queries by the Committee members, Director Koyanagi provided the following information:

- No changes were made to the Twenty-Third (23rd) Year Action Plan, which is based on the City's existing 5-year consolidated plan.
- The Department of Budget and Fiscal Services would work with the Department of Community Services to closely monitor all Community Development Block Grant (CDBG) projects to avoid future untimeliness test issues or a reduction/loss in funding due to the lack of unspent funds.
- The CDBG funds awarded to the Honolulu Fire Department for engine apparatuses were permissible under the U.S. Department of Housing and Urban Development regulations. The fire engines would service low- and moderate-income districts.

The following individual testified:

Ron Brandvold, Easter Seals (comments)

Committee Member Elefante noted that he filed Disclosure of Interest Statements with the City Clerk's Office (Communications CC-223, CC-224, CC-225, CC-226, CC-227, CC-228, CC-229).

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Resolution 17-170 amended to a CD1 (Communication MM-82) and reported out for adoption.

AYES: ELEFANTE, PINE, MANAHAN – 3.
NOES: None.
EXCUSED: ANDERSON – 1.

Related communications:

MM-80 Office of the Mayor, transmitting draft Resolution.
M-3341 Jim Murphy, Honolulu Habitat for Humanity (support)

At this juncture, Committee Chair Manahan called for a recess at 11:18 a.m. and reconvened the meeting at 11:32 a.m.

8. RESOLUTION 17-173 – COMMITTEE REPORT 266

GENERAL OBLIGATION BONDS. Authorizing the Director of Budget and Fiscal Services to issue and sell in one or more series not to exceed \$350,000,000 principal amount of General Obligation Bonds of the City and County of Honolulu to finance capital costs of the Honolulu Rail Transit Project.

Administration/Others

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

Director Koyanagi provided an overview of the Resolution.

In response to queries by the Committee members, Director Koyanagi provided the following information:

- The Administration would issue variable rate bonds because of its cost and flexibility.
- The Memorandum of Understanding would be revised with language to protect the City from Honolulu Authority for Rapid Transportation's inability to repay the bonds.

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Committee Member Anderson spoke in strong support of moving the measure forward and thanked the State Legislature for their commitment to address funding for rail. The Committee Member stated that he looks forward to working with the State Legislature in the coming months.

Committee Member Elefante spoke in support of the measure and he also thanked the State Legislature for their commitment to address funding for rail.

Committee Chair Manahan thanked everyone for their support on the measure and noted that it is very important for the rail project to be completed as planned or the City will face future funding and investment consequences.

The following individuals testified:

1. Bob Nakata, FACE and Housing Now (support) (M-3342)
2. Shannon Alivado, General Contractors Association of Hawaii (support) (M-3343)
3. Reverend Dr. Thomas Lynch (support)
4. Peter Lee, Hawaii Laborers-Employers Cooperation and Education Trust (support)

Committee Member Elefante stated that he would be filing a Disclosure of Interest Statement with the City Clerk's Office (Communication CC-232).

Resolution 17-173 reported out for adoption.

AYES: ANDERSON, ELEFANTE, PINE, MANAHAN – 4.
NOES: None.

Related communications:

- D-441 Honolulu Authority for Rapid Transportation, notification of forthcoming Resolution.
- D-444 Department of Budget and Fiscal Services, transmitting draft Resolution.
- M-3344 Clyde T. Hayashi, Hawaii Laborers-Employers Cooperation and Education Trust (support)
- M-3345 Tyler Dos Santos-Tam, Hawai'i Construction Alliance (support)
- M-3346 Hawaii Regional Council of Carpenters (support)
- M-3347 Gladys Q. Marrone, Building Industry Association of Hawaii (support)

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M-3348 Stacy Ellamar, Pacific Resource Partnership
M-3349 Natalie Iwasa (oppose)
M-3350 Reverend Steven Costa, FACE (support)

9. RESOLUTION 17-172 – COMMITTEE REPORT 265

MEMORANDUM OF UNDERSTANDING. Authorizing the Director of the Department of Budget and Fiscal Services of the City and County of Honolulu or the Director's Designee to amend and reinstate a Memorandum of Understanding with the Honolulu Authority for Rapid Transportation ("HART") regarding the General Obligation Bonds.

The following amendment was circulated at the meeting:

PROPOSED CD1 TO RESOLUTION 17-172 (Submitted by the Department of Budget and Fiscal Services) – The CD1 (Communication D-455) changes the references to the previously repealed Ordinance 12-17 to the currently enacted Ordinance 15-46.

Administration/Others

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

Director Koyanagi provided an overview of the Resolution.

In response to Committee Member Elefante, Director Koyanagi stated that the Memorandum of Understanding may need to be revised depending on the outcome of the State Legislature's Special Session meeting.

The following individuals testified:

1. Bob Nakata, FACE and Housing Now (support) (M-3342)
2. Peter Lee, Hawaii Laborers-Employers Cooperation and Education Trust (support)

Resolution 17-172 amended to a CD1 (Communication D-455) and reported out for adoption.

AYES: ANDERSON, ELEFANTE, MANAHAN – 3.
NOES: None.
EXCUSED: PINE – 1.

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Related communications:

- D-443 Department of Budget and Fiscal Services, transmitting draft Resolution.
- M-3352 Clyde T. Hayashi, Hawaii Laborers-Employers Cooperation and Education Trust (support)
- M-3353 Tyler Dos Santos-Tam, Hawai'i Construction Alliance (support)
- M-3348 Stacy Ellamar, Pacific Resource Partnership (support)
- M-3354 Hawaii Regional Council of Carpenters (support)
- M-3355 Reverend Steven Costa, FACE (support)

ADJOURNMENT

There being no further business, the meeting was adjourned at 12:09 p.m.

Respectfully submitted,

Glen I. Takahashi
City Clerk

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DATE APPROVED

August 23, 2017