



CITY COUNCIL

CITY AND COUNTY OF HONOLULU
HONOLULU, HAWAII 96813-3077

COMMITTEE ON BUDGET

Voting Members:

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

MINUTES

REGULAR MEETING
WEDNESDAY, OCTOBER 17, 2018

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.

(Note: The membership of the Committee on Budget was changed, pursuant to Council Communication CC-273, effective October 11, 2018)

CALL TO ORDER

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

STAFF PRESENT

Kendall Amazaki, Jr., Chief of Staff to Committee Chair Ozawa
Catherine Pligavko, Analyst, Office of Council Services
Alden Lum, Attorney, Office of Council Services
Reid Yamashiro, 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 meeting held on September 19, 2018 were approved as circulated.

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

FOR ACTION

1. RESOLUTION 18-207 – COMMITTEE REPORT 347

GIFT FROM EHIME PREFECTURAL GOVERNMENT (OED). Accepting a gift to the City from Ehime Prefectural Government at an estimated value of \$3,060 for travel-related expenses for the Mayor and the Executive Director of the Office of Economic Development to participate in the Cycling Shimanami Summit from October 27 – 29, 2018 in Imabari, Ehime, Japan.

Administration/Others

Edwin P. Hawkins, Executive Director, Mayor's Office of Economic Development

There was no public testimony.

Executive Director Hawkins provided a brief overview of the measure, stating that along with the Mayor and himself, other participants in the Cycling Shimanami Summit event include the Hawaii Bicycling League and students from Punahou School and St. Louis School.

Committee Chair Ozawa noted that a sister city relationship was established in 2004 with the city of Uwajima in Ehime Prefecture, Japan.

Resolution 18-207 reported out for adoption.

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

Related communication:

MM-128 Office of the Mayor, transmitting draft resolution.

2. RESOLUTION 18-209 – COMMITTEE REPORT 348

TRANSFER OF FUNDS (HFD). Relating to the transfer of \$37,120 between characters of expenditure for the Honolulu Fire Department to purchase a new Motorola P25 radio console for the Joint Traffic Management Center.

Administration/Others

Jason Samala, Battalion Chief, Honolulu Fire Department

There was no public testimony.

Battalion Chief Samala provided a brief overview of the measure, stating that the funds were budgeted; however, it was inadvertently placed in the wrong character of expenditure.

Resolution 18-209 reported out for adoption.

AYES: FUKUNAGA, KOBAYASHI, OZAWA – 3.

NOES: None.

EXCUSED: MANAHAN, PINE – 2.

Related communication:

D-623 Honolulu Fire Department, transmitting draft resolution.

3. RESOLUTION 18-213 – COMMITTEE REPORT 350

TRANSFER OF FUNDS (HESD). Relating to the transfer of \$303,000 between characters of expenditure for the Honolulu Emergency Services Department, Emergency Medical Services Division to purchase anti-terrorism equipment.

Administration/Others

Ian Santee, Deputy Director, Honolulu Emergency Services Department
(HESD)

There was no public testimony.

Deputy Director Santee provided a brief overview of the measure, stating that the funds were budgeted; however, it was placed in the wrong character of expenditure.

The Deputy Director provided the following information in response to queries by the Committee Chair:

- The funds will be used to purchase multiple pieces of equipment, not just one single piece.
- Discussions are underway with the Department of Parks and Recreation (DPR) to find a temporary facility for the lifeguards during the Ala Moana Beach Park renovation. The intention is to provide temporary “modular housing” between the concession stand and the facilities nearby.
- HESD is working with the DPR and the Administration to find a permanent lifeguard facility.

Resolution 18-213 reported out for adoption.

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

Related communication:

D-625 Honolulu Emergency Services Department, transmitting draft resolution.

4. RESOLUTION 18-200

HART CHANGE ORDERS. Requesting the Honolulu Authority for Rapid Transportation to report to the Council when a change order to a contract for the Honolulu High-Capacity Transit Corridor Project meets certain threshold criteria.

Administration/Others

Andrew Robbins, Executive Director, Honolulu Authority for Rapid Transportation (HART)
Nicole Chapman, Deputy Executive Director, HART
Joyce Oliveira, HART

Deputy Executive Director Chapman stated that the HART cannot take a position on the Resolution at this time because it has not yet been presented to the HART Board of Directors for their approval.

Council Chair Martin asserted his position that HART's change order reports as it is currently being furnished to the Mayor, nothing more, nothing less, should also be furnished to the City Council. In addition, the reporting should be established into law as Bill 62 (2018) and not as Resolution 18-200 to show consistency and continuity for the years ahead.

Ms. Oliveira echoed the comments of the Council Chair that the HART presently provides the reports to the Mayor and the Council on a voluntary basis. With regard to Bill 62 (2018), she mentioned that HART has already submitted proposed amendments to the Bill. Therefore, if the Committee defers Resolution 18-200, the HART is prepared and anxious to work on Bill 62 (2018) when it is heard again in the Committee.

In response to a request by Committee Member Kobayashi regarding change order reports, the Deputy Executive Director agreed to follow up and forward the information to the Committee.

The following individuals testified:

1. Robert E. Fox (comments)
2. Robert S. Carlton (comments)

Council Chair Martin stated that he would support postponing the Resolution in light of moving forward Bill 62 (2018), a stronger vehicle that would establish a law to ensure that reporting is provided and continues to be provided well beyond the tenure of the current City Council. The Council Chair remains hopeful that the Committee hears Bill 62 (2018) at its next scheduled meeting and moves it forward.

Committee Chair Ozawa noted that the HART has provided a number of Departmental communications (D-477 [2018] and D-226 [2018]) on change orders to the Mayor. He suggested that perhaps some of the stipulations in Ordinance 97-14 could also be incorporated into Bill 62 (2018).

The Committee Chair recommended that the Resolution be postponed as suggested by the HART.

Action on Resolution 18-200 postponed to a date to be determined by the Committee Chair.

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

NOES: None.

EXCUSED: MANAHAN – 1.

5. RESOLUTION 18-211 – COMMITTEE REPORT 349

CONDEMNATION OF THE PORTLOCK ROAD BEACH ACCESS EASEMENT.
Urging the City Administration to move forward expeditiously with the condemnation of the Portlock Road Beach Access Easement authorized by Resolution 17-246.

Administration/Others

Jeanne C. Ishikawa, Deputy Director, Department of Parks and Recreation
Donna Leong, Corporation Counsel, Department of the Corporation
Counsel (COR)
Duane Pang, Deputy Corporation Counsel, COR

Deputy Director Ishikawa provided comments and an update on the measure, stating that upon assessment of the site by the Administration, the conditions of the area were deemed unsuitable and impractical for the Department of Emergency Services to perform its rescue operations.

Committee Chair Ozawa argued that the concerns as stated by the Deputy Director were not communicated to the community by either the Mayor or his representative, and in fact, the Mayor was very supportive of the effort a few months ago. The Committee Chair expressed that there would not have been an urgency to open up the access if it was not needed.

Committee Member Pine pointed out that the Council's intention for the area was specifically to allow public access to the beach and nothing more. She further indicated that neither Resolution 18-211 nor the adopted legislation (Resolution 17-246) stipulates that the site be used as an entry point for rescue operations. Deputy Director Ishikawa thanked the Committee Member for providing clarification and will take it back to the Administration.

The Committee Chair provided a timeline of events on the issue and emphasized that the City is pursuing a condemnation of the easement, not a condemnation of

the property. He requested for the presence of Corporation Counsel Leong to answer queries of the Committee.

Deputy Corporation Counsel Pang advised that Corporation Counsel Leong was attending a meeting outside of Honolulu Hale and could not be reached at the moment. The Deputy Corporation Counsel proceeded to give some background on the issue to the best of his knowledge.

In response to queries by the Committee Chair, the Deputy Corporation Counsel stated that COR drafted a resolution for acquisition of the property on behalf of the Department of Design and Construction and it is pending approval from the Administration.

Council Chair Martin alluded that all the necessary steps have been taken except for the final step and expressed his disappointment that the Administration is holding back.

The following individuals provided testimony:

1. Robert E. Fox (comments)
2. Natalie Iwasa (comments)

At this juncture, Committee Chair Ozawa announced that further discussion on the Resolution (continued on Page 15) be deferred to allow time for Corporation Counsel Leong to appear before the Committee. The Committee Chair proceeded to the next agenda item.

6. RESOLUTION 18-223 – COMMITTEE REPORT 351

AUDIT OF DPP'S PERMITTING AND INSPECTION PROCESSES. Requesting the City Auditor to conduct an audit of the Department of Planning and Permitting's permitting and inspection processes for "monster homes."

Administration/Others

Timothy Hiu, Deputy Director, Department of Planning and Permitting (DPP)

Deputy Director Hiu testified that the DPP has no objections to the measure and will cooperate fully with the audit.

Council Chair Martin appreciated the DPP's favorable consideration of the measure and asked the Department to come up with suggestions, as to the scope of the audit, that would help streamline and improve operations.

Committee Member Pine suggested removing "monster homes" from the purpose of the Resolution to ensure that the audit encompasses the entire permitting process.

Council Chair Martin specified that having a limited scope allows the audit to be performed in a more expeditious manner. He would, however, be open to a discussion on Committee Member Pine's suggestion at a later date.

The following individuals testified:

1. Robert E. Fox (comments)
2. Natalie Iwasa (comments)

Committee Member Kobayashi remarked that a "monster homes" audit should be conducted because that is the immediate problem and she looks forward to its outcome.

Committee Chair Ozawa spoke in support of the Resolution.

Resolution 18-223 reported out for adoption.

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

Related communication:

M-533 Additional testimony for Resolution 18-223

7. BILL 6 (2018) – COMMITTEE REPORT 346

PUBLIC NUISANCES. Regulating nuisances on public sidewalks.

Administration/Others

Ross S. Sasamura, Director and Chief Engineer, Department of Facility
Maintenance

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Committee Chair Ozawa, the introducer, explained that at the Council meeting held on April 25, 2018, Bill 6 (2018) was recommitted back to the Committee so that the Committee could continue working with the Administration in moving forward other legislation regarding sit/lie ordinances. However, after combing through several press conferences given by the Mayor, the Committee Chair still felt an uncertainty for Waikiki. After discussions with the Waikiki community, there was an overwhelming consensus for the Bill to be heard again in Committee.

Director Sasamura testified that the Administration continues to support the intent of the measure but has concerns and provided an explanation. The Committee Chair disagreed with the concerns.

The following individuals testified:

1. Rick Egged, Waikiki Improvement Association (WIA) (comments)

Committee Chair Ozawa agreed with Mr. Egged that everyone – the community, the Council, and the Administration – were involved in the discussion and believed that all concerns were raised. The Committee Chair is now puzzled as to why the Administration suddenly changed its course of action.

Mr. Egged acknowledged that many things were accomplished when everyone worked together and he hopes to keep moving forward.

2. Jim Fulton, WIA (comments)

In response to queries by Committee Member Pine, Mr. Fulton stated that the WIA has received numerous reports of money collecting transactions occurring at some of the kiosks, while other kiosks are truly causing an obstruction and a safety hazard on the sidewalks.

3. Bob Finley, Waikiki Neighborhood Board (comments)
4. Robert E. Fox (comments)

Committee Member Kobayashi thanked Mr. Fox for his continued involvement and for speaking out on many issues affecting Honolulu. Committee Chair Ozawa echoed her comments.

5. Rose Pou (comments)

6. Dave Moskowitz (comments)

The Committee Chair thanked Mr. Moskowitz for all his tireless efforts in Waikiki.

Committee Member Pine suggested increasing the fines to address the situation. The Committee Chair agreed.

Committee Chair Ozawa emphasized that Bill 6 (2018) specifically hones in on the sidewalks of Waikiki to ensure that they stay clear and accessible for everyone. The Committee Chair looks forward to hearing from the Administration, working together with all parties involved to improve the lives of everyone in Waikiki, and banishing all the illegal kiosks.

Bill 6 (2018) reported out for passage on third reading.

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

Related communication:

M-534 Additional testimony for Bill 6 (2018)

8. BILL 70 (2018)

RESTRICTED PARKING ZONE PROGRAM. Establishing a restricted parking zone (RPZ) program to ease parking congestion in residential neighborhoods, particularly those near major traffic generators like hospitals and universities, while balancing the needs of all people to be able to use public streets.

The following amendment was posted on the agenda:

PROPOSED CD1 TO BILL 70 (2018) (Submitted by Councilmember Fukunaga) – The proposed CD1 (OCS2018-0971/10/9/2018 3:48 PM) makes the following amendments:

- A. Clarifies that the RPZ permit must include the license plate number of the permitted vehicle.
- B. Establishes fines for violations of the RPZ and misuse of an RPZ permit and allows for vehicles parked in violation to be towed.

- C. Authorizes the Director of Transportation Services to establish a “community steering group” for each RPZ to advise the Department on implementation of the RPZ and on security issues.
- D. Clarifies that the fees for resident parking permits and visitor permits issued with resident permits are annual and clarifies that the four-permit cap on permits per dwelling unit applies to all annual permits (either resident or visitor), but does not apply to daily permits.
- E. Adds conditions which would allow the Director to waive or reduce parking permit rates in a RPZ.
- F. Makes miscellaneous technical and nonsubstantive amendments.

Administration/Others

Wes R. Frysztacki, Director, Department of Transportation Services (DTS)
Jon Nouchi, Deputy Director, DTS

Committee Member Fukunaga, the introducer, stated that the amendments were based upon comments and concerns of the DTS and the community. She asked that the Bill be deferred for now to allow more time to work with the DTS and other stakeholders interested in the program.

The Committee Chair stated that he would heed the advice of Committee Member Fukunaga and defer the measure.

Director Frysztacki stated that although the program is very successful, the Department has some concerns and provided an explanation.

The following individuals provided testimony:

- 1. Gareth Sakakida, Hawaii Transportation Association (comments)
- 2. Natalie Iwasa (comments)

Committee Chair Ozawa noted that restricted parking in the pilot program occurred between the hours of 10:00 p.m. and 6:00 a.m.

Committee Member Fukunaga clarified that the RPZ program was really designed to handle the parking congestion and competition for parking during the evening hours; primarily to ensure that parking was available for the neighborhood residents. She indicated that fraudulent abuse of the parking passes/placards

were reported in the Wilson Tract Area pilot project. Deputy Director Nouchi stated that the DTS was unaware of the alleged abuse and will follow up with the Committee Member.

Committee Chair Ozawa recommended that the Bill be amended to the posted, proposed CD1 and postponed to a date to be determined by the Committee Chair.

Bill 70 (2018) amended to CD1 (OCS2018-0971/10/9/2018 3:48 PM).

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

Action on Bill 70 (2018), CD1 postponed to a date to be determined by the Committee Chair.

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

Related communications:

M-524 Early testimony for Bill 70 (2018)
D-663 Darren Izumo, Major, Honolulu Police Department (support)
D-664 Wes Frysztacki, Director, Department of Transportation Services
(support the intent and comments)

9. BILL 74 (2018)

PENALTY FOR VEHICLE ABANDONMENT. Establishing certain provisions, including a set fine, for a person who has abandoned a vehicle on a public street or highway.

Administration/Others

Randy Leong, Deputy Director, Department of Customer Services (CSD)
Abul Hassan, Licensing Administrator, CSD

Committee Member Fukunaga, the introducer, thanked the Committee Chair for placing the Bill on the agenda and provided a brief overview of the measure.

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Deputy Director Leong stated that although the Administration appreciates the intent of the Bill, it has concerns and furnished an explanation. The Deputy Director requested to continue working with Committee Member Fukunaga on the issues.

Licensing Administrator Hassan offered some suggestions for consideration in order for the Bill to succeed in the manner that it is intended.

Committee Member Fukunaga accepted the Department's recommendations and requested that draft language be provided to the Committee. She explained that since the County is not responsible for placing the abandoned vehicles on the roadways, it is only fair that the County try to recoup some of the costs associated with this particular responsibility, noting that the real objective is to reduce the number of abandoned vehicles on the roadways. The Committee Member asked that the measure be deferred to allow more time to work with the Department.

In response to queries by Committee Member Kobayashi, Deputy Director Leong stated that abandoned vehicles are stored in the towing contractor's own lot. However, the City proposes to utilize the Highway Beautification Fund for potential land acquisition to store abandoned vehicles in order to control the towing processes, reduce the high costs associated with towing of the vehicles, and better accountability.

The following individual testified:

Rose Pou (comments)

Committee Chair Ozawa stated that he would heed the recommendation of Committee Member Fukunaga to defer the measure.

Action on Bill 74 (2018) postponed to a date to be determined by the Committee Chair.

AYES: FUKUNAGA, KOBAYASHI, OZAWA – 3.

NOES: None.

EXCUSED: MANAHAN, PINE – 2.

Related communication:

D-665 Darren Izumo, Major, Honolulu Police Department (support)

FOR DISCUSSION

10. UPDATE FROM THE CITY ADMINISTRATION ON ISSUES RELATED TO COMMUNITY DEVELOPMENT BLOCK GRANT FUND USE REQUIREMENTS AT THE CHINATOWN GATEWAY PLAZA.

Administration/Others

Sandra M. Pfund, Director, Department of Land Management (DLM)
Manuel Valbuena, Deputy Director, Department of Budget and Fiscal Services

Committee Chair Ozawa stated that he placed the topic on the agenda for discussion because of its recent headline in the news.

Director Pfund opened the discussion stating that the Community Development Block Grant (CDBG) Program was previously handled by the Department of Community Services. The Program is now being changed over into regulatory compliance with the Department of Budget and Fiscal Services.

The Director and Deputy Director Valbuena provided the following information with regard to the Chinatown Gateway Plaza:

- Since July 2017, the property has consistently been on a listing basis. Thus far, there have been 23 showings and 16 inquiries without success because most potential tenants have requested exemptions of both rent and common area maintenance (CAM).
- It is important that the DLM find a suitable tenant who will agree to cover at least the CAM because in a reserve study done on the property in 2015, it was found that there was a deferred maintenance of over \$2.9 million, of which the reserve balance was only \$2.8 million.
- It has been hard to find a suitable tenant because of the property's parking issue. During the time of the Honolulu Affordable Housing Preservation Initiative sale, the parking spaces on the property became a separate entity from the building, which is now being handled by the Department of Transportation Services (DTS). DLM is trying to acquire the parking from the DTS so that it can be offered together with the building.
- During the Christmas holidays, the Salvation Army has agreed to rent space and pay some CAM for their Angel Tree Program.

- The property was built in compliance with the U.S. Department of Housing and Urban Development (HUD) guidelines to prevent slum and blight and to service the low and moderate income level population.

Committee Member Fukunaga pointed out that having control of the parking would allow a little more flexibility when offers are made to potential tenants. Deputy Director Valbuena agreed.

Committee Chair Ozawa noted HUD's suggestions, as told to the Honolulu Star Advertiser, of how the commercial space could be used, which would qualify for CDBG funds.

Director Pfund stated that the DLM requested some policy direction from the Mayor because of the challenges involved and indicated that the City may not be able to find suitable tenants who are willing to pay both rent and CAM. However, the offers will include, at minimum, payment of CAM. The Director noted that there is the possibility of a Satellite City Hall moving into the space and they will be asked to pay CAM.

At this juncture, with the arrival of Corporation Counsel Leong, the Committee Chair returned to Agenda Item No. 5, Resolution 18-211.

5. RESOLUTION 18-211 – COMMITTEE REPORT 349

CONDEMNATION OF THE PORTLOCK ROAD BEACH ACCESS EASEMENT. Urging the City Administration to move forward expeditiously with the condemnation of the Portlock Road Beach Access Easement authorized by Resolution 17-246.

Committee Chair Ozawa expressed his grave disappointment with the Administration's sudden change of course because until recently, the Administration was supportive of the issue, which has been ongoing since the early 2000s. The Committee Chair clearly stated that the City Council has laid out a timeline of events and has acted upon the issue in an attempt to expedite matters through Resolution 17-246.

Corporation Counsel Leong provided an overview of the process already taken by the Administration for the condemnation proceedings. The Corporation Counsel, appearing as the Council's attorney, suggested that the Committee Chair submit a Request for Legal Services (RLS) directly to her requesting COR to prepare a resolution that authorizes COR to institute proceedings in eminent domain.

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In response to queries by Committee Member Kobayashi, Deputy Corporation Counsel Pang provided the processes already taken after Resolution 17-246 was adopted.

The Corporation Counsel offered to work with the Committee Chair's Chief of Staff in preparing the RLS to help facilitate the process. The Committee Chair expressed his appreciation.

Committee Chair Ozawa advised that his intent is to hold a special meeting on the matter, if needed, so that a complaint can be filed in Circuit Court expeditiously and recommended that the Resolution be reported out for adoption.

Committee Member Kobayashi expressed her disappointment in having the community wait all these years.

Resolution 18-211 reported out for adoption.

AYES: FUKUNAGA, KOBAYASHI, OZAWA – 3.

NOES: None.

EXCUSED: MANAHAN, PINE – 2.

ADJOURNMENT

There being no further business, the Committee on Budget meeting was adjourned at 11:47 a.m.

Respectfully submitted,



GLEN I. TAKAHASHI
City Clerk

pno

DATE APPROVED

November 28, 2018