



COST CONTROL COMMISSION

ANDRE N. LISTER, CHAIR
ALICE LUCK, VICE CHAIR

PAUL A. PANCHO, MEMBER
TYLER RODIGHIERO, MEMBER
STACY WAIKOLOA, MEMBER

Meetings of the Cost Control Commission will be conducted as follows:

- Meetings will be publicly noticed under Chapter 92, Hawai'i Revised Statutes (HRS).
- Minutes of the meetings will be completed under Chapter 92, HRS, and posted to the Cost Control Commission's website.

Public Comments and Testimony:

- **Written testimony** will be accepted for any agenda item herein.
 - Written testimony indicating your 1) name, and if applicable, your position/title and organization you are representing, 2) the agenda item that you are providing comment on, and 3) contact information (telephone number and email address), may be submitted to mromo@kauai.gov or mailed to the Cost Control Commission, c/o Office of Boards and Commission, 4444 Rice Street, Suite 300, Lihu'e, Hawai'i 96766.
 - Written testimony received by the Cost Control Commission at least 48 hours before the meeting will be distributed and available as part of the Commission's packet. That written testimony submitted after that will be distributed at the meeting.
 - Any written testimony received after this time and up to the start of the meeting will be summarized by the Clerk of the Cost Control Commission during the meeting and will be provided to the members and added to the record thereafter.
 - Any written testimony received during the meeting and before decision-making on the corresponding agenda item will be distributed to the members before such decision-making.
- **Oral testimony** will be taken at any time during the meeting.
 - It is recommended that anyone interested in providing oral testimony register at least 24 hours before the meeting by emailing mromo@kauai.gov or calling (808) 241-4920. Any request to register may include your 1) name, and if applicable, your position/title and organization you are representing, 2) the agenda item that you are providing comment on, and 3) contact information (telephone number and email address).
 - Per the Cost Control Commission's Policy No. 1 there is a three-minute time limit per testifier for each agenda item.
 - Individuals who have not registered to provide testimony will be allowed to speak on an agenda item following the registered speakers.

SPECIAL ASSISTANCE

IF YOU NEED AN AUXILIARY AID/SERVICE, OTHER ACCOMMODATION DUE TO A DISABILITY, OR AN INTERPRETER FOR NON-ENGLISH-SPEAKING PERSONS PLEASE CONTACT THE OFFICE OF BOARDS AND COMMISSIONS AT (808) 241-4917 OR ADAVIS@KAUAI.GOV AS SOON AS POSSIBLE. REQUESTS MADE AS EARLY AS POSSIBLE WILL ALLOW ADEQUATE TIME TO FULFILL YOUR REQUEST. UPON REQUEST, THIS NOTICE IS AVAILABLE IN ALTERNATIVE FORMATS SUCH AS LARGE PRINT, BRAILLE, OR ELECTRONIC COPY.

COUNTY OF KAUAI COST CONTROL COMMISSION MEETING NOTICE AND AGENDA

**Thursday, August 1, 2024
9:00 a.m. or shortly after that
Piikoi Building, Boards and Commissions Conference Room
4444 Rice Street, Suite 300, Līhu'e, Hawai'i 96766**

**Remote Access VIDEO by Microsoft Teams
Click on the URL below or type the URL into your computer or smartphone
<https://bit.ly/4dcj7jm>**

Meeting ID: 228 296 371 409 Passcode: DayT3Q

**AUDIO Connection by Microsoft Teams
Phone: +1 469-848-0234, Phone Conference ID: 255 114 024#**

OPEN SESSION MEETING CALLED TO ORDER

ROLL CALL TO ASCERTAIN QUORUM

APPROVAL OF AGENDA

CHAIR'S ANNOUNCEMENTS

- Next Monthly Meeting, Thursday, September 12, 2024, at the Office of Boards and Commissions Conference Room, Suite 300.

PUBLIC TESTIMONY ON ANY AGENDA ITEMS

Individuals may testify on any agenda item or wait for the item to come up on the agenda.

APPROVAL OF MINUTES

- Open Session Minutes of the July 11, 2024, meeting

BUSINESS:

CCC 2024-1:

Discussion and possible decision-making on recommendations to reduce the cost of county government while maintaining a reasonable level of public services under Section 28.02 of the Kaua'i County Charter Article XXVIII Cost Control Commission.

- Budget Administrator Ken Shimonishi or his representative responding to the Commission's request for information regarding:
 6. Recommendations on cost reductions, containment, or increasing the efficiency of operations.

7. Top 10 current CIP Projects that: (1) are progressing overbudget from the original cost estimate, and/or (2) are not progressing in a timely manner as per the original time estimate, and to provide information (1) on which contractors were awarded contracts and (2) how many firms were awarded contracts with the Department of Public Works.

- Human Resources Director, Annette Anderson responding to the Commission's request for information regarding:
 - The number of current employees that are on paid leave due to an investigation.
 - How long a current employee has been on leave.
 - The total cost of their salary during the leave.
 - What is the policy for that employee to get another job outside of the county.
 - What is the policy for that employee to accrue sick leave, vacation time, salary increases and years of service toward their retirement while on leave.
 - Any recommendations to reduce the cost of county government, including eliminating programs/services more efficiently supplied by other governments or organization, eliminating/consolidating overlapping or duplicate programs/services, or reducing county operations.

EXECUTIVE SESSION: Under HRS§ 92-7(a), the Commission may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held under HRS § 92-4 and limited to those described in HRS §92-5(a).

ADJOURNMENT

cc: Deputy County Attorney Chris Donahoe

OPEN SESSION MEETING MINUTES

Board/Commission		Cost Control Commission		Meeting Date	July 11, 2024
Location	Piikoi Building, Boards and Commissions Conference Room 4444 Rice Street, Suite 300, Līhu‘e, Hawai‘i 96766 Remote Access VIDEO by Microsoft Teams Click on the URL below or type the URL into your computer or smartphone https://bit.ly/3VQco7A Meeting ID: 229 232 448 46 Passcode: 4TCQB7 AUDIO Connection by Microsoft Teams Phone: +1 469-848-0234, Phone Conference ID: 245 980 884#			Start of Meeting: 9:00 a.m.	End of Meeting: 10:37 a.m.
Present	Chair Andre Lister, Vice Chair Alice Luck. Commissioners Paul Pancho and Stacy Waikoloa. Boards and Commissions Staff: Boards and Commissions Administrator Ellen Ching, Support Clerk Mercedes Omo; Deputy County Attorney Chris Donahoe. Also present: Director of Finance Michelle Lizama and Keith Perry, Programs Administrative Officer for the Office of the Mayor.				
Excused	Commissioner Tyler Rodighiero				
Absent					

SUBJECT	DISCUSSION	ACTION
Meeting Called to Order/Roll Call to ascertain quorum	The meeting started when Chair Andre Lister called the Cost Control Commission July 11, 2024, meeting to order at 9:00 a.m. Commissioner Paul Pancho responded here. Commissioner Tyler Rodighiero was excused. Commissioner Stacy Waikoloa responded here. Vice Chair Alice Luck responded here. Chair Andre Lister responded here.	Quorum was established with 4 Commissioners present.

SUBJECT	DISCUSSION	ACTION
Approval of Agenda		Mr. Pancho moved to approve the agenda as circulated. Vice Chair Luck seconded the motion. Motion carried 4:0.
Chair's Announcements	Chair Lister announced that the next monthly meeting will be held on Thursday, August 1, 2024, at the Office of Boards and Commissions Conference Room, Suite 300.	
Public Testimony	The Commission received no written testimony on any agenda item. There was no one present from the public wishing to testify on any agenda item. There was no one present via Microsoft Teams to testify on any agenda item.	
Approval of Minutes	<ul style="list-style-type: none"> • Open Session Minutes of the June 6, 2024, meeting 	Ms. Waikoloa moved to approve the minutes of the Commission's June 6, 2024, meeting. Mr. Pancho seconded the motion. Motion carried 4:0.
BUSINESS CCC 2024-1	<p>Discussion and possible decision-making on recommendations to reduce the cost of county government while maintaining a reasonable level of public services under Section 28.02 of the Kaua'i County Charter Article XXVIII Cost Control Commission.</p> <ul style="list-style-type: none"> • Budget Administrator Ken Shimonishi responding to the Commission's request for information regarding: <ol style="list-style-type: none"> 4. Report on the CIP Budget for FY 24 and FY 25 by department with a description of the project. (Deferred on June 6, 2024) 	

SUBJECT	DISCUSSION	ACTION
	<p>6. Recommendations on cost reductions, containment, or increasing the efficiency of operations. (Deferred on June 6, 2024)</p> <p>7. Report on the total number of stand-alone printers per department and the costs involved.</p> <p>Ms. Ching stated that Mr. Shimonishi was unable to attend the Commission’s meeting, but the Director of Finance will handle any questions that the Commission may have for the Department of Finance.</p> <p>4. Report on the CIP Budget for FY 24 and FY 25 by department with a description of the project. (Deferred on June 6, 2024)</p> <p>Your Commission heard from Michelle L. Lizama, Director of Finance and Keith Perry, Programs Administrative Officer for the Office of the Mayor. Ms. Lizama stated that she and Mr. Perry are present to discuss the CIP report and information contained in the Commission’s agenda item. In the Commission’s handout from the previous meeting, the item covered was Exhibits 6.a through 6.b.</p> <p>There being no objections, the meeting was recessed at 9:09 a.m. There being no objections, the meeting was called back to order at 9:13 a.m.</p> <p>Ms. Lizama explained that Exhibit 6.a shows the CIP Budget summarized by fund and then by Department. She further noted that Exhibit 6.b details the various CIP projects that fall under each Department.</p> <p>Chair Lister asked why some projects, such as the Waimea Neighborhood</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Center Improvements project, were listed on the report, but had no current remaining balance for that particular project in the current Fiscal Year, but a proposed change in FY25. Mr. Perry explained that the project was added in the FY25 CIP Budget, so the project had no expenditures yet. The Administration does plan to spend down that budgeted appropriation in the next few years.</p> <p>Mr. Lister asked for confirmation that there were plans for that project and that the project was slated for expenditures in FY25 and future fiscal years. Mr. Perry concurred and reiterated that the project is being added as a \$750,000 project to begin in FY25. Mr. Perry noted that there has not been any expenditures as of yet for that particular project and that CIP projects do typically extend through multiple fiscal years.</p> <p>Vice Chair Luck asked for additional information on the Land Information Management System (LIMS) project. Ms. Lizama responded that the system is an Information Technology system used to assist with online payments, virtual documentation, forms, etc. Mr. Perry added that the LIMS program is housed in the Department of Finance, but that it covers other departments such as the Department of Planning, Department of Public Works, Housing Agency, and Kaua'i Fire Department. Mr. Perry further noted that the system coordinates all the information that is in each department and puts it into a portal where users can easily access the information. Mr. Perry also stated that the LIMS system has been used for applications such as the Island Wide Road Resurfacing online map. Mr. Perry further stated that he foresees the LIMS program being utilized in many different ways moving into the future and that it will continually be updated, impacting every department.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chair Lister stated that the Department of Parks & Recreation had many CIP projects on the list.</p> <p>Vice Chair Luck asked for concurrence that a majority of the CIP Budget is funded by the General Fund. Ms. Lizama and Mr. Perry concurred.</p> <p>Chair Lister inquired about the project titled Coco Palms/KS SPS Bldg. Mods under the Department of Public Works and wondered why the County would be spending monies for a private property owner. Mr. Perry clarified that the project for that sewer pump station is just named Coco Palms since it is near the Coco Palms property, and it serves not just Coco Palms, but the entire Wailua and Kapa'a corridor near that area. That sewer pump station helps the wastewater get pumped to the Lydgate Wastewater Treatment Plant.</p> <p>Chair Lister asked if the sewer pump station was the one near the Shell Gas Station in Wailua. Mr. Perry confirmed that Chair Lister was correct.</p> <p>Chair Lister asked if there were any funds spent on the smell management for that sewer pump station. Mr. Perry responded that monies have and will be spent on smell management for that particular sewer pump station.</p> <p>Vice Chair Luck stated that she is trying to better understand County funds, State funds, and Federal funds, and where the source of funding is coming from. Mr. Perry stated that if you look at the specific fund, you will be able to identify the source of where the monies are coming from to fund those specific CIP projects. Ms. Lizama shared that each year, the Budget Team presents to the Council a proposed Budget Ordinance that breaks down the projects by fund and that information may be helpful to the Cost Control</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Commission. Ms. Lizama apologized for not providing that specific breakdown for the Commission, but that she could provide that to the Commission.</p> <p>Vice Chair Luck stated that she would like to start understanding the magnitude of each project, how these projects are funded throughout multiple fiscal years, and how the County goes about evaluating which projects get funded or not, and how the projects get funded across multiple fiscal years. Mr. Perry responded that projects are evaluated by the Budget Team. During that evaluation, part of the submission includes the total project cost. Initially, projects usually have some budget appropriated to it for the design and concept costs. This allows the department to get an engineer's cost estimate for the project which will breakdown costs per stage and year, including contingency and additional budget for inflationary costs. There are some projects that can be completed in a single fiscal year, but there are other projects that may be multi-year projects that will require budget adjustments each fiscal year. Mr. Perry provided the Commission with an example of building a new fire station. He explained that there would be a large influx of funding once an engineer's cost estimate is received, and this is typical for any construction project whether it be the County's or elsewhere. The engineers will look at other projects done within the State or County that are similar, and they put those costs into a schedule of values which will give the order of magnitude, something that the Budget Team evaluates for each specific project. Mr. Perry explained that every project has its own Project Manager, and quarterly, reports are submitted to review actual costs to see where the project is at. At the end of each fiscal year, the Project Managers will either request additional funding or release funding from projects that have been completed to be used for other projects. There is also a contingency fund</p>	

SUBJECT	DISCUSSION	ACTION
	<p>within the CIP Ordinance to allow for cost overruns should there be any.</p> <p>Ms. Waikoloa asked if the Administration could elaborate on the projects noted as “County Match” or those that reference matching funds to State appropriations. Mr. Perry stated that there are quite a few projects that have a requirement for the County to match funding provided by a State appropriation. Typically, when the County requests assistance from the State for larger CIP projects, a requirement is put in place for the County to match any appropriation made by the State. Projects like the Vidinha Stadium Improvements fall into this category where both the County and the State are providing funding to complete this project. Some funding match requirements are 50%/50%, 80%/20%, or even 100%, in terms of matching funds required of the County.</p> <p>Ms. Waikoloa asked whether her understanding of the County submitting requests to the State and the State responding with a matching requirement was accurate. Mr. Perry confirmed that Ms. Waikoloa was correct. Ms. Waikoloa asked for further clarification for the term “County Match.” Mr. Perry responded that the match is usually for State appropriations, but that there may be matching fund requirements for Federal appropriations as well. Ms. Waikoloa asked whether the ‘Anini Bridge Replacement Project was a federal match. Mr. Perry confirmed that Ms. Waikoloa was correct. Mr. Perry explained that if the County did not provide matching funds, the project would more than likely not proceed.</p> <p>Vice Chair Luck asked how CIP projects are prioritized given the County’s large infrastructure needs and limited funding resources. Mr. Perry stated that the County does have a long list of infrastructure projects that need to get completed. He explained that the departments are asked to prioritize</p>	

SUBJECT	DISCUSSION	ACTION
	<p>their needs for each fiscal year and those priorities are submitted to the Budget Team for further review, evaluation, and prioritization before being submitted in the proposed Budget Ordinance to the Council. Prior to priorities being submitted to the Budget Team, the department heads for each department also rank their department's CIP projects as well. It is a multi-level ranking system that forces departments to only submit priority projects from their department's many projects that need to get done throughout future years. Mr. Perry also explained that a project further down the priority list may also get funded if the funding source is available only for a particular use, such as projects funded by the G.E. Tax Fund.</p> <p>Ms. Waikoloa asked whether there were any anomalies that stood out in the CIP Budget that the Administration may want to bring to the Commission's attention. Mr. Perry stated that the proposed CIP Budget includes priority projects that are typically deferred maintenance or other projects that are truly priorities for the departments. Ms. Waikoloa stated that there are probably many more projects on the list for each department. Mr. Perry agreed that there are many more projects in excess of \$100,000,000+ that need to get done, but the current CIP project list is those that made the cut of priorities for the ensuing fiscal year.</p> <p>Chair Lister asked if an explanation could be provided to explain how budget is added to the CIP after each fiscal year. As an example, in FY24, approximately \$21M was spent or encumbered leaving a balance of approximately \$65M. In FY25, it is proposed to add approximately \$30M to the CIP Budget. Ms. Lizama explained that the approximately \$30M figure is the amount appropriated to the CIP Budget for the new fiscal year. This could include new projects that may have been identified for FY25 or it could be additional funds needed to complete on-going projects.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chair Lister asked if large fluctuations in the CIP Budget occur each year. Mr. Perry clarified that the amount being referenced include new projects along with new funding that may be needed for on-going projects. If projects are not listed as having funding, those projects could not move forward to the bid process. Only projects identified on the CIP Budget Ordinance can move forward. Chair Lister stated that it appears there will be a lot of spending in the upcoming fiscal year. Mr. Perry concurred.</p> <p>Vice Chair Luck asked about the Housing Agency having only a few projects in the CIP Budget though she is aware of many on-going housing projects being built and the island’s housing crisis. Mr. Perry confirmed that Ms. Luck was correct, and that the Housing Agency’s funding falls under a separate pot of funds such as the Housing Development Fund.</p> <p>Chair Lister thanked Ms. Lizama and Mr. Perry for their patience as the Commission reviewed the materials provided for them.</p> <p>Vice Chair Luck stated that she feels the CIP Budget is a huge part of the County’s overall budget, but that she was unsure if the Commission was looking at it from a point where the Commission could make any recommendations related to it. Chair Lister agreed with Vice Chair Luck and further stated that it is difficult for the Commission to determine what is really going on with specific projects without additional details on each project.</p> <p>Administrator Ching noted that the Commission has scheduled out the agenda items for future meetings, but that the Commission could request a copy of the CIP Budget Ordinance, which was previously mentioned.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Administrator Ching also stated that the Commission is scheduled to review the CIP Budget and projects at a future Commission meeting so the item will be reviewed in-depth at that time.</p> <p>6. Recommendations on cost reductions, containment, or increasing the efficiency of operations. (Deferred on June 6, 2024)</p> <p>Ms. Lizama stated that the question about possible recommendations on cost reductions, containment, or increasing the efficiency of operations is a difficult one to answer. Ms. Lizama stated that she did previously mention the issue of desktop printers as a possible item for the Commission to explore. She did note that many departments are moving towards leasing multi-function copiers/printers which is a great move for the County. Ms. Lizama feels that the County of Kaua'i is doing a great job at efficiency and in living out the "Reduce, reuse, and recycle" mantra.</p> <p>Chair Lister asked Ms. Lizama how well the County does in terms of balancing the budget each year, as compared to the Federal Government. Ms. Lizama stated that the County is doing very well. She noted that there are checks and balances both on the Administration's side and on the Council side.</p> <p>Chair Lister noted that the question comes from a place where he is asking the Director of Finance, who is at the core of all financial decisions and is aware of what is going on with all aspects of the County. He further asked whether each fiscal year, if the County is overspending as compared to the budget or underspending. Ms. Lizama responded that the County remains revenue neutral and the County balances its expenditures with the projected revenue that is scheduled to be received. The County remains</p>	

SUBJECT	DISCUSSION	ACTION
	<p>prudent in its spending and does not believe there is excess or overspending.</p> <p>Chair Lister asked if County revenues have generally increased over the years. Ms. Lizama stated that the bulk of the revenue comes from real property taxes, which historically, real property assessments have increased. She did note that the Council does have the purview to set real property tax rates, which affects the amount of revenue that could be brought in for each fiscal year.</p> <p>Vice Chair Luck asked why the Office of the County Clerk would need travel budget, which she noted is as high as the Mayor. Ms. Lizama responded that the County Clerk's travel budget also includes travel expenses for the County Councilmembers.</p> <p>7. Report on the total number of stand-alone printers per department and the costs involved.</p> <p>Ms. Lizama presented that the total number of standalone printer counts would entail a lot of legwork. She requested that the Commission reach out to every department to inquire on the number of standalone printers each department had under their purview. The Department of Finance does not have a log of standalone printers but does have a log of the leased printers.</p> <p>Chair Lister stated that it sounded to him like standalone printers are becoming less and less common. He wanted to confirm if that trend continued for the County. Ms. Lizama stated that she believed that trend does continue as multi-functional printers/copiers can do really everything</p>	

SUBJECT	DISCUSSION	ACTION
	<p>a standalone printer can and a lot more, including scanning, copying, etc. Standalone printers also tend to use more toner which must be purchased separately. Leased multi-functional printers/copiers typically include toner in their lease contract.</p> <p>Ms. Waikoloa stated that like Vice Chair Luck, she is still unsure how to review and evaluate the County's CIP Budget to be able to find cost reduction or containment.</p> <p>Chair Lister stated that the figures provided are so broad that it provides only what the County intends to do but does not provide much information on how it will be done. He noted that a lot of times, it is in the "how" where costs can be controlled. He stated that obviously each of the projects was deemed important enough to make the list, but the details of each project may help reveal additional information that could help the Commission evaluate the costs of the project.</p> <p>Vice Chair Luck stated that difficulty lies in projects being moving targets, especially when reviewing multi-year projects that could be funded over multiple fiscal years. Costs could increase or decrease significantly based on the review from outside consultants. Vice Chair Luck indicated that she was still unsure when a certain line could be crossed that would deem a project to be too costly or not.</p> <p>Ms. Waikoloa stated that the Commission reviewed overtime, printers, paper, etc. She asked her fellow Commissioners how the Commission could dig deeper into County government and what kind of information could the Commission ask for to make a difference.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Mr. Pancho stated that in the CIP project list, some projects appear to have had no action in FY24 but are being carried over to FY25. He is unsure of whether the project is just kept on the list and funded partially to get things rolling or whether no action will be taken on a project. Chair Lister stated that the Administration responded that for the project to even get started in concept and towards the bid process, the project would need to at least be listed on the CIP Budget Ordinance for that fiscal year.</p> <p>Mr. Pancho noted that projects initially appear on the list at a very low funding amount, then drastically increase once the department knows how much is going to be needed. This gives an entirely different picture of what the project really is like from one year to another. He further noted that he does not want County projects to turn into the City and County of Honolulu's rail project. Vice Chair Luck also noted that when you are on a small island like Kaua'i, there are only a few contractors that compete for many of the infrastructure projects on-island. She expressed wanting to ensure that the County does what is best to get the best pricing even with a small pool of potential bidders.</p> <p>Ms. Waikoloa asked whether the Commission already reviewed County contracts for projects. Chair Lister stated that the Commission did look at a small sample of contracts. Vice Chair Luck stated that she could not remember ever looking at the contracts for the Department of Public Works. Administrator Ching stated that she does not recall looking specifically at contracts for the Department of Public Works. Administrator Ching stated that the Department of Public Works has numerous larger CIP contracts, whereas the Office of Boards and Commissions has none.</p> <p>Administrator Ching noted that this Administration has made it a point to</p>	

SUBJECT	DISCUSSION	ACTION
	<p>focus on infrastructure and amenities that the County already has in-place to truly “take care of what we have” and not to kick the can down the road regarding deferred maintenance. Right now, there are a lot of projects that are meant to maintain what we have. Administrator Ching explained that the County’s Budget Team, comprised of the Director of Finance, Budget Administrator, Chief Procurement Officer, Department of Human Resources, and other members of the Mayor’s Administration, is tasked with evaluating all requests and budget priorities prior to submission for approval to the County Council. She further noted that each CIP project is highly scrutinized by the Budget Team and every requesting department must turn in a narrative and justification to get projects funded. Projects may be funded because they are now mandated by Federal, State, or County law, due to liability, etc. There is a justification process for each project to have it be included in the Budget Proposal. There is also a secondary screening process for projects that did not make the original budget proposal where projects can be reconsidered after additional information and justification is provided to the Budget Team.</p> <p>Ms. Waikoloa asked whether there were any “fun” projects included, as it appears most are only due to mandates. Administrator Ching responded that a department could request a “fun” project, but it just depends on the availability of funding, justification, and whether it aligns with the Mayor’s priorities.</p> <p>Ms. Luck stated that Mr. Perry mentioned a schedule of costs in his response to a question posed to him and wondered whether it would be worthwhile for the Commission to compare a project’s schedule of costs with one from a comparable project in the area to ensure that the project costs are reasonable. This could help the Commission and the County to</p>	

SUBJECT	DISCUSSION	ACTION
	<p>see how much higher projects on Kaua'i may be as compared to other jurisdictions or locations. She noted that on the neighbor islands, it seems like everything costs more, and wondered how much more prices for construction prices are for Kaua'i. Vice Chair Luck also stated that she feels the biggest threat to cost control for CIP projects is the low number of bidders available for these types of projects. Administrator Ching stated that the question posed by Vice Chair Luck would be best answered by Mr. Perry. She continued that the Mayor actually created special positions within the County to ensure that CIP projects get completed timely to ensure that we do not have to return any matching funds from the State or Federal Governments, and so that we do not fall into unyielding situations like those that have made the news, including the Hawai'i State Department of Education having to return millions because they were unable to execute their project list.</p> <p>Administrator Ching commended Mr. Perry and Mr. Michael Contrades for their efforts in moving CIP projects forward and trying to maximize the County's ability to leverage funding from all sources to improve the County's infrastructure through addressing many of the deferred maintenance projects so greatly needed. She also mentioned that Mr. Contrades had a big part in improving the security measures for the Office of Boards and Commissions and the surrounding area.</p> <p>Administrator Ching further commended the Mayor and his team for the amazing work that they have done in moving projects forward and provided an example of the Pua Loke Affordable Housing project near the Department of Water as an affordable housing project that was completed in a year as opposed to the historical ten-year period it took for many other affordable housing projects to be built.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Vice Chair Luck stated that hopefully the next Administration will have another "Keith Perry" or that he will remain employed with the County to continue with his great work.</p> <p>Mr. Donahoe stated that if the Commission had concerns with any specific project, the Commission could send a request for additional information from the lead department to obtain more information. Administrator Ching asked the Commissioners to email her should they be interested in any specific project so that she could make the appropriate contact to respond or be present before the Commission. Mr. Donahoe suggested that the Commission provide specific questions and requests so that they receive exactly the information they are seeking for evaluation.</p> <p>Chair Lister stated that there are a lot of projects and wondered if it might be beneficial to just pick one project to evaluate from start to finish to craft a framework for evaluation of additional projects on the CIP list.</p> <p>Mr. Pancho stated that it would be beneficial for the Commission to receive all data available on each of the projects as they were initially submitted so that a thorough evaluation could be made based on the timeline, what has been done, etc. He noted that there appears to be a lot of projects that never moved forward in FY24 or a lot of unspent budgets that were then repurposed. He would like to better understand the reasons why. Chair Lister reminded the Commission that they are the Cost Control Commission, and that it is not that any project is out of order as funds will need to be spent. He would just like to see if the Commission can find inappropriate spending to make recommendations to control this inappropriate spending. Inappropriate spending patterns cannot be</p>	

SUBJECT	DISCUSSION	ACTION
	<p>revealed unless a better understanding of the spending process is obtained.</p> <p>Ms. Waikoloa expressed interest in understanding projects that did not get funded and for what reasons. Administrator Ching stated that she put in a request for a study on behalf of the Salary Commission for a comprehensive wage and hour study so that they could use that as a basis for putting in the Salary Resolution. Ultimately, that project was denied. Administrator Ching also put in requests for several studies on behalf of the Charter Review Commission for a cost analysis on whether the County should put on the ballot districting and the costs associated with districting. The other study was a comprehensive study on the pros, cons, benefits, or lack of benefits for districting. Both studies were not funded.</p> <p>Ms. Waikoloa asked if there were given any reasons for the denied funding request. Administrator Ching responded that after the Budget Team makes decisions, the department heads receive their approved budgets and approved items remain in the budget while those that did not make the cut are ultimately removed.</p> <p>Chair Lister asked whether any rationale or justification was provided as to why different projects were not funded. Administrator Ching stated that if the request is not included in your budget, it is ultimately assumed that it is not a priority of the Mayor and the Budget Team in terms of the entire set of needs and wants of the various departments. Administrator Ching could not identify any other reason why her projects were not funded as they were the express will and requests made by the different boards or commissions that she works with.</p> <p>Vice Chair Luck expressed interest in seeing a list of the projects that</p>	

SUBJECT	DISCUSSION	ACTION
	<p>exceeded their budgeted appropriation and required additional funding, or that took longer than originally estimated. Mr. Donahoe responded that under Charter Section 28.04, the Commission can “scrutinize any County operation” so though it was expressed by Chair Lister that the Commission may not want to get into a huge audit of these projects, the Commission does have the authority to “scrutinize” any County operation. Chair Lister clarified that his previous comments were meant to state that he did not want to single out any specific department by choosing just one project to evaluate.</p> <p>Vice Chair Luck suggested that the Commission could allow the Administration to select the project that the Commission evaluates so that the Commission could better understand the intricacies of why a project may not go according to the set timeline, budget, etc. This would allow the Administration to pick their own example of a case study to present to the Commission as a public works project on Kaua’i that may have gone astray.</p> <p>Chair Lister expressed interest in knowing by department, a list of projects that have been completed over time, that were completed under budget, that met the budgeted appropriation, and that were over budget.</p> <p>Vice Chair Luck added that it would be nice to see which contractors handled those projects to see if there were any trends of any specific contractors always going over budget or not meeting scheduled timelines.</p> <p>Chair Lister said it would be important to see which departments are consistently managing projects with specific trends to be able to address them.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Vice Chair Luck stated that it would be important to see if the County addresses any contractor who is underperforming or who is chronically late in completing projects to see if there are any consequences for future project bidding.</p> <p>Administrator Ching provided an example of a bulletproof door for the Office of Boards and Commissions. The door was ordered months ago, but suddenly, the manufacturer was demanding an upfront payment of 50-60%, which is not okay with the Procurement Division. Now there is a lot of dialogue to remedy the situation. This highlights how a number of issues can arise out of nowhere and it is inherently more difficult operating on a neighboring island, including various supply chain issues.</p> <p>Vice Chair Luck stated that in the past few years, there have been a lot of supply chain issues causing delays, and at the same time everyone is dealing with inflation. She feels that sometimes companies are taking advantage of those facts because they currently can, as people are accepting those reasonings at this time.</p> <p>Ms. Waikoloa stated that the Commission's request would be for timelines on various contracts as to completion dates, final amounts, whether specific contractors are consistently underbudget or overbudget.</p> <p>Vice Chair Luck stated that she believes the Commission needs to be a lot more specific as the amount of data that would need to be provided is immense. Vice Chair Luck suggested that the Commission possibly focus on one department, such as the Department of Public Works, as they manage the most CIP projects.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Administrator Ching suggested that the Commission send a request to the Department of Finance for information on projects as she is aware that they do quarterly updates for various grant-funded projects that they may already do for CIP projects as well. This update includes status of projects, expected completion timelines, etc. Administrator Ching further suggested that the Commission ask the Department of Finance for a list of their top 5 most problematic CIP projects and the Commission could evaluate or investigate those projects further.</p> <p>Chair Lister recommended that the Commission request the top 10 projects to get a decent sample size. Administrator Ching stated that the Administration does know which CIP projects are problematic.</p> <p>Chair Lister stated that after getting questioned by the County Council at a previous meeting, it is important to understand that the Commission will have to at some point provide a report and be able to answer questions on what the Commission has been reviewing and why certain recommendations were made or not.</p> <p>Administrator Ching reminded the Commission that they have the calendar of agenda items set so that they have more than adequate time to review and evaluate different aspects of the County's operation in preparation to transmit their report to the County Council by the end of the calendar year. Administrator Ching further reminded the Commission that at its last meeting, some recommendations were made, including one regarding the Council submitting their own budget and reviewing their own budget, with the Commission recommending a possible independent review of the Council's budget.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Mr. Donahoe advised the Commission that they should review and evaluate current projects instead of past projects. Any report provided would be recommendations for moving forward, and evaluating projects that have been completed would lead to the Commission providing recommendations on items that have already been completed.</p> <p>Chair Lister agreed that the request would be for the top ten current projects from the CIP list provided by the Department of Finance. Mr. Donahoe stated that the request to the departments would need to be made very clear as leaving the choice to the departments may lead to them “cherry picking” projects that do not provide a full picture of a project for the Commission’s review and evaluation.</p> <p>Chair Lister asked how many departments there were in the County. Administrator Ching responded that she believes there are 13 departments in total.</p> <p>Chair Lister stated that perhaps the departments could submit their top 2 or 3 most problematic projects so that there is an adequate sample size. Mr. Donahoe stated that a project could remain on budget because they keep getting additional funding for it with each fiscal year. Mr. Donahoe further stated that the Commission may want to define what “problematic” means in terms of projects going over budget, taking longer than estimated, etc.</p>	<p><u>Motion</u> Vice Chair Luck moved to request information from the Department of Finance regarding the top 10 projects that are problematic in a way of being overbudget from their original cost estimate.</p> <p>Vice Chair Luck withdrew her motion.</p> <p><u>Motion</u> Vice Chair Luck moved to request information from the Department of Finance regarding the top 10 current CIP projects that are problematic in a way of being overbudget from their original cost estimate and not executed in a timely fashion. Ms. Waikoloa seconded the motion. Motion carried 4:0.</p>

SUBJECT	DISCUSSION	ACTION
	<p>Chair Lister recommended that on the cost side, the Commission could ask departments to outline their top projects where total spending exceeded the original budgeted amount.</p> <p>Administrator Ching explained that the reason she suggested to the Commission that they request the information from the Department of Finance is to get around the concern raised of department's "cherry picking" projects to report to the Commission. Administrator Ching stated that looking at the CIP list, there are 10 departments with projects and some departments only have 1 or 2 projects on the CIP list. Some departments do not have 3 projects to report on. Administrator Ching reiterated her suggestion that the Commission may want to contact the Department of Finance to provide a report of the top 10 CIP projects that have been overbudget perennially or have not been executed on a timely basis.</p> <p>Chair Lister asked if Administrator Ching was suggesting not requesting information by department but instead doing so through the Department of Finance. Administrator Ching acknowledged that Chair Lister's understanding was correct and that she would allow the Department of Finance to come up with the list of problematic projects. She further explained that the Department of Finance, and in particular, Budget Administrator Ken Shimonishi already receives quarterly updates from departments on grant projects and would more than likely have the same information for CIP projects if asked.</p> <p>Chair Lister stated that the Commission can report to the County Council that they reviewed desktop printers as a large cost item and asked whether a recommendation should be made that after a certain period, no new</p>	<p>Vice Chair Luck moved amend the previously approved motion to the Department of Finance to also include in a request for information, any additional information on which contractors were awarded contracts and how many firms are awarded contracts with the Department of Public Works. Ms. Waikoloa seconded the motion. Motion carried 4:0.</p>

SUBJECT	DISCUSSION	ACTION
	<p>desktop printers be purchased. Administrator Ching stated that the recommendation is already being enforced by the Information Technology Division as they no longer allow standalone printers. The Office of Boards and Commissions has 5 people in the office, and they have 1 leased printer, 2 desktop printers, and 1 high-capacity printer. If multiple boards or commissions are meeting and need copies made, the Office has trouble functioning should their main copier/printer go down, which has happened in the past.</p> <p>Chair Lister asked whether the Office could possibly get a secondary printer for its use. Administrator Ching stated that the County currently has a contract with Xerox, so that is where the main leased printer is obtained from. She explained that the copier/printer is in working order, but that it can be temperamental when it comes to printing envelopes or on other types of media/paper.</p> <p>Chair Lister asked what happens if the printers go down. Administrator Ching stated that the staff would have to go to the Office of the Mayor to do any printing.</p> <p>Vice Chair Luck asked whether for the CIP projects request, if it would be possible to ask for information on which firm, company, or organization was working on the project, and how many different choices are available for the Department of Public Works projects.</p> <p>Administrator Ching clarified that earlier when she asked Commissioners to send her specific questions via email regarding requested information, she will no longer be needing the Commission to do that as the Commission made concrete recommendations on what information they would like to</p>	

SUBJECT	DISCUSSION	ACTION
	request from the Department of Finance.	
Executive Session	Under HRS§ 92-7(a), the Commission may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held under HRS § 92-4 and limited to those described in HRS §92-5(a).	
Adjournment	Chair Lister stated that there was no further business.	Vice Chair Luck moved to adjourn the July 11, 2024, Cost Control Commission Meeting. Ms. Waikoloa seconded the motion. Motion carried 4:0. There being no objections, the meeting was adjourned at 10:37 a.m.

Submitted by: _____
Mercedes Omo, Staff Support Clerk

Reviewed and Approved by: _____
Andre Lister, Chair

- () Approved as circulated on
- () Approved as amended. See minutes of _____ meeting.