

## COUNCIL MEETING

MAY 29, 2024

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Chair Mel Rapozo at the Council Chambers, 4396 Rice Street, Suite 201, Līhu'e, Kaua'i, on Wednesday, May 29, 2024, at 9:02 a.m., after which the following Members answered the call of the roll:

Honorable Addison Bulosan  
Honorable Felicia Cowden  
Honorable Bill DeCosta  
Honorable Ross Kagawa  
Honorable KipuKai Kuali'i  
Honorable Mel Rapozo

Excused: Honorable Bernard P. Carvalho, Jr.

(Note: No one from the public provided oral testimony via the Zoom remote technology platform on any agenda item.)

### APPROVAL OF AGENDA.

Councilmember Kuali'i moved for approval of the agenda, as circulated, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no one present to provide testimony, the meeting proceeded as follows:

The motion for approval of the agenda, as circulated, was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: The motion is carried. Next item, please.

### MINUTES of the following meetings of the Council:

May 14, 2024 Special Council Meeting  
May 14, 2024 Public Hearing re: Resolution No. 2024-13, Bill No. 2916, and Bill No. 2917

Councilmember Kuali'i moved to approve the Minutes, as circulated, seconded by Councilmember DeCosta.

Council Chair Rapozo: Thank you. Is there anyone wishing to testify or provide testimony? Anyone in the audience?

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to approve the Minutes, as circulated, was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carries. Clerk, our next item, please.

COMMUNICATIONS:

C 2024-96 Communication (05/08/2024) from the Mayor, submitting his Supplemental Budget Communication for Fiscal Year 2024-2025 and Proposed Amendments to the Budget Bills, pursuant to Section 19.02A of the Kaua'i County Charter.

Councilmember Kualii moved to receive C 2024-96 for the record, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there any discussion or public testimony?

Councilmember Cowden: Is this our only time to talk to Ken and Reiko?

Council Chair Rapozo: This is just the communication.

Councilmember Cowden: Alright.

Council Chair Rapozo: The budget will be up later.

Councilmember Cowden: Okay.

Council Chair Rapozo: During Bills for Second Reading.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to receive C 2024-96 for the record was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carried. Next item, please.

C 2024-109 Communication (05/08/2024) from the Chief of Police, Acting Assistant Chief Elliott K. Ke, and Captain Paul N. Applegate, requesting Council approval to accept and expend recurring Federal funds, in the amount of \$44,481.00, from the Fiscal Year 2021 Edward J. Byrne Memorial Justice Assistance Grant (JAG), to be used for the purpose of drug-related investigations.

Councilmember Kualii moved to approve C 2024-109, seconded by Councilmember Cowden.

Council Chair Rapozo: Is there any discussion or public testimony? Do you want the Kaua'i Police Department (KPD) up?



Councilmember Cowden: Yes, please. Can I have both of them up, please? Lieutenant Jenkins, thank you for what you do. I understand this is a reoccurring grant, but can you give us a quick update on the success of your drug-related investigations? I know you have done a lot this year.

There being no objections, the rules were suspended.

CHRISTIAN D. JENKINS, Lieutenant: For the record, Lieutenant Christian Jenkins, Vice/Narcotics Section in the Criminal Intelligence Unit. We started out the year with a “bang.” We have had a lot of narcotics seizures, weapon seizures, and that is due impart to of getting new officers that are young, hungry, and are hitting the streets pretty hard trying to rid the community of these drugs. It has been a good year so far.

Councilmember Cowden: Yes, we honored two (2) of them this month, I believe. I am forgetting the names. Can you just say the names?

Mr. Jenkins: Ulu...

Councilmember Cowden: It is okay.

Mr. Jenkins: It is a hard name to pronounce, the last name, I do not want to “butcher” saying her last name.

Councilmember Cowden: They did a really good job.

Mr. Jenkins: Yes, thank you.

Councilmember Cowden: I wanted to take a moment of Personal Privilege to recognize Assistant Chief Applegate, because I believe this will be the last time for awhile that you are in front of the Council. I want to thank you as the Assistant Chief of the Investigative Services Bureau for how helpful, respectful, and forthcoming you have been in my years as the Committee Chair for the Public Safety & Human Services Committee. You have done an extraordinary job. Whenever I asked for help, you have always been there. Thank you for your twenty-five (25) years of service.

PAUL N. APPLGATE, Captain: Thank you.

Council Chair Rapozo: Are there any further questions for KPD? Seeing none, thank you very much. Mr. Hart.

BRUCE HART: Bruce Hart. I want to take this opportunity to thank Acting Chief Paul Applegate for the friendship and the many years of service that he has given to this community by working at KPD. I have found him to be an honorable man. I first met Paul whenever he was Captain, and have watched him progress up to Acting Chief, and I want to wish him all the best in his retirement. Thank you.

Council Chair Rapozo: Is there anyone else? Is there any further discussion? Councilmember Kagawa.

There being no further public testimony, the meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: I want to thank KPD for what they are doing, Ulu, I know her, and just great to hear from Lieutenant Jenkins about the work that they are doing. This morning, I took a walk by the Mo'ikeha Building and I saw, well, I received some complaints from some of our employees about some of the things happening there. We have a fulltime security there now, workers feel unsafe at times, and like what Lieutenant Jenkins said, if we cut the root of the problem, other things will get better. We need to continue that fight so that people can feel safe and comfortable again. To Paul, we cannot get involved with decisions such as selection, but I supported Paul one hundred percent (100%) for Chief when he was up for it, and just because knowing Paul and his family, I just knew he was deserving of the opportunity. Now that we are at this point and he is going on to "greener pastures" or brighter pastures, I just want to thank Paul for his service and wish him the best. *Mahalo.*

Council Chair Rapozo: Is there any further discussion? Seeing none, the motion is to approve.

The motion to approve C 2024-109 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carried. Next item, please.

C 2024-110 Communication (05/15/2024) from the Director of Economic Development, requesting Council approval to apply for, receive, and expend funds from State of Hawai'i Department of Agriculture, in the amount of \$200,000.00, for the purpose of mitigating the spread of the Coconut Rhinoceros Beetle (CRB) on Kaua'i, and be to support broader detection efforts and execute a public awareness campaign to inform residents, visitors, and local businesses about the ecological and economic impacts of CRB and how to detect and report this invasive species.

Councilmember Kualii moved to approve C 2024-110, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is the Office of Economic Development (OED) here?

Councilmember Cowden: Yes.

Council Chair Rapozo: I will suspend the rules. Can you provide the Council with an overview? Your submission was totally complete, but for the benefit of the viewing public, can you give us a brief overview of what this program is?

There being no objections, the rules were suspended.

NIKKI KUNIOKA-VOLZ, Specialist IV – Agriculture: Sure thing. For the record, Nikki Kunioka-Volz, Agriculture Specialist, OED. Basically, this proposal is aimed at getting a better understanding of what the County of Kaua'i can do to help curb the spread of Coconut Rhinoceros Beetle (CRB). The funds were specific to green waste management and what we want to do is understand what are the legal, biological, cultural, physical control methods that we can employ. How can we make some amendments to our green waste processing contracts to ensure that we are not playing an active role in spreading CRB, but also to partner with a conservation dog training

organization within the State of Hawai'i to have a set team of detector dogs specific for our Kaua'i green waste facilities and for community members who might suspect they have a breeding site on property, so they have a detector team that goes out and performs a test. The last piece is the community outreach campaign. What we have seen is there is a big gap, our Invasive Committee can only do so much with one (1) outreach specialist. We are partnering with them to make sure we are addressing any outreach gaps and we are informing our businesses about best management practices, informing our visitor industry about the role that they can play in helping to curb the spread, and informing our residents on how to accurately detect and report any suspected CRB damage or infestation. We are at a point in Hawai'i, I am sure as you all heard that it spread across all of the main islands. Some of the control mechanisms that have worked in South East Asia, which is where the beetle originates from, do not work for the beetle that is currently in Hawai'i. It is a different subspecies. There is research going on right now, both at United States Department of Agriculture (USDA) and at College of Tropical Agriculture and Human Resources (CTAHR) looking into different control mechanisms, but the research is not there yet. What we really need to do is hone in right now and try to control it, keep it from spreading, so that once that research is ready and we know of the effective mechanisms for our specific species that we have on Kaua'i, that we can deploy those control mechanisms. We are currently not completely...how should I say this, we are not invested necessarily, we are in the control phase, and we are at the start of that control phase. With the broad spread community effort, we can keep that manageable for now until those effective mechanisms are brought to us. Essentially that is the goal, get everyone on board, have everyone be aware of what CRB is and the steps to participate and mitigate the spread—this is going to be a long haul. This is going to be an invasive pest that is going to touch many different industries on Kaua'i, especially the agricultural producers, agricultural practitioners, and our visitor industry.

Council Chair Rapozo: Is KISC (Kaua'i Invasive Species Committee) still the primary agency that deals with the suspected infestation of this beetle? I only recently found out that the stockpiling of compost or green waste is invitation for these beetles. If someone suspects the beetle, who would they call?

Ms. Kunioka-Volz: I would recommend calling KISC. They have a CRB and little fire ant technician who goes out and will help you determine whether or not you have CRB on your property, and if so, we will give you some recommendations on best control practices.

Council Chair Rapozo: Okay.

Ms. Kunioka-Volz: There are two (2) other reporting mechanisms and this is something that we need to have a little bit more of a unified front here, but you can call the Hawai'i Department of Agriculture (HDOA). We have one (1) technician on-island who goes out and responds to these calls for different invasive species, and he is under resourced, definitely. You can also call 643-PEST, which is a reporting hotline that is operated by the Hawai'i Invasive Species Council, a statewide organization, funded by the Hawai'i Department of Agriculture.

Councilmember Cowden: 643?

Ms. Kunioka-Volz: P-E-S-T.

Councilmember Cowden: (808) 643-PEST.

Ms. Kunioka-Volz: Yes. And those three (3) organizations: HDOA, KISC, and (808) 643-PEST, run by the Hawai'i Invasive Species Council, they communicate and keep each other updated on the reports. I would recommend calling KISC.

Council Chair Rapozo: Councilmember Kagawa, did you have your hand up?

Councilmember Kagawa: Yes. Thank you. I know we identified, I guess, some CRB at the Wailua Golf Course and then there was a project that flew a drone over and dropped pesticide to try to eradicate those that were identified. How did that project go or are we still waiting to see results?

Ms. Kunioka-Volz: Yes, you are correct. We had two (2) different phases of treatment at the Wailua Golf Course. The first phase was in the Fall of 2023 and the second phase was in early-2024. The first phase was the front nine (9), and the second phase was the back nine (9). What we found was using the spay drone was extremely time and labor effective, but it was very vulnerable to the elements. The first round, there was a malfunction with the drone and wind, and it got damaged. It ended up falling to the ground and there were some parts that needed to be replaced, and so that is why the second round did not happen until a few months later. They were waiting for those parts to arrive. The second round with the aerial spray with using the drone, there was a software issue with the drone itself and it crashed. Both times the drone was...the ideal method for applying the pesticide, but ultimately, we ended up having to bring in lifts and having someone go up and spray from the canopy. Overall, it was very successful. I can tell you that we found, in total, two hundred twenty-two (222) trees were suspected of damage. There were, if I recall, two hundred twenty-seven (227) beetles found after those rounds of treatment. The problem with the treatment is that it is not a "one and done." You must consistently go and manage. The trees themselves are sprayed, which is effective and immediately kills CRB, but for longer-term treatment, you need to do an injection to the trunk or do a systemic root application and have that slowly be taken up the vascular way of the plant. Overall, it was a success. There were some coconut trees that are adjacent to the Wailua Golf Course on the back nine (9) that are technically on the Department of Transportation (DOT) property, and those trees are showing signs of damage, but that is under the State's jurisdiction to manage those trees. When we talked about having the team go in while they were doing those operations, they did not have the right-of-entry from the State to do so.

Councilmember Kagawa: What are the general signs that a tree is suffering damage? Do the leaves start getting brown or coconuts do not mature? What are telling signs?

Ms. Kunioka-Volz: The most obvious is damage to the leaf itself. The beetle will create these "V"-Shape forty-five (45) degree angle leaves by eating the frond itself. Typically, the easiest way to detect it, is by looking at the canopy of a coconut tree and seeing those "V"-Shape cuts and forty-five (45) degree angles. There are bore holes at the base of the leaf where it attaches to the trunk, those often are indicators, but those are oftentimes difficult to find, because you have to peel back other

plant material in order to see that base of the leaf. It is really the leaf cuts are the most obvious.

Councilmember Kagawa: I know when I was working at the Waimea High School agriculture education center, we did raised beds and those coconut green waste were something highly recommended for us to use in the bottom layer. In general, if there are no coconut trees in that area, is it dangerous to have that green waste that is possibly contaminated with CRB? Do they live without coconut trees in that area and then perhaps will crawl over later to neighboring coconut trees?

Ms. Kunioka-Volz: I wish it were only coconut trees that we had to worry about.

Councilmember Kagawa: Do they eat many other things?

Ms. Kunioka-Volz: They eat other plants. Coconut trees are their primary food source, but they will eat other palm species as well. What we are really worried about in Kaua'i is that we have some rare and endangered native palms, they will attack those. They will attack high-valued ornamental palms that run thousands of dollars' worth of value.

Councilmember Kagawa: I know those royal palm trees are really...

Ms. Kunioka-Volz: Yes, the red lipstick palms—they will go after those as well.

Councilmember Kagawa: Okay.

Ms. Kunioka-Volz: In addition to palms, they have also been known to attack banana, pineapple, *kalo*, and it is suspected that *ulu* might also be a secondary food source.

Councilmember Kagawa: So, even the wet *kalo* or is it the dry land *kalo*?

Ms. Kunioka-Volz: I have not heard a differentiation between dry land or wet *kalo*, but that is a known secondary food source.

Councilmember Kagawa: Alright, makes sense.

Ms. Kunioka-Volz: But in terms of using the coconut core, which is the softer, outer membrane of the coconut itself, it is often used as a mulch or soil amendment, those are problematic, more so because they are breeding grounds. CRB likes to breed in decaying, organic matter. Whether that is mulch piles, compost piles, it could also be a log that is cut and just fell and left on the ground, they will bore into that and start to breed. CRBs are two (2) inches in length, so it is relatively noticeable, but its larva can be smaller than a Tic Tac, and so that is very hard to find in a pile of mulch, compost, or even decaying matter at the forest floor, which is one of the problems and risks we have in Hawai'i, is essentially the majority of our land mask is forest. All of that forest floor has the potential to be a breeding site. If you are using organic matter to amend your soil and you are composting at home, it is highly recommended you practice best management practices and you practice what is called "hot compost," so you are continuously sifting and flipping it to allow the organic matter to move around,



decompose, and create heat within the pile that will kill the larva stage. The notion that you know, “If there are no palms around, you do not have risk for CRB,” is just not real. We are all at-risk. At this point, we have traps set up from Kē‘ē all the way to Mānā, and there have been detections from Hanalei through the Southside. At the rate at which the detections have been made, we suspect that it is not natural dispersal. These are very lazy beetles. They fly at night, but they do not fly typically more than two (2) miles a day. What we suspect is that unknowingly, humans are transporting the beetle at its various life stages, and that is how they spread as quickly as they has.

Councilmember Kagawa: I did not know they flew.

Ms. Kunioka-Volz: They do not like to. They are lazy. They will hop...if there is a mulch pile on a coconut tree next to it, they go ahead and eat and just go down to the mulch pile to breed.

Councilmember Kagawa: Thank you for all you do, Nikki. I think it is a serious problem and I am glad you are on it.

Council Chair Rapozo: Councilmember Cowden.

Councilmember Cowden: You mentioned using dogs.

Ms. Kunioka-Volz: One of the detection mechanisms is to train dogs with a trained handler, so the dog can sniff out the beetle or its various life stages, the larva.

Councilmember Cowden: Do we have dogs and a trainer already?

Ms. Kunioka-Volz: We have two (2) organizations. One (1) specific to Kaua‘i and they also work with the State organization, and we started to discuss...these are organizations that the Invasive Species Committees across the state also utilize.

Councilmember Cowden: What is the name of that organization?

Ms. Kunioka-Volz: Kaua‘i Conservation...Kaua‘i Detection Dogs.

Councilmember Cowden: Okay. I am just going to put a thought out there that might not be relevant, but if they are listening...I live in Kīlauea, where we know we have it. I have a pretty smart young dog, so I think if we can begin to train our own dogs...especially with people who own big properties, like the Botanical Gardens, etcetera. That is where I did my CRB training, was at Na ‘Aina Kai Botanical Gardens & Sculpture Park, they did a great job, but I think if larger landowners or if someone can have locally trained dogs, because we have so much natural green waste everywhere in our community. If it is possible to train dogs, some are pretty smart. That is just a thought.

Ms. Kunioka-Volz: I think that is a great idea. I know that there training dogs in Hawai‘i for the detection of this species of CRB is still relatively new.

Councilmember Cowden: Yes.

Ms. Kunioka-Volz: They are still working out the kinks. They are taking back the lessons learned, and improving the training mechanisms, but I think moving forward, because this likely is going to be a longer-term issue and it really could be a substantial issue for both our economy and our ecology, that is not a bad idea to make that readily available once...

Councilmember Cowden: Yes, because that might work. Why not try?

Council Chair Rapozo: Are there any further questions? If not, thank you. Is there anyone in the audience wishing to testify? Ms. Parker.

ALICE PARKER: Alice Parker, for the record. I came across a little beetle over my stove and I believe I called the Department of Agriculture. I have not seen anything like it, with a red under body and red legs. I called and left a message, saying, "I cannot get to you, but I have it in a bottle if you want it." I never heard back from them. Later I found in my What Bit Me? book that it was probably larva of a cockroach, but I have never seen anything like this. I think my neighbor said it was CRB, but there was no horn on it. Even the larva has a horn on it. Anyway, I think we need to educate our population as to the fact that we do have CRBs, because most of the folks I know think we do not have any. There was an article in the newspaper about Anaina Hou Community Park that showed coconut trees horribly ravaged by CRBs. We need to educate the public and we need to get rid of it. Thank you.

Council Chair Rapozo: Mr. Hart.

Mr. Hart: Bruce Hart. I was here for the initial, I am sure most of you remember and I spoke whenever this was presented, made the front page of *The Garden Island*. I think that by now as we have thought about it, those of us that care about the beauty of this island, I have seen pictures, you can see images online of what it does. When I first came to Hawai'i, it was the first time I ever saw a coconut tree. During those times whenever I go back to the mainland, I see those palms waving at me and when I come back, they are waving at me. I do not want to live in a place where there are no coconut trees, and it is tropical. It is depressing. I have thought about it. I think I have an understanding and what can we do? Well, I think what Alice said, we are going to have to educate, and I think one of the places to start is with our children. I said this last time. Children are playing outside all the time. They are digging around and they are on the ground, doing whatever, and if we can get them to recognize and go to mom or dad, otherwise it is almost an overwhelming task. I think we just do the best we can do, and I am praying about it. Whatever we can do, we will do. Thank you.

Council Chair Rapozo: Thank you. Is there anyone else? Is there any further discussion? Councilmember Kagawa.

There being no further public testimony, the meeting was called back to order, and proceeded as follows:

Councilmember Kagawa: I want to offer my thanks and one hundred percent (100%) support to Nikki and OED. The invasive species like the red fire ants, the parakeets, CRB, if we do not get a handle on it quickly, it will be a large problem that we will not be able to control. It will affect a lot of our major locally grown food sources and our goals of food sustainability will be jeopardized. We need to move and

we need to move as quickly as possible to get a handle on these invasive species. When you look at the CRB, it was not even the cause of one of the tragedies we had at the Wailua Golf Course where one of our local golfers was killed on the eleventh hole. It was a \$1,000,000+ lawsuit that he won. When you think about the effects that these CRBs can do, our liability is so much higher. We need to put all of our support behind OED, behind the Department of Agriculture and this needs to be dealt with in an emergency manner. Again, thank you. The Council needs to keep up on this matter in the future, in all of these, because like I said, even the parakeets. You are seeing lychee farmers having no lychee, absolutely none. There are thirty thousand (30,000) approximately parakeets out there. The number was like fifteen thousand (15,000) ten (10) years ago. Thirty thousand (30,000) of those parakeets eating all of our precious fruits that we all grew up loving and they are gone in many cases. I think putting all of our efforts forward and letting the Legislature, Congressional Delegation, and the counties know that we have to work together and get a handle on this problem, because it is growing out of control. Thank you.

Council Chair Rapozo: Is there anyone else? Councilmember DeCosta.

Councilmember DeCosta: Foresight, is what it is called, right? I want to thank Councilmember Bulosan and myself with the resolution to the State asking them for this funding. I want to thank Nikki and OED having Department of Agriculture...can you imagine having this foresight when the fire ants first came, when the parakeets first came, we could have been way ahead of the game. Thank you for what you do. And the correct agriculture...agriculture for products that are grown here locally and sold here locally, I have said it before, when we send our calves to the mainland, we are not supplying local beef; we are supplying the mainland with their (inaudible). People grow wagyu beef on the island, who affords wagyu beef? Who can afford wagyu beef? That is high-end rollers. I know I have not had a wagyu steak. When we have local agriculture businesses, let us have local agriculture products to help sustainable agriculture industry. Thank you.

Council Chair Rapozo: Is there anyone else? If not, thank you, Nikki. That was very informative. Many years ago, former Council Chair Jay Furfaro proposed three hundred thousand dollars (\$300,000) to KISC to deal with coqui frogs in Lāwā'i Valley. Three hundred thousand dollars (\$300,000). That is a lot of money. Back then, it was a tremendous amount of money. We approved that and the money was used to basically stop the coqui frogs. They are starting to make a comeback now, but it eliminated that infestation in the valley and prevented it from spreading. When I called my friend on Hawai'i Island, he was on the Council at the time, he said, "Even if it was one million dollars (\$1,000,000), you folks should approve it, because you do not want that coqui frog to be all over the island." I think we are in the same situation with this beetle. I know the grant application has an educational component which is going to focus on educating everyone, the public working with different agencies on the island, so that people know how to recognize it and make sure they can report it. If not, this can get away from us really quickly. Obviously, I fully support this. Again, thanks Nikki for that presentation.

The motion to approve C 2024-110 was then put, and carried by a vote of 6:0:1  
(*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carried. Next item, please.



LEGAL DOCUMENT:

C 2024-111 Communication (05/09/2024) from the Housing Director, recommending Council approval of a Grant of Easement made by and between the County of Kaua'i and Kaua'i Island Utility Cooperative of Tax Map Key (TMK) No. (4) 2-1-013:001, 'Ele'ele, Kaua'i, Hawai'i, for the Lima Ola Permanently Supportive Housing Project in Phase I of the Lima Ola Subdivision, along with the related indemnification provision contained therein, to locate, install, build, construct, use, operate, repair, maintain, and replace poles, wire lines, conduits, appliances, equipment, and facilities within the easement area.

- Grant of Easement

Councilmember Kualii moved to approve C 2024-111, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there any discussion or public testimony?

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to approve C 2024-111 was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: Motion carried. Next item, please.

COMMITTEE REPORTS:HOUSING & INTERGOVERNMENTAL RELATIONS COMMITTEE:

A report (No. CR-HIR 2024-01) submitted by the Housing & Intergovernmental Relations Committee, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2914, Draft 1 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 7A, ARTICLE 9, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO GOVERNMENT ASSISTANCE FOR WORKFORCE HOUSING,”

A report (No. CR-HIR 2024-02) submitted by the Housing & Intergovernmental Relations Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2915, Draft 1 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 7A, ARTICLE 5, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO HOUSING ELIGIBILITY AND SELECTION,”

Councilmember Kualii moved for approval of the reports, seconded by Councilmember Cowden.

Council Chair Rapozo: Is there anyone in the audience wishing to testify on this item or any discussion? Seeing none.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion for approval of the reports was then put, and carried by a vote of 6:0:1 (*Councilmember Carvalho was excused*).

Council Chair Rapozo: The motion is carried. Next item.

(*Councilmember Kagawa was noted as not present.*)

### **COMMITTEE OF THE WHOLE:**

A report (No. CR-COW 2024-07) submitted by the Committee of the Whole, recommending that the following be Received for the Record:

“COW 2024-03 – Communication (04/18/2024) from Councilmember Cowden, requesting the presence of Employees’ Retirement System (ERS) Thomas Williams, Executive Director, to provide a briefing on ERS’ investments, holdings, and asset allocations as well as its continued ability to fulfill retirees’ pension obligations,”

A report (No. CR-COW 2024-08) submitted by the Committee of the Whole, recommending that the following be Received for the Record:

“COW 2024-04 – Communication (05/16/2024) from Committee Chair Rapozo, transmitting the proposed increases to, deductions from, and other proposed amendments (plus/minus sheets) to the Mayor’s Fiscal Year 2024-2025 Annual Operating and Capital Improvement Projects Budgets,”

A report (No. CR-COW 2024-09) submitted by the Committee of the Whole, recommending that the following be Approved as Amended on second and final reading:

“Resolution No. 2024-13 –RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025 FOR THE COUNTY OF KAUA‘I,”

A report (No. CR-COW 2024-10) submitted by the Committee of the Whole, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2916 – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025 (*Fiscal Year 2024-2025 Operating Budget*),”

A report (No. CR-COW 2024-11) submitted by the Committee of the Whole, recommending that the following be Approved as Amended on second and final reading:

“Bill No. 2917 – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025 (*Fiscal Year 2024-2025 CIP Budget*),”

Councilmember Kualii moved for approval of the reports, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there anyone in the audience wishing to testify on this item or any discussion? Seeing none.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion for approval of the reports was then put, and carried by a vote of 6:0:1 (*Pursuant to Rule No. 5(b) of the Rules of the Council of the County of Kaua'i, Councilmember Kagawa was noted as silent (not present), but shall be recorded as an affirmative for the motion; Councilmember Carvalho was excused*).

Council Chair Rapozo: The motion is carried. Next item.

#### RESOLUTION:

Resolution No. 2024-13, Draft 1 – RESOLUTION ESTABLISHING THE REAL PROPERTY TAX RATES FOR THE FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025 FOR THE COUNTY OF KAUA'I

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Council Chair, we do have registered speakers for this item.

Councilmember Kualii moved for adoption of Resolution No. 2024-13, Draft 1 seconded by Councilmember Bulosan.

Council Chair Rapozo: With that, I will suspend the rules. Can we get the first registered speaker?

Ms. Fountain-Tanigawa: The first registered speaker is Tom Callahan, followed by Mary Ransbury.

There being no objections, the rules were suspended to take public testimony.

TOM CALLAHAN: *Aloha.* I am Tom Callahan. Chairman Rapozo and Members of the Kaua'i County Council. Thank you for the opportunity to speak here today. Over the last two (2) years, a storm has been forming on a scale that is unprecedented in the history of the world's insurance market. Florida and California have been the epicenter of this disaster until now. Hawai'i is now the poster child for insurance instability. While we all applaud the current efforts that our state government is doing to create an affordable solution, we all know that we are all many years away from any stable marketplace we have all enjoyed and flourished under for the last fifty (50) years. The proposal to increase our tax rate could not be more ill-timed. In the Resolution, it states that approximately thirty-two billion dollars (\$32,000,000,000) of assessed property in this County collects  $x$  number of dollars for us to spend and budget for. However, I am urging you today to consider the other factors in our economy that are hitting us harder and will result over the next year in having a greater impact than COVID had on our state. Last week, one (1) of our condominium's properties received their insurance renewal for June 1<sup>st</sup>, giving us less than two (2) weeks to scramble to make up the difference. We all have encountered this personally or you have had friends or relatives who on any island out here or perhaps over in the mainland have had a situation hit them to where they were just simply given a letter of cancellation, not even an opportunity to renew. The opportunity to renew is truly becoming a bit of a blessing to all of us today. This is serious. Last week, we received a renewal notice that took us from our budgeted one hundred thirty-one thousand dollars (\$131,000) per year for property insurance. This is not liability insurance or any of the other five (5) insurance items that we have to carry. When we went from one hundred thirty-one thousand dollars (\$131,000), we knew we were going to see an increase. We have been "shopping" it for the last ninety (90) days.

Council Chair Rapozo: Sir, I have to stop you there, because your time is up. This is your first three (3) minutes.

Mr. Callahan: I appreciate that.

Council Chair Rapozo: You can come back and do a second round after everyone has gone through.

Councilmember Cowden: So, remember what you were about to tell us.

Mr. Callahan: I will just end it...the renewal came at five hundred seventeen thousand dollars (\$517,000). Yesterday, another property in Po'ipū received their renewal notice from one hundred thirty-one thousand dollars (\$131,000) and it went to one million one hundred thousand dollars (\$1,100,000).

Council Chair Rapozo: Sir, I have to stop you there. I do not know how much that property is valued, but that is a lot of money for insurance. Next.

Ms. Fountain-Tanigawa: The next registered speaker is Mary Ransbury, followed by Samira Siale.

MARY RANSBURY: Thank you. I appreciate that. My name is Mary Ransbury, out of Kapa'a. I serve on a board of a couple condominium units here in Kapa'a and I will tell you that the three percent (3%) in property tax, I pay five thousand five hundred dollars (\$5,500) per year for a three-hundred-seventy-five (375) square foot unit. It is just a room, no kitchen. Five thousand five hundred dollars (\$5,500). The first two (2) weeks of me collecting rent goes to property maintenance. I spend over one thousand dollars (\$1,000) just in property maintenance. The next week, is the cost to do business. It is to cover my nuts. That is only if I am at one hundred percent (100%) occupancy. Let us say that I have one (1) week that it is not occupied, that means I only profit one (1) week of selling that unit. We employ all locals. From housekeeping to maintenance to pool to electrical, plumbing. We just had a notice today to stop all work. We are so stretched financially on those condominiums just because of the insurance. We are stopping all projects because we have to come up with money. Now, the County wants to tax us even more on that dollar, it is going to be a trickle-down effect. People are going to start dumping their units to get out of it. I went through 2008, 2009, Bryan Anderson, Chad Waters, all those developers, and I suffered through that, and then I had to go through COVID, I had to carry that nut. I spent over five thousand dollars (\$5,000) per month just to carry through COVID because I was not bringing in income. Finally, coming out of that, now the County wants to tax us even more. My thoughts are that taxes are not good for anyone. It stalls the economy. It stalls from people spending money. My guests that come in, they come in for three (3) to four (4) nights, they spend, they go to Lava Lava Beach Club, they go to Bobby V's Italian Restaurant & Pizzeria, they hit the Coconut Marketplace. We want them to spend. We want to build the economy, but when you start taxing that nightly rate, it becomes very competitive, it drops and hurts everyone. That is it.

Councilmember Cowden: I have a clarifying question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: You said the first two (2) weeks, do you mean the first two (2) weeks of the month or the first two (2) weeks of the year? That is a big difference.

Ms. Ransbury: No, the first two (2) weeks of the month.

Councilmember Cowden: So, you are saying that fifty percent (50%)...

Ms. Ransbury: I am paying cost.

Councilmember Cowden: Oh, paying cost. Okay.

Ms. Ransbury: So, if I am renting it out, I have to meet a certain amount of occupancy just to cover my cost, just to do business. I am not renting out a house...

Councilmember Cowden: Okay, okay, so, two (2) weeks out of the month, not two (2) weeks out of the year.

Ms. Ransbury: That is correct.

Councilmember Cowden: You have three (3) weeks out of the month that is the management, so maybe one (1) week if it is booked, you are going to be able to make some money?

Ms. Ransbury: That is right. You can get gap days, so two (2) days here, three (3) days here, they are not booked, so in a month period...

Councilmember Cowden: You have answered my question.

Council Chair Rapozo: Are there further questions? If not, thank you.

Ms. Fountain-Tanigawa: The next registered speaker is Samira Siale.

Councilmember Kagawa: She stepped out.

Council Chair Rapozo: Next?

Ms. Fountain-Tanigawa: No further registered speakers, Council Chair.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? Ms. Parker.

Ms. Parker: Alice Parker, for the record. I think it would have been easier if it had been one percent (1%) increase for three (3) years, but we cannot do hindsight. What people are forgetting is taxes are our government, we need facilities, we need government, we need police, fire, water, etcetera, and there is a necessary cost to doing business. It is painful. The other thing that might lessen our cost of importing things is the Jones Act, if we can cancel that, it would be so much less expensive to ship everything in and then we would not have to charge so much taxes. Thank you.

Council Chair Rapozo: Is there anyone else wishing to testify for the first time?

STEVE SEIDWRICK: Good morning, Council.

Council Chair Rapozo: Good morning.

Mr. Seidwrick: I want to first state that I am against this Transient Vacation Rental (TVR) tax, but I am in favor of the Mayor's proposal as it was. I am going to take my first three (3) minutes to set up the last three (3) minutes. I am a white man; however, my wife has roots to the island from 1880. In those early days, families worked their "butt" off in terrible conditions, you folks know this. My wife's family was *taro* and rice. The other side of the family was sugarcane on the Westside. I have empathy for you, Council Chair Rapozo, I see the pain in your face when you talk about your kids. It is very painful to leave your home, but the good news, if there is, is those kids go, they learn skills, and they come back, and when they come back, they are going to need a place to live. Therefore, I do not think all hope is lost. I want to remind Council of the 2014 TVR tax increase. That was a three hundred percent (300%) to four hundred (400%) increase overnight. I saw my taxes go to an incredible amount of money overnight. That money was supposed to be spent, earmarked for housing, whether low cost housing, middle-class housing, infrastructure. In the last ten (10) years, there should be one hundred million dollars (\$100,000,000) set aside for housing, but what happens? The reality is that there is "turn." The Council turns, the mayor turns, and people forget. Last year, there was a surplus in the budget and I recall several of you saying, "We got this money, we are supposed to put it towards housing," and at the time the Housing Director, you folks asked him, "Adam, what do you think?" Adam responded, "We have enough things in the pipeline for the next five (5) to ten (10) years and beyond." All you have to do, Adam, is come to us and ask for the money. Therefore, the mechanics are already there. I encourage you to reconsider because I agree with everyone here. I would have been here last week, except I was sitting in Queen's Hospital suffering a stroke and by a miracle of God, I am here today, blessed to be able to share a solution which I will share in my next three (3) minutes.

Councilmember DeCosta: I had a clarifying question.

Council Chair Rapozo: Clarifying.

Councilmember DeCosta: You made a comment that in 2014, the TVR tax rates were raised. Do you remember if they made a certain department, certain account, or did the money go to the General Fund?

Mr. Seidwrick: It went to the General Fund. I have watched these meetings over the years, it is disheartening, because TVRs are the enemy, but quite honestly, it is not the TVRs.

Councilmember DeCosta: You have answered my question. Thank you.

Council Chair Rapozo: Is there anyone else?



SAMIRA SIALE: You all have heard my testimony more than once.

Councilmember Cowden: State your name.,

Ms. Siale: Good morning. My name is Samira Siale. I represent Hawai'i Lodging and Tourism Association, Kaua'i Chapter. Last week at the Council hearing, we had many other business operators expressing the same concern. Although we do agree with the shortage of housing and the crisis with our workforce development, which also ties into our housing issue, and again, we want to be a part of the solution, however, we think that this is the wrong approach at the wrong time. Lately, with my young children I do not get out much, but my friends visit and I have been going to different restaurants. I never seen Kintaro's half full. Right now, the cost of doing business has gone up. Insurance has gone up three hundred percent (300%) for the hotels and resorts. Although real property tax has not been raised, the natural value of real estate (inaudible) has gone up, so cost of doing business has gone up and just like you folks at the end of the day, the bottom line has to come out of somewhere and unfortunately, right now with the downturn in the economy and the tourism and every statistic (stat) pointing to that and not going up, I am afraid we are going back towards our pandemic days. There are going to be businesses and employments suffering. I urge you to perhaps look at other avenues, the thirty million dollars (\$30,000,000) collected from TAT tax, maybe there is an opportunity there. Our industry has gotten overtaxed, and I know if you have given us the breakdown now, it is only two dollars and fifty cents (\$2.50) per day. The problem is the stacked-up tax on top of the stacked-up tax that has priced the destination out for a lot of people that are travelers. I want to make sure that we are not biting the feeding hand. I urge you to reconsider and see if there is another opportunity to get this funding from elsewhere. Again, we are supportive of the initiatives and the money going towards housing and more specifically towards the workforce. Right now, the numbers and travelled stats may just not support it.

Council Chair Rapozo: Thank you.

Councilmember DeCosta: Do you have a number of the decrease of the last year or two (2) years in travelers or a certain statistical, factual number that you can educate me on?

Ms. Siale: I do. I want to say we are probably down anywhere between twenty-five percent (25%) to thirty percent (30%).

Councilmember DeCosta: Down from last year?

Ms. Siale: From last year, same time. I will use my own family that visits here, and they typically have housing...

Councilmember DeCosta: I got your statistics, thank you.



Ms. Siale: Okay.

Council Chair Rapozo: Thank you. Is there anyone else for the first time wishing to testify? Come up.

DENNIS VOGLE: My name is Dennis Vogle. I come from the Kapa'a area. I want to echo some of the things that I heard today and I think we did throw out the request for numbers. I have a stat that I thought I would share, but you are probably more familiar with it than I am. Similar to what we are talking about, what the lady mentioned about it taking  $x$  amount of nights to cover costs, well just the taxes for one (1) night, for every dollar that is brought in, the present rate precisely, and this does not cover federal reporting at the end of the year, just the local area for Hawai'i is seventeen point nine six two percent (17.962%); that is what we pay at present. I want to throw that out because now we are talking about an increase of property tax, so I am just echoing that. If there is any way to look elsewhere to keep this manageable for people, because I am similar to what I am hearing from the earlier speakers, we just have a small room and we try to do it because we love to be here. Yes, it is challenging. With the downturn, another thing, everyone and everywhere is facing, those dollars, I am seeing a downturn in people that can afford to be here. If that slows down or if it were in the future continuing to slow down, then it really becomes problematic, because that money has to come from somewhere. I just wanted to echo that, because I share some of the concerns.

Council Chair Rapozo: Thank you.

Mr. Vogle: Thank you very much.

Council Chair Rapozo: Mr. Mark.

MARK PERRIELLO: Good morning. Mark Perriello, representing the Kaua'i Chamber of Commerce. Thank you for this opportunity to testify this morning. Look, you folks voted 5:2 last week for this increase and I do not think there is anything that I am going to say to dissuade you from that today. I am here to talk about the power of government to make sure that the intentions you have for this money go towards affordable housing and workforce housing as you want. I do not believe that bureaucracy when left to their own devices, will do the right thing often, and so I think you need to make it very explicit what this money is for and really get into how it could be spent, so that we are ensuring that future moneys go towards affordable housing. We have a great mayor and more than two percent (2%) of the budget is going towards affordable housing in this budget, but that is no guarantee. I think I heard it from Council Chair that the time to build affordable housing is when you do not have affordable housing and that is when it is going to drop below, the money could disappear and could go to other things, but that is where we are going to need it most, so we can avoid these types of crises in the future. I really encourage you to use the hand of government to make sure the money goes to its intended purposes. In the absence of being really, explicitly clear, that will not happen.

Council Chair Rapozo: Thank you. Is there anyone else wishing to testify for the first time? Mr. Lindner.

*(Councilmember Bulosan was noted as not present.)*

JEFF LINDNER: Aloha, Councilmembers. Jeff Lindner, for the record. Real Property, I think has a problem when it comes to helping to house out, because agricultural land is sort of out of the picture. I want to go over a few numbers of appreciation over the last twenty-five (25) years and tax increases. First there was when real property changed their method of assessing from...first they assessed house and land separate, but then they joined that. When you join those two (2), the agricultural property is going to be assessed at a higher rate for that land, which it normally was not and so basically there sort of been a constant attack on agriculture land, if you look back in the last twenty-five (25) years. After the taxing of agriculture land at one (1) rate, then generally those...and you can look at the numbers, you can see four (4) and five (5) zone, the average price of those houses or units, whatever the parcel is, have gone up. That is one (1) thing. The next thing was they moved property outside of agriculture based on use, so they moved it into vacation rental, they moved it into residential, and they even moved it into some commercial. If you go through the numbers you will realize, even from 2014, and this has to do with the vacation rental that they...you take everything in Kapa'a and North to Hā'ena, they took all of those big parcels in CPRs and put them in different categories, which meant that agriculture class, if you go back, and this is what I am saying, if you go back and you figure out how much agriculture land is in the class value, you will see that basically agricultural land has gone up three hundred percent (300%) to four hundred percent (400%) in the last twenty-five (25) years, and hotels have gone up two hundred percent (200%). It is going to be some drastic number based on...I will come back.

Council Chair Rapozo: Thank you. Is there anyone else?

CHRIS WRIGHT: Good morning. My name is Chris Wright. I am a resident of Kalāheo. We operate short-term rentals and long-term rentals. I am retired and that is why my wife and I moved to the island and basically built our home here. I want to echo that now may not be the time to modify the rates, but the Department of Business, Economic Development, and Tourism (DBEDT), every month they print something out, and last March, there was a one point seven six billion dollar decrease in revenue on tourism. I want to go in a different direction. My life was in construction, for thirty-six (36) years all I did was build residential properties. We did tracks in a matter of two hundred (200) to three hundred (300) in a year. I think we need to look at, when we built our house here, it took me eighteen (18) months to get a permit, which is a little bit on the crazy side. It actually took me four (4) full years to get a single house built, which at that period of time, I could have built four hundred (400) houses in either California, Arizona, or Nevada where I had licenses. We need to streamline and make it less expensive for the developers to be able to build something, that is going to help drive the cost of

property and the houses, so that it will make it more economical and feasible for people to be able to buy. That is all I need to say.

Councilmember Cowden: What did you say your name was?

Mr. Wright: Chris Wright.

Council Chair Rapozo: Is there anyone else for the first time? If not, we will go down the list for the second round.

Ms. Fountain-Tanigawa: Tom Callahan.

Mr. Callahan: Mahalo for the additional opportunity and I apologize for going over.

Council Chair Rapozo: No, that is my fault.

Mr. Callahan: Real quick, I will run through the bullet points, because I did not want to distract or send you the wrong way when it came to the insurance rates that are hitting, that is just another factor. Our property tax bill, at the four (4) units that we are blessed to own, starting back in 2004, here in Kapa'a, last year in one (1) year alone, it increased five thousand five hundred dollars (\$5,500) because of the way we tax property in the State. We are not here to argue, but as values go up, you pay higher taxes. We paid a tremendous tax increase to the County and the State of Hawai'i last year. I am a very small person, but five thousand five hundred dollars (\$5,500) was the increase for one (1) year. We have sales that project next year, we are going to see at least fifty percent (50%) more of that to happen again. We are anticipating or trying to budget in the area of three thousand dollars (\$3,000) for our property tax bill for next year, that will increase. I am sorry to hear from a previous speaker that this might even be "baked in," but I do not believe that. Please give it some consideration. Heck, I ate dinner at Bobby V's Italian Restaurant & Pizzeria two (2) nights ago, Memorial Day, Monday evening. I told my friends, I will go over there but just be ready we will have a drink in the bar, because we are not getting seated right away. That place was empty. We ate, we had a great time, but we support local. Every place we go when we come over. I have been here for a while. I am celebrating my twenty-fifth year on Kaua'i. I had the opportunity to work for Ford Motor Company out of the Honolulu office. I am a personal friend to every Ford dealer in the State of Hawai'i. I am blessed to be here on Kaua'i. Of all the islands I go to, this is why we settled here. We have the best golf, easiest to get around, it is just a great place. I appreciate your opportunity of having me speak today, but the three percent (3%)...if it was a good idea, we would be going to six percent (6%) to seven percent (7%), this place would be full. We need to realize that there are so many factors working against us today. I urge you to please give us consideration and give it the next six (6) months before you "pull this trigger." Things are getting bad when one association goes from one hundred thirty thousand dollars (\$130,000) to one million one hundred thousand dollars (\$1,100,000) yesterday. I am

here to tell you we went from one hundred thirty-one thousand dollars (\$131,000) to five hundred seventeen thousand dollars (\$517,000), and I got the documentation on my phone, if you had any questions about it.

*(Councilmember Bulosan was noted as present.)*

Councilmember DeCosta: I had a clarifying question. You said you have four (4) units?

Mr. Callahan: Correct.

Councilmember DeCosta: That is four (4) houses or four (4) little apartments?

Mr. Callahan: They are apartments. Three (3) of them are three hundred seventy-five (375) square feet, exactly.

Councilmember DeCosta: Four (4) apartments that are three hundred seventy-five (375)...

Mr. Callahan: Three (3).

Councilmember DeCosta: Okay.

Mr. Callahan: One (1) is eight hundred (800) square feet.

Councilmember DeCosta: You said it went up five thousand five hundred dollars (\$5,500) a year per unit or just five thousand dollars (\$5,000) in total?

Mr. Callahan: Total. For all four (4) of them, our tax bill increased five thousand five hundred dollars (\$5,500).

Councilmember DeCosta: You answered my question. Thank you.

Council Chair Rapozo: Thank you. Next.

Ms. Fountain-Tanigawa: The next speaker was Mary Ransbury.

Ms. Ransbury: Thank you for hearing me again. I just like to emphasize, I think I represent the Coconut Coast when it comes to people buying a little tiny slice of paradise and making it work. Thirty percent (30%) of the owners are local. They use this opportunity because it was inexpensive at one point as compared to the rest of the island, so they use it to subsidize their income. I spent forty (40) years as a nurse, putting every dime into Kaua'i. Every extra shift to build that little slice of paradise. I know you know the phrase, "You have to pay to play," but all I do is pay, that is it. To keep people going, to keep the economy going, and it

has just been on the backs of these people on the Kaua'i Coast that have these little tiny slices of paradise. We make it affordable for tourists to come. I will tell you that the only time I get to come is when I am down. When I do not have anyone booking my unit. This is just one (1) more tax where we have to be competitive, how we are going to...there were times back in 2010, I was renting my unit off for fifty-nine dollars (\$59) per night. That was a major impact. Well, now with the prices and the property taxes going up, it is almost...it is unfeasible.

Councilmember Cowden: I have a clarifying question.

Council Chair Rapozo: Go ahead.

Councilmember Cowden: When you said thirty percent (30%) of them are local residents, some of them live there, right?

Ms. Ransbury: Some live there.

Councilmember Cowden: And some of them rent there?

Ms. Ransbury: That is correct.

Councilmember Cowden: So, that is not all vacation rental.

Ms. Ransbury: That is correct. I will talk about Wilcox, for example, all of the travelers, because I know...

Councilmember Cowden: Nurses.

Ms. Ransbury: Yes, nurses. Occupational therapists, physical therapists, you name it, they go after the really inexpensive units because they get per diems. They are paid for housing, but they are not going to choose a nice affordable house somewhere, they are going to choose something like Islander on the Beach, because it is inexpensive. All they need is a place to rest their head. The Emergency Room (ER) doctor, he was telling me that he is on a contract and was supposed to be transient, but he has been here for six (6) years. They do not plant roots, but my point is that thirty percent (30%) of these owners are locals that have lived somewhere else, but they use something like Islander on the Beach to be able to help subsidize and afford to live on Kaua'i.

Councilmember DeCosta: I have a follow-up.

Council Chair Rapozo: Go ahead.

Councilmember DeCosta: You said that the only time you can come is when you have downtime in the unit?

Ms. Ransbury: When there is a gap.

Councilmember DeCosta: Are you a Kaua'i resident?

Ms. Ransbury: No.

Councilmember DeCosta: You are a mainland resident?

Ms. Ransbury: That is right.

Councilmember DeCosta: You have a source of income in Hawai'i?

Ms. Ransbury: So, my income source...

Councilmember DeCosta: Just answer the question. Do you have a source of income that comes from your units here in Hawai'i?

Ms. Ransbury: Yes.

Councilmember DeCosta: And then you visit back and forth to...

Ms. Ransbury: That is correct.

Councilmember DeCosta: Okay, thank you.

Ms. Ransbury: I would love to be able to live...I just cannot afford it. I have to be able to...I have so many people depending on my units.

Councilmember DeCosta: Thank you.

Council Chair Rapozo: Next.

Ms. Fountain-Tanigawa: Alice Parker.

Council Chair Rapozo: Ms. Parker, did you want to speak again? No.  
Next.

Ms. Fountain-Tanigawa: Steve.

Council Chair Rapozo: Steve.

Councilmember Cowden: Seidwrick.

Mr. Seidwrick: So, consequences, my wife and I retired. We do live here. I echo everyone else's comments about insurance. My hurricane insurance was cancelled, and they gave me one (1) option. There is only one (1)



insurance company that will handle the insurance and they increased my insurance and hurricane and flood exponentially. Not as much as some of these other people, but it was significant. The consequences, because we are retired and that is our small little income we get, is I have Hawaiian families that work for me, I have Filipino families that work for me that if forced to endure another increase means that I get to clean toilets. I am okay with that. I do not have a problem cleaning my own house, the toilets after someone else, but if that is what I have to do, it is going to displace very, very local families in my neighborhood both on the North and Southside. One of my best friends on the North Shore is homeless and I have allowed him to build a treehouse in my backyard so he can sleep. If I were to have to sell my house, that treehouse goes, those jobs go. Again, I am not a rich person, but during the flood and COVID, I got behind about two hundred thousand dollars (\$200,000) in property taxes. Today, my mortgage is three thousand five hundred dollars (\$3,500), my property taxes are three thousand five hundred dollars (\$3,500), just to catch up for the four (4) years I was shutdown. I would hope you take into consideration the pain that people have felt, the amount of money that we already contributed to the community, the amount of money that should be available in the surplus, and I do believe that there is a better solution. You have a person thirty (30) minutes down the road that is owning this entire island, and if you cannot figure out a way to stop this person, right now, this island will be forever gone. Seven million dollars (\$7,000,000) per year is not going to stop what you think it is going to stop, it is a "drop in the bucket." You have a person down here that should be funding one thousand (1,000) houses, and if he is not going to do it voluntarily, I encourage you to figure out a way to make that happen, because your grandkids will not be able to return back to this island if this person continues to buy up every acre on this island. Pretty soon, it will be like Lānaʻi. You are going to have the person who owns Lānaʻi and the person who owns Kauaʻi. That is happening right in front of us. Previous administrations did not see this happening. I implore you to act now. Time is of the essence to stop that person before he ruins the entire island and very few people benefit. I am going to save my time. I would love to speak with you individually about more of an effective proposal. I see one hundred million dollars (\$100,000,000) per year that can be collected for infrastructure, water pipes, housing, being able to recycle those old houses, putting people in new houses, and let the old ones be good rentals for the younger kids. We have to create new thoughts. Mel, one of the things I voted for you for is that when we spoke, I said, "Mel, are you a democrat?" And you said, "Stevo, my dad was a democrat, but I really detest what is going on in America today. I have seen how it has been run and I do not embrace it at all."

Council Chair Rapozo: I need to stop you there. That is your time.  
Who is next?

Ms. Fountain-Tanigawa: Samira. Dennis. Mark. Jeff.

Council Chair Rapozo: Jeff.

Mr. Lindner: I guess I see it as the County is the adverse person here and it is not people, it is the system. It is a system that has been in place since statehood, it is a territorial rule where urban land has special rules and agricultural does not. It is a system that makes agricultural pay for the urban land. If you look at the vacation rentals, it is basically, and I sent this to you last week, from 2013 to 2024, and again, it is just not the rate. There is no reason why vacation rental should be more than hotel. Hotels are getting seven hundred fifty dollars (\$750) per night. Why would vacation rentals pay more? It is ridiculous. When you go back and the numbers are all there, you are going to see that the hotels have paid very little over the last thirty (30) or forty (40) years. Yes, those numbers are there. I guess what it means is that you...I presented a lot of things, but they do not assess for highest and best use, they do not assess for density, they let people who have those urban lands sit on them until the price goes up or until they offer...so, there is all types of things. You have to sort of understand that at some point, it is not unreasonable to think that basically if this is according to the issue, you are not going to be agreeing with the County, you are just not going to do it. You are going to have to agree with the people on what has happened over this time. Former Councilmember Luke Evslin whose policy is to not build on ag, build on urban land, that was basically his policy. They took him to be a representative, he introduced Bill No. 3202, which says, now you disband the Planning Commission to listen to urban zoning subdivision. The Planning Director makes all the decisions, they take him out of there and then it is still applied to agricultural land. Agricultural land has been paying all basic taxes forever and no one puts any water in. You have to just add it up and the numbers will indicate that basically you are looking at a court case where there is going to be a special master sitting over ag and Hawaiian land. Someone will have to make those determinations.

Council Chair Rapozo: Thank you. Was that the last registered speaker?

Ms. Fountain-Tanigawa: The last speaker was Chris Wright.

Council Chair Rapozo: Chris, did you want to come up again? Okay. Is there anyone else in the audience wishing to speak for the second time? If not, thank you.

There being no further public testimony, the meeting was called back to order, and proceeded as follows:

Council Chair Rapozo: We will take our caption break now, so we do not get interrupted in fifteen (15) minutes, because I anticipate lively debate. We will take our ten-minute caption break at this time.

There being no objections, the meeting recessed at 10:17 a.m.  
The meeting reconvened at 10:28 a.m., and proceeded as follows:



Council Chair Rapozo: The meeting is called back to order. Members, this is on the Resolution, you will have an opportunity to share your budget message when we get to the budget bill. For right now, the discussion is on Resolution No. 2024-13. Is there any discussion? Councilmember Cowden.

Councilmember Cowden: Jenelle, can you pass out my handout? I know that we are all trying really hard, but I worry that the effect of all this inflation we had over the years, as Jeff Lindner was saying, times the rate, is that our taxation has become predatory. I feel like we are cannibalizing parts of community and economy. We had a person talk about his five-thousand-dollar tax increase and my heart goes out for that. When I look at what is likely, what I am seeing on Non-Owner-Occupied properties that we will have one (1) unit tax increase of probably six-five thousand dollars (\$65,000) in a year, and how simply because of the street that it is on. I am really worried about the impact on the long-term market rate rentals. The way that we have combined Non-Resident Owner with basically market rate rentals. I am hoping I can work with the Real Property Tax Division to find some way to help that, but what I also handed out and I can put it up there, I highlighted my key reasons why I continue to oppose these real property tax increases relative to the transient vacation rentals. I think the resorts...it is a much smaller increase. I think they can handle it more easily. In the beginning of this discussion, Chair, we talked about why we did not want to "park money." Parking money in the Capital Improvement Projects (CIP), or any of the other areas. When we are taking this additional tax burden, we are in fact parking that money. When the mayor came and spoke to us at the beginning of the day where we were making changes, he talked about the inability of providing affordable housing is a lot more than availability of money. It is the willingness of the community surrounding it to have affordable housing. I gave the example the two (2) new buildings in 'Ele'ele that was a public/private partnership for affordable housing. There is potential for arson on that. I went there yesterday and I looked at it again, they have not moved anything, which tells me it is still under investigation and in insurance. Most of these urban infill projects are so unwelcomed. The mayor had a great idea for teacher housing. I was there at the meeting in Puhi, it was fearlessly fought. We know that TVRs will never return to housing stock. They inherit this excess tax burden at the time of sale. They are not going to go back to the people, because we seemingly cannot fix that. We are widening the housing cost divide because all these projects that we build, they do not have to put in money for sewer or real property tax. I looked all around on there. The regular market, the regular people are subsidizing, that is sort of okay, but I also wrote on here that net County and State revenue loss. What I think we are hearing from the people who are impacted in the frontline, when they cannot rent the places out, they have to reduce their rate to be able to draw people in. That is less GET, less TAT, less State income tax, so right now when we are putting this little extra piece that we...and I want to find out from the Department of Finance if we are actually putting it into a very special fund rather than the General Fund. If we cut away State and County revenues because we are putting more of a burden on it, overall we are going to have less money that we have the freedom to be able to decide where it needs. We have unbudgeted County expenses. My colleague, Councilmember Kagawa, in

his closing arguments of why he does not support it, he says, he does not know what is coming. And what we do know is coming is this hazard pay about our COVID time and our employees, and so when I do the math, if we have one hundred fifty million dollars (\$150,000,000) per year, roughly, in payroll, if I cut it down and down to half of what is being asked for, we are looking at about forty million dollars (\$40,000,000) and the hazard pay for our staff. The State is going to be facing that too. That is some other money that is not anywhere in this budget that we have to somehow come up with. Market changes—we are hearing from these people. The visitor market is already softening and part of that is layoffs in the high-tech sector, all these high interest rates, insurance rates, geopolitical chaos, which cannot be understated and is mostly never spoken about in this room. So, we are looking at job loss from the visitor industry that ripples very far and wide down to churches, nonprofit organizations, etcetera, because that money that is spent into our workers gets spent out. When I go to church, especially if I go into one of the regions that have the high visitors, that is half the population of the church. We are going to be pushing rent increases and job loss. I want to talk a little bit about industry evasion. None of that comes up here. But what I see, especially when people are mopping up these vacation rentals, they are owned by companies, they have an LLC on that, and they are able to give this as benefits to their staff, their entire downline within their company, and it just looks like a Non-Owner-Occupied so not only do we get a different real property tax, but we do not get the TAT, GET, there is a lot of things. This process is going to continue of evading all these ways as we play the chess game against the visitor industry. There is a natural business glow that shifts the conditions that makes ownership unreasonable. When we are basically “socking it to” the visitors, not necessarily the owners of these companies, I do not think there is a mean-spirited intention, but I think we are going to have a cascade of sales, we are going to see a softening of a market, which could also bring down all our real property taxes if these things start to fail. I think we are being penny-wise and pound foolish in this. We are making a lot of mistakes and I just implore you...I wish that we could go back to at least what the Mayor’s budget team put in front of us, I was not happy with that, I really want to tiers on the Non-Owner-Occupied. I probably would not have put the extra dollar in there because I already see the trend. The business that my family is in, they see it continuing to go down. When we see numbers going up or staying flat, they are not flat because of inflation. Ten thousand dollars (\$10,000) today is not ten thousand dollars (\$10,000) from two (2) years ago, certainly not four (4) or six (6) years ago. I believe we are making a very big mistake. I hope I am wrong and if I could, I would change us back. I want to hear what other people feel, but I am not opposed to amending back to the original budget.

Council Chair Rapozo: Thank you. Is there anyone else?  
Councilmember Kagawa.

Councilmember Kagawa: I really feel like I need to explain the history of how I changed to come up with my reasons and the history of how we tax TVR and how the increases started. When I started in 2012, we still had the TAT tax. It was like thirteen million dollars (\$13,000,000). In 2014, it was taken away. The County

had a big thirteen-million-dollar *puka* (hole) in our budget, we were struggling. I think Steve Hunt was the Finance Director, Bernard was the mayor, and he looked at all of our tax rates and he said...Steve's rationale for suggesting an increase was that we were far below the other islands. So, we raised it, trying to fill the gap that was left from the TAT taken away from the Legislature. We raised it, but we were still to the point where we were a little under or maybe even with Maui and the rest of the islands. Subsequent to that though, what happened was that Maui and other islands may have raised it even more, so we had a gap. This year, the rationale for raising this one is that, "Well, we are lower than Maui, let us get to that level," but we were way below back in 2014, we have significantly raised the tax burden on that industry but primarily because to do our essential services...we did not have the money to accomplish the public safety, the infrastructure, in fact, we did not even pave roads, right, Council Chair, for the past ten (10) years, until we approved the GET in 2020. That GET has brought in twenty-five million dollars (\$25,000,000) per year, and now currently has raised to thirty-five million dollars (\$35,000,000) per year. So, we have the TAT at twenty million dollars (\$20,000,000) right now and we have the GET at thirty-five million dollars (\$35,000,000), so that is fifty-five million dollars (\$55,000,000) more than we had in 2014. This is now the largest...and we changed from 2012, when we had a two percent (2%) cap on our property taxes, any category, we took that away, we had that similar to California's Prop 48. We took that away and now we are *ad valorem*, we go on market values, and market values on Kaua'i like everywhere else, I think more than anywhere else, have gone up the craziest on Kaua'i. We have a healthy tax base right now. Now that we raised everything else back from 2014, we have a healthy budget right now and I agree with the mayor's submission. What he submitted, I think, was enough. With all the factors brought up today about the insurance problems, it is all true. Especially the condominiums. Because of the Lahaina tragedy, the condominiums, especially and a lot of the other insurances like flood and what have you have gone crazy. Not have gone up, have gone crazy. People are getting bills that are just a huge unknown as far as what they will do with these bills, because somehow, they need to get it paid. There are mortgages involved. I do not know what is going to happen to many of these condominiums when they get their bills. A lot of the Homeowners Associations are passing it through and some of them are just in the process, I think. This is an industry that is a big question mark right now and to raise the tax beyond the mayor's proposal currently is not reasonable. Therefore, I will not support it. I am hoping maybe there is a change of mind in some of the other members but let me just tell you that my respect goes out to all of our Council. There was no ill-intention. TVR has always been looked at an industry, along with the hotel industry that if anyone can afford tax increases, it is those industries because we have so many tourists, abundance of tourists that we want them to pay their share as far as what they do. I think we heard today from these people that showed up that there is a grave concern on their faces that they have bills that is very difficult for them to survive. You may think that they can charge anything they want, but it does not work that way. If you have return customers, you keep raising the rate every year on them, because of rising costs, they are going to find other options whether it be in Hawai'i or other islands. They are really concerned and I think we need to listen to them. I hear

them, I feel them, there is not only property taxes now, that we are talking about. You are talking about insurance, federal taxes, state income taxes, there is so much cost that goes into these folks and it is true. When I taught at Kapa'a High School, I really got to see how many families rely on cleaning and maintaining yards, cleaning apartments for vacation rentals. If this economy goes down like these "mom and pop" or family businesses that service these TVRs, you are talking about increasing homeless problems. These are helping families to raise their families and yet allow them to remain on this island and survive amongst inflation and everything else. There is a time to raise taxes, when we really need it, and there is also a time to know when we have to hold up and wait. This is a time to wait for me. I hope that everyone will think strongly about it and either way...and there is always our normal budget process. If there is a real need that we feel like we need to do it later, there is an entire year to do the budget and come up with a proposal where Adam can tell us exactly what that seven million five hundred thousand dollars (\$7,500,000) is going to do. Why pull the string now? I believe the Housing Director does not know what he is going to do with it right now, to be honest. How many families will be impacted? What is the cost going to be of each house he builds with that? How many units? What infrastructure is going to be paid for? I do not think we are ready. Thank you.

Council Chair Rapozo: Is there anyone else?

Councilmember Cowden: I have a question when there is time.

Council Chair Rapozo: Okay, go ahead. Is it a process question?

Councilmember Cowden: Well, one of the letters...I could not figure it out, I think it came from the Chamber...does this money, when we are saying it is going right into our Affordable Housing Revolving Fund, is that language somehow codified?

Council Chair Rapozo: It is not language. That is where the money goes. It is in the budget as such. It is not going to the General Fund.

Councilmember Cowden: It will not go to the General Fund?

Council Chair Rapozo: No. It is going to the Housing Development Fund.

Councilmember Kualii: Clearly in the budget.

Council Chair Rapozo: Yes, that is where the line item that is showing up as.

Councilmember Cowden: Okay.

Council Chair Rapozo: Go ahead.



Councilmember Kualii: I was going to start with that. We have all the different funds in the budget. The General Fund being the biggest, but the Housing Fund is the fund that we talked about for years needing to do more investment. If you remember a few years ago, we passed the two percent (2%) guarantee. That two percent (2%) guarantee was only giving us two percent (2%) of real property taxes each year, it was only giving us four million dollars (\$4,000,000) to five million dollars (\$5,000,000). Yes, the mayor moved the equation of TVRs equal to resorts, which brought us an additional eight million dollars (\$8,000,000) and the Council supported that fully, and then the Council increased the TVR and hotel taxes further, even using the tiered rates so that the higher-valued properties would pay more and the lower-valued properties would pay less, and that raised an additional seven million five hundred thousand dollars (\$7,500,000). This year, in this budget for the first time, we have twenty million dollars (\$20,000,000) invested specifically to our Housing Development Fund. Far short of what is needed, but it is bold step that is moving us in the right direction and at least five (5) members of this Council...we have talked about it for so long, but we valued the need for housing so much by everyone, by people who work in the visitor industry. We heard from the Kaua'i Visitors Bureau, the Hotel & Lodging Association, they indeed also have workers who need housing. They have potential workers that they cannot get because they need housing. A General Manager told us how they cannot even fully occupy their hotels because they can only occupy to the level of workers that they have. The reason they do not have more workers is because there is no housing, so it is all about housing. Everything comes back to housing. Maui County invests three hundred million dollars (\$300,000,000) specifically to the housing fund. Clearly, we do not compare to them, but we are only doing a few million and now we are at least trying to get it up to twenty million dollars (\$20,000,000). It is a burden that we all have to bear. It is a tough decision. No one wants to raise taxes, especially not an election year, right? But basically it is increasing our investment in housing from two percent (2%) of our real property tax to about five point seven percent (5.7%). From five million dollars (\$5,000,000) to a total of twenty million dollars (\$20,000,000). Absolutely the funds are specifically to our Housing Development Fund. It is really offensive to hear any councilmember say that we have not been providing affordable housing. Our Housing Director came before us at least once every three (3) to six (6) months to give us an update of all the incredible housing projects that are happening: Lima Ola, Kilauea, Waimea 400, Mahelona, Kealaula, things that are still yet to come as well, Pua Loke, the senior housing here on Rice Street, the affordable apartment Hauupu right there by Kukui Grove, Kealaula, which has been an amazing success. Other counties are coming here to visit our projects, because we are leading the way. Our Kaua'i Housing Agency is leading the way when it comes to housing. Not enough, not fast enough, of course, what is the biggest barriers? Not enough funding, not enough land. Some of the impetus for councilmembers raising money was not to just put the money towards the actual building of...in partnering, right, and leveraging, going after federal funds and other funds, but also potentially in acquiring land. Grove Farm now is making land available at an affordable price for the right entities, and I believe the County doing affordable housing is one of those entities. They have already identified with the State Department of Hawaiian Home Lands, that they finished negotiating some

lands here. We potentially can see a lot more housing happening, there is a lot of good housing already happening and there is a lot more that can happen, but we have to be a part of the solution. We are asking everyone else to help be part of the solution as well. I guess that is all I will say for now.

Council Chair Rapozo:

Councilmember DeCosta.

Councilmember DeCosta: Thank you. Well said, Councilmember Kualif'i. Where do I begin? I got elected by the people. I am not a career politician. I do not plan to be here a long time. I do not want to be here a long time. Sometimes when you are here a long time, you make safe decisions, conservative decisions. I saw four (4) of the people that oppose this bill today. I looked them in the eye and told them I was sorry, but that I would listen to them and hear what they had to say. I want you to listen to me, please, that is the type of leader I am. You listen to me...all of you should listen, for every person in this room that came here to testify today came here to testify based on their investment, their income that is coming in, their retirement, the big business that they had built, and I am proud of all of you for doing that. I did a little bit of my big business too. But, how about all of the people who cannot come today to testify because they are busy working and they will work tonight? Maybe they will work to clean your unit, clean the toilets, windows. Do you think they can buy a house at one million three hundred thousand dollars (\$1,300,000)? I know those cleaners. I know those people. Even with the good business opportunity, their dream is too far gone. I told you folks that I am a solution-based person. This was not some random dice that I rolled on the table. This was an economic decision that behind closed doors I spoke to many of the constituents that are sitting in this room, those who are on our Administration team: Adam, the Housing Director. The only time I voted against Adam was when we were going to take that money, change the Charter to recommend to put a certain percentage inside and we did not want to touch the Charter. That is when former Councilmember Evslin and former Councilmember Chock decided, we voted against that, but we did not vote against putting extra money into housing. How is this solution going to help Kaua'i? Simple economics. You folks do not understand, then you folks do not belong listening to this. Land is being sold right now. Land has transferred hands in the last two (2) years. You have large conglomerate landowners. You have (inaudible), Zuckerberg, Lucas Estate for sale, they are moving hands, you got Chad Brue, who bought Alexander & Baldwin (A&B), you got the place across the Humane Society that is been for sale, right now, they bought it from Grove Farm for sixteen million dollars (\$16,000,000), I think or three (3) or four (4) years they are selling it at sixty million dollars (\$60,000,000) now. We as the County with a bank account...and you all know that, you all business owners know that if you have a bank account, you can buy another investment. If your bank account is big enough, you can buy another TVR or another apartment. The County will now have a bank account. A bank account that they can go and buy land at an ag value, change the zoning to Residential, increase the density, make the land more profitable, borrow against the land, invest with a developer, and create middle-class housing. I am not talking about only affordable housing. We are going to be able to serve two (2) of our people, affordable and middle-

class. The two (2) groups who are not here today. The two (2) groups that voted all seven (7) of us into office. I am sorry. I am looking in the eyes of the people who I shook hands with and say sorry. I am sorry I am going to stick to my vote, because I believe this will be part of the solution. I beg you, when you go home today and have your lemonade and look at your profit margin on your four (4) or six (6) units or even two (2) units that you own, look at who we are helping. I personally have friends within this building who own TVRs that I might have hurt, that I have to apologize to, but I am still going to tell them that my heart was in the right place when we made this bold move. We are doing it for the next generation to have a fighting chance, because right now the way the island is going, yes, we are going to be able to leave our kids here, we, the ones with one guaranteed paycheck, but the younger generation not going own one home. It is going to be a service-oriented private island. That is what is going to happen. If the County can have a bank account where they can buy some land, rezone it, get into the game, and we already are discussing with landowners, we are, I know I am, and a couple of my councilmembers are right now. We are discussing some ways that we can purchase some land that is up for sale right now and we could not do it if you folks did not help us. You folks are helping to solve this solution. Thank you.

Council Chair Rapozo:

Councilmember Bulosan.

Councilmember Bulosan: I want to share some thoughts on this and I appreciate all the people who came to testify in-person. We had a lot of testimonies online as well. I am in full support of this tax rate proposal specifically on the proposal that came through three (3) weeks ago to increase the Hotel and the TVR rates to put it directly into the Housing Fund. Last week, I shared the majority of my thoughts, so there are no new thoughts. I will reiterate what I shared passionately about it. The quote was "Heavy be the burden, heavy be the crown." TVRs and hotels, the visitor industry has monopolized on the Native Hawaiian culture, the *ʻāina* and the ocean for over one hundred fifty (150) years. A tradition that came from the previous industry, which is sugarcane, that destroyed the culture and now there is an opportunity for a rippling effect to correct that. That is what I shared in that last meeting. It is tough for me to share my feelings about this because I sympathize with all the testimony and I want to be like you, but I am not. That American dream that is shared with us where you get to buy one (1) house to live in and then buy another to make a profit and create passive income, so that you can retire is sold to us, sold to my generation. They are trying to sell it to the next generation so that you can keep having a prosperous life for your family and create generational wealth. That dream is not a dream that is close to me, but it is sold to us, us local people who ninety-five percent (95%) of us who live here will never see that opportunity for us, because it is just not a way of life. That business model relies on the effect of monopolizing land and keeping other people out. That is just how it works. That is capitalistic society and that is what we are in now. The tough part for me when I look at this increase, it is not...when I hear other comments that this is predatory on TVRs and hotels, it is so hard to...

Councilmember Cowden: Parts of our community.

Councilmember Bulosan: ...it is so hard to accept that and then look at our entire community and realize that we have been just taking advantage of our entire culture and people and not seeing this, it is just a correction in the process. We are raising the taxes to put directly into housing, so that we can keep Hawai'i, Hawai'i. You cannot sell *aloha* if there is no *aloha*. You cannot call it Hawai'i if there is no Hawaiian people. It is important for us to put a true understanding of what this tax rate is. It is just answering the problem that was created when we invested into an industry that monopolizes people. That is what is going on. People talk about cause and effect. People talk about their dreams. People talk about the bureaucracy of the process and I understand it and that is why this decision is not, "Hey, let us figure this out two (2) weeks ago and let us just raise everything and hopefully it will not make an effect." This is a direct correlation to the effects of the industry and it is a correction that is happening so that we can still hopefully see regular people here on this island. I have full confidence in our Housing Director and in our Housing plan. It is clear that the seven million five hundred thousand dollars (\$7,500,000) in additional funds will push housing projects further than we have ever done before and it is too little, too late. I am excited to see these projects go through. I am a dad of a newborn. I am a Doctor of Chiropractic, my wife is a Doctor of Philosophy, we are two (2) doctors that cannot afford a house. The dream that you folks talk about and that you are sharing this burden of really managing your profits and making sure that you can take care of what you need to take care of, is really hard for me to understand because I still live with my parents. I cannot really comprehend owning three (3) other properties and being worried about a two percent (2%) increase. I am worried about making sure my son can still live in Hawai'i.

Council Chair Rapozo: Thank you. Is there anyone else before I do my closing comments?

Councilmember Kualii: Personally, I have five (5) siblings and I think the majority of us would all be living with my parents in an overcrowded house in Puhi that dad got because he worked for the plantation many years ago. Thankfully, my dad is pure Hawaiian and we are half Hawaiian and because of that we are blessed to live on the homesteads, and the difference with the homesteads is that the Hawaiian trust provides the land, so we have to build the house. Instead of something that cost over one million dollars (\$1,000,000), it was more like five hundred thousand dollars (\$500,000). We are blessed in that sense. We need more Hawaiian homes to be awarded as well so we can house more of our native Hawaiian people.

Council Chair Rapozo: Is there anyone else? Okay. Let me just start by saying I have heard reference to the Mayor's initial submission and just so you know, Councilmember Kualii's amended version reduced the revenue from the TVRs by one million one hundred thousand dollars (\$1,100,000), so I think it is important to understand the Mayor's proposal generated more revenue to the County, not less, and that was because the amendment from Councilmember Kualii that lowered the



tax rate in the first tier which is the lower value, less than one million dollars (\$1,000,000). I wanted to make that clear. I wanted to read from some of the excerpts from some of the letters that we received, because it is clear there is some disconnects. "I listened to Chair Rapozo and Councilmember DeCosta regarding the rationale to increase the tax rates and their main argument was that they wanted to keep the kids in Hawai'i and this is completely unreasonable and I respectfully disagree. There is no reason to stay on Kaua'i if they can have a good education and a good job with a promising career." This is obviously someone who has absolutely no connection to this place. We are different here and I think people have to understand that on the mainland, and I know that because I have two (2) half-sisters that were born and raised on the mainland. We are different. Same dad, but we are different. On the mainland, people pick up and move all the time. It is not like here where you are rooted in this place. "Place" means something. This person simply does not have that connection. Another one said, "It will decrease investors from buying in the future." Yes, it will. We are not a financial playground for anyone. People need to understand that Hawai'i is a living place with humans, with people that have families and that need to preserve their futures. This is not a place where someone can say, "Hey, let us invest in Kaua'i." Yes, it will decrease investors and I am perfectly fine with that, especially listening to Councilmember Bulosan, you cannot go too far to find homeless people, or finding people with three (3) to four (4) jobs. This is not about making it available for investments for others. Another testimony said, "We always need to make Kaua'i the best value in Hawai'i." Remember during COVID, we were getting blown up and HTA came out and said we need to find better travelers, we do not want the valued travelers. They spent millions of dollars designing these management plans that were going to attract the ones with money, that were not my word, those were their words. Our job is not to make it an economically-friendly place to visit, on the backs of our residents, our families, it is not, I am sorry. Trust me, I just came back from Honolulu, three hundred eighty-nine dollars (\$389) one (1) night at the Ala Moana Hotel. It is ridiculous. That is what?

Member of the Public:

That is cheap.

Council Chair Rapozo: Maybe by your standards. That is the disconnect, right, because for me, that is expensive, because I am not rich. This one, "We do not want to lose our connection to Kaua'i." This is where, I think, this Council, our Legislature need to change the emphasis and put the emphasis on the local people, on our families. Everything we do...it was interesting, we had the Waimea High School girls come up here and they did their senior project relating to school lunches and we talked about water. Just water. When you can put your container and fill up water, "Oh, no, we do not have a water fountain. We go back to another building to fill up your cup with water, because there is no water fountain in the cafeteria." You cannot go to an airport that do not have those fillable...we do everything for the tourists over here. We want to make it so convenient for the tourists, but yet our own kids have to walk to get water. We, as leaders, have to change that emphasis. It was not all bad. We received a written testimony from a resident here, who said, "Like some of you, I have a child living on the mainland due to the high cost of living, and believe that if the Council continues on this path of legislating ways to help the average family here to thrive, we have a much hopeful future ahead of us." So, it is not all bad. Someone talk about land and "stop people

from buying land,” it is very difficult for us to do that, this is America. But nothing stops us from buying land. The only thing that stopped us is Councilmember Kualii...and thank you for that breakdown of our Housing Agency’s work, because I think we forget all the little projects that are going on. The problem we have is that we do not have land. Puhi became a problem because we took a park that was designated as a “park,” because we have no land, we are resorting to taking parks to build housing. The people said, “Wait a minute, I brought into this subdivision with the guarantee that would be a park.” I do not blame them. We do not have land. This will give us an opportunity to purchase land. I know Councilmember Cowden mentioned banking or parking money, I can tell you right now, on July 1, we will be able to purchase land. I have spoken to two (2) of the landowners here on Kaua’i in the last two (2) weeks, and they are ready. Adam came up during the discussions and shared with the Council that obviously if we had more money, he could buy land, so it is not like we are hoping someone has land, we have the landowners that are willing to sell. I think that is what the entire thing was about. This was not punitive by any stretch. Everyone is talking about insurance, well, I am sure you folks can appreciate the fact that the County’s insurance is going up too. Our costs do not remain stagnant. We are like everyone else. Our employee costs. Councilmember Cowden talked about the unexpected expenses, the hazard pay. That is going to be a major hit for this County and to all the counties across the State. It is not like we have this extra money floating around that we can just grab and purchase. We try to provide the Administration with the resources that they have requested in their budget, and I think the mayor and his team did a great job with listening to constituent concerns. A lot of the testimony said, “You must have another place you can find the money.” Yes, I guess we could, but people complain about roads, the mayor doubled the road paving budget, because we are so far behind. I support that. Is that where we should cut? Maybe take eight million dollars (\$8,000,000) out of the road paving budget? People need to understand that this is a corporation, the County is a corporation, and we have a budget that we have to deal with. It is tough and no one wants to raise taxes, as what was said earlier, especially during an election year. Yes. But I will say this, if this move costs me the election, it was worth it, because I tell you what, and until you can understand the feeling of having loved ones have to move...my dad is eighty-six (86) years old and he cannot find a place, he lives with my sister, who also has her son and daughter and their kids living with them as well. How can we even start to focus on anything else than taking care of...my time is up. With that, the motion is to approve.

The motion for adoption of Resolution No. 2024-13, Draft 1 was then put, and carried by the following vote:

|                       |                                  |            |
|-----------------------|----------------------------------|------------|
| FOR ADOPTION:         | Bulosan, DeCosta, Kualii, Rapozo | TOTAL – 4, |
| AGAINST ADOPTION:     | Cowden, Kagawa                   | TOTAL – 2, |
| EXCUSED & NOT VOTING: | Carvalho                         | TOTAL – 1, |
| RECUSED & NOT VOTING: | None                             | TOTAL – 0. |

Ms. Fountain-Tanigawa: Motion passes.

Council Chair Rapozo: Thank you. Next item, please.

BILLS FOR SECOND READING:

Bill No. 2914, Draft 2 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 7A, ARTICLE 9, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO GOVERNMENT ASSISTANCE FOR WORKFORCE HOUSING

Councilmember Kualii moved for adoption of Bill No. 2914, Draft 2 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember DeCosta.

Councilmember Kualii: Chair, this is our Bill for the creation of the residential workforce housing credits program. At the Committee Meeting last week, at the very end of your discussion, you had told us about the concerns about Hawai'i Island and Maui County, and since then I have been reaching out to them. I just met with Hawai'i Island yesterday for the first time and Council Chair Heather L. Kimball was in attendance, had some other information to provide and they can only provide the results of the study after a certain period. They are checking with the consultant. Because of that, I am going to be asking for a deferral at this time.

Council Chair Rapozo: I passed out two (2) articles that came out in the Star Advertiser, one was just recently from this morning, and the other was just an op-ed. One talked about the bill that the State is moving through that would give the counties the ability to sell credits and set up a credit program. I am not sure, I am thinking we are waiting for a response from Honolulu to see if the Governor signed this.

Councilmember Kualii: Chair, I did see in the news late last night that the Governor signed six (6) housing bills.

Council Chair Rapozo: Yes.

Councilmember Kualii: So, I do not know if that might be one of them.

Council Chair Rapozo: I have to believe that...

Councilmember Kualii: But I did ask staff to follow up.

Council Chair Rapozo: ...that it did.

Councilmember Kualii: Okay.

Council Chair Rapozo: It is Senate Bill 1170, maybe Allison, you can check it out. I am assuming that he signed it. The reason I put the article out was if you look at the first one, not the op-ed, but the actual story State of Affordable Housing Credits Could Cost Counties just look at the people who opposed it, City & County of Honolulu Office of Housing, the City Department of Planning and Permitting, the Big Island County's Office of Housing and Community Development, and the State Office of Planning and Sustainable Development. These are all people that do this every single day. Every single day, that is what they do. They testified in opposition. I appreciate the deferral. I would ask that all of you do your due diligence

but based on...I will not be supporting it when it comes up again, but I encourage you all to do your due diligence. Councilmember Kagawa.

Councilmember Kagawa: I will support the motion to defer. I, too, am leaning against supporting it. There are just too many moving parts for me. We have this decision-making amendment that is working with Adam that does not pass muster of making the supplemental or anything with the Administration. We are now going into land banking and land development with no plans before the Council, so at this point I am just skeptical of giving the Housing Agency too much authority, too much money without getting any briefing of details of what will be delivered with this movement. I am skeptical. I am not willing to give Adam whatever he wants and going whatever direction he wants to go. I am very skeptical at this point. Thank you.

Council Chair Rapozo: Is there anyone else? If not, is there anyone in the audience wishing to testify?

There being no one present to provide testimony, the meeting proceeded as follows:

Councilmember Kualii moved to defer Bill No. 2914, Draft 2 to the June 26, 2024 Council Meeting, seconded by Councilmember Cowden.

Council Chair Rapozo: There is no discussion after a motion to defer. Roll call.

The motion to defer Bill No. 2914, Draft 2 to the June 26, 2024 Council Meeting was then put, and carried by the following vote:

|                       |  |            |
|-----------------------|--|------------|
| FOR DEFERRAL:         | Bulosan, Cowden, DeCosta, Kualii, Rapozo | TOTAL – 5, |
| AGAINST DEFERRAL:     | Kagawa                                   | TOTAL – 1, |
| EXCUSED & NOT VOTING: | Carvalho                                 | TOTAL – 1, |
| RECUSED & NOT VOTING: | None                                     | TOTAL – 0. |

Ms. Fountain-Tanigawa: Motion to defer passes.

Council Chair Rapozo: Thank you. Next item, please.

Bill No. 2915, Draft 1 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 7A, ARTICLE 5, KAUAI COUNTY CODE 1987, AS AMENDED, RELATING TO HOUSING ELIGIBILITY AND SELECTION

Councilmember Kualii moved for adoption of Bill No. 2915, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there any discussion or public testimony? If not, is there any final discussion before we call for the vote? Councilmember Cowden.

There being no one present to provide testimony, the meeting proceeded as follows:

Councilmember Cowden: I want to be able to state for any of those listening, this is where we took fifty percent (50%) that is going to go straight on the first onto the affordable housing buyers list and then fifty percent (50%) that got some criteria for project employee preferences, geographical preferences, and essential worker preferences. Just so that the room understands what we are voting on.

Council Chair Rapozo: Thank you for that. Councilmember DeCosta.

Councilmember DeCosta: I want to add a little more clarity. It also provides people from the geographic area whose parents were from that area and they currently are there with their parents, now they are going to be able to have that fifty percent (50%) selection. I applaud the group that worked on this change in the language. I appreciate you, Adam, because I know Councilmember Kualii and myself worked with you and we made that change. We were not just taking the homebuyer list in seniority, we went to our different communities, Kilauea, Waimea, 'Ele'ele, and we asked them, "Hey, you want to see your son, your daughter from this *moku*,"—Hawaiian calls it *moku*...from the *moku* to live within your area, and they were like, "That is why we live here, we want our own people to live here with us," so thank you for crafting that. That was big time. Thank you for changing my mind, because at first I was against it, actually. I was like Council Chair Rapozo who said when you have a seniority list, you should go down the list, you should go down the line and only do seniority. When you go out into the community, talk with our constituents, listen to what they have to say, come back to the table, and make the proper decision. That is good politics, so, thank you, Adam.

Council Chair Rapozo: Is there anyone else? Councilmember Kualii.

Councilmember Kualii: I want to thank our Housing Director for working with us and for the Committee Members for working on this at a few sessions and to have come forward with an amendments that were needed to make it a better bill and to get your support today. Thank you.

Council Chair Rapozo: Councilmember Kagawa.

Councilmember Kagawa: Same reasons as the prior bill. I see potential problems coming up. Especially with getting off the prioritized list and going outside the list. If you think about it, when you are talking about Hawaiians, if you had a Hawaiian that you are replacing with someone from a geographical area, Hawaiians are all connected throughout the entire island. If you have Hawaiian blood, what is the difference if I have family on that side of the island too? Good intentions, but problematic. I will be voting no. Thank you.

Council Chair Rapozo: Is there anyone else? I actually was on the same track as Councilmember Kagawa, up until the amendment Councilmember DeCosta put through that will preserve fifty percent (50%) of the list that will keep those top names in the order of seniority, so I will be supporting it. Roll call.

The motion for adoption of Bill No. 2915, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:



|                       |   |            |
|-----------------------|---|------------|
| FOR ADOPTION:         | Bulosan, Cowden, DeCosta, Kualii,<br>Rapozo | TOTAL – 5, |
| AGAINST ADOPTION:     | Kagawa                                      | TOTAL – 1, |
| EXCUSED & NOT VOTING: | Carvalho                                    | TOTAL – 1, |
| RECUSED & NOT VOTING: | None  | TOTAL – 0. |

Ms. Fountain-Tanigawa: Motion to approve passes.

Council Chair Rapozo: Thank you. Next item, please.

Bill No. 2916, Draft 1 – A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025 (*Fiscal Year 2024-2025 Operating Budget*)

Councilmember Kualii moved for adoption of Bill No. 2916, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember DeCosta.

Council Chair Rapozo: Is there anyone in the audience wishing to testify? This is the final vote on the Operating Budget. If not, Members, my plan is to allow each Member up to ten (10) minutes for their closing budget statement. That will take us until noon. Is there any discussion? I think we have discussed it pretty much, so we will go ahead and do your closing budget comments. Councilmember Kagawa.

Councilmember Kagawa: I am not going to be supporting the budget. As you all know, none of my amendments passed. The one that bothers me the most was the GET amendment. I am worried about the future of the Transportation Agency. How are we going to sustain that type of subsidy when we are using the GET? Going back in history, when the GET was pushed for a vote and the public got to chime in, the priority was fixing infrastructure, roads, and bridges. It did not say that the GET was for the roads, bridges, and the bus. It was not proposed that way. Originally, I think the Engineering Division, the Department of Public Works, was not ready to spend the full amount. The Transportation Agency is always in need of money, and it fit the guidelines because of the rail and the bus being the similar lines, so that is what former Mayor Carvalho and his team felt was a necessary move. The subsidy has grown to eleven million two hundred thousand dollars (\$11,200,000) per year for the bus. In 2030, when the GET sunsets, where is the eleven million two hundred thousand dollars (\$11,200,000) going to come from? That is why I had an amendment to take away six million dollars (\$6,000,000) and to allow five million five hundred thousand dollars (\$5,500,000) to be subsidizing the Transportation Agency, so that when we hit 2030, if and when it sunsets, we will be more prepared to handle the difference. It is a large amount. Six million dollars (\$6,000,000) for Kauai County is a large amount. Seven million five hundred thousand dollars (\$7,500,000) was the big move we did for affordable housing. That was a big amendment which we had all the “hoopla” about. We are talking about the future of Kauai. Our decisions now need to be made now, not only for today or next year, but it needs to be made ahead, and 2030 is ahead. That is what forward thinking is about, is preparing for something that is set to happen, that is going to happen, it is going to leave a void, and then, how are we going to be prepared to handle that? The other thing is, when Lyle Tabata pushed this GET back in 2020, he said that we need this GET money for the roads and

bridges, because we will fix every road and every bridge. We have one hundred (100) year-old bridges that are deplorable. Old Town Hanapēpē Bridge, look at that bridge. That bridge is over one hundred twenty (120) years old. It is insane that the bridge is still there. Administrations after administrations have just said, “We will just wait. We will leave it for the next person.” I feel bad for Mayor Kawakami. To inherit that and then now...as the years go by, it just looks worse. We say in the communications when I expressed to the Department of Public Works, asking them if they are worried about the eleven million two hundred thousand dollars (\$11,200,000) of our GET going to there, they cannot speak out. The civil servants cannot speak out against the department heads, but there is concern. There are big concerns that by 2030, we are going to see plenty of roads and bridges that still did not get touched. The GET sales tax is very regressive. I think the intention back in 2020 when we approved it was that it was going to finally get the answer, like, how are we going to fix every road and bridge that is in bad shape, fixed. Look at Olohena Road, which is going take plenty work. That is one complicated road with limited shoulder area. When we close that road, it is going to be so much headache, that is the backroad route for Wailua Homesteads to Kapa‘a High School. I tell you, there is a lot of shoulder work that will have to be done, guardrails, you are talking about some...and so, that has not been touched, there is just plenty around. Drive around the island, you will see roads that are in bad shape. Going up to Kalawai Park, that road is “busted”—never been touched. There are potholes all over. That move for me, although I was laughing about it, but it upset me a little bit because I think we had some moves out there that we could have done to improve the budget and work with the Mayor’s budget. The Housing one, for me, I do not think Adam is ready, to be honest. I would like to see an accounting, at the end of the year, or six (6) months, of where we are at. I have said it time and time again, providing housing or adding inventory to our market needs to be done by professionals, not by the government. We are not successful in building new things. We are good at taking care of our necessities of this County: public safety, infrastructure, etcetera. We need to stick to what we do best. To be a housing development agency that competes with the private sector with all our procurements, who knows how much it is going to be—more costly than the private sector. God can only guess. I am only one (1) vote. I thank the Members for the budget. We are all friends, but at the end of the day, you just hope that every budget when you vote, you left this County in a better position. I cannot support this budget. Thank you.

Council Chair Rapozo:

Next. Go ahead.

Councilmember Cowden: I appreciate what Councilmember Kagawa said, and I always value some of the wisdom and challenges that he shares. I will be supporting the budget. I want to speak for a moment to the impact of inflation. I have been saying it for four (4) years. It is profound and it is deeply impactful, it is profound for the County. I think we are going to continue to see when we have big procurement processes that they end up being much more expensive than what we anticipate in our budgets. We are seeing this in the Department of Water, the State roads, all over the place, so when we have the highest budget ever, it is in part because the value of our money has never been lower. It is profound for our taxpayers; it is profound for the County in being able to pay our own people and how we address the needs. All seven (7) of us, and the Mayor’s Administration, we agree with our priority of keeping our population housed, safe, and empowered, with the emphasis of retaining our Hawaiian population and the traditional culture, as well as the generational communities each from different demographics, all valuable information and

knowledge about how to manifest and manage our land. There are so many changes that are coming in front of us, we really need to know the history of the past. I am one hundred percent (100%) in support of the importance of being able to try and create the housing that we need. We do not all agree on how we get there. The other thing that we see across all departments is that our workforce is reducing at an alarming rate, and that is in large part to this difficulty of being able to have housing. As Councilmember Kagawa talked about, the private sector typically has been what produces housing and we have had to lean really hard on ourselves to do it, so those are big challenges. Also, infrastructure needs to be a continued priority. About a year ago, we all made a very strong commitment to our landfill. It feels like that has faded from our conversation, deeply, and that is absolutely a “bread and butter” responsibility that we need to continue to emphasize on this as a priority because it might be all of us that are out of office, but it is not very far into the future that we will be out of space for our landfill. As the Committee Chair for the Public Safety & Human Resources Committee, I am encouraged that the investment in machinery and additional staffing for Fire, flood mitigation, and evacuation routes, we have a housing mitigation plan update coming up. We need to be so diligent on that. There are many ways where the County is dependent on the State. We were looking at that with our Water Use & Development Plan being honestly inadequate. I appreciate they are doing their Water Systems Investment Plan. We have to really work on our flood mitigation and our water management plan. We have watershed problems all over and we seemingly are having a 100-year flood about every other year. That ability to work together with the State and using these new pieces of equipment, hopefully we can have collaborative efforts where we are working, not just only on our own areas, but we are working with big landowners, the State, the Department of Hawaiian Home Lands (DHHL). It sounds like a conversation is in that direction. I think that is a critically high priority. It is very sad that Lahaina ended up being a profound warning for all of us. We are having all types of challenges on each island, so we need to work together more strongly on that. In general, I feel like we have placed on the Capital Improvement Project (CIP) that is our next piece, so I will not talk about that. I appreciate that we are paying our staff more. I think we are going to really need to brace for this hazard pay or pandemic pay, I am not sure how we are going to frame that, but it is not in the budget. That will probably will have to come out of the Reserve Fund, I do not know where that is going to come, but it will come. I want to thank our entire team for hanging in with the County. When I see that we have fifteen percent (15%) of people eligible for retirement, we really need to have them stay. I appreciate how many have come out of retirement or are staying beyond retirement to make sure we stay solid because County government at its root is in our people. I appreciate that we have had three (3) successive years of greater than average payroll increases. It is so needed to keep people here and housed. I will be supporting the budget.

Council Chair Rapozo:

Thank you. Councilmember DeCosta.

Councilmember DeCosta: We all had a very in-depth chance, opportunities to cut the budget, to meet with different administrative teams to discuss areas we can cut. Every Councilmember here heads a department, I am the Department of Public Works. We go, we sit, and we discuss. The mayor told us that he sat with every department and made the tough cuts, so when he came to us, we did not have to make it. That does not mean we do not have to make it. We can go through this budget, it was over one hundred million dollars (\$100,000,000) than the last budget, to make our appropriate cuts, adds. I am going to be supporting this

budget. I did my due diligence. I met with multiple departments to see ways that we could move, cut, and put money, even in departments that were not under my jurisdiction. I am very proud that we are going to provide one hundred percent (100%) for our County employees. The County pays low salaries and hourly wages. This is going to be one way to put an attractive acronym on hiring County workers. We are a little heavy on our CIP projects, but CIP projects, if you understand economics, if construction is slow in the private industry, we can insert the CIP project money and insert that into the economy or revitalize the construction part of it. CIP projects come in handy when our own private projects within the island get scarce or has maximized and there are no private projects going on. We put a good amount of money into Ag, I believe it was nine hundred thousand dollars (\$900,000). We need to support Ag. Supporting Ag means helping the small Ag farmers find innovative ways to insert money to help our industry. Our industry feeds our local people, local products, not only fruits and vegetables, but beef, sheep. The last comment that I want to talk about is that we had a recycling educator position. I looked at that position and thought about cutting that position. I did not bring it upon the Council, but I did go to the Administration, the Solid Waste Division, and our Zero Waste people, I am not the biggest fan of Zero Waste, but I talked to them. They wanted to keep that educational specialist because they felt that we need to educate our people on how to recycle, teach our people the importance of recycling, and I must admit that I am not the best at recycling, but after this I am going to try and start. I did not cut that position because I felt that the community has spoken and wanted to see that position, the Administration wanted that position, so I am hoping that position does their job. The last one I am fond of, we all talk about our County parks, our pickleball courts, and our basketball parks, all the amenities people can enjoy, but I know one thing that Maui and Hawai'i Island has, they have a public arena for the high school rodeo, and we do not have that. We have put some funding towards that this year. We put a good amount of funding that the rodeo community, they all will work in partnership under a nonprofit and they are going to move towards making a public arena equestrian trail riding area where people can come to Kaua'i whether youth rodeo, high school, and you can have an area to enjoy. We left those people out of the loop for a long time. Our biggest accomplishment was attacking middle-class housing. We have been attacking affordable housing, no doubt, we have three (3) great projects going on right now, but I believe now with the ability to landbank, we are going to have a bigger door that will open to create housing for our local kids. Thank you.

Council Chair Rapozo:

Is there anyone else?

Councilmember Kualii: I want to start with my gratitude and I want to say *mahalo nui loa* to the Mayor, the Administration's entire budget team, to all our departments and division leaders, for all their work throughout the year, but especially during budget time, and to our Council Services budget team, and all of our staff here at Council Services, and to my fellow Councilmembers. I think Decision-Making day was extra difficult. A big part of that was because of the Sunshine Law, we are not able to get prior notice of what each other is proposing, which made it unable for us to reach out to stakeholders in advance. As the budget process is spelled out, it still left us with a couple of weeks to engage back and forth with stakeholders, but not prior to that. *Mahalo nui loa* to all the constituents who provide input, ideas, and testimony throughout our budget process. One thing I would say with regards to real property tax collections is that I would like to see us all do more outreach so we can get more folks to take advantage of the relief in exemption programs that we have in place. For the Home Preservation limit



differential, we only provided twelve thousand dollars (\$12,000) in relief. For the Very Low-Income Tax credit, we provided three hundred thirty-three thousand dollars (\$333,000) in relief. There are all these programs that I think some people are eligible for and they are not necessarily taking advantage of, especially with our exemptions. The obvious is the Home Exemption, but also the Low-Income Exemption, Age Exemption, and there are other exemptions as well. I am very proud of our increased commitment to housing, both affordable and workforce housing. The two percent (2%) investment was raised to five-point seven percent (5.7%). The original five million dollars (\$5,000,000) was raised to twelve million dollars (\$12,000,000) by the mayor and then to twenty million dollars (\$20,000,000) by the majority of this Council, so the twenty-million-dollar investment is a good start. It is making us move in the right direction and being a little bolder than just the tiny steps we were taking in the past. I am happy that we are investing almost three million dollars (\$3,000,000) towards our fire mitigation efforts, the frontline investments. And then all the investments we are making in our islandwide recreation programs with our Department of Parks & Recreation, seven million dollars (\$7,000,000) to islandwide play court resurfacing, one million dollars (\$1,000,000) to playground equipment, and another one million dollars (\$1,000,000) to the Americans with Disabilities Act of 1990 (ADA) improvements. I am glad that we are finally getting the restrooms for the soccer fields at Vidinha Stadium. As Councilmember DeCosta mentioned, I am really proud, because of my labor background as well, I am really proud that the County is covering one hundred percent (100%) the premium for employees' healthcare. It is the lowest healthcare available, but I know many employees choose that, because that is what they can afford. This will be a big help, because then it will be fully covered. The County may actually save money, I think the Human Resources (HR) was saying, because there may be people now who are participating in the higher priced programs that will choose the lower program because it is fully covered. That is a good investment I think in attracting future employees as well, people always talk about County and State jobs are so great, because of the benefits, well, this makes that statement true. I am proud with the higher fees for visitors at the Wailua Golf Course, we can lower the General Fund subsidy. I am proud of the increased funding that we are providing to the Agency on Elderly Affairs, for their critical programs so they can help more *kūpuna*. I am also proud of the transportation support for low-income persons. This was a pilot program that I started a couple years back, and so for our low-income annual pass pilot program, we have funding for up to seventy-five thousand dollars (\$75,000) and for our outreach program, which works for nonprofits for disturbing bus passes at fifty percent (50%) cost to ninety-five thousand dollars (\$95,000), so that has been working well and it has been growing each year, and hopefully it will continue to grow, so we can help the most disadvantaged residents. Thank you.

Council Chair Rapozo:

Councilmember Bulosan.

Councilmember Bulosan: I am going to echo sharing my appreciation for our Administration and the Finance team for working with us and our team here that has put together our proposals and looked at the budgetary items that all the Councilmembers have shared, most importantly, our Councilmembers here for sharing your discussion, and lastly, the public engagement in the budget process. As we know the budget is the largest, one of the biggest functions of the County Council. It is the opportunity for us and for the community to share the priorities of the community where we can shift and make things possible so that we can improve or change or delete, or really narrow things down so that our County is doing what we



want, what the people want. That is what I am most proud of. I think it reflects the values in which the community is seeking, which is, reinvestment into our place, our people, and into the things we all care about and love. I think that is what the Mayor's budget proposed and what the changes that this Council provided further addressed those perspectives. With this vote, it is one of the first times sitting in this seat where I feel very hopeful that we are moving in the right direction that we are willing to go above and beyond our comfort zone, take some really big leaps and challenges to try to address the crises that we are faced with. As I was reflecting on this entire process, I think about the process of playing cards, and the comment saying of the, "You play with the hand you are dealt." You rarely ever get dealt the perfect hand. You never get the royal flush. It is not a thing. I feel like we are close to a royal flush in a sense, in this budget where we are addressing mitigating hazardous that the communities are facing, we are addressing aging infrastructure, priorities that have been ignored, and we are addressing our number one issue which is housing. It is rare in a budget process that you feel like you can tackle some of these problems with enough force and it feels like we are, so I really appreciate the Administration for putting that best foot forward, and that all of our tax-burdened people understand that we are not floundering in your perspective of how we address your issues and when we are putting where the dollar makes the most sense. I appreciate everyone for working on this table to put this forth, and I am in full support of this budget.

Council Chair Rapozo: Is there anyone else? Councilmember DeCosta.

Councilmember DeCosta: Thank you to our County Clerk, the Deputy County Clerk, our Analysts, our staff, tireless hours that they spent making the adjustments to the budget and our changes, just not only being the eyes and ears, but almost the brain behind everything, so thank you folks a lot. Thank you for everything.

Council Chair Rapozo: Is there anyone else? I am not going to repeat what has already been said. Councilmember Kualifi went through our budget message, which will be available online at our County website at [www.kauai.gov](http://www.kauai.gov), please go there if you would like to read our budget message. I did want to say it was a tough budget season. It is always difficult when there are so many needs. Several months ago, I went across the island and did some town halls, and I can tell you that the three (3) biggest issues were housing, housing was the loudest, I think, and the roads, and the County facilities, the parks. I think we addressed it. The mayor did an excellent job addressing all of those components and he also gave us an opportunity as individual Councilmembers to share our concerns and things that we would like to see. He also had a representative from his Administration at each of these town halls as well, so *mahalo* to the mayor. Execution is the key. We can put all the money we want in a budget, but if we do not execute, I think Councilmember Kagawa alluded to that, we as this body have to make sure that the Administration executes what they said they would execute. Whether it is the paving or housing, and I think the six-month update, Councilmember Kagawa, is a good idea. It is something that we should definitely do to make sure we are on track, because that is our function in government. We have to all work together to make sure that the execution is done. Aside from that, it is just really about how to...all of our budget team, the Finance, the Administration has been here every single day during the process, I am sure you folks are there when the mayor does his review as well, so you folks get it twice. I appreciate you folks, and the back and forth. I do not think people understand and

appreciate how much work is done during this period and most of it is done off-air, it is our staff sending over emails or memorandums across and getting responses and putting things together for us. We appreciate the responsiveness of the Administration throughout this process. Really, the point person, I would usually call them, “the point man,” but the point person is the Managing Director Reiko Matsuyama. *Mahalo* Reiko and your team, and of course to the mayor. But, to our staff, I think is where my biggest *mahalo* goes, because these poor things...you know, I think for us and I say this every year, sometimes multiple times, I feel like I repeat this. I do not know if you can imagine working in an environment where your job as an Analyst or any of our staff members here is to service seven (7) different Councilmembers. Yes, I do not have dedicated staff that is assigned to me. When we have an issue that needs to be resolved with the Administration or with the state or the federal government, our staff are the ones that have to do the work. Some of us have personal staff that we use to help with the workload, but generally speaking, our staff, right here, you see them all here today. They are here every day. They have a tough job. It is like this, Councilmembers will say, “This is what I want to do and accomplish,” and their job is to show us the way to make it happen, whether it is a resolution, bill, memorandum, etcetera, they give us the options and we determine what action we want to take. If not for them, it would be an entirely different landscape. It would be an entirely different budget season. I want to honestly say to all of you here and there and those downstairs and everywhere else, thank you folks. County Clerk Jade and Lyndon, you folks do an amazing job keeping this rodeo in order, because that is what it is. There are a lot of moving parts and I hope people can appreciate our staff for all they do. Finally, we cannot forget our State Delegation at the State Capitol. We may not always agree, in fact, I think that is one body in total, not so much our delegates, but that body is probably the one place that I disagree with more than I agree with in many cases and many times. I can honestly say that our delegation on Kaua’i, our Senate President Kouchi, and our Representatives Evslin, Nakamura, and Morikawa have done a lot of good things for our island, so I really want to thank them for their responsiveness as well, and of course the Congressional Delegation. I would like to see more from them, but nonetheless, they are a resource that we use for helping us better serve our constituents on Kaua’i. *Mahalo* to all. Roll call.

The motion for adoption of Bill No. 2916, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

|                       |  |            |
|-----------------------|--|------------|
| FOR ADOPTION:         | Bulosan, Cowden, DeCosta, Kagawa,<br>Kuali’i, Rapozo | TOTAL – 6, |
| AGAINST ADOPTION:     | None   | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Carvalho   | TOTAL – 1, |
| RECUSED & NOT VOTING: | None   | TOTAL – 0. |

Ms. Fountain-Tanigawa: Motion passes.

Council Chair Rapozo: Next item, please.

Bill No. 2917, Draft 1 – A BILL FOR AN ORDINANCE RELATING TO CAPITAL IMPROVEMENTS AND FINANCING THEREOF FOR THE FISCAL YEAR JULY 1, 2024 TO JUNE 30, 2025 (*Fiscal Year 2024-2025 CIP Budget*)

Councilmember Kualii moved for adoption of Bill No. 2917, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember DeCosta.

Council Chair Rapozo: You will not get ten (10) more minutes, but if you want to make any short comments about the CIP Budget, now is the time.

Councilmember Kagawa: I want to thank the Administration. I will speak for my partner on this one, Councilmember Carvalho, we met with the Mayor's team prior to the budget and we got added a project for Kapa'a, at the request of the Kapa'a Business Association, so we are hoping to see that come to fruition in the future for the restroom possibly at the "Kapa'a triangle." It is obviously an area that needs a restroom with all the food trucks. You cannot expect restaurants that have people that want to use their restrooms to accept them, and it is understandable. You are talking about inviting unwanted homeless to frequent your business for the purpose of using a restroom. I am just so happy that we were able to listen to one of the leaders of the Kaua'i Business Association, Bobby Kubota. Hearing his plea that we need a public bathroom, so this is going to be a partnership with the businesses to open and close, but it truly will help. We want to see businesses, especially the small ones, flourish, have customers not have problems with people eating and needing to use the restroom. As you all know, the Kapa'a Beach Park bathroom has been closed for a while and that would be the nearest public restroom, and that has suffered so much damage from the homeless, that is not even funny. The next closest would be the Lihi, which also has been closed due to damage as well. We are hoping this one will function and will be able to continue to function, it would be similar to the bathroom out here. It is an improved metal portable potty that I have used in the past, it is definitely comfortable to use as long it is clean. We are hoping for a good result on that, other than that we have more projects: parks, roads, bridges, than we have ever had in the books to be done. Like Council Chair just said, it is all dependent now on the Administration to deliver. We have seen them deliver when it came to Transportation Investment Generating Economic Recovery (TIGER) grants, these improvements here on Hardy Street, the County is able to deliver. We do not actually pour cement, we do not lay rebar, we subcontract it out, so as we did those projects, when we wanted to get it done, we were able to get it done. Let us see this big CIP get done. Let us see our tennis courts get resurfaced that has not been resurfaced since the '70s. Let us see all those things get completed. The people are tired of playing pickleball on cracked surfaces that has not been done since the '70s. It is unreasonable. Let us see most of the CIP done. I do not know if we are going to see the soccer restrooms done that quickly, there is a lot of infrastructure work that needs to be done, but again, that is long overdue. When I was coaching soccer up there, I coached girls' teams, I mean every day, "Coach, I like use the bathroom," and sometimes I even had to bring them to my house and then drive back because there were no restrooms. I am hoping that the restrooms will finally get done. Again, thank you to the Administration, they were open to discussing and adding projects. We added that at the last minute, I am proud of the CIP Budget, I will be voting for it, not like the other budget, where I said I was not going to, but I did. Thank you.

Council Chair Rapozo:

Councilmember Cowden.

*(Councilmember Kagawa was noted as not present.)*

Councilmember Cowden: On the CIP, this is about ordinary needs like bathrooms, I want to say I am happy about Hanapēpē bathroom, too, very much needed. So, ordinary needs, but I want to just note that we are in extraordinary times. I just mentioned about the heavy inflation that we are in, when you look at the world, we are in a lot of geopolitical chaos with shipping problems and we are coming out of that window that we had for several years with COVID, the supply chains and disruptions. I want to really emphasize how critically important it is for us to catch up on repairing our infrastructure needs from roads, bridges, landfill, sewers. We are stretched around the outside of the island, so we have so much need that is more expensive than the average community in the continental United States. We also deal with federal regulations that do not reflect an island environment, where we live one to two miles, for the most part, from the coast. We have big issues that we have to go through, particularly for the Department of Public Works. Right here, I just was looking again at our CIP for both Fiscal Year 2024 and 2025, because I am looking at them combined. We reviewed where we were at for FY 2024, prior to going into the budget season and a lot of those projects were not yet full encumbered or found their contractor, but that is underway now, so we really have almost two (2) years' worth of work that we have funding ready to go at the same time. It is so important that we fix our bridges and roads. We just had another bridge wash out at Niūmalu with this heavy flood that we had. I thank our entire team for all their hard work, the engineers, and the procurements departments who worked on this. We are going to have almost two (2) years of work coming together in this upcoming year and we have bridges, culverts, roads, parks, bathrooms, tennis courts—we are calling them pickleball courts now. Certainly, our wastewater does not go on our budget, but is our potable water, all these things, incredibly important. We had flooding in our building, we have expansion over here in what was our Big Save building that we need to be repairing. So many elements and I am excited to see us accomplish as much as we can in this next year. I am looking at our staff, and I thank you. The County Chair said it really well, but I echo what has been said to the Finance Department, I am looking at the people who actually wrote all these things up. Thank you all. I will certainly be supporting it and I am very hopeful that we are able to get all those supplies and that we can get what we need for our asphalt, I know it is water, but our transponders, we have so many different things that we have needed for some time, hopefully we get it all and we are able to accomplish our goals that I fully support.

Council Chair Rapozo: Thank you. Is there anyone else?  
Councilmember Kualii.

Councilmember Kualii: I want to clarify my comments earlier during the Operating Budget on the investments on our islandwide recreation, the playcourt resurfacing, the playground equipment, and the ADA improvements, nearly ten million dollars (\$10,000,000), that is all actually funded here in the CIP Budget.

*(Councilmember Kagawa was noted as present.)*

Council Chair Rapozo: Councilmember DeCosta.

Councilmember DeCosta: Thank you for the great comments. CIP—I said it before, it is very important to have the CIP Budget there. It inserts projects that when the private sector is really slow, they can pick up on the County's projects. Like what Councilmember Kagawa said, we rarely do cement or rebar or even our own projects, we fund it out. Although, I would like to comment, we do have Mr. Suga



in the division that does an excellent job on the smaller projects, he is the construction-based person, and we are lucky to have him. I want to comment on the Department of Public Works, sometimes we only look at the CIP projects that they have to do, but every time the County has a natural disaster, they get called out. This last flood that we had, the Kōloa flooding, Public Works were working all the way out through the clock until the next morning. Yes, they do get paid, but many of us would like to be home when it is raining and storming. Big shoutout to the Department of Public Works that gets called out on emergencies like that. Sometimes we do not thank them enough. Thank you. I am going to be supporting this.

Council Chair Rapozo: Councilmember Bulosan.

Councilmember Bulosan: I want to reiterate everything that was shared and I want to say that I feel the CIP Budget was correctly prioritized and thank you to the team for being agile with the comments we provided through the Councilmembers, and prioritizing some of the things we felt was important for our community.

Council Chair Rapozo: Is there anyone else? With that, roll call.

The motion for adoption of Bill No. 2917, Draft 1 on second and final reading, and that it be transmitted to the Mayor for his approval was then put, and carried by the following vote:

|                       |  |            |
|-----------------------|--|------------|
| FOR ADOPTION:         | Bulosan, Cowden, DeCosta, Kagawa,<br>Kuali'i, Rapozo | TOTAL – 6, |
| AGAINST ADOPTION:     | None   | TOTAL – 0, |
| EXCUSED & NOT VOTING: | Carvalho   | TOTAL – 1, |
| RECUSED & NOT VOTING: | None   | TOTAL – 0. |

Ms. Fountain-Tanigawa: Motion passes.

Council Chair Rapozo: With that, we have Executive Session items. Can you read us into Executive Session, please?

EXECUTIVE SESSION:

ES-1127 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council, to provide Council with a briefing on the condemnation litigation entitled County of Kaua'i vs. Pete E. Apor, et al., Civil No. 5CCV-21-0000046, Fifth Circuit Court, State of Hawai'i. This briefing and consultation involves consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

ES-1128 Pursuant to Hawai'i Revised Statutes (HRS) Sections 92-4 and 92-5(a)(4), and Kaua'i County Charter Section 3.07(E), the Office of the County Attorney requests an Executive Session with the Council, to provide Council with a briefing and request authority for a possible settlement proposal in a claim filed by Hawaiian Telcom and related matters. This briefing and consultation involves



consideration of the powers, duties, privileges, immunities, and/or liabilities of the Council and the County as they relate to this agenda item.

Councilmember Kualii moved to convene in Executive Session for ES-1127 and ES-1128, seconded by Councilmember Bulosan.

Council Chair Rapozo: Is there anyone in the audience wishing to testify before we go in? Seeing none. Roll call.

There being no one present to provide testimony, the meeting proceeded as follows:

The motion to convene in Executive Session for ES-1127 and ES-1128 was then put, and carried by the following vote:

|                            |   |            |
|----------------------------|---|------------|
| FOR EXECUTIVE SESSION:     | Bulosan, Cowden, DeCosta,<br>Kagawa, Kualii, Rapozo | TOTAL – 6, |
| AGAINST EXECUTIVE SESSION: | None  | TOTAL – 0, |
| EXCUSED & NOT VOTING:      | Carvalho  | TOTAL – 1, |
| RECUSED & NOT VOTING:      | None  | TOTAL – 0. |

Ms. Fountain-Tanigawa: The motion passes.

There being no objections, the meeting recessed at 12:05 p.m. to convene in Executive Session.

The meeting reconvened at 12:30 p.m., and proceeded as follows:

Council Chair Rapozo: Mr. Bracken.

MATTHEW M. BRACKEN, County Attorney: Executive Session for ES-1127 and ES-1128 were held. They were discussing pending litigation and pending claims, and nothing can be disclosed at this time.

Council Chair Rapozo: Thank you very much. With that, this meeting is adjourned.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 12:30 p.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA  
County Clerk