

## COUNCIL MEETING

JULY 27, 2023

The Council Meeting of the Council of the County of Kaua'i was called to order by Council Vice Chair KipuKai Kuali'i at the Council Chambers, 4396 Rice Street, Suite 201, Lihu'e, Kaua'i, on Thursday, July 27, 2023, at 8:34 a.m., after which the following Members answered the call of the roll:

Honorable Bernard P. Carvalho, Jr.  
Honorable Felicia Cowden  
Honorable Bill DeCosta  
Honorable Ross Kagawa  
Honorable KipuKai Kuali'i

Excused:      Honorable Addison Bulosan  
                    Honorable Mel Rapozo

### APPROVAL OF AGENDA.

Councilmember Carvalho moved for approval of the agenda, as circulated, seconded by Councilmember DeCosta.

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 5:0:2 (*Councilmember Bulosan and Council Chair Rapozo were excused*).

Council Vice Chair Kuali'i:      The motion carries. Our next item is the minutes from July 12, 2023 for the Public Hearing regarding Bill No. 2900 and the July 12, 2023 Council Meeting.

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

July 12, 2023 Public Hearing re: Bill No. 2900  
July 12, 2023 Council Meeting

Councilmember Carvalho moved to approve the Minutes, as circulated, seconded by Councilmember DeCosta.

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 5:0:2 (*Councilmember Bulosan and Council Chair Rapozo were excused*).

Council Vice Chair Kualifi: The motion carries. Clerk, can you read the next item?

CONSENT CALENDAR:

C 2023-166 Communication (06/16/2023) from the Mayor, transmitting for Council consideration and confirmation, Mayoral appointee Lisa C. Knutson to the Police Commission – Term ending 12/31/2024.

C 2023-167 Communication (07/05/2023) from the Director of Finance, transmitting for Council information, Period 11 Financial Reports – Statement of Revenues, Statement of Expenditures and Encumbrances, Revenue Report, and Detailed Budget Report as of May 31, 2023, pursuant to Section 21 of Ordinance No. B-2022-886, relating to the Operating Budget of the County of Kaua'i for Fiscal Year 2022-2023.

C 2023-168 Communication (07/13/2023) from Hugo D. Cabrera, Deputy County Attorney, transmitting for Council information, the Quarterly Report on Settled Claims filed against the County of Kaua'i from April 1, 2023 through June 30, 2023.

Councilmember Kagawa moved to receive C 2023-166, C 2023-167, and C 2023-168 for the record, seconded by Councilmember Carvalho.

Council Vice Chair Kualifi: Is there anyone in the audience wishing to testify on the three (3) items of the Consent Calendar? Seeing none, members, is there any discussion?

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

The motion to receive C 2023-166, C 2023-167, and C 2023-168 for the record was then put, and carried by a vote of 5:0:2 (*Councilmember Bulosan and Council Chair Rapozo were excused*).

Council Vice Chair Kualifi: The Consent Calendar is passed. The next item is Communication. Clerk, can you read our single Communication?

COMMUNICATION:

C 2023-169 Communication (07/12/2023) from the Executive on Aging, requesting Council approval to receive and expend Federal funds, in the amount of \$1,995.00, and to indemnify the State Executive Office on Aging, for the provision of Title III services of the Older Americans Act, which includes supportive services, congregate meals, home-delivered meals, preventive health programs, and the National Family Caregiver Support Program, for the Federal Fiscal Year 2021. This award is through September 30, 2024.

Councilmember Carvalho moved to approve C 2023-169, seconded by Councilmember Cowden.

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

Council Vice Chair Kualii: Members, is there any discussion or are there any questions?

Councilmember Cowden: I have a very short discussion.

Council Vice Chair Kualii: Okay, but no questions for the Administration?

Councilmember Cowden: I do not really have a question.

Council Vice Chair Kualii: Okay. There is no need to come up.

Councilmember Cowden: This is for the public. This is just a small remaining amount that we are approving for a good, on-going program of providing and delivering meals to our seniors.

Council Vice Chair Kualii: Members, is there any further discussion? Seeing none.

The motion to approve C 2023-169 was then put, and carried by a vote of 5:0:2 (*Councilmember Bulosan and Council Chair Rapozo were excused*).

Council Vice Chair Kualii: The motion carries. The next item is Claim. Clerk, could you read the item?

CLAIM:

C 2023-170 Communication (07/07/2023) from the County Clerk, transmitting a claim filed against the County of Kaua'i by Madolyn Davis, for personal injuries, medical bills, and loss of income, pursuant to Section 23.06, Charter of the County of Kaua'i.

Councilmember Cowden moved to refer C 2023-170 to the Office of the County Attorney for disposition and/or report back to the Council, seconded by Councilmember Carvalho.

Council Vice Chair Kualii: Is there anyone from the public wishing to testify? Seeing none, members, is there any discussion? Seeing none.

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

The motion to refer C 2023-170 to the Office of the County Attorney for disposition and/or report back to the Council was then put, and carried by a vote of 5:0:2 (*Councilmember Bulosan and Council Chair Rapozo were excused*).

Council Vice Chair Kualii: The motion carries. Next, we have our Committee Report.

COMMITTEE REPORT:

FINANCE & ECONOMIC DEVELOPMENT COMMITTEE:

A report (No. CR-FED 2023-09) submitted by the Finance & Economic Development Committee, recommending that the following be Approved on second and final reading:

“Bill No. 2900 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUA‘I COUNTY CODE 1987, AS AMENDED, AND REPEALING ORDINANCE NO. 1130 AND SECTION 6 OF ORDINANCE NO. 1132, RELATING TO REAL PROPERTY TAX,”

Councilmember Carvalho moved for approval of the report, seconded by Councilmember Kagawa.

Council Vice Chair Kualii: Is there any public testimony? Seeing none, members, is there any discussion? Seeing none.

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

The motion for approval of the report was then put, and carried by a vote of 5:0:2 (*Councilmember Bulosan and Council Chair Rapozo were excused*).

Council Vice Chair Kualii: The motion carries. Next, we have Resolutions. Clerk, could you read the first resolution?

RESOLUTIONS:

Resolution No. 2023-54 – RESOLUTION CONFIRMING MAYORAL APPOINTMENT TO THE POLICE COMMISSION (*Lisa C. Knutson*)

Councilmember Carvalho moved for adoption of Resolution No. 2023-54, seconded by Councilmember Cowden.

Council Vice Chair Kualii: Is there anyone wishing to testify? Seeing none, members, is there any discussion? Seeing none, roll call.

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

The motion for adoption of Resolution No. 2023-54 was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Cowden, DeCosta, Kagawa, Kuali'i	TOTAL – 5,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bulosan, Rapozo	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

JADE K. FOUNTAIN-TANIGAWA, County Clerk: Five (5) ayes.

Council Vice Chair Kuali'i: Next item, Clerk.

Resolution No. 2023-55 – RESOLUTION ENCOURAGING STATE AND COUNTY ENTITIES TO EXPEDITE EMERGENCY REPAIRS AND PURSUE PERMANENT IMPROVEMENTS TO THE WAIMEA STREAM CROSSING IN WAIMEA, KAUA'I, HAWAI'I

Councilmember Carvalho moved for adoption of Resolution No. 2023-55, seconded by Councilmember Kagawa.

Council Vice Chair Kuali'i: Is there anyone wishing to testify? Seeing none, are there any questions?

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

Councilmember Cowden: Yes. Just for the sake of the public, can the introducer, Councilmember DeCosta, give a brief summary, so that the public understands what this Resolution is?

Councilmember DeCosta: Thank you for that, Councilmember Cowden. This is a Resolution encouraging our County and State entities to come together and fix a problem that has been long overdue. It is somewhat hazardous. We had a testifier explain that a vehicle went over the side of it. I personally took a team from the Department of Public Works out there to look at it. You and I went out there to look at it together. These people, whether it is a few of them or a lot of them, are part of our community, and we need that crossing fixed. I want to encourage the State and County to not put the jurisdiction of fixing that stream on each other, even though a portion of that river does fall under the Department of Land and Natural Resources (DLNR). We are going to encourage them to "step up to the plate," take ownership of what needs to be fixed, work with the County, and get these much needed emergency repairs done. Thank you.

Council Vice Chair Kuali'i: Councilmember Cowden.

Councilmember Cowden: If I am understanding correctly, we are giving this information most specifically to our State delegation as well as the Mayor. I know that liability is a big challenge in all of this...that is what seemed like was the big deal, but what was the really important point, unlike the other fjords, because

this is steep on either side, even if people can drive across the river, it is very difficult getting up the sides, and that we cannot just choose to abandon a community. It has been three (3) years, and we are giving the strong encouragement to move forward with it. I appreciate you introducing the Resolution, and I am certainly going to support it.

Council Vice Chair Kualii: Is there any other discussion, Members?  
Councilmember Kagawa.

Councilmember Kagawa: I wanted to fix it immediately, but I am hoping to possibly add another caveat of, at least, having an entrance on either end that is gated. For those against this, the problem they have is with a group, who they call "the crackheads," who tend to live across the river. If you have that private gate, you can block access to "the crackheads" and keep them out of that area, and then we do not have to deal with the community being worried about that area across the river becoming a "crackhead camp" or whatever you want to call it. That is my suggestion. We have those gates up in Hanapēpē Valley at certain points going further *mauka*, so I see this as a solution. I definitely want them to fix it, but I think we can also do it simply with a gate, and the Fire Department or Emergency Medical Services (EMS) can have permission to break the lock in the case of an emergency. I think it is something that is simple, it is used at Hanapēpē River, so I think we can keep unwanted persons out of that area in the same way. Thank you, Vice Chair.

Council Vice Chair Kualii: Thank you, Councilmember Kagawa. Yes, I think that is a valid and valuable suggestion, as far as ways the State and County entities can expedite emergency repairs and permanent improvements that we are calling for with this Resolution. Members, is there any further discussion?  
Councilmember Cowden.

Councilmember Cowden: I see that our County Engineer of the Department of Public Works is here.

Council Vice Chair Kualii: Did you have a question for him?

Councilmember Cowden: Yes, I do.

Council Vice Chair Kualii: If you have a question for him, I will call him up.

There being no objections, the rules were suspended.

TROY K. TANIGAWA, County Engineer: Good morning, Councilmembers.  
Troy Tanigawa, for the record.

Councilmember Cowden: Thank you so much for being here. I know that this has not been not addressed not out of lack of concern for the community, so I know that there are challenges. Can you tell us how you feel about the Resolution and what way do you feel like we are most able to manage this? I know we have drawings by Bow Engineering & Development, Inc., but I just want to hear a statement on what you think is the best strategy.

Mr. Tanigawa: I have looked at the Resolution and we are supportive of the Resolution. I think it is good. It gives our project team direction, and we want to see a resolution to this as well. I think this is something that if this body deems as something we need to address, then we want to address it as quickly as possible.

Councilmember Cowden: Thank you very much. I just want to make sure that we are all working together, because this is intended to be supportive and helpful for the Department of Public Works as well as the State, so thank you, that means a lot.

Council Vice Chair Kualii: Are there any other Councilmembers with questions? Thank you, Troy. Is there anyone wishing to testify on this? Seeing none, members, is there any further discussion? Seeing none, roll call.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

The motion for adoption of Resolution No. 2023-55, was then put, and carried by the following vote:

FOR ADOPTION:	Carvalho, Cowden, DeCosta, Kagawa, Kualii	TOTAL – 5,
AGAINST ADOPTION:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bulosan, Rapozo	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Five (5) ayes. Motion passes.

Council Vice Chair Kualii: Thank you. Can we have the next item?

BILL FOR SECOND READING:

Bill No. 2900 – A BILL FOR AN ORDINANCE AMENDING CHAPTER 5A, KAUAI COUNTY CODE 1987, AS AMENDED, AND REPEALING ORDINANCE NO. 1130 AND SECTION 6 OF ORDINANCE NO. 1132, RELATING TO REAL PROPERTY TAX

Councilmember Carvalho moved to approve Bill No. 2900 on second and final reading, and that it be transmitted to the Mayor for his approval, seconded by Councilmember Cowden.

Council Vice Chair Kualii: Okay, Members, we have the Real Property Tax and Finance staff in the room. Does anyone have any questions for them?

Councilmember Cowden: I would like for them to come up.

Council Vice Chair Kualii: Okay.

There being no objections, the rules were suspended.



REIKO MATSUYAMA, Director of Finance: Good morning, Reiko Matsuyama.

Councilmember Cowden: First of all, I would like to say thank you so much for this robust answer that you gave us from our last discussion. I value and appreciate how much information you gave us. It is helpful, and I think it will be helpful for the follow-up bills that are coming in our next meeting. If we pass this today, can you explain the process and how this will be affecting our upcoming year for people who are listening? I have had quite a few calls on that, so this is going to be expressed in our next tax year.

Ms. Matsuyama: Correct. We were pushing it quickly so that it could be effective when we do our next assessment date on October 1, 2023. What it will mean then, is when people receive their assessment notices in December, they will have the new names of the tax classes...the tiers will not be set, yet, right, because the thresholds will not be identified, but they will have the new tax names, so they can clearly see that they are "Owner-Occupied" or "Non-Owner-Occupied." That "Non-Owner-Occupied" classification should flag them to say, "I am in the wrong tax class," then they can come in and still have time to appeal.

Councilmember Cowden: Is there a plan? I guess I am making a suggestion in my question, but is there a plan to do a training with realtors, mortgage people, title people? It seems like we are going to have a very narrow window for people to understand the new implications, and as people are selling properties and making loans, it is good for them to be able to be aware ahead of time, because they might not be aware, so I think that would be a really good step forward. Do you have any plans for anything like that?

Ms. Matsuyama: We can surely make those types of arrangements. We do it rather regularly. For instance, Mike is actually missing a presentation today for the Kaua'i Board of Realtors, but we are sending two (2) other staff from his office to make the presentation. We do this regularly.

Councilmember Cowden: Okay. I would like to be invited to one of these that are upcoming, so I am able to hear how it is presented and it could be very helpful.

Ms. Matsuyama: Okay.

Councilmember Cowden: Even if we are able to put some of this out to where it is shown on Hō'iike or get some press release, because I think one of the biggest challenges is that people do not turn in their paperwork correctly. It is not something that people reflexively understand that they need to do. Thank you for what you are doing. If you could send us a list of what is upcoming, that would be really helpful for me. I would be happy to go there, be quiet, and just listen. I would like to see the feedback and understand how we are going to be able to be implementing this in a way that does not surprise people. Thank you.

Council Vice Chair Kualii: Thank you. Members, are there any other questions? The only question I have, and maybe it is in my email and I have not seen



it yet is, have you shared the spreadsheet so that we can start playing with the numbers?

Ms. Matsuyama: Yes.

Council Vice Chair Kualii: Was it shared electronically?

Ms. Matsuyama: Yes.

Council Vice Chair Kualii: Thank you. If there are no further questions, while the rules are still suspended, is there anyone wishing to testify? Seeing none, thank you, both.

There being no one present to provide testimony, the meeting was called back to order, and proceeded as follows:

Council Vice Chair Kualii: Members, is there any discussion?

Councilmember Cowden: I have a discussion.

Council Vice Chair Kualii: Go ahead, Councilmember Cowden. The meeting will go into recess. We have a technical problem.

There being no objections, the meeting recessed at 8:52 a.m.

The meeting reconvened at 8:55 a.m., and proceeded as follows:

Council Vice Chair Kualii: I will call the meeting back to order. We just had some technical difficulties. We are on Bill No. 2900 and are at discussion. Councilmember Cowden.

Councilmember Cowden: I want to first thank the Real Property Tax Assessment Division and Department of Finance for their work on this. I know it is difficult. It is an improvement over what we had in the Residential Investor tax class, so I will be supporting it, but it is definitely not a full solution in our taxation strategies. We just returned from the National Association of Counties (NACo) Annual Conference, and I would say the housing sessions were the most filled rooms everywhere. It is a national problem, and as the price of housing moves with the dollar's loss of ability to do buying, the cost of housing has gone up. I just want to give one (1) example: in one group that I was in, a person was from Buffalo, and he mentioned that six (6) years ago, houses were seventy thousand dollars (\$70,000) to eighty thousand dollars (\$80,000), and now they are about seven hundred thousand dollars (\$700,000). We have it such that in that discussion, younger and working people just cannot afford to buy a house...it is a national problem, and older and stable people cannot afford to keep their houses due to rising property taxes. I had several groups who were telling us that over half of Americans are renters at rates that they cannot even afford. This is a national crisis, and I know when I am talking to the Department of Finance, I am like, "Hey, we cannot be doing what is going on here," but it was good for me to have the balance of seeing that every community is really struggling with this, so I appreciate that Bill No. 2900 attempts to provide a

lot of flexibility, so councils can quickly adapt to changing conditions. It is through this tiered system that we would be able to change the values, the thresholds, and the rates, so each year we would be able to do that, but there is a lot of responsibility in the way that we are changing it, and we must ensure that future councils understand what this means and that we are not reckless, because my worry...and that is why I want to go to these meetings where people are being expressed to and hear what they have to say back...is that predictability and stability are essential in making mortgages and even rental rates that people can pay. I want to make sure that we are well-informed, conscious, and responsible, and are not just "going along" when we make votes each year when we do it, especially when we have new people, it is hard to really grasp all this complexity. Additionally, when I was attending different meetings, they were talking about places that have high property tax rates drive out the working population, and I think that we see this on this island. We do not have a working population to support all of our basic functions and that is why we have this big variation of what one range people are paying in their taxes and what non-residents are paying, so this is powerful, this is important, and it is a little nerve-wrecking, because I do not feel that we have really solved the challenge of keeping people stably housed. We have some bills coming up that I think we need to be very, very careful at what we are looking at, and we need to be really cautious about keeping us informed. For example, I would like to see the Kaua'i Board of Realtors, in case they are listening, to stay involved with the Council to help us know what is happening in the markets, because I know there is already a shift in property values, fortunately, I think, going downward, but it is hard to know. It is very, very dynamic how everything is changing. I am going to be supporting this, but I want to let the public know and the Department of Finance know that these are not easy decisions at all. It is better, but we have got more work to do to keep our people safe and stable.

Council Vice Chair Kualii: Do any other Councilmembers have further discussion? Councilmember Kagawa.

Councilmember Kagawa: Thank you. I just want to thank the Department of Finance and the Real Property Tax Assessment Division for the work that they have done. One of the main things they did was getting rid of the Residential Investor class, which was confusing, and we have now simplified it, which is a "no-brainer," to "Non-Owner-Occupied" and "Owner-Occupied." It is very simple for the public to understand, rather than having "Homestead" and "Residential Investor" being used. I am glad for those clarifications. Now, we have the flexibility to give relief or to tax more based on income levels, but again, we need to be conscious of the North Shore and other areas that are selling at prices much higher than other areas. I think we need to be conscious of that, but now we have the flexibility to try and tax those who we feel are underpaying or to give relief to those who we feel are overpaying. What it gives this Council is the flexibility to look at numbers and to adopt laws based on numbers and facts that we have in front of us. I think it is a great tool. If we did not have it, it would be a lot harder to give relief and you tend to miss your target more than you hit it, so I think we are in a good spot right now. Like you said, Councilmember Cowden, we can have more direct bills to give relief to those that need it, so I am looking forward to that process. Thank you, Vice Chair.

Council Vice Chair Kualii: Councilmember Carvalho.

Councilmember Carvalho: I just want to say *mahalo* to the Department of Finance. This is just the beginning as far as I see everything being laid out and taking it to the next level. We had healthy discussion and a good, in-depth understanding, but I really want to make sure the people understand that they will have a way to follow through and get the information that they need. A lot of times, the information I have been getting is that they are not sure when it stops and when it ends, and how to continue their notice of making the right payments at the right time. That was one way, and the other part, of course, is reaching out and bringing everything back home at the table. I think knowing the whole system, the tiered system, and all of that is fine, and we are done with that, but this will just open more doors for positive efforts moving forward, and that is the message I have been getting. Again, thank you for the Finance team. I know there have been a lot of questions, but the responses have been great for us to better respond back to our constituents and the community at all levels. I think that is the main one. The bottom line is taking care of our people who have lived here all their lives. They are here and that is the bottom line, for me. I just wanted to say that I am totally supportive, and look forward to more healthy discussions, because it is going to happen, and people will start asking more and more and more, but I know we have the information, the team, and the ability to respond back in a very timely manner. Great job. *Aloha*.

Council Vice Chair Kualii'i: Councilmember DeCosta.

Councilmember DeCosta: I just want to say thank you to Director Matsuyama of the Department of Finance and your team, Mike, Steve, and everyone else for working really hard. I know that our community is in good hands. I met with you folks many times. I think moving forward, this is a Bill that needed to take place, because there were some unintended consequences that occurred with the Councilmembers who introduced this before our time, although we did vote on it, but we can fix it now and moving forward, there are a few more things to fix, and I have the utmost confidence in our Department of Finance that we are doing the right things for the right reasons and for our people. Thank you.

Council Vice Chair Kualii'i: As the Presiding Officer and before I make my final remarks and take the vote, I saw that we had a community member and realtor in our community that walked in, and I wanted to check if he perhaps wanted to testify. If anyone else wants to testify, I will give you the same courtesy.

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

MICHAEL CURTIS: If I may, I am Mike Curtis. I support this one hundred percent (100%). It adds clarity to everything, and we can see what is going on. I commend the Real Property Tax Assessment Division of the Department of Finance one hundred percent (100%). Thank you.

Council Vice Chair Kualii'i: Thank you so much, Mike. Is there anyone else wishing to testify?

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

Council Vice Chair Kualii: Unless anyone has anything further, I will make my final remarks and call for the vote. Yes, a big *mahalo nui loa* to the Department of Finance and the Real Property Tax Assessment Division. Both the leaders and everyone that is in the department have done the work on this. This is not only for the work that you have done, but for the future work that you will continue to do, because as Steve Hunt said in our last meeting, "This Bill is neither a tax relief, nor a tax increase Bill. It is merely a tool for you to use each year to do either, both, or neither,"...it is available to us. It will help us in our most important work each year, which is the budget, and I am excited that it gives us the ability to analyze the numbers with different scenarios and that we are able to do the fine tuning with the tiers for each category, if we so choose. Ultimately, it is a tool, it is for us to make policy decisions, and the Real Property Tax Assessment Division and the Department of Finance are helping us make better decisions by understanding the numbers as clearly as we can. With no further discussion, roll call vote to approve.

The motion to approve Bill No. 2900 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 APPROVAL:	Carvalho, Cowden, DeCosta, Kagawa, Kualii	TOTAL – 5,
AGAINST APPROVAL:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Bulosan, Rapozo	TOTAL – 2,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Ms. Fountain-Tanigawa: Five (5) ayes. Motion passes.

Council Vice Chair Kualii: Seeing no further business, this meeting is adjourned.

ADJOURNMENT.

There being no further business, the Council Meeting adjourned at 9:06 a.m.

Respectfully submitted,



JADE K. FOUNTAIN-TANIGAWA  
County Clerk