

Recessed Committee of the Whole Meeting

June 23, 2011
9:05 a.m.

Recessed on June 21, 2011, the Committee of the Whole reconvened on Thursday, June 23, 2011, in the Second Floor, Microbiology Lab Building. Chair Kaneshiro convened the meeting of the Committee of the Whole at 9:24 a.m.

Committee Members Present: Daryl Kaneshiro, Chair, Raymond McCormick, Randall Nishimura, Clyde Nakaya, Larry Dill, Michael Dahilig, Roy Oyama (*arrived at 9:40 a.m.*)

Staff Present: David Craddick, Marites Yano, Joy Buccat, Sandi Nadatani-Mendez, Deputy County Attorney Andrea Suzuki (*arrived at 10:30 a.m.*)

Guests: Jan TenBruggencate, on behalf of The Limtiaco Company

OLD BUSINESS (*continued from June 21, 2011*)

a. **Manager's Report No. 11 – 64** – Proposed Budget 2012

Handouts were passed out to the Board Members reflecting changes in the 2012 Budget.

Mr. Nishimura moved to receive materials for Tabs 2, 3, 4, and 5, seconded by Mr. Dahilig; by a unanimous vote, motion carried.

DISCUSSION

Mrs. Yano advised the board that the handouts that are stapled are to replace the whole tab whereas loose papers are to replace certain pages.

The only fixed items in the Budget 2012 that are dependent on our salaries and wages are on Tab 5 Page 1, Line Items 62, 63, and 64. The rest are based on historical expenditures except for Line 60.

Mr. Nakaya questioned the Office Maintenance of \$161K. With the report as of April 30, 2011, the budget was \$113K, but we only spent \$38K, why is requested amount for \$161K? Mrs. Yano confirmed that in the State of the Budget Report Line 24 and Line 24b comes out to be about \$76K so the remaining \$76K may be spent in the next two months.

Tab 5, Page 5 Line 24 Century is technical support for Great Plains. Mrs. Nadatani-Mendez explained that this line item needs to remain in the budget and is used when support is needed. The payment is paid upfront and they subtract the hours of what we have paid for. Manager Craddick questioned if all payments for these items have been paid for? If so do we need this much for the next fiscal year? Mrs. Nadatani-Mendez requested to remove Stellant and DCSI off the budgeted amount because they are not offering any maintenance anymore, and is not needed.

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In Tab 2 Page 1, the proposed budget is \$24.9M, and the Expenditures/Reserve shows \$28.4M. Mr. Nakaya expressed concern on why we are looking at a budget that will cause a deficit? Mr. Nishimura's concern is the 2007 and 2008 Operating Budget shows that the proposed budget still kept us in the black. Now the proposed budget is showing the department going into the red at about \$3.8M. Even though we have \$1M additional salary, but it is jumping over 10% and raises a concern. With our Emergency Reserve Fund of \$1.2M, in two years our debt service will go up to \$4M.

Mrs. Yano brought it to the Board Members attention that the grant received for \$126K was treated as a part of our revenues and treated it as a normal part of our Operational Expenditures.

Mr. Nishimura and Mr. Oyama suggested reducing the Operating Budget by \$2M, not relying on SRF in the coming years.

Tab 4, Page 10 Line Item 106, the equipment word "Hydraulic Bank Saw" should be "Hydraulic Band Saw."

Manager Craddick explained the carry over savings is higher as a result due to not showing the expenditures in 2011.

Mr. Dill's concern was that in 2009 we had a carryover of \$9M, in 2010 we had a carryover of \$14M, and in 2012 we are going to have a zero carryover except a \$1M reserve.

Manager Craddick stated that we are only paying the interest portion of the BAB Bonds so there is going to be a transition period until we get the rates high enough to cover this.

Chair Kaneshiro requested for the Administration and Staff to come up with suggestions to reduce the Proposed 2012 Budget down \$2M. With the \$4M discrepancy, the Board is looking for only \$2M.

Chair Kaneshiro called the Committee of the Whole meeting to recess at 10:15 a.m. to contact and consult with Deputy County Attorney Andrea Suzuki in recessing the Committee of the Whole Meeting in adhering with the Sunshine Law.

Chair Kaneshiro called the Committee of the Whole meeting back to order at 10:33 a.m.

As suggested, Mr. Dahilig requested to have an agenda addressing to Reauthorize FY11 Operational and Maintenance Budget if the Proposed Budget 2012 is not approved by the end of the month.

Mr. Nishimura requested the Board Members to attend a Special Meeting on Thursday, June 30, 2011 if a decision can be made on the Proposed Budget 2012.

At 10:40 am, Mr. Nishimura moved to recess the Committee of the Whole meeting to a Monday, June 27, 2010 at 9:00 am at the Department of Water Board Conference Room, seconded by Mr. Oyama, by unanimous vote, motion was carried.

mjg