

Testimony of the  
**County of Kaua'i**  
Bernard P. Carvalho, Jr., Mayor  
4444 Rice Street, Suite 235  
Līhu'e, Hawai'i 96766  
Tel: (808) 241-4900; Fax (808) 241-6877

Before a Joint Hearing of the  
**House Finance Committee and Senate Ways and Means Committee**  
January 5, 2010

Aloha from the Garden Island!

As always, we appreciate this opportunity to connect with all of you and to share an open dialogue on the events of recent months and a look forward to the year ahead.

We all know what a difficult year this has been, and I think we are equally aware that even more difficult challenges lie ahead. The Counties have not been immune to these challenges and we have done our best to continue to provide quality services while cutting back significantly on cost.

Today, I wish to touch upon some areas that I hope you will find informative and useful as we move forward together with the difficult decision-making that lies ahead.

#### **LEGISLATIVE UPDATE – 2009**

First and foremost, I would like to begin by saying “Mahalo” for working so closely with us last session on issues of mutual concern. The preservation of the Counties’ portion of the Transient Accommodations Tax (TAT) was instrumental in our ability to continue to provide adequate services on a budget that incorporated a decrease of nearly \$4 million over the previous year.

Also, your willingness to provide a fifty percent match for safety improvements to the Kūhiō Highway emergency bypass route was and is very much appreciated. This \$950,000 appropriation will assist us in making the necessary upgrades to this route so that it can be used safely at night and in other circumstances for which it is presently not adequate. We used this bypass on several occasions this year when serious traffic accidents necessitated the closure of Kūhiō Highway for extended periods. Not knowing when and under what conditions it will be needed, these improvements are critical so we can maximize its use.

Unfortunately, in November we were informed by Governor Lingle that the funds which were appropriated will not be released at this time. Since then, we have been in contact with the Department of Transportation and remain hopeful that the money will be released in due time.

## **HCOM**

The Hawai'i Conference of Mayors will again present a package of bills that represents our collective request on legislative matters for the Counties from the administrative point of view.

My colleagues and I sincerely appreciate the opportunity to address you as a group each year. Not only is it efficient to package our shared concerns in this way, but the exercise also provides us an opportunity to identify important issues that we face in our individual counties, and to pinpoint those that cut across the oceans which separate us.

These proposals will be forwarded to you under separate cover, and I look forward to working with HCOM to provide you any information necessary for them to be fully considered.

## **BUDGET STATUS**

As I mentioned previously, we are operating on a reduced budget this year and have had to manage expenses closely to avoid reducing services and/or furloughing employees. This has not been an easy task, however our departments are to be commended for doing their part in preparing for the next two years – which are expected to be far more difficult.

Measures such as: dollar-funding vacant positions, “short-funding” positions, reducing travel budgets by 50%, consolidating cell phone plans, reducing our take-home vehicle fleet by 64%, severely limiting equipment purchases, freezing the salaries of the Mayor and appointed department heads, and a host of other initiatives have been employed this year to deal with the shortfall in revenues.

Our departments are currently in the process of developing their budget proposals for fiscal year 2011, which will be submitted to the Kaua'i County Council on March 15, 2010. This exercise will be even more difficult than it was last year, due to the fact that we are anticipating as much as a \$29 million gap in revenues, and some departments have already reduced their budgets by 10% or more.

How significant the revenue shortfall will be is not yet known, but we do know the following:

- Real property valuations are expected to drop roughly 15% versus last year
- Previously negotiated raises for the police and fire unions will add approximately \$1.2 million in expenses
- A bond float that we will be making in early 2010 will add approximately \$2 million in debt service
- The amount of transient accommodations tax we will receive – if any – is not yet known, but is anticipated to be reduced significantly from current levels

We are proactively planning for the shortfall by:

- Developing plans for a two day per month furlough
- Restructuring our debt to facilitate a significant one-year savings
- Examining each and every program for potential savings
- Proposing the adjustment of fees upward (e.g. wastewater and vehicle registration) and implementing new user fees such as a residential solid waste collection fee
- Adjusting real property tax rates to potentially buffer the impact of reduced valuation

Needless to say, the future of the TAT is a huge concern for us, and we realize that maintaining the present distribution formula is likely not an option. However, losing all of the TAT, combined with the other known revenue shortfalls and fixed-cost increases we face, could result in a 19% reduction of our budget and seriously challenge us to provide the basic health and safety services for which we are responsible.

We look forward to having a productive dialogue on these and other fiscal issues throughout the session, and looking toward solutions that will benefit our shared constituencies.

### **LEGISLATIVE REQUESTS 2010**

While we all acknowledge that there are fiscal challenges, we feel it is important to continue to pursue worthy projects to the best of our ability.

There are four projects in an attached bill that we present this year for your consideration for funding. In proposing each project, we have taken care to identify a solid State-County nexus: benefiting us both and the constituencies we serve. Those four projects and their related funding requests are:

- A. 'Aliomanu Road Reconstruction and Protection - \$1,500,000
- B. Kapa'a New Park (Stadium) Improvements - \$500,000
- C. Open Space / Park Land Acquisition - \$4,000,000
- D. Kīlauea Agricultural Park Development - \$1,300,000

Each of these dollar amounts represents one-half of the total funding required, with the other half to be borne by the County.

## Project Descriptions:

### A. 'Aliomanu Road Reconstruction and Protection

Purpose: The earthen makai edge of 'Aliomanu Road has experienced significant erosion over the years due to ocean wave action. The erosion has reached a critical distance from the edge of pavement and warrants urgent corrective measures to insure that this important County asset is not jeopardized. As you know, shoreline erosion and its related issues is one of the most difficult and costly infrastructure challenges we face. This project will provide for the construction of a 500 foot revetment to protect a portion of 'Aliomanu Road. The roadway will also be reconstructed to its originally installed condition.

Cost: The total estimated cost of the project is \$3,000,000. ***The County is requesting a State investment of \$1,500,000.***

### B. Kapa'a New Park (Stadium) Improvements

Purpose: The Kawaihau District of Kaua'i is the most populous area of the island, yet it has never had a sports facility with the full complement of infrastructure to support large scale recreational activities. The County of Kaua'i, in collaboration with the community and the Department of Education's Kapa'a High School, have implemented a systematic development plan for the Kapa'a New Park facility. The construction of locker room facilities is the final component of this collaborative plan to bring major sports activities to this complex which services communities from Wailua to Hanalei. This complex current serves as the "home field" for Kapa'a High School, and we seek to set these students on an even keel with their Kaua'i Interscholastic Federation (KIF) competitors by completing the facility as quickly as possible.

Cost: The estimated construction costs are \$1,000,000. ***The County is requesting a State investment of \$500,000.***

### C. Open Space/Park Land Acquisition

Purpose: The preservation of open space, access to inland and coastal areas and the expansion of park areas are of great importance to the Kaua'i community. The county of Kaua'i is seeking to collaborate with the federal government, the State of Hawai'i, the Kaua'i Public Land Trust and others in acquiring lands to support greater public access and areas for increased recreational use. As the public's interest in outdoor activities increases so does the demand on existing park lands. The expansion of areas including the Black Pot Beach Park, in Hanalei, and the Salt Pond Beach Park, in Hanapēpē are of great interest to our island community.

In addition, the County of Kaua'i is seeking to acquire and improve access to public areas such as Kauapea Beach, in Kīlauea, and Pāpa'a Bay, situated between 'Aliomanu and Moloa'a on our island's Northeastern shore. The county is proposing to make a significant investment to move this public land acquisition initiative forward.

Cost: Initial funding is estimated to be approximately \$8,000,000. ***The County is requesting a State investment of \$4,000,000.***

#### D. Kīlauea Agricultural Park Development

Purpose: The proposed Kīlauea Agricultural Park is situated on a 75 acre parcel that was transferred to the County of Kaua'i in 2006. The park will provide nine farm lots, approximately five acres each, an orchard, an energy farm, a community garden, a farmer's market and four incubator farm lots. It is estimated that this Park could create up to 100 new jobs in the agricultural sector, which is sorely needed on Kaua'i due to the recent closure of Gay & Robinson's sugar plantation. The incubator lots create a unique opportunity for the County to partner with the University of Hawai'i College of Tropical Agriculture and Human Resources (CTAHR), to assist new farmers in the development of skills and experience. The County's desire is to design and develop a project that will provide for the grading/graveling of roads; construction of a well; installation of waterlines; construction of a reservoir; grading for the energy farm, composting area, and farmer's market; installation of an exterior windbreak; and the installation of necessary internal fencing.

Cost: The estimated development cost for this project is \$2,600,000. ***The County is requesting a State investment of \$1,300,000.***

In addition to these four projects, we intend to present one additional partnership opportunity as an amendment to the attached bill:

1. Lydgate Pond Repairs: Lydgate Beach Park, located in Wailua, is one of the County's most heavily used and popular recreation areas. Home to Kamalani Playgrounds I and II, a new sporting field complex, two pavilions and one of Kaua'i's safest swimming areas, Lydgate is a resource of which we can all be proud. Unfortunately, the two enclosed ponds at Lydgate experience heavy damage during severe weather events and work is needed to repair them so they can again be used to full capacity. Required work includes dredging, dune restoration and revegetation, and installation of silt curtains for pollution control.  
***Total estimated request from State: \$250,000***

## CONCLUSION

In closing, I wish to commend you for the forthright decision-making you exhibited last year, and the candid way in which you have approached the fiscal issues for which there are no easy answers.

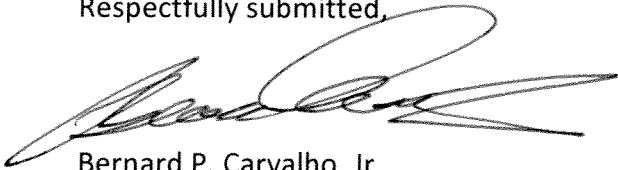
The Counties view themselves as partners with the State in this effort to weather the economic storm and mitigate the impacts on our residents and visitors. We have focused on sound and conservative financial management and will continue to do so until this storm passes and we are on relatively firm footing once again.

We all serve a common constituency -- residents of Kaua'i are also residents of the State of Hawai'i. Reducing funding and/or transferring services do not solve the problem. It merely shifts the burden of responsibility from one governmental entity to another, while the impacts and negative consequences on our visitors and residents ultimately remain unresolved.

For this reason, it is critical for us to work closely together and to keep the lines of communication open and productive.

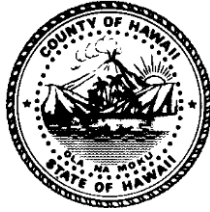
We look forward to the next four months working closely with you in the spirit of *lokahi* and *aloha*.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Bernard P. Carvalho, Jr.', with a large, stylized flourish extending to the right.

Bernard P. Carvalho, Jr.  
Mayor, County of Kaua'i

**William P. Kenoi**  
*Mayor*



**William T. Takaba**  
*Managing Director*

**Walter K.M. Lau**  
*Deputy Managing Director*

## County of Hawai'i Office of the Mayor

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KONA: 75-5722 Hanama Place, Suite 102 • Kailua-Kona, Hawai'i 96740  
(808) 327-3602 • Fax (808) 326-5663

January 6, 2010

The Honorable Donna Mercado Kim, Chair  
and Members of the Senate  
Committee on Ways and Means  
415 South Beretania Street  
Hawai'i State Capitol  
Honolulu, Hawai'i 96813

The Honorable Marcus R. Oshiro, Chair  
and Members of the House  
Committee on Finance  
415 South Beretania Street  
Hawai'i State Capitol  
Honolulu, Hawai'i 96813

Aloha, Senator Kim, Representative Oshiro and distinguished members of the House Finance Committee and the Senate Ways and Means Committee. Thank you for this opportunity to appear before you to outline our priorities on issues important to the County of Hawai'i in 2010.

Despite the difficult fiscal situation in which we all find ourselves this year, we can accomplish much if we continue to pursue our objectives in a spirit of partnership and unity. Our constituents expect us to make a careful, thoughtful assessment of our situation, and to move forward together to make the difficult choices that these challenging times require. I look forward to working closely and collaboratively with all members of the House and Senate to achieve our goals.

All of the counties are coping with continuing reductions in property tax collections, the steep decline in the transient accommodations tax, and increases in fixed costs such as debt service and employee health insurance premiums. In the County of Hawai'i, we have worked to carefully reduce government spending through cuts in discretionary spending in all departments and a reduction in County employment through attrition. We have undertaken a program of limited furloughs, and announced our plans for more widespread furloughs of public workers in the year ahead. We have had to make difficult decisions to balance our budget while doing all we can to shield those services that benefit the most disadvantaged among us, such as our free, island-wide bus service.

We also worked closely with U.S. Sen. Daniel K. Inouye and our Congressional delegation to aggressively pursue funding under the American Recovery and Reinvestment Act of 2009. We expect the federal stimulus will inject more than \$100 million into the County of Hawai'i economy for badly needed infrastructure and social service projects, and will be of great benefit to our struggling construction industry.

My administration is also doing its part to "prime the pump" with accelerated County construction spending, and we hope the State will continue to support our efforts in this regard. The County at this moment has contracted for \$106.2 million for new or ongoing construction, money that is in the works but has not yet been spent, and we will push county construction projects out as rapidly as possible. Some of the County projects that are planned or ongoing include the West Hawai'i Civic Center for \$56 million; the Makalei Fire Station in North Kona for \$9 million; and the ongoing \$28 million contract for workforce housing in Waikoloa.

We see some encouraging economic signs that demonstrate the brighter future ahead, and we have pursued initiatives to assist our main economic engine, which is the visitor industry. In particular we have worked to boost direct-flight airlift to the County of Hawai'i, and Alaska Airlines has added or is planning new routes from Oakland and San Jose to Kona that will add 56,000 additional seats per year to the capacity serving our County.

To help us navigate this difficult economic environment, we are once again asking for the Legislature's assistance with programs to support our youth, and to launch some projects that can be quickly implemented to create jobs and help our local economy.

## **PRIORITY PROJECTS**

### **Safe Haven After School Program, \$600,000**

Our island lacks positive educational and recreational activities for our youth in the after school and evening hours, and our families and youth are under increasing stress during this challenging economic period. Our schools can be a positive place for our kids beyond the traditional school day, and the state Department of Education has expressed willingness to partner with the County to establish safe, structured and supervised after-school learning environments for our youth as a pilot program. We ask for your support for the Safe Haven After School Program because it would offer our youth alternatives to gangs and drugs, and would improve our communities' health and safety.

### **Big Island Juvenile Intake and Assessment Center, \$1.6 million**

This initiative by the Hawai'i County Prosecutor proposes to provide a single point of entry for intake, assessment and case management of delinquent and at-risk youth. Start-up funding is requested for a pilot site in Pahoa to serve about 40 youth per month



over the next two years. Today our police officers often have no good options when dealing with arrested juveniles who need supervision, but cannot go home, and who do not need secure custody. Existing programs may not accept youth who are disruptive or are under the influence of alcohol or drugs, but effectively intervening and providing services to these at-risk youth can keep them from graduating into the adult correctional system. This program will save the State money in the long run.

### **Empowering County Ethics Enforcement**

We also ask for the Legislature's assistance in amending certain sections of State law that have made it difficult or impossible for Board of Ethics at the City and County levels to impose administrative fines. Empowering these boards to impose fines for ethical violations will boost public confidence in City and County government, and is a common-sense initiative that has been endorsed by the Hawai'i County Council, the Hawai'i County Board of Ethics and other public and private organizations across our state.

## **HEALTH CARE**

### **Kona Community Hospital Emergency Room, \$10 million (Hawaii Health Systems Corporation)**

The Kona Community Hospital Emergency Room was built to accommodate 10,000 patient visits per year, and is now seeing more than 18,000 visits per year. The emergency department needs to be expanded and modernized to improve patient access, flow and privacy to provide for a better working environment for staff, and the County supports HHSC's efforts to make this essential improvement.

## **HIGHER EDUCATION**

We continue to seek your support for the efforts of the University of Hawai'i at Hilo and our community college system to grow as part of a larger strategy to use higher education as an economic engine. In 2008, UH Hilo alone accounted for \$150.3 million in direct expenditures, and the university is now the second largest employer in East Hawai'i. We ask for your support as we seek to position UHH for continued growth, and once again urge the Legislature to champion State plans for the long-awaited permanent community college site in West Hawai'i.

### **Kapiolani Street Extension, \$6.8 million**

This project will lay the groundwork for a new era of growth with UH Hilo by providing a connector road that will open up nearly 55 acres on land in urban Hilo for development of badly needed student housing. The single largest impediment to growth for UH Hilo is a lack of housing for out-of-state and local students, and yet the university owns land next to campus where this housing can be built. The Kapiolani Street extension will provide access to these lands while also providing a new two-lane transportation corridor that will ease traffic congestion.

The Honorable Donna Mercado Kim, Chair

The Honorable Marcus R. Oshiro, Chair

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### **University-Area Water Infrastructure Improvements, \$4 million**

The long-term growth of UH Hilo also depends on access to adequate water supply for facilities and for fire protection needs. The Department of Water Supply warns the University that future development of facilities such as student housing, astronomy projects in the University Research Park and the Hawaiian Language College cannot proceed until the water infrastructure is upgraded. This project will provide a well, pump and transmission lines mauka of the University to serve both the campus and new development in the surrounding community.

### **DRINKING WATER**

#### **North Kona Well, \$1.3 million**

The County also supports efforts by the Department of Water Supply to improve the quality and reliability of the North Kona water system by constructing a new well. This is part of a much larger effort to shift from low-level water sources to higher elevation sources, and to this end the Department of Water Supply has already allocated nearly \$30 million for water system improvements in the region. There is additional urgency today because affordable housing developments -- one of the greatest needs of the State and Kona -- are planned within the immediate region of this project. The existing water system is barely able to meet the current water demand.

#### **Ahualoa-Honoka'a Transmission Line, \$5 million**

The County supports the Department of Water Supply's efforts to improve the Hāmākua water system, including the 'Ahualoa production well and one million gallon reservoir now under construction with funds from the American Recovery and Reinvestment Act of 2009. This additional \$5 million request would fund a 19,000-foot transmission waterline to supply drinking water from this new well to the Honoka'a area. This project is central to improving the reliability of the existing water system that services the 'Ahualoa, Honoka'a, Haina, Pa'auhau and Pōhākea areas of Hāmākua. The existing systems serving the area are at or near their production capacities.

### **PUBLIC SAFETY**

#### **700MHz Public Safety Radio System Conversion**

The County of Hawai'i continues to search for the resources to comply with the unfunded Federal Communications Commission mandate to convert our countywide radio system to the 700 MHz range. We are working with private partners to try to secure ARRA funding for the broadband component of the new system, have completed preliminary design work for the voice system and have identified county funds to advance the project to final design. However, funding construction for conversion of an island-wide public safety system within the 4,028-square-mile County of Hawai'i is a challenge, and the problem is becoming urgent. The FCC has mandated that the manufacture of parts for the existing radio system be discontinued after 2011, meaning the existing radio system will become obsolete.

Honorable Donna Mercado Kim, Chair

The Honorable Marcus R. Oshiro, Chair

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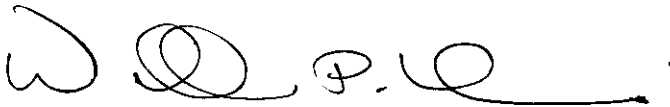
## **TRANSPORTATION**

### **Mid-Level Road (Ane Keohokalole Highway), Kona, Phase III Design, \$2 million**

The county is seeking funds to initiate planning for the third phase of the Ane Keohokalole Highway, the final three-mile stretch of a planned six-mile arterial from Palani Road in Kailua-Kona to Kalaoa, mauka of Kona International Airport. Hawai'i County plans to break ground in late March on the first phase of the highway, a two-mile \$30 million project funded by the American Recovery and Reinvestment Act that will connect Palani Road with Kealakehe Parkway. This work will also include rough grading along Phase Two of the highway, a one-mile portion from Kealakehe Parkway to Hinalani Street in Kalaoa. The new arterial will stimulate the construction of thousands of homes (Department of Hawaiian Home Lands, affordable and market), commercial development, healthcare and recreational facilities. Also known as the Mid-Level Road, this project will relieve congestion on the crowded Queen Ka'ahumanu Highway.

Thank you for your consideration, and we look forward to working with all of our distinguished state legislators as we navigate the challenging and uncertain economic environment that lies ahead. Mahalo for your support and your commitment to our community.

Aloha,

A handwritten signature in black ink, appearing to read 'William P. Kenoi', with a long horizontal line extending to the right.

William P. Kenoi  
MAYOR

# HAWAII COUNCIL OF MAYORS

Testimony of the

## Hawaii Council of Mayors

Bernard P. Carvalho, Jr., Mayor of Kauai County  
Mufi Hannemann, Mayor of City and County of Honolulu  
Billy Kenoi, Mayor of Hawaii County  
Charmaine Tavares, Mayor of Maui County

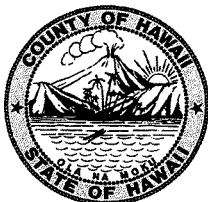
Before a Joint Hearing of the  
**House Finance Committee**  
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January 6, 2010

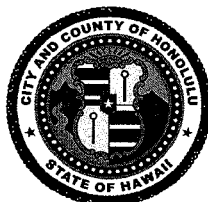
Mahalo for inviting us to testify before this joint hearing of the House Finance Committee and Senate Ways and Means Committee.

The Hawaii Council of Mayors has been actively engaged in identifying common public policy goals, exchanging ideas, and collaborating on solutions to the challenges facing our counties. Over the course of the past year, we have worked on county-specific initiatives and spoken as a united voice on matters of concern. In this regard, we have been grateful for the past support of the members of the Legislature and look forward to working with you to contribute to the greater good of all the people of Hawaii.

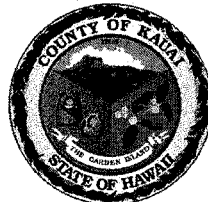
This year, the mayors have designated several priorities for our collective endorsement and the Legislature's consideration. The first three are carryover proposals from 2009 and they are:



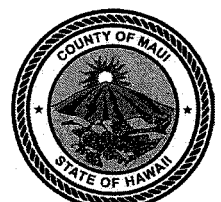
**Mayor Billy Kenoi**  
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25 Aupuni Street  
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City and County of Honolulu  
530 South King Street  
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**Mayor Bernard Carvalho, Jr.**  
County of Kauai  
4444 Rice Street, Suite 235  
Lihue, Hawaii 96766



**Mayor Charmaine Tavares**  
County of Maui  
200 South High Street, 9th Floor  
Wailuku, Hawaii 96793

- county representation on the Employer-Union Health Benefits Trust Fund Board of Trustees;
- county representation on the Employees' Retirement System Board of Trustees; and
- exclusion of teachers from the counties' contributions to the Employees' Retirement System.

### **Employee Benefits**

County employees comprise a significant portion of the membership of the Employer-Union Health Benefits Trust Fund and the Employees' Retirement System, and the county governments make sizable annual contributions to both funds. However, we are not represented on either board and are seeking to have a role in the decision-making process inasmuch as the decisions of both agencies have far-reaching, long-term fiscal implications.

Furthermore, state statutes require the county governments to underwrite the retirement contributions for their police officers and fire fighters, in recognition that the counties are their primary employers. The counties contribute to costs of all other public employees, including teachers, despite the fact that none of the counties employs teachers. There is actuarial evidence that teachers have higher retirement costs than other employees. The Hawaii Council of Mayors is calling for the state to bear the pension contributions for teachers, public education being the state's exclusive domain, just as the counties are required to do for the police and fire employees.

### **County Administrators**

This year, we are seeking your support for three new proposals that are essentially home-rule measures. State law dictates how certain county cabinet-level administrators must be hired. The counties are asking that we be allowed to utilize voter-approved charter authority to determine the process for hiring three classes of employees:

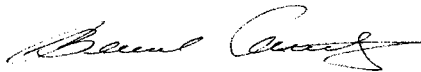
- Police chiefs would be appointed and removed as prescribed by each county's charter.
- The human resources directors of Kauai, Maui, and Hawaii counties would be appointed and removed either by each county's merit appeals board or mayor, as prescribed by each county's charter.
- Liquor administrators of the four counties would be appointed and removed either by each county's liquor commission or as prescribed by each county's charter.

## Transient Accommodations Tax

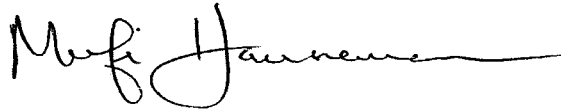
We recognize the state's fiscal challenges, and we face many of our own at the county level. In this regard, the state administration and certain legislators have proposed taking away the counties' share of the transient accommodations tax revenue. The mayors are united in our opposition to this proposal. The county governments maintain the public safety services, water and sewer infrastructure, roads, transportation, parks, and public facilities that support and benefit the visitor industry. Reductions in funding would have a direct impact on the very industry that generates the hotel room tax revenues. We might also note that those revenues partially fund our police departments, whose officers issue the traffic citations that generate millions of dollars in revenue for the state's coffers.

We also will be seeking your support for legislation specific to our respective jurisdictions. However, these proposals form the legislative package of the Hawaii Council of Mayors. We look forward to collaborating with you on solutions to the challenges that we all face as public officials.

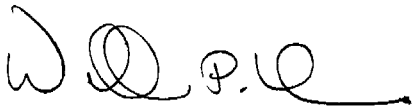
Mahalo.




Bernard P. Carvalho, Jr.  
Mayor of Kauai



Mufi Hannemann  
Mayor of Honolulu



William P. Kenoi  
Mayor of Hawaii

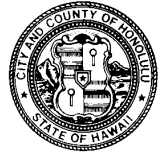


Charmaine Tavares  
Mayor of Maui



# Hawai'i State Association of Counties

Counties of Kaua'i, Maui, Hawai'i, and City & County of Honolulu



The Twenty-Fifth Legislature  
Interim 2009/ Regular Session of 2010  
Senate Committee on Ways & Means and House Committee on Finance  
Wednesday, January 6, 2010  
Informational Briefing  
State Capitol Auditorium (9:00 a.m.)

The Honorable Donna Mercado Kim, Chair, Senate Committee on Ways & Means  
& Committee Members  
The Honorable Marcus R. Oshiro, Chair, House Committee on Finance  
& Committee Members

Aloha Committee Chair Kim, Committee Chair Oshiro, and Honorable Members  
of the Senate Ways and Means and House Finance Committees.

My name is Councilmember Derek Kawakami from Kaua'i County, and I stand  
before you today representing the Hawai'i State Association of Counties (HSAC), along  
with members of the HSAC Executive Committee: Council Member Dennis "Fresh"  
Onishi from Hawai'i County, Council Member Joseph Pontanilla from Maui County, and  
Councilmember Nestor R. Garcia from the City & County of Honolulu.

Thank you for giving us an opportunity to address you today on HSAC's  
proposed legislation and direction for the upcoming 2010 Legislative Session.

The bill we are proposing adds a representative of the counties to sit on the  
Board of Trustees of the Hawai'i Employer-Union Benefits Trust Fund (EUTF). We  
believe that as a major contributor to the EUTF, it is fitting that the counties be allowed  
representation.

As far as HSAC's direction, we are going back to our grassroots by being an  
effective liaison between State and County governments. The decisions you make  
during this 2010 Legislative Session will have a resounding impact on the future of all  
Counties, and we would like to serve as a resource for information that will aid in your  
decision-making.

Thank you very much for this opportunity. Thank you very much for your  
dedication and hard work. We look forward to working with you as we begin crafting  
solutions and creating opportunities for our wonderful State and her people.

Mahalo ā nui loa.

