

May 03, 2013

MEMO TO: KIRC Commissioners

FROM: Michael K. Nāho`opi`i, Executive Director

SUBJECT: Fiscal Year 2014 Budget

RECOMMENDED MOTION:

To approve Fiscal Year 2014 Budget totalling \$2,936,836 effective July 1, 2013 through June 30, 2014.

BUDGET ANALYSIS:

Budget Structure and Definitions:

The budget is categorized into six programs, each with a share of the total budget:

- Commission
- Administration
- Reserve Operations (Operations)
- Ocean Resource Management (Ocean)
- Natural Resources Management (Restoration)
- Cultural Resources Management (Culture)

Within each program there are specific projects. Each project is then broken down into the following four cost areas:

1. Labor – Includes both direct staff labor and indirect labor cost.
2. Transportation – Includes inter-island travel and helicopter services in support of a specific project.
3. Materials and Equipment – Includes consumables whether material or supplies and equipment unique to the project.
4. Other Direct Cost – This cost item is for cost that is not mentioned above and is usually associated with contracted services.

Personnel Costs consist of Labor Cost.

Non-Personnel Costs consist of all other costs.

Overall Comparisons to Previous Years:

The FY14 budget represents a 1.75% increase from the previous year and a 132% reduction since FY08.

MEMORANDUM: KIRC Commissioners

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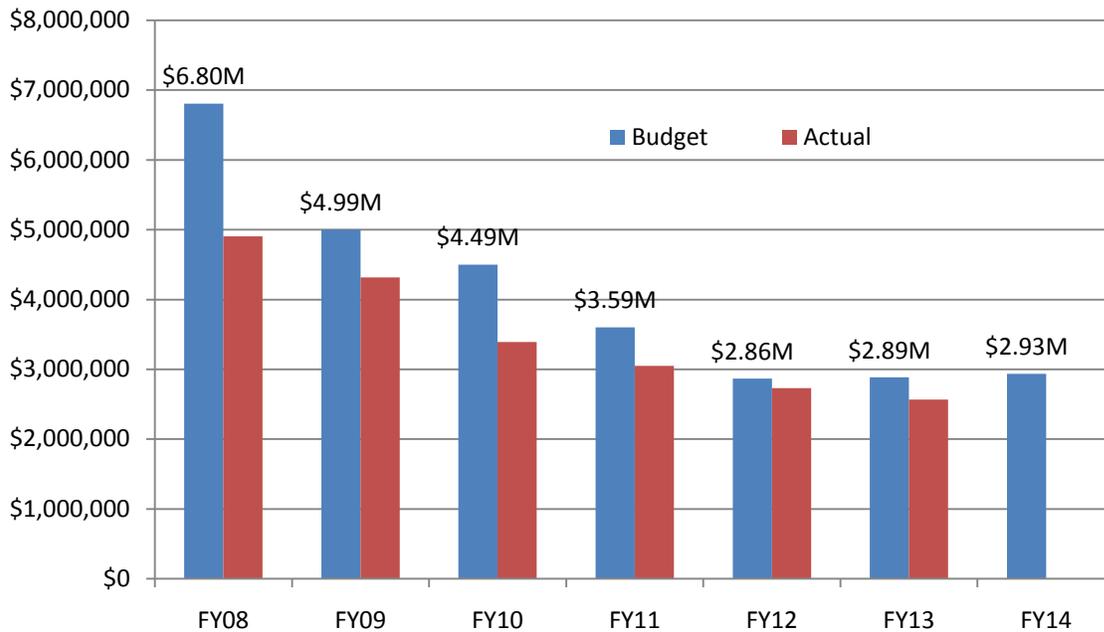


Figure 1: KIRC Budget Reductions for past 5-years

The proposed FY14 budget includes a 5% increase in non-personnel and a 1% reduction in the personnel cost from the previous year. The largest reductions are in Operations and Ocean Programs' Personnel Cost, due to the non-renewal of the Access Specialist and Ocean Resource Specialist II positions; in the Administration and Operation Programs' Non-Personnel cost due to the reduction in Maui office rent, Common Area Maintenance (CAM); maintenance and other miscellaneous administration savings; and reduction in boat operation costs.

Personnel Cost increases in Administration and Restoration are due to the reactivation of the Volunteer Coordinator position under Administration and the culminating effect of the 4% increase in BU-13 contracts. Non-Personnel Cost increases in the Ocean are due to the expectation of another NOAA Marine Debris grant and in Restoration with the concurrent implementation of the HCF/NOAA and DOH grants.

The FY14 budget includes approximately \$106,123 of reimbursable Restoration expenses attributed to the HCF/NOAA's Coastal Restoration and the DOH's Hakiowa Sediment Runoff Reduction grants awarded in FY2013 and are 18 and 24 month long respectively. Additionally, the proposed budget includes approximately \$99,007 of anticipated reimbursable expenses related to the Ocean Program's potential award of a NOAA Marine Debris Cleanup grant and anticipated additional PV system funding from Maui County. If either grant is not awarded this year, those expenses will be eliminated from the budget and personnel costs redistributed.

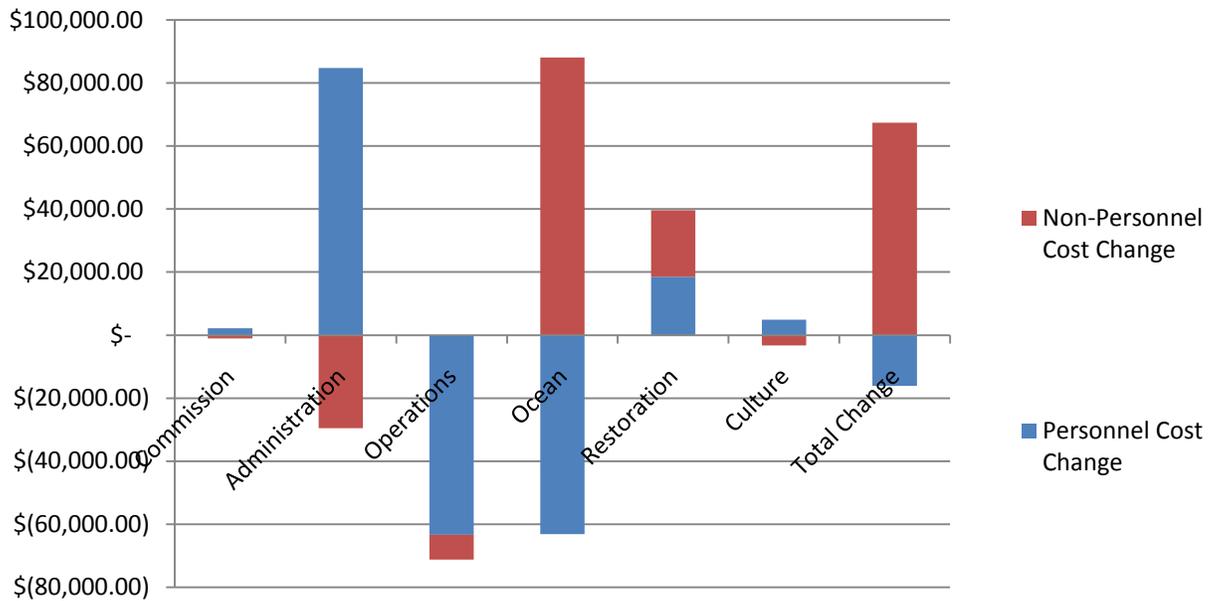


Figure 2: FY14 Budget Reduction/Increases by Program and Cost Type

FY14 Budget Breakdown:

The largest portion of the FY14 budget is allocated to Operations. This program provides support functions that cross multiple program areas, such as transporting staff, volunteers, materials, and equipment to and from the Reserve including UXO/Health and Safety support. Service contracts for base camp management and communications is also in the Operations budget.

The operating budget is nearly evenly split between personnel and non-personnel cost.

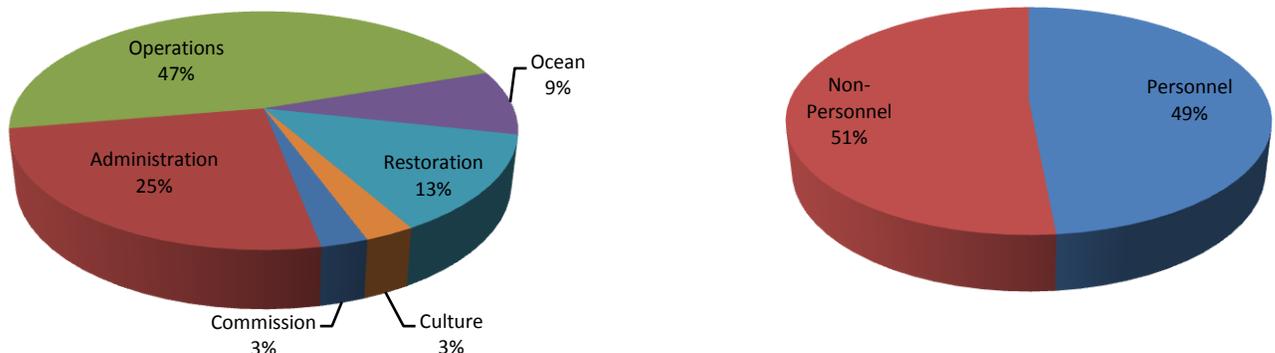


Figure 3: FY14 Budget Proposal by Program and Cost Type

Distribution of Cost Types:

Personnel costs are distributed as shown on the organizational chart for FY14 (see attachment). Operations and Administration has the largest staff therefore the highest personnel cost. Like Operations, Administration provides administrative support to all programs.

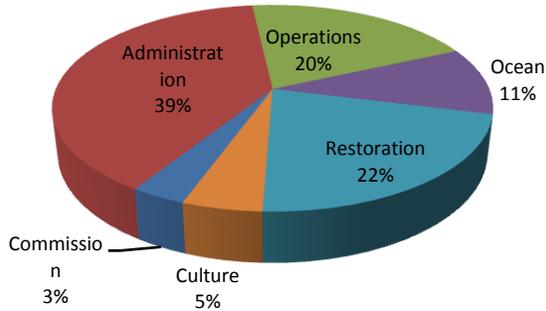


Figure 4: Distribution of Personnel Cost

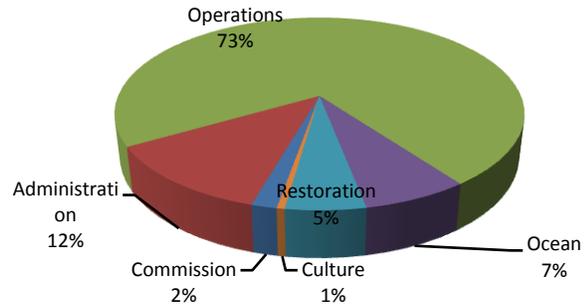


Figure 5: Distribution of Non-Personnel Cost

Commission Budget

The proposed FY14 Commission budget is \$74,304, a 1.5% increase from the previous year. The proposed budget provides for five commission meetings in Honolulu and two commission meetings on Maui in FY14. Currently, the cost between a Maui or Oahu meeting is the same. No out of state travel has been planned.

The Commission’s budget also includes preliminary funds for strategic planning in FY14 that includes travel and expenses for five off-site Strategic Planning meetings a small stipend for a facilitator.

Administration Budget

The proposed FY14 Administration budget is \$743,800, an 8% increase from the previous year. The majority of this increase is the reactivation of the volunteer coordinator position and assigning it to the Administration Program as well as the anticipated 4% salary increases for all Bargaining Unit 03 and 13 contracts.

Some savings were made by streamlining subscription services, reduction in the office lease amount as well as a reduction in office communication requirements.

Reserve Operations/ Access Support Budget

The proposed FY14 Operations budget is \$1,392,788, a 5% decrease from the previous year. The reduction is mostly due to the non-renewal of the Access Specialist position. Some of this savings is being offset by the contract increases for both BU-3 and BU-13.

Non-Personnel cost increases include projected funding of a second PV system from Maui County and is offset by non-personnel cost savings in vessel operations.

A narrative of Reserve Operation’s projects is attached.

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Ocean Resources Management Budget

The proposed FY14 Ocean budget is \$257,972, an 11% increase from the previous year. Ocean program includes funding for two positions in FY14.

The increase in the Ocean Program budget is primarily due to the anticipated award of a second NOAA Marine Debris cleanup grant.

A narrative of Ocean's projects is attached.

Natural Resources Management/Restoration Program

The proposed FY14 Restoration budget is \$389,523, an 11% increase from the previous year. There are no staffing changes proposed for Restoration in FY14.

The 11% increase is to facilitate the work required on both the HCF/NOAA Coastal Restoration and the DOH Hakiowa sediment reduction grants.

A narrative of Restoration's projects is attached.

Cultural Resources Management/Culture & Education Program

The proposed FY14 Culture budget is \$78,449 a 2% increase from the previous year. There are no staffing changes proposed for Culture in FY14. The increase is primarily due to the correction of fringe benefit rate used in FY13's budget and the anticipated BU-13 contract increases. This budget does not include any funding relating to Pōkāneloa stabilization. That cost is dependent upon the Commission's decision. Current stabilization efforts are being implemented with funds from Restoration.

A narrative of Culture's projects is attached.

IMPACT TO TRUST FUND:

Starting Balance FY13(estimate)			\$5,799,942
Revenue:			
Grant income (estimate)	\$200,000		
Trust Fund Interest (estimate)	\$100,000		
Other Revenue (estimate)	\$58,000		
Expenditures:		\$2,936,836	
Net Income:		(2,578,836)	
Ending Balance FY14 (estimate)			<u>\$3,221,106</u>

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LEGAL AUTHORITY:

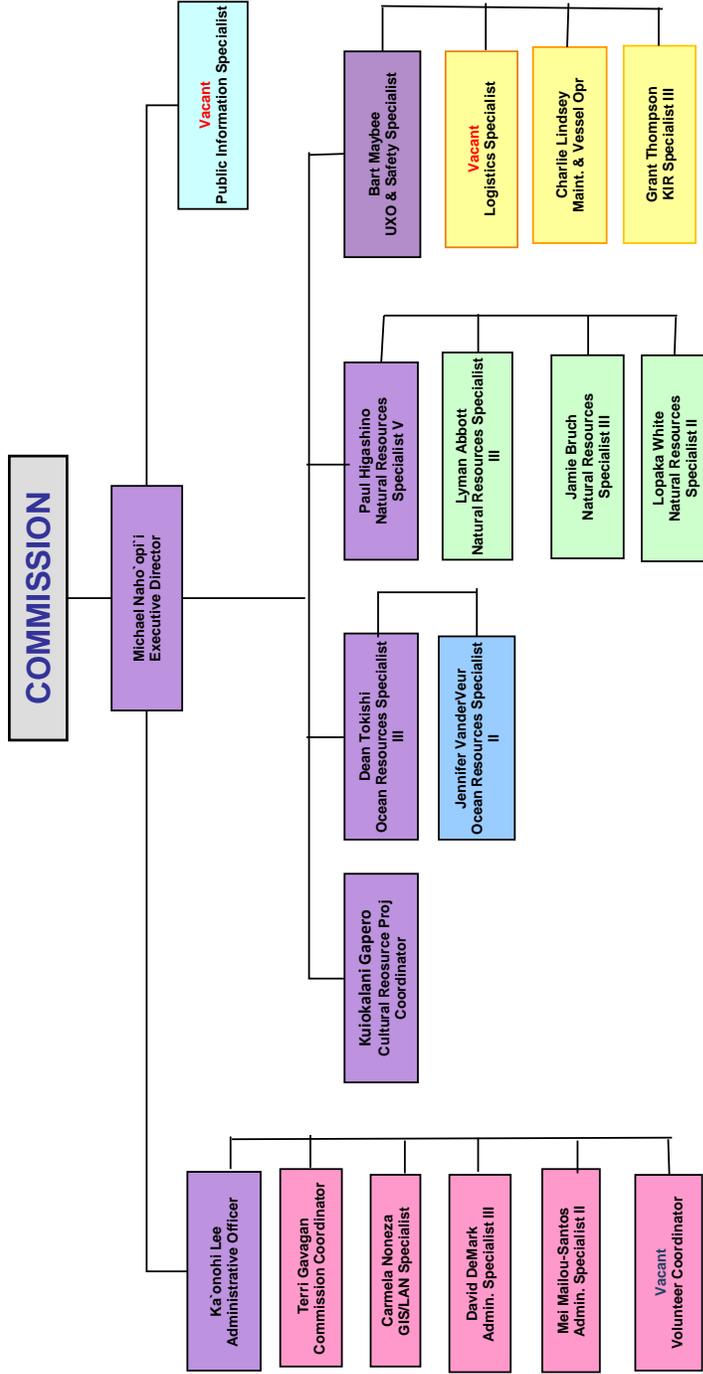
The relevant provisions of Chapter 6K, Hawai`i Revised Statutes, read as follows:

[\$6K-9.5] Kaho`olawe rehabilitation trust fund. (b) The commission may use moneys in the trust fund to carry out the purposes of this chapter, including hiring employees, specialist and consultants necessary to complete projects relating to the purposes of this chapter.

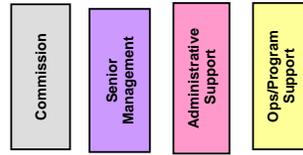
RECOMMENDATION:

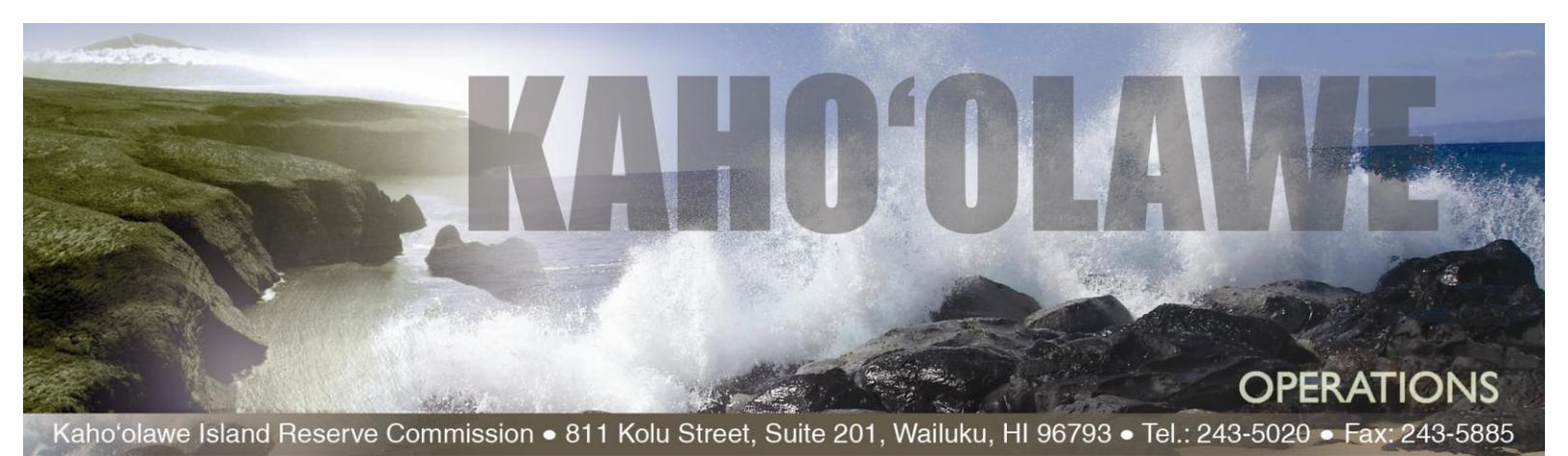
It is the recommendation of KIRC staff that the proposed FY14 budget be approved as presented.

ORGANIZATIONAL CHART
Proposed for 7/1/2013 - 06/30/2014



KEY





KAHO'OLAWE

OPERATIONS

Kaho'olawe Island Reserve Commission • 811 Kolu Street, Suite 201, Wailuku, HI 96793 • Tel.: 243-5020 • Fax: 243-5885

RESERVE OPERATIONS PROGRAM FY2014 BUDGET NARRATIVE

May 3, 2013

STAFF:

Logistics Specialist: Vacant
Vessel Manager: Charlie Lindsey
KIR Specialist III: Grant Thompson
UXO Specialist: Bart Maybee

PROGRAM OVERVIEW

The long-term restoration of Kaho'olawe's natural and cultural resources is supported through environmentally sustainable and culturally appropriate infrastructure and logistics. Our group responsibilities are to:

- Provide safe and reliable transport of material, equipment, and people between Kaho'olawe and Maui to support restoration projects;
- Provide healthy and sound temporary overnight accommodations at our on-island facility for our staff, volunteers and visitors;
- Economically maintain and repair all facilities, equipment, machinery and vehicles used by our field teams, and;
- Provide general support and manpower, where needed, to ensure the timely and safe completion of our projects.

In addition to infrastructure and logistics, we are responsible for overall safety within the Reserve. This includes Unexploded Ordnance (UXO) safety maintained through regular UXO sweeps, providing UXO escorts when required, and developing UXO training and orientation guidelines for everyone who enters the Reserve.

The following projects are anticipated for FY14:

Maui Vehicles: This item includes the cost of repair, maintenance and fuel for the Maui vehicles.

Kihei Site/Vessel Ops: This item includes the labor, materials and fuel to operate both KIRC vessels and the utilities and maintenance of the Kihei Boathouse.

This line item includes 60% of the labor for the Vessel Manager, Logistic Specialist and KIRC III Specialist. The balance of their labor is in Operations Personnel.

Field Equipment: This item includes miscellaneous field equipment for staff, including work boots and uniforms, fire extinguishers and other equipment.

Honokanai`a Supplies: This item includes materials and supplies for base camp operations. This includes fuel, consumables, service maintenance and repair parts for the vehicles and generators. Additionally, this includes meals for volunteers and staff. We have changed our meal cost estimate to the State per diem rate which therefore increased our overall meal estimate by \$5,000 for the FY14.

Reserve Supplies and Improvements: This item includes the repair and maintenance for island infrastructure. This includes the moorings, weather stations, roads and buildings. Included in this item is an anticipated award of \$25,000 from Maui County for a second PV system project.

Training: This item includes training for operations staff. This includes mandatory annual diver training and physicals and spill response training. No out-of-pocket training is planned for FY14. Only in-house training at no additional cost to KIRC is planned.

Contracts: This item includes all contracted services such as helicopter, communications, barge and base camp. We have included provision for one heavy lift helo flight and 2 personnel extractions as a contingency for weather delays for base camp crew change outs and for mobilization of heavy equipment.

UXO/Safety: This item includes the labor for a UXO Specialist and materials and supplies for UXO/Safety equipment and training.

As a contingency, we have allocated two passenger flights for immediate UXO response action, if necessary, and two emergency extraction flights for medical emergencies.

Staff first aid and CPR training is allocated to this project. Safety contracts for an instructor to conduct first response training and refresher training for all field staff at the same time. No renewals are planned for this year.

KAHO‘OLAWE

OCEAN PROGRAM

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OCEAN RESOURCES MANAGEMENT PROGRAM FY2014 BUDGET NARRATIVE

May 3, 2013

STAFF:

Ocean Resources Specialist III: Dean Tokishi

Ocean Resources Specialist II: Jennifer VanderVeur

OCEAN PROGRAM PROJECTS:

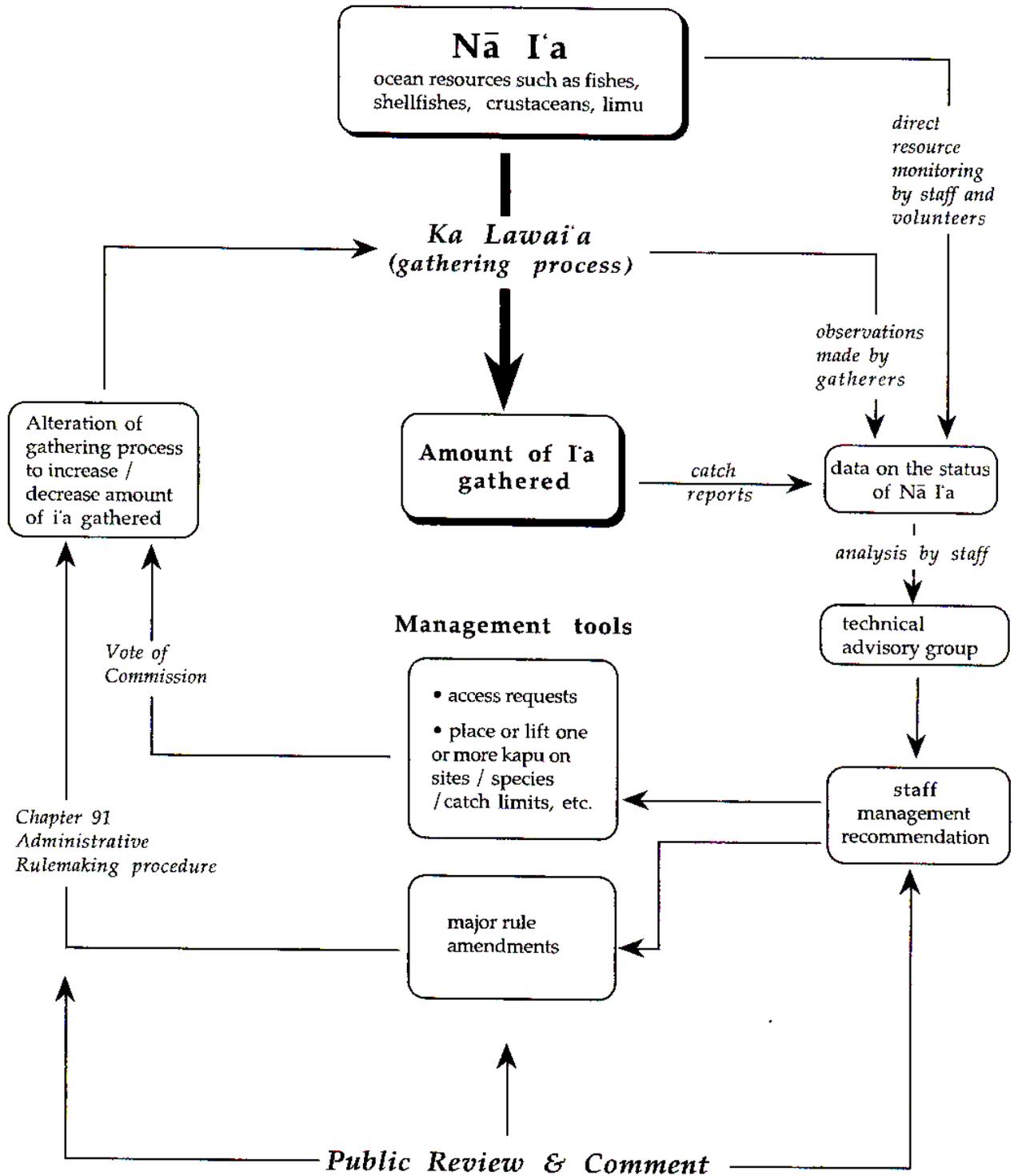
The Ocean Resources Management Program will continue to move toward implementing projects that support the Ola I Ke Kai O Kanaloa – a plan that calls for a healthy Hawaiian marine ecosystem to be effectively managed to allow for sustainable, culturally appropriate extraction and use of marine resources.

“The [Kaho‘olawe Island Reserve] KIR was established for: the preservation and practice of Native Hawaiian rights for cultural, spiritual and subsistence purposes; the preservation of Kaho‘olawe’s archeological, historical, and environmental resources; rehabilitation, revegetation, and habitat restoration; education; and fishing.” **‘Olelo Mua, Ola I Ke Kai O Kanaloa**

Primarily fisheries, both near-shore subsistence fishing and off-shore trolling impacts must continue to be assessed against current and future potential impacts. In order to effectively manage a resource, we must first know what’s currently there and in what amounts.

Continuing to collect data for assessment of the near-shore resources, allowing for evaluation in changes with use over time, monitoring, mapping, and data management are, therefore, the priorities for the KIRC Ocean Program in FY 14. The activities will allow for management recommendations as required by the Ola I Ke Kai O Kanaloa (Figure 12 – Management Decision Making Process p. 4-14 of the KIRC Ocean Management Plan.)

Figure 12
Management Decisionmaking Process



ORMP FY2014 BUDGET NARRATIVE May 3, 2013

The following projects are anticipated for FY14:

FIELD SURVEYS

Brief Summary:

Field surveys will continue to be inclusive of all activities of monitoring and data collecting done while in the KIR either on island or on the water. Examples of such projects will consist of but not exclusive to; 'opihi surveys, 'Ilioholoikauaua bleaching, sea shell and invertebrate i.d./cataloging, coastal monitoring, near shore fish tagging, in water surveys, vessel crewing and on board surveys. The near shore fish tagging project will continue with expansion to include ō'io and awa aua, both considered migratory species. The staff will collaborate with community members and the PKO to determine stock health, grow rates, movements and spawning cycles of the most frequently caught species of fish from shore. The proposal for FY '14 is to have all field time divided into two major categories, data collecting (either on-island or on board) and data analysis (either on-island or on board).

DOH III Grant

Brief Summary:

Ocean Program Staff will be assisting in all of the diving operations related to this 24 month grant. Dives will be related to the deployment and removal of all in water sediment traps in Hakioawa, Hakioawa Iki and Kuikui.

HCF Grant

Brief Summary:

The obligation to the HCF grant will allow/require program staff to continue the monitoring of the coral reef health and water quality in Honokanai'a, in addition staff will be conducting fish surveys focused upon the amount and size of non-native fish (Roi, Ta'ape and Toau). Through this grant staff will train community members on survey techniques as well utilize their skills towards the removal of these fish. Removal of 500 pounds of biomass will be required over the FY '14 period. Along with field time personnel time will also be required to conduct statistical analysis to show what changes have occurred with efforts made on land and in the waters of Honokanai'a.

QUARTERLY AERIAL SURVEYS

Brief Summary:

A one hour circumnavigation is conducted of Kaho'olawe, monitoring and recording all resources and impacts to the Reserve, documenting ranges from major coastal run off to vessel violations to manō aggregation. The Program would like to request that these surveys be conducted quarterly in FY '14.

MARINE DEBRIS CLEAN UP

Brief Summary:

The number of accesses for this project will depend on whether the KIRC receives the 2013 NOAA marine debris grant. For planning purposes staff is anticipating to receive the 18 month grant in July. Debris removal will occur at 3 different sites (Keoneuli, Puhianenu, and 'Oawawahie) with a combination of the debris being flown off as well as boated off of the island. Notice of the award (or denial) should be received by the end of April 2013.

BOATER EDUCATION AND ENFORCEMENT

Brief Summary:

To continue compliance with Hawaii Administrative Rules Title 13 Chapter 261, the KIRC Ocean Program will continue to have vessels first register with the KIRC prior to trolling in the Reserve (Zone B) as well as submit catch reports to the Commission. Program staff will continue to reach out and educate vessel owners and authorized representatives through club meetings and one-on-one discussions. Registration stickers will not be purchased this year. The stickers are purchased by the Ocean Program for two calendar years at a time (2013-2014).

TRAINING

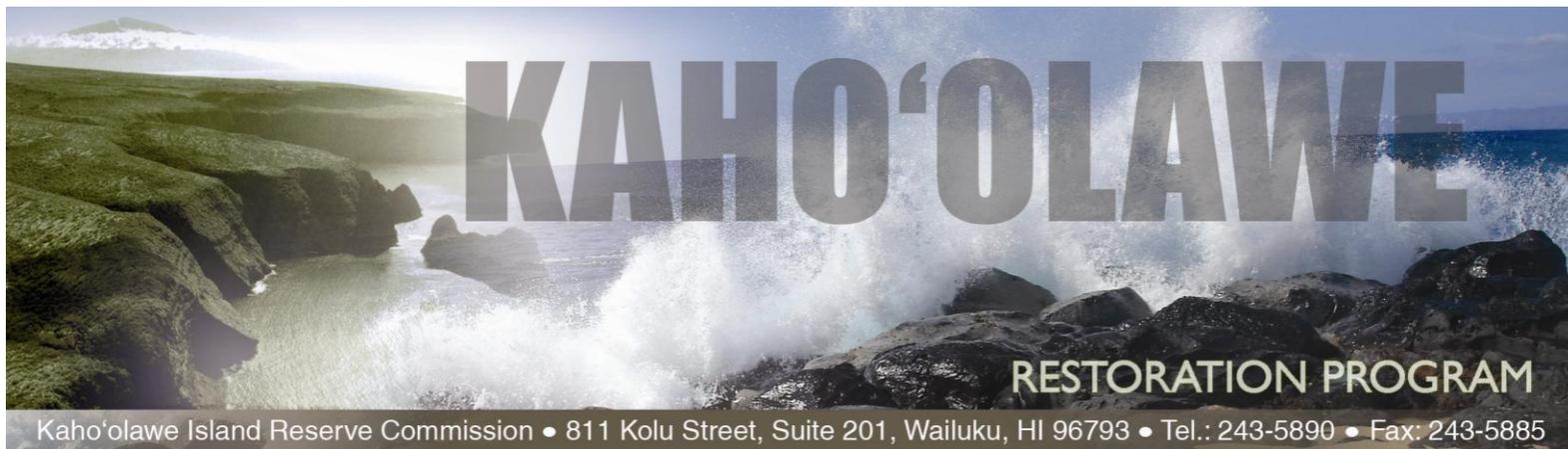
Brief Summary:

Training will consist of personnel time to attend mandatory classes required to operate a jet ski.

CONFERENCES

Brief Summary:

Ocean Program staff plans to attend only one conference this year, the Hawaii Conservation Conference. Learning from others experiences in the field of marine science, networking with people from diverse backgrounds, learning about new and modern management techniques as well as connecting with possible funding opportunities are only some of the benefits of attending this conference. The conference will require registration fees as well as airfare to the island of 'Oahu.



**RESTORATION PROGRAM
FY2014 BUDGET NARRATIVE
May 3, 2013**

STAFF:

Natural Resources Specialist V: Paul Higashino
Natural Resources Specialist III: James Bruch
Natural Resources Specialist III: Lyman Abbott
Natural Resources Specialist II: Lopaka White

RESTORATION PROGRAM PROJECTS:

Restoration Program focus in FY 14 will be on projects that have an outside funding source. These projects are: The HCF/NOAA Honokanai'a Coastal Restoration grant and the State Department of Health Hakioawa Sediment Run-off Prevention grant. Other work on island will be incidental yet still contribute to the healing of Kanaloa. The "Ho'ola Hou I Ke Kino O Kanaloa" (Kaho'olawe Environmental Restoration Plan) states:

"The environment of Kaho'olawe, the kino of Kanaloa, is not static. Rather, Kaho'olawe is a living, dynamic, changing system, more complex than our limited understanding can fully comprehend. Intuitive insight, coupled with a sense of humility and an ability to remain flexible, provide an effective approach to healing the island."

Staff and volunteers will continue to follow-up on past projects focusing on plantings, watering, weeding, erosion control, faunal restoration, cultural plantings, and island operations.

The following projects are anticipated for FY14:

HCF/NOAA COASTAL RESTORATION

A \$103,340 project (\$79,609 reimbursable) funded by NOAA through the Hawaii Community Foundation will restore 6.3 acres of coastal lands at Honokanai'a, including wetlands, native sand dunes and eight significant cultural sites through removal of invasive plant species, installing irrigation systems and native out planting. Additionally the grant will improve 37.5 acres of coral reef through the control of non-native fish predators.

DOH HAKIOAWA SEDIMENT RUN OFF REDUCTION

A \$450,787 project (\$204,187 reimbursable) funded by the EPA through the State Department of Health, Clean Water Branch will reduce sediment loading in the Hakioawa Watershed and reduction of sediment accumulation through native out planting, removal of non-native vegetation and installation of erosion control features. The project area is 108 acres located in the Hakioawa `ili. The boundary of the work area aligns with the North and South trails to Hakioawa beach.

FAUNAL RESTORATION

The purpose of this project is the restoration of native bird population to the main body of Kaho`olawe. This is accomplished by establishing a habitat receptive to native bird species; this includes eradication of alien predator species.

The focus so far has been in the eradication of the alien cat population on-island. Staff has been working with Island Conservation (IC), a nonprofit organization specializing in island-based habitat restoration. IC has completed an operation plan. The next step would be to get commitments for funding and support from additional agencies for field implementation.

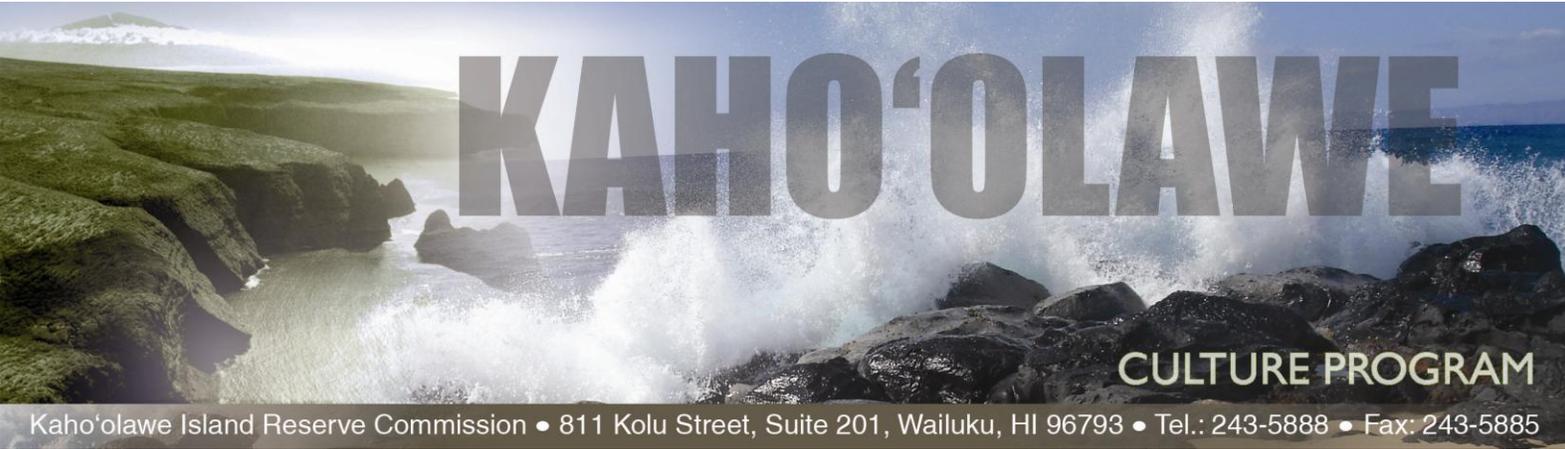
NATIVE POLYNESIAN AND COASTAL PLANTINGS

This project consists of all out-planting, alien weed control, and erosion control activities not listed above. Plantings will include native dryland habitat planting, traditional agricultural plantings and coastal plantings in association with work on the Ala Loa (circum-island trail). This project includes supporting the monitoring and management of the fragile habitats on the off-shore islets of Pu`u Koa`e and `Ale`ale.

This year, this project will consist of planting donated plants either from volunteer groups or from grants. Incidental planting will be done in former plantings areas to further enhance the area. An additional planting of 1000 donated koaia trees (*Acacia koa*) will be done surrounding and within Luamakika. Alien weed control will be done along the roadways to prevent further spread of aggressive alien plants as well as controlled weeding in the DOH planting areas. Erosion control will consist of utilizing volunteers to set out low cost, new and innovative techniques to slow down erosion across the island. On-island resources and/or recyclable products will be used to accomplish this task.

CONFERENCES/MEETING/TRAINING

This consists of restoration staff attending the Hawaii Conservation Conference in Honolulu. This event is the culminating state-wide gathering of people and agencies working in the areas of environmental management and conservation. KIRC staff will be presenting a paper and poster at this year's conference. Additionally, funding is set aside to attend four other conservation meetings in order to support or gather support for KIRC restoration and conservation management programs.



KAHO'OLAWE

CULTURE PROGRAM

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CULTURE PROGRAM FY2014 BUDGET NARRATIVE

May 3, 2013

STAFF

Culture Resources Project Coordinator: Kui Gapero

CULTURE PROGRAM OVERVIEW

The Cultural Program is responsible for the care and protection of Kaho'olawe's cultural resources — including archaeological and historic remnants of the island's early inhabitants — and for expanding the meaningful cultural use of the island.

In addition, the Cultural Program plays a major role in integrating a Native Hawaiian cultural perspective into the daily operations of the KIRC staff and its programs.

As the number one priority of the Cultural Program, the Commission fulfills the *kuleana* or responsibility as the Burial Council for the island of Kaho'olawe, overseeing all aspects of protecting and preserving the remains of our *kupuna* or ancestors. Working closely with the DLNR State Historic Preservation Division (SHPD), staff oversees the preservation of all significant archaeological, historic and cultural sites through a committed incorporation of applicable federal and state historic preservation laws and Native Hawaiian cultural practices.

Staff is expanding the meaningful cultural use of the island by developing Native Hawaiian cultural projects that augment cultural accesses and use of the Reserve. Since many of these undertakings are large-scale endeavors, staff's role focuses on project and resource management to assist KIRC volunteers and partnering stewardship organizations who work hard to accomplish the important work of these projects.

Finally, staff facilitates the cultural uses of the Reserve by providing a central point of contact for all cultural and educational visits and by establishing the cultural perspective used to orient all Reserve users, visitors, volunteers, contractors, and employees to the resources fundamental to the KIRC's cultural mandate.

The following projects are anticipated for FY14:

SITE STABILIZATION

Monitor, stabilize, and restore all *iwi kūpuna* and archaeological sites on island. The CWG will prioritize and determine which sites should be monitored according to the documented needs of the specific site. Staff is responsible for facilitating every aspect of the identified process (ex. Burial Treatment Plan, Site Treatment Plan).

CULTURAL INTEGRATION AND TRAINING

Provide cultural training opportunities for staff and stewardship organizations. This may include planning, coordinating, facilitating accesses with groups that make specific observations during the year, coordinate with KIRC staff to provide specific information (ex. GIS specialist, restoration/ocean staff), creating and maintaining a database of all information that is gathered from observations, creating curriculum/training mechanism to train and/or teach new participants protocol and observation methods, maintenance of equipment designated to make specific observations.

ALA LOA

Coordinate and provide logistical support for all Ala Loa accesses. This may include planning access with Alaka`i of the project, communication with KIRC managers to provide technical or equipment support, provide GIS/GPS info (topography, previously flagged areas, culture sites) from KIRC GIS specialist, input field GPS coordinates taken for reference.

STEWARDSHIP ORGANIZATION SUPPORT

Provide limited logistical support for all Stewardship accesses, and coordinate maintenance needs of the clivuses in Hakioawa. This may include providing coordination support to Access Coordinator(s), collecting and preparing KIRC volunteer forms, transportation of groups between airports, staging areas, and departure points.

KAHOLO KA LANI

Coordinate, provide logistical and preparation support for the annual Kaholo Ka Lani Ceremonies that is held every year at Pu`u Mahoe and on Kaho`olawe. This may include planning the logistics with the PKO Alaka`i of the Ceremony, coordinating the logistics for on-island support and all participants involved, transporting participants to their destinations (Pu`u Mahoe, Kihei Boat Ramp), preparing and organizing all the appropriate material for the ceremony.

KAHUALELE HONOKANAI`A

Coordinate, provide logistical and preparation support for the construction of Kahualele-Honokanai`a. This may include planning the logistics with the PKO Alaka`i of the project, coordinating the logistics for on-island support and all participants involved, and transportation of work group between the airport and departure points.

KŪPUNA KNOWLEDGE GATHERING AND DOCUMENTATION

Gather and document kūpuna knowledge from across the pae `āina as it relates to the projects outlined in the Culture Program. This will enable and provide the program manager to make more informed decisions by understanding the chronology and methodology of work that has been done in the past.

CULTURAL WORKING GROUP

Provide support in decision making for the Culture Program staff from cultural practitioners and one Commissioner.

CONFERENCES/TRAINING

Attend one conference/workshop that will enhance the Culture Program. Additionally, personnel time to participate in safety and work related training is also included in this category.

HULI `IKE KU`UNA: LAWAI`A

Provide coordination, logistical, and preparation support for the construction of a fishpond as suggested in the cultural plan. This effort will also include the traditional skill of fishing. Restoring and managing the fishing resources will be directed by the Culture and Ocean Programs.