

Hawaii State Association of Counties

Counties of Kauai, Maui and Hawaii, City & County of Honolulu



MINUTES
HSAC EXECUTIVE COMMITTEE MEETING
August 31, 2012
Honolulu Hale, Council Committee Room
Honolulu, Hawaii

I. CALL TO ORDER

The HSAC Executive Committee was called to order by President Mel Rapozo at 10:31 a.m. The following members comprised a quorum:

County of Kauai:	President Mel Rapozo
County of Hawaii:	Vice President K. Angel Pilago
City and County of Honolulu:	Secretary Stanley Chang
County of Maui:	Treasurer Joseph Pontanilla
Others Present:	Honolulu Councilmember Romy M. Cachola Kauai Council Vice Chair JoAnn A. Yukimura Maui Councilmember G. Riki Hokama Honolulu staff Kimberly Ribellia Honolulu staff Steve Uyeno Honolulu staff Denisse Gee Kauai staff Ashley Bunda Maui staff Kirsten Hamman

II. APPROVAL OF AGENDA

The Committee approved the agenda with an amendment to add two items to New Business:

- 1) Reimbursement Request from Maui Councilmember G. Riki Hokama for out-of-pocket expenses incurred at the NACo Annual Conference held July 13 -17 in Pittsburgh, PA.



- 2) Briefing by Hawaii County Council Vice Chair K. Angel Pilgao regarding recent election issues in Hawaii County.

III. MINUTES

The Committee approved the minutes of the July 27, 2012, Executive Committee meeting.

IV. REPORTS

A. Treasurer's Reports.

The following item was approved by the Executive Committee:

1. Treasurer's Report for July 2012, as submitted by the HSAC Treasurer.

B. County Reports

1. Maui County Report. Treasurer Pontanilla reported that the Council hopes to complete the Maui Island Plan by December 31, 2012. He stated that the Council had removed a portion of the Plan to be implemented by the Planning Committee. He further reported that he recently returned from Korea on a sister-city visit where made-in-Maui products were discussed, in particular, coffee and lavender. He concluded by reporting that the Council is investigating the possibility of refinancing their State Revolving Fund loans with General Obligation bonds.
2. Hawaii County Report. Vice President Pilago reported that the Council reconsidered its prior intent to replace Alternate Brittany Smart with Councilmember Dennis "Fresh" Onishi as the Hawaii County HSAC Alternate. He further reported that the Council failed to override the Mayor's veto for the following three measures: 1) Authorization to use \$1.5M from the Geothermal Relocation Fund for relocation expenses tied to the possible health effects affecting the proximate community to the Puna geothermal plant; 2) Initiation of a public health survey to gather baseline data regarding the health issues stemming from the Puna geothermal plant; and 3) Charter amendment addressing GASB 45 relating to retirement fund investment. He concluded by reporting that the HSAC annual meeting held June 21 – 22 in Hawaii County netted a profit of \$19,844.79 which will be transmitted to Treasurer Pontanilla along

with a separate reimbursement check for seed money that HSAC provided to Hawaii County for planning purposes.

3. City and County of Honolulu Report. Secretary Chang summarized the results of the latest City and County of Honolulu elections. He reported that the Council continues to deliberate on feasible funding sources to restore bus routes that have been cut or reduced by the administration. Another transportation related issue that the Council is discussing is the opening of the Alapai transit facility without any public accessible restrooms, despite contrary representations made by the administration when this transit facility was being constructed. He further reported that the public has been critical of the current state of Handi-Van operations communicating to the Council that disabled clients experience ride times of up to 3.5 hours. He concluded by apprising the Committee about the recent state Supreme Court decision which has halted rail construction.
 4. Kauai County Report. President Rapozo reported that the Council deliberated over two bills, by request of the administration, addressing an almost \$2M deficit in the FY 2013 budget. He stated that in compliance with the County Charter, the Council passed a balanced FY 2013 budget on May 30. However, at the end of June, the Council was subsequently informed by the administration that capital improvement projects (CIP) monies that were earmarked to be transferred to the general fund in FY 2013 were in fact encumbered for on-going CIP. He stated that as any charter violation constitutes a misdemeanor criminal offense, he requested a legal opinion from the County Attorney. The County Attorney informed President Rapozo that the violation was not a "serious violation." President Rapozo informed the Committee that he disagrees with the County Attorney and may pursue further legal action. He also reported that the motion for a declaratory judgment regarding the Mayor's authority to discipline a commission appointed department head will be heard in mid-September. He concluded by reporting that the Council has proposed a charter amendment which precludes the Mayor from submitting a supplemental budget after the original budget has been submitted by March 15th of each year.
- C. NACo Report. Treasurer Pontanilla reported that a number of Hawaii delegates failed to register to vote at the NACo annual conference held on July 13 – 17 in Pittsburgh, PA. He informed the Committee that Hawaii's voting delegation totaled only 19. He reminded the Committee to urge their fellow Councilmembers to register to vote when attending NACo meetings.

- D. WIR Report. Vice President Pilago reported that he will not be attending the upcoming WIR conference being held on October 3 – 5 in Kodiak, AK because he is retiring in November. He offered to coordinate with the designated WIR alternate.

V. UNFINISHED BUSINESS

There was no unfinished business.

VI. NEW BUSINESS

- A. Communication from Hawaii County Vice Chair K. Angel Pilago transmitting for the Committee's approval proposals to be included in the 2013 HSAC Legislative Package.

Vice President Pilago commented on the three proposals, as follows:

- i. A Bill for an Act relating to agricultural product branding and country or region of origin labeling.

Vice President Pilago informed that Committee that the genesis of this proposal stemmed from concerns that Hawaii County has with its Kona coffee product being blended with foreign-grown coffee and then labeled as "Kona coffee" for purchase.

- ii. A Bill for an Act relating to the definition of indigent and partially indigent.

Vice President Pilago explained that this proposal defines "indigent" and "partially indigent" to determine whether individuals are eligible to use the legal services of the Public Defenders office. He stated that this proposal addresses the concerns that the Committee expressed the last time this subject topic was considered to be a part of a past HSAC legislative package. In response to a query, he stated that the Committee had concerns about the practical application of the prior proposal's language. He informed the Committee that this year's proposal provides clear instructions.

- iii. A Bill for an Act relating to gallonage tax on liquor.

Vice President Pilago explained that this proposal increases the gallonage tax on liquor and mandates that this revenue stream be used to pay for

police, fire and emergency medical services expenses relating to the enforcement of driving while under the influence statutes.

Treasurer Pontanilla clarified that this proposal also allows gallonage tax revenues to be used for preventative education materials addressing drunk driving.

This item was deferred.

B. Discussion regarding the NACo Prescription Discount Card Program.

President Rapozo reminded the Committee that HSAC endorsed the NACo Prescription Discount Card Program. He proposed a press conference announcing HSAC's endorsement be held after next month's Committee meeting.

This item was received and filed.

C. Discussion and Overview by Kauai Council Vice Chair JoAnn A. Yukimura regarding Kauai County proposals to be included in the 2013 HSAC Legislative Package.

Kauai Council Vice Chair Yukimura informed the Committee that the Kauai County Council unanimously approved two proposals for inclusions in the 2103 HSAC legislative package. She outlined the two proposals, as follows:

i. A Bill for an Act relating to Affordable Housing Credits.

Kauai Council Vice Chair Yukimura stated that the proposed bill amends Act 98 which was signed into law on May 2, 2012 by the Governor. She summarized the provisions of the proposed bill, as follows:

- Requires the Department of Hawaiian Homelands (DHHL) and the respective County to mutually consent when County affordable housing credits are issued for DHHL projects;
- Disallows County affordable housing credits to be applied to existing Hawaiian homelands project;
- Removes "vacant lots" as properties eligible to receive County affordable housing credits; and
- Removes language that disallows County-wide and project-specific housing class, use or type requirements (among other requirements) be applied to impair, restrict or condition the

County's obligation to apply the credits in full satisfaction of all County requirements.

She informed the Committee that the proposed bill addresses language added by the legislature in the last legislative session. In response to a query, she informed the Committee that all four Counties testified in opposition to Act 98 when the measure was heard before the relevant subject committees at the legislature.

Honolulu Councilmember Cachola cautioned the Committee that as Act 98 was just enacted in the last legislative session, it may be difficult to successfully lobby for this proposed measure. He reminded the Committee that the legislature was aware of the four Counties' opposition to Act 98 during the legislative session and this bill was probably part of the majority package.

Vice President Pilago voiced his support of this proposal. He stated that Hawaii County Council has concerns that Act 98 was driven by special interest developers so that these developers would be able to transfer their credits to projects that were not previously qualified. He also stated that the Hawaii County Council was concerned with the divisive nature of Act 98 that has caused disagreement within the native Hawaiian community. He concluded that the Hawaii County Council believed that DHHL is being maneuvered by special interest developers.

Maui Councilmember Hokama suggested that each County contact their respective Corporation Counsels for legal opinions to determine whether Act 98 constitutes an unfunded mandate imposed upon the Counties by the state. Maui Councilmember Hokama further stated that if Act 98 is determined to be an unfunded mandate, then the Counties should consider filing suit based on constitutionality issues.

President Rapozo stated that his specific concern with Act 98 was language that allowed "existing" Hawaiian home lands projects to earn transferable credits.

ii. A Bill for an Act relating to Solar Water Heater Systems.

Kauai Council Vice Chair Yukimura summarized the provisions of the proposed bill, as follows:

- Adds duplexes as a dwelling that requires a solar water heater system before a building permit will be issued for new construction;

- Specifies that a gas water heater variance will only be accepted if the variance applicant is the ultimate controller of the energy consumption cost; and
- Requires a variance applicant to sign an affidavit stating that the applicant is the buyer-owner of the new dwelling and has read a flyer issued by the state illustrating the comparative costs of a solar water heater versus gas water heater.

She explained that Kauai County has the highest rate of granted variances at 60% of all new construction. She stated that the City and County of Honolulu has the lowest variance acceptance rate at 5% followed by Maui County at 21% and Hawaii County at 50%.

She informed the Committee that since the upfront costs to install solar water heaters is more expensive compared to gas water heaters, the developers/contractors are applying for variances before the dwellings are purchased. As a result, the higher comparative cost to operate a gas water heater (versus a solar water heater) is passed onto the buyer-owner.

This item was received and filed.

- D. Discussion regarding HSAC representation on the Board of Advisors of the Center for Alternative Dispute Resolution pursuant to §613-3, Hawaii Revised Statutes.

President Rapozo informed the Committee that the two HSAC representatives currently sitting on the Board of Advisors (Board) to the Center for Alternative Dispute Resolution (Center) are Secretary Chang and Honolulu Councilmember Ann Kobayashi.

President Rapozo informed the Committee that Honolulu Councilmember Ann Kobayashi intends to resign her Board position. President Rapozo stated that the Committee will endorse nominees at its September meeting.

This item was received and filed.

- E. Discussion regarding HSAC representation on the Hawaii Sister-State Committee, pursuant to §229-2, Hawaii Revised Statutes.

President Rapozo informed the Committee that the current HSAC representative to the Hawaii Sister-State Committee (SS Committee) is Honolulu Councilmember Cachola. Honolulu Councilmember Cachola is

expected to resign from his appointment to the SS Committee due to his departure from the Honolulu City Council.

President Rapozo stated that the Committee will choose nominees for the upcoming vacancy its October meeting.

This item was received and filed.

- F. Reimbursement Request from Maui Councilmember G. Riki Hokama in the amount of \$466.64 for out-of-pocket expenses incurred during the NACo annual conference held July 13 – 17 in Pittsburgh, PA.

This item was approved.

- G. Briefing by Hawaii County Council Vice Chair K. Angel Pilgao regarding recent election issues in Hawaii County.

Vice President Pilago stated that in light of the controversy surrounding the recent primary elections held in Hawaii County, the Hawaii County Council will be forwarding another proposal for the 2013 HSAC legislative package which will urge the state's Chief Elections Officer and the state Elections Commission to establish a mechanism to monitor the Counties' readiness to conduct an election and to intervene if necessary.

He emphasized that Hawaii County elections did not suffer any problems that the other three Counties did not suffer. He further emphasized that Hawaii County faced the same challenges as the other three Counties during their elections process. He informed the Committee that he personally requested the state Attorney General and the state Chief Elections Officer to conduct formal inquiries regarding the County's most recent primary election. He further informed the Committee that both state offices declined to conduct a formal inquiry because there was no evidence that state elections laws had been violated.

In response to President Rapozo's query, Vice President Pilago stated that no investigations have been conducted by any entity regarding the most recent Hawaii County primary election.

Vice President Pilago provided the Committee with historical background regarding Hawaii County's elections office. He reminded the Committee that in the last quarter of CY 2011, the Hawaii County Elections Officer, Pat Nakamoto, and her staff were suspended and placed on administrative leave. He stated that there is some discussion to bring back Pat Nakamoto to assist in the upcoming general election.

Honolulu Councilmember Cachola reminded the Committee of the discussion being held at the legislature to return elections management to the Lieutenant Governor's office. He further reminded the Committee that if that is the intent of the legislature, then this Hawaii County Council proposal will have no meaningful effect unless the language is modified. He suggested that the Hawaii County Council revise the proposal's language to recognize that elections management may be returned to the Lieutenant Governor's purview.

This item was received and filed.

VII. ANNOUNCEMENTS

A. Schedule next meeting.

The next Executive Committee meeting was scheduled for September 11, 2012 at Honolulu Hale.

B. Other Announcements.

There were no other announcements.

VIII. ADJOURNMENT

The meeting was adjourned at 12:15 p.m.

Very truly yours,



STANLEY CHANG
Secretary
Hawaii State Association of Counties