

Hawaii State Association of Counties

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



MINUTES
HSAC EXECUTIVE COMMITTEE MEETING
June 20, 2013
Kauai Beach Resort
Lihue, Hawaii

I. CALL TO ORDER

The HSAC Executive Committee was called to order by President Mel Rapozo at 8:00 a.m. The following members comprising a quorum were present:

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| County of Kauai: | President Mel Rapozo |
| County of Hawaii: | Vice President Dennis "Fresh" Onishi |
| City and County of Honolulu: | Secretary Stanley Chang |
| County of Maui: | Treasurer Michael Victorino |
| Others Present: | Honolulu Councilmember Ikaika Anderson Maui County Councilmember G. Riki Hokama State Representative Derek Kawakami Honolulu Council Chair Ernest Martin Kauai County Attorney Al Castillo Kauai County Clerk Ricky Watanabe Kauai County Fire Chief Robert Westerman Honolulu staff Kimberly Ribellia Honolulu staff Warren Senda Honolulu staff Denisse Gee Kauai staff Ashley Bunda Kauai staff Eddie Topenio, Jr. Maui staff Kirsten Hamman Maui staff Josiah Nishita Richard Jose, IBEW Local 1186 Brian Lee, IBEW Local 26 Kekoa McClellan, Pelatron, Inc. |



II. APPROVAL OF AGENDA

The Committee approved the agenda.

III. MINUTES

The Committee approved the minutes of the May 6, 2013, Executive Committee meeting.

IV. REPORTS

A. Treasurer's Report

The following items were approved by the Executive Committee:

1. Treasurer's Report for the month of April 2013, as submitted by the HSAC Treasurer.
2. Treasurer's Report for the month of May 2013, as submitted by the HSAC Treasurer.
3. Proposed Amendments to the FY 2013 HSAC annual operating budget.

Treasurer Victorino explained the proposed amendments to increase the FY 2013 HSAC operating budget. He expounded that the budget increase is due to unanticipated auditing expenses conducted by HSAC's auditor. President Rapozo added that the Committee requested the auditor to perform additional work that was not anticipated when the FY 2013 HSAC operating budget was originally devised.

B. County Reports

1. Maui County Report. Treasurer Victorino reported that the Council was successful in reducing the Mayor's proposed FY 2014 budget by \$15M while still preserving essential County functions and key County CIP projects.
2. Hawaii County Report. Vice President Onishi reported that the Mayor signed the Council's budget last week which included adequate monies to fund HGEA and UPW pay raises. He informed the Committee that at its next meeting, the Council will hear Bill 79 which bans the propagation, cultivation, raising, growing, sale or distribution of genetically modified organisms in the County. He reported that Councilmember Margaret Wille is the introducer of Bill

79. In response to a query, Vice President Onishi opined that there may be significant enforcement issues if Bill 79 is enacted into ordinance as the County does not have its own agricultural department.

3. City and County of Honolulu Report. Secretary Chang reported that the Mayor has not yet signed or vetoed the Council's FY 2014 budget. He stated that the Council rejected the Mayor's proposal to increase the gas tax. He further reported that the Council passed a balanced budget which provides monies for collective bargaining increases. He highlighted for the Committee that the Council approved a \$5M increase in grants in aid, however that increase only accounted for 0.5% of the total FY 14 budget. He opined that the Mayor may not release the monies necessary to fund the grants in aid increase.
4. Kauai County Report. President Rapozo reported that the Mayor signed the Council's FY 2014 budget. He informed the Committee that Hawaii Revised Statutes (HRS) provides that the County's animal control contractor must be a specific non-profit organization, namely the Kauai Humane Society. He opined that HRS circumvents the competitive bid process and is most likely unconstitutional. He concluded that he will be seeking legal remedy to this monopolistic situation.

C. NACo Report. There was no NACo report.

D. WIR Report. Vice President Onishi reported that the most recent WIR conference was held in Flagstaff, Arizona from May 22 – 24, 2013. He expounded that the primary topics that were discussed was the severe impact that recent forest fires and flooding have had upon continental U.S. counties and municipalities. He informed the Committee that there was burgeoning interest and excitement expressed by conferees to attend the FY 2015 WIR conference in Kauai. Treasurer Victorino reported that another key conference topic discussed was how to better promote WIR interests at the annual NACo conference.

V. UNFINISHED BUSINESS

There was no unfinished business.

VI. NEW BUSINESS

- A. Communication from Maui County Clerk Jeffrey T. Kuwada, regarding the adoption of Resolution 13-58 relating to the FY 2014 HSAC Operating Budget by the Maui County Council on May 7, 2013.

This item was received and filed.

- B. Communication from Kauai County Council Chair Jay Furfaro, regarding the Kauai County Council approval of the FY 2014 proposed slate of HSAC officers, and NACo and WIR Board of Directors.

This item was received and filed.

- C. Communication from Maui County Clerk Jeffrey T. Kuwada, regarding the adoption of Resolution 13-64 relating to the FY 2014 proposed slate of HSAC officers, and NACo and WIR Board of Directors by the Maui County Council on May 28, 2013.

This item was received and filed.

- D. Discussion regarding the following 2014 HSAC Legislative Package.

- i. August 30, 2013 – Deadline to receive proposals from each County to be included in the 2014 HSAC Legislative Package.
- ii. September 13, 2013 – Schedule HSAC Executive Committee Meeting to discuss and act on all proposals submitted by the Counties. Approved proposals will then be forwarded to each County for their consideration.
- iii. November 8, 2013 – Deadline for the Counties to approve the proposed 2014 HSAC Legislative Package.
- iv. November 22, 2013 – Schedule HSAC Executive Committee meeting to approve the final 2014 HSAC Legislative Package.

President Rapozo emphasized the importance for each county to meet these HSAC legislative deadlines to bolster next session's lobbying efforts.

Vice President Onishi requested that each HSAC officer reach out to their respective state representatives and senators before submitting a County legislative proposal to the consolidated HSAC legislative package. He further requested that each HSAC officer meet with their state legislative counterparts to discuss the impact and possible revenue solutions to the unfunded mandates placed upon the counties by the state legislature.

Treasurer Victorino agreed with Vice President Onishi regarding the importance and necessity for counties to collaborate with their state legislative counterparts. However, he opined that the counties must not lose sight of their inherent independent political power. He informed the Committee that Maui County has a very good rapport with their state legislators because there is a continual and constant communication flow between the two levels of government.

President Rapozo stated that the majority of Kauai's state legislators were former County Councilmembers and thus have a sophisticated understanding of county issues and needs. He emphasized the need for greater collaborative efforts between county and state legislators, and also between county and state executive branches to ensure that counties are not unduly burdened by state imposed unfunded mandates.

This item was received and filed.

- E. Discussion relating to the policy for the use of estimated funds generated by the "NACo Prescription Drug Marketing Fee" Program (Program) in FY 2014.

President Rapozo reminded the Committee that although the Program has been in existence for a number of years, HSAC only formally endorsed the Program last year. He further reminded the Committee that once HSAC formally endorsed the Program, HSAC became eligible and started receiving Program fees from NACo. He reported that the residents of the City and County of Honolulu account for the largest number of Program users within the four counties, according to the latest NACo statistics.

Treasurer Victorino explained that the Program not only provides fees to HSAC, but more importantly, provides all of their constituents with potentially lower prescription drugs costs. He stated that although the City and County of Honolulu has the largest absolute number of Program users, Hawaii County actually has the largest percentage of their population using the Program of all four counties.

Treasurer Victorino proposed that Program fees be used for educational scholarships and to help defray Kauai County's costs when hosting the FY 2015 WIR conference.

This item was deferred to the July Committee meeting.

VII. ANNOUNCEMENTS

A. Schedule next meeting.

The next Executive Committee meeting was scheduled to be held on July 26, 2013, in Maui County.

B. Other Announcements.

There were no other announcements.

VIII. ADJOURNMENT

The meeting was adjourned at 8:49 a.m.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Stanley Chang', written in a cursive style.

STANLEY CHANG

Secretary

Hawaii State Association of Counties