



# Hawaii State Association of Counties

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



**MINUTES**  
**HSAC EXECUTIVE COMMITTEE MEETING**  
 January 14, 2014  
 Mission Memorial Bldg Hearing Room  
 Honolulu, Hawaii

**I. CALL TO ORDER**

The HSAC Executive Committee was called to order by President Mel Rapozo at 9:05 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:              | Councilmember Dru Mamo Kanuha, Hawaii County<br>Councilmember Karen Eoff, Hawaii County<br>Councilmember Valerie Poindexter, Hawaii County<br>Peter Sur, Hawaii County<br>Council Chair Ernie Martin, City & County of Honolulu<br>Melissa Miranda-Johnson, Honolulu Director's Office<br>Ed Sniffen, City & County of Honolulu<br>Councilmember Mason Chock, Kauai County<br>Councilmember Gary Hooser, Kauai County<br>Council Chair Gladys Baisa, Maui County<br>State Representative Romy Cachola<br>Charles Izumoto, Rep. Cachola's Office<br>Kekoa McClellan, Pelatron |
| Managing                     | Honolulu staff Andrew Sekine<br>Honolulu staff Brandon Mitsuda<br>Honolulu staff Lyndsey Garcia<br>Kauai staff Ashley Bunda<br>Maui staff Kimberly Willenbrink   |



## II. APPROVAL OF AGENDA

The Committee approved the agenda.

## III. MINUTES

The Committee approved the minutes of the December 13, 2013, special Executive Committee meeting.

The Committee approved the minutes of the December 23, 2013, Executive Committee meeting.

## IV. REPORTS

### A. Treasurer's Report

The following item was approved by the Executive Committee:

1. Treasurer's Report for December 2013 as submitted by the HSAC Treasurer.

The Committee approved the Treasurer's Report.

Treasurer Victorino also reported on the audited final statements for the years ending June 2012 and June 2013.

### B. County Reports

1. Maui County Report. Treasurer Victorino deferred to Maui Council Chair Baisa, who reported on the purchase of 186 acres of land in Launiupoko, the introduction of a bill similar to Kauai's "Pesticide Bill," the new Maui County Clerk, Danny Mateo, and related personnel changes, the new Mayor's team, and personnel changes at Maui Council Services.
2. Hawaii County Report. Vice President Onishi stated that there is no report for Hawaii County.
3. City and County of Honolulu Report. Secretary Chang reported on the sale of affordable housing properties, the new cigarette smoking ordinance, and the advertising on city buses bill.

4. Kauai County Report. President Rapozo reported on the legal challenge to Bill 2491 (the "Pesticide Bill"), legislation regarding barking dogs and the licensing of cats, and redistricting proposals.

The Committee received the county reports.

- C. NACo Report. Treasurer Victorino reported on the NACo conference in Cedar Rapids, Iowa.

Treasurer Victorino discussed the upcoming NACo legislative conference. President Rapozo discussed congressional visits in March.

- D. WIR Report. President Rapozo stated that a discussion on WIR Representative applicants will be held at a later date.

The Committee received the NACo and WIR reports.

## V. UNFINISHED BUSINESS

- A. Discussion relating to the policy for the use of estimated funds derived from the "NACo Prescription Drug Marketing Fee" budget line item in FY 2014 HSAC Annual Operating Budget.

Treasurer Victorino discussed the proposal set forth in his letter to the Committee dated January 13, 2014, which proposes for the remainder of FY 2014 the budgeting of \$7,500 in scholarships for University of Hawaii students enrolled in medically-related fields of study (three \$1,250 scholarships for students from Oahu and one \$1,250 scholarship for students from each of the other three counties) and \$3,000 for one councilmember (nominated by the Executive Committee and approved by all four councils) to attend the County Leadership Institute held in Washington, DC. Treasurer Victorino noted that most drug prescription reimbursement claims are from Oahu. See Communication dated January 13, 2014, from HSAC Treasurer Michael P. Victorino relating to NACo Prescription Drug Marketing Reimbursement Program Update and Proposals.

President Rapozo suggested that students who are awarded scholarships be recognized at the general membership meeting. President Rapozo also suggested that in future years, the \$3,000 travel budget item be kept constant, with the balance used for scholarships.

The Committee voted to adopt the proposal.

## VI. NEW BUSINESS

- A. Communication (December 27, 2013) from HSAC Treasurer Michael P. Victorino, transmitting for the Executive Committee's consideration amendments to the HSAC Bylaws to add Section 13C relating to the corporation's policies, proposals, legislative priorities, and legislative package.

Treasurer Victorino discussed the proposal to amend HSAC Bylaws Section 13C POLICIES, PROPOSALS, LEGISLATIVE PRIORITIES, AND LEGISLATIVE PACKAGE set forth in the foregoing communication. Treasurer Victorino stated that the proposal attempts to incorporate proposals discussed in previous meetings.

Kauai Councilmember Hooser stated that he is concerned that the Executive Committee may make decisions on tax-related measures without discussion by the individual councils. Responding to a question from Vice President Onishi, Councilmember Hooser clarified that he is concerned about measures that "increase the counties' revenues." Responding to comments by Treasurer Victorino, Councilmember Hooser stated that he is specifically concerned by the Executive Committee's authority to approve a position on the general excise tax.

President Rapozo noted that the provision regarding the addition of legislative proposals regarding increasing counties' revenues is already in the HSAC bylaws. President Rapozo further noted that the bylaws amendment proposal regarding legislative priorities originated from Secretary Chang and responds to situations whereby the legislature guts a bill and prompt action from the counties is needed. The amendment would allow HSAC to discuss in general terms certain issues at the legislature on short notice, instead of being restricted by the confines of a legislative package.

Treasurer Victorino stated that the proposal would add the consideration of legislative priorities that are approved by the councils and enable HSAC to respond more efficiently and effectively when bills "morph." Treasurer Victorino noted that other jurisdictions already have such provisions.

President Rapozo stated that the amendment would simplify the HSAC lobbying process, while preserving the authority of the councils, which approve the legislative priorities.

The Committee voted to approve the proposed amendment to Section 13C of the HSAC bylaws.

Treasurer Victorino discussed the proposal to amend HSAC Bylaws TRAVEL Section 1-E. Treasurer Victorino stated that the proposed amendment would authorize HSAC officers or designees to travel to the State Legislature for the purpose of testifying on legislative priorities.

President Rapozo stated that the present bylaws language allows only the HSAC President or the President's alternate to be funded for travel to testify at the legislature. The proposed amendment would allow for the designation of other HSAC members to be funded to testify.

President Rapozo recognized Maui Council Chair Baisa for her role in improving HSAC lobbying efforts.

The Committee voted to approve the proposed amendment to TRAVEL Section 1-E of the HSAC Bylaws.

- B. Discussion regarding unfunded liability, as requested by State Representative Romy M. Cachola, Hawaii State Legislature.

Representative Cachola stated that he has been assigned to address unfunded liability in the areas of pensions and health costs. Pensions are only 51% funded (\$12 billion). Unfunded liability for health costs is \$18 billion. To catch up with unfunded liability for health costs, about \$500 million per year must be contributed for the next thirty years. \$4 billion of the \$18 billion in unfunded liability comes from the counties. Representative Cachola stated that he is looking for a way to address the unfunded liability issue in a more affordable and less painful way.

Representative Cachola stated that the problem can be addressed through captive insurance, whereby a self-insured insurance carrier will be created. SB 946, introduced in the 2013 session, authorized the establishment of a captive insurance company to manage state and county employee health benefit obligations. The bill was reported from conference committee but did not pass final reading in the Senate.

Representative Cachola stated that he is available to discuss the matter with the individual counties.

## VII. ANNOUNCEMENTS

- A. Schedule next meeting.

1. An HSAC luncheon will be held on January 14, 12:30 p.m., at the State Capitol.
2. The Executive Committee meeting will meet on January 15, 3:00 p.m., to vote on the GET proposal.
3. February-March meetings.

Treasurer Victorino proposed that three out of six meetings be held on the neighbor islands, starting in March.

Executive Committee meetings were scheduled for February 13, 2014, at 10:00 a.m., in Honolulu Hale, and March 25, 2014, on Kauai.

B. Other announcements.

Honolulu staff Mitsuda reported on the status of planning for the 2014 HSAC annual conference to be held on June 12-13, 2014, at the Moana Surfrider Hotel.

VIII. ADJOURNMENT

The meeting was adjourned at 11:03 a.m.

Very truly yours,



STANLEY CHANG  
Secretary

Hawaii State Association of Counties