



Hawaii State Association of Counties

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



MINUTES
HSAC EXECUTIVE COMMITTEE MEETING
 May 15, 2014
 Honolulu Hale, Committee Meeting Room
 Honolulu, Hawaii

I. CALL TO ORDER

The HSAC Executive Committee was called to order by President Mel Rapozo at 10:09 a.m. The following members comprising a quorum were present:

- 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 Council Chair, Ernest Y. Martin
- Honolulu staff Andrew Sekine
 Honolulu staff Brandon Mitsuda
 Kauai staff Aida Okazaki
 Maui staff Kim Willenbrink
 Melissa Miranda-Johnson, Office of Honolulu
 Mayor Kirk Caldwell

Honolulu Council Chair Martin welcomed the members and apologized for the lack of staff support at the Saturday, April 19, 2014, meeting. Chair Martin stated that such a mix-up will not happen again.

President Rapozo responded that refreshments are not a requirement of HSAC meetings, and he understands that Honolulu staff Mitsuda was ill on the day of the meeting.

II. APPROVAL OF AGENDA

The Committee approved the agenda.



III. MINUTES

The Committee approved the minutes of the April 19, 2014, Executive Committee meeting.

IV. REPORTS

A. Treasurer's Report

1. Treasurer's Report for April 2014 as submitted by the HSAC Treasurer

Treasurer Victorino noted that the item for Miscellaneous Executive Committee Expenses includes \$355.04 that was paid in April 2014 for refreshments for the October 2013 General Membership meeting. Treasurer Victorino requested that the City and County of Honolulu be more expeditious in their billings

The Committee approved the Treasurer's Report.

2. Fiscal Year 2013-2014 HSAC Annual Operating Budget Amendments

Treasurer Victorino proposed the following amendments to the fiscal year 2014 annual operating budget:

- a. Add \$4,519 in revenues for a new line item entitled "Miscellaneous." The increase reflects donations and reimbursements made to HSAC in FY 2014.
- b. Add corresponding expenses of \$250 for "WIR Promotional" to cover estimated expenses of \$2,478.45 for 2015 WIR Conference promotion at the upcoming WIR Conference and \$4,269 to be used for "Executive Committee Miscellaneous" when necessary.

(See Communication from Treasurer Victorino to President Rapozo dated May 14, 2014, "Proposed Amendments to the Fiscal Year 2014 Annual Operating Budget.")

The Committee approved the proposed budget amendments.

3. Fiscal Year 2014-2015 HSAC Annual Operating Budget Amendments

Treasurer Victorino proposed the following amendments to the fiscal year 2014 annual operating budget:

- a. Add a new line item entitled "Miscellaneous."
- b. Amend the "Fund Balance, prior FY" to include an additional \$12,755 for a total of \$107,164 to reflect increases in the checking account balance, and add corresponding expenses of \$12,755 for a new line item entitled, "2015 WIR Conference" to cover expenses at the 2015 WIR Conference.
- c. Reduce the "NACo Prescription Drug Marketing Fee" by \$3,000 from \$15,000 to \$12,000 because HSAC did not receive anticipated revenue amounts in the previous four quarters.
- d. Reduce the "WIR Promotional" expenses by \$3,000 from \$12,250 to \$9,250 to offset the loss in revenue.

(See Communication from Treasurer Victorino to President Rapozo dated May 14, 2014, "Proposed Amendments to the Fiscal Year 2015 Annual Operating Budget.")

The Committee approved the proposed budget amendments.

B. County Reports

1. Maui County Report. Treasurer Victorino reported on Maui County budget deliberations, the return to health of the Maui Council Chair and Vice-Chair, and the status of the NACo dental and health discount programs.

At this point, Maui staff Willenbrink reported that: 1) NACo is renewing its dental contract with Careington in December, but the NACo administrator does not think the counties should wait for the renewal before acting on the program, and 2) new promotional material will soon be available for new counties participating in the prescription drug and health care discount programs.

Responding to a comment by Vice President Onishi, President Rapozo stated that NACo will not be sending any staff to the HSAC annual conference.

Vice President Onishi stated that Hawaii County participates in the NACo dental program, but he is unclear as to how the county's participation was approved.

President Rapozo stated that each county needs to approve its participation in the respective NACo program before HSAC can endorse the program.

2. Hawaii County Report. Vice President Onishi reported on Hawaii County budget deliberations. Vice President Onishi further reported that Hawaii County councilmembers requested details of Maui Councilmember Hokama's comments on the GMO issue in addition to what was recorded in the minutes of a recent HSAC Executive Committee meeting. Vice President Onishi stated that he informed the councilmembers that they may either contact Councilmember Hokama directly or request a CD recording of the meeting.

President Rapozo stated that the Executive Committee will not change its format for meeting minutes, but interested councilmembers are welcome to request a copy of the recording and have their staff transcribe portions of the meeting.

At this point, Vice President Onishi, responding to a question from President Rapozo, confirmed that there is a proposal at the Hawaii County Council that he be replaced as HSAC representative by Councilmember Dru Kanuha with Councilmember Margaret Wille as alternate. Vice President Onishi stated that the resolution also calls for Councilmember Kanuha to serve on the WIR board. President Rapozo commented that the HSAC bylaws designate the HSAC Executive Committee as the body that makes the nominations for the NACo and WIR boards of directors.

3. City and County of Honolulu Report. Secretary Chang reported on the City's budget deliberations, the plastic bag ban, compostable material legislation, and the lack of a designated HSAC representative for next fiscal year. President Rapozo commented that with regard to the latter, the HSAC bylaws provide that in the absence of an approved HSAC representative, the council chair will serve as the representative or designate another member.

Responding to a question from Vice President Onishi, Secretary Chang reported that the Honolulu Council's bill on sweepstakes machines is moving forward but may not be necessary in view of the recent court decision on such machines.

4. Kauai County Report. President Rapozo reported on Kauai County taxes, OPEB, and the Syngenta case.

The Committee received the county reports.

C. NACo Report

There was no NACo report.

D. WIR Report

The members discussed the WIR regional conference in Anchorage, Alaska in May 2014, including hospitality arrangements and promotional efforts for the 2015 WIR Conference in Kauai.

The Committee received the WIR report.

E. Hawaii State Legislative Session Report

Vice President Onishi suggested that in preparing for next year's session, the counties should compile a list of how monies are spent. Treasurer Victorino agreed that a list of specific county spending should be provided.

President Rapozo commented that Kauai County's decision not to furlough workers has had long-lasting effects on relationships with state legislators. President Rapozo also commented that the counties should show a united front at crucial legislative votes and when meeting with key legislators.

Treasurer Victorino suggested that the counties meet in the fall to begin planning strategy for the next legislative session.

Treasurer Victorino commented that the joint effort by the counties this past session was a major step forward. President Rapozo agreed that the collective efforts by the counties were unprecedented.

President Rapozo stated that he would like to have a future discussion on the possibility of having a mayor as an ex officio, non-voting member.

The Committee received the discussion item.

V. UNFINISHED BUSINESS

There was no unfinished business.

VI. NEW BUSINESS

- A. Communication (April 21, 2014) from Carbonaro DeMichele CPAs, transmitting for the Executive Committee's consideration, an audit and tax engagement letter to continue providing HSAC auditing and tax services for the years ending June 30, 2014, 2015, and 2016.

Treasurer Victorino reported that seven requests for bids were sent out and only one response, from Carbonaro DeMichele CPAs, was received. The bid for the years ending June 30, 2014, 2015 and 2016 was \$14,595. The previous bid received in 2011 was for \$11,560. Treasurer Victorino proposed that Carbonaro DeMichele CPAs be retained.

The Committee approved the retention of Carbonaro DeMichele CPAs for HSAC.

- B. Communication (April 23, 2014) from Council Chair Jay Furfaro, Kauai County Council, transmitting for the Executive Committee's information Kauai County Council's approval of HSAC's Fiscal Year 2014-2015 Proposed Operating Budget, as amended, which was approved by the Kauai County Council on April 23, 2014.

The communication was received.

- C. Communication (April 23, 2014) from County Clerk Danny A. Mateo, County of Maui, transmitting for the Executive Committee's information Resolution No. 14-47 relating to HSAC's Fiscal Year 2014-2015 Proposed Operating Budget, as amended, which was adopted by the Maui County Council on April 22, 2014.

The communication was received.

- D. Discussion and consideration of the HSAC Slate of Officers, and NACo and WIR Board of Director Nominations for the 2014-2015 term.

President Rapozo stated that the proposed HSAC representatives and alternates for the 2014-2015 term are:

Maui County Council: Michael Victorino and alternate Riki Hokama

Kauai County Council: Mel Rapozo and alternate Ross Kagawa

Hawaii County Council: Dennis "Fresh" Onishi and alternate Dru Kanuha

Honolulu City Council: None to date

President Rapozo made a motion to approve the proposed HSAC representatives and alternatives for Maui, Kauai, and Hawaii counties. The motion was approved.

President Rapozo stated that the Committee needs to consider nominees for two NACo board of director positions and two WIR board of director positions. In addition, the NACo President may appoint a member from HSAC.

President Rapozo stated that President Rapozo, Treasurer Victorino and Hawaii Councilmember Kanuha have been proposed for the NACo Board of Directors.

Vice President Onishi spoke in support of Councilmember Kanuha.

President Rapozo commented that the present NACo directors, President Rapozo and Treasurer Victorino, should be retained to provide continuity during Councilmember Hokama's term as NACo President. President Rapozo stated that Councilmember Kanuha could be proposed as the NACo Presidential Appointee, but then Honolulu would not have a representative on the NACo or WIR boards.

Secretary Chang stated that Honolulu is still in the process of designating nominees for the various positions; the process is taking longer than usual.

Responding to a question from Vice President Onishi, President Rapozo stated that the Committee must propose a slate of officers and nominees at today's meeting in order for the slate to be approved at the General Membership meeting.

President Rapozo suggested that the Executive Committee not propose a nominee for the NACo Presidential Appointment, but allow the NACo President to make the selection. President Rapozo commented that the NACo President may select someone from Honolulu if there is a candidate who is serious about the commitment.

President Rapozo made a motion that Vice President Onishi be nominated for one of the two WIR board of director positions. The motion was approved.

At 11:55 a.m., the meeting was recessed. At 12:10 p.m., the meeting reconvened.

Secretary Chang stated that he spoke with Honolulu Council Chair Martin, who indicated he is willing to serve as the NACo Presidential Appointee. Secretary Chang further stated that at least one other Honolulu Councilmember may be interested in the position.

Vice President Onishi suggested that in the event that a member of the Honolulu Council is not selected as the NACo Presidential Appointee, then Honolulu should have a position on the WIR Board of Directors.

Treasurer Victorino agreed with Vice President Onishi that if Honolulu is not selected as the NACo Presidential Appointee, then the person selected for the second WIR Board of Directors position should step down and allow Honolulu to take the position.

Treasurer Victorino made a motion to propose Maui Councilmember Mike White for the second WIR Board of Directors position. The motion was approved. Secretary Chang thanked Maui County.

President Rapozo made a motion to propose President Rapozo and Treasurer Victorino for the NACo Board of Directors.

The motion was approved.

Treasurer Victorino proposed the following slate of HSAC officers:

President:	Kauai Councilmember Mel Rapozo
Vice President:	Hawaii Councilmember Dennis "Fresh" Onishi
Secretary:	Honolulu Council Chair Ernest Martin
Treasurer:	Maui Councilmember Michael Victorino

The motion was approved. President Rapozo noted that in the event a resolution approving the HSAC representatives is not passed, the chair of the respective council serves as the HSAC representative.

- E. Discussion regarding the 2015 HSAC Priority Statement and Legislative Package, to prepare for discussion at the June 13, 2014, HSAC General Membership Meeting.

Secretary Chang agreed to prepare bullet points for consideration.

The item was received.

- F. Discussion and consideration of utilizing the HSAC Credit Card during the WIR Conference and 2014 NACo Annual Conference for activities

necessary to promote the 2015 WIR Conference, which will be held on Kauai. Funds are to be drawn from the "WIR—Promotional" line item in the HSAC Annual Operating Budget.

President Rapozo stated that the item should refer to debit card use, not credit card use.

Treasurer Victorino stated that debit card use would be preferable to transmitting blank checks. Treasurer Victorino moved that the use of the HSAC debit card during the 2014 WIR and NACo conferences be approved.

The motion was approved.

VII. ANNOUNCEMENTS

A. Schedule next meeting.

1. June 13, 2014, Honolulu, Hawaii. President Rapozo stated that he will not be able to attend the meetings due to personal reasons, and Kauai Councilmember Ross Kagawa will attend in his stead.
2. Treasurer Victorino stated that Maui will be hosting the NACo Board of Directors meeting in December 2014 and proposed that the HSAC Executive Committee meet in Maui following the NACo meeting.

The motion was approved.

B. Other announcements.

1. Honolulu staff Mitsuda discussed the status of preparations for the HSAC annual meeting in Honolulu on June 12-13, 2014.

VIII. ADJOURNMENT

The meeting was adjourned at 12:30 p.m.

Very truly yours,



STANLEY CHANG, Secretary
Hawaii State Association of Counties