

Hawaii State Association of Counties

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

MINUTES

HSAC EXECUTIVE COMMITTEE MEETING

September 13, 2013

Honolulu Hale, Council Committee Room
Honolulu, Hawaii



I. CALL TO ORDER

The HSAC Executive Committee was called to order by President Mel Rapozo at 10:10 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:

- Hawaii County Council Chair J Yoshimoto
- Honolulu City Council Chair Ernest Martin
- Kauai County Council Chair Jay Furfaro
- Maui County Council Chair Gladys Baisa

- Hawaii County Mayor Billy Kenoi
- Honolulu City Mayor Kirk Caldwell
- Maui County Mayor Alan Arakawa

- Kauai County Clerk Ricky Watanabe

- Ray Soon, Honolulu Mayor's Chief of Staff
- Shawn Hamamoto, Honolulu Mayoral staff
- Beth Tokioka, Kauai Mayoral staff
- Danny Mateo, Maui Mayoral staff

- Honolulu staff Denisse Gee
- Honolulu staff Kimberly Ribellia
- Honolulu staff Glen Takahashi
- Honolulu staff Steve Uyeno
- Kauai staff Ashley Bunda
- Maui staff Kim Willenbrink



II. APPROVAL OF AGENDA

The Committee approved the agenda.

III. MINUTES

The Committee approved the minutes of the August 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 August 2013 as submitted by the HSAC Treasurer.

Vice President Onishi queried whether rental car fuel was reimbursable by HSAC under the current HSAC bylaw definition of "ground transportation." Treasurer Victorino confirmed that rental car fuel was not covered and thus not eligible for reimbursement.

B. County Reports

1. Maui County Report. Treasurer Victorino reported that the Council recently approved the County's first 100% affordable housing project located in central Maui. He opined that the planned Waikapu Gardens Phase II will be successfully completed on schedule. He further reported that at the Council Chair's monthly meeting with all Councilmembers, Council Chair Baisa encouraged all Councilmembers to get more active in HSAC related matters. To that end, he will be forwarding copies of HSAC minutes, agendas and Treasurer's reports to all Councilmembers. He informed the Committee that the Policy and Intergovernmental Affairs Committee is conducting an investigation into the demolition of the old Wailuku Post Office and the Planning Committee is reviewing the County's regulation of home-based businesses. He concluded by reporting that the County has submitted four proposals for consideration by the Committee to be included in the 2014 HSAC legislative package.
2. Hawaii County Report. Vice President Onishi reported that on September 23, 2013, the Council will continue its deliberations on Bill 79, which bans the propagation, cultivation, raising, growing, sale or distribution of genetically modified organism (GMO). He

stated that the Council may create an adhoc committee to study and make recommendations regarding the use of GMOs in the County prior to the final reading of Bill 79. He further reported that the County has submitted six proposals for consideration by the Committee to be included in the 2014 HSAC legislative package. He informed the Committee that the Council will first read a bill sponsored by Councilmember Dru Kanuha that raises the age limit to purchase tobacco from 18 to 21. He concluded by stating that the Council will also first read a bill sponsored by Councilmember Brenda Ford that bans hydraulic fracturing or fracking. In response to a query by Treasurer Victorino, he informed the Committee that the bill prohibits a process known as "enhanced geothermal," though it would apply to all forms of fracking, in which fluids are injected deep into the earth to widen cracks in order to increase permeability and allow more underground heat sources to be reached.

3. City and County of Honolulu Report. Secretary Chang reported on the measures that the Council has been deliberating upon as follows: 1) Bill 59 (2013) which prohibits individuals from lying down on the ground under certain conditions; 2) Bill 48 (2013) which rezones lands situated at Waipio in the Central Oahu Region, commonly known as Castle & Cooke's "Koa Ridge" development; and 3) Resolution 13-177 which seeks to amend the Charter to require that the Board of Water Supply (BWS) decisions to condemn land be subject to review and approval by the Council, to require that the proposed BWS annual operating and capital budgets be subject to appropriation and amendment by the Council, and to clarify that City ethical standards of conduct apply to BWS and its policy-making Board. In response to a query, he informed the Committee that the City has hired a new Transit-Oriented Development (commonly known as TOD) Director who has plans to integrate new developments with rail stations.
4. Kauai County Report. President Rapozo reported that the Council had requested an opinion from the state Attorney General (AG) to determine whether the County has the jurisdiction to regulate the use of pesticides or the cultivation of GMOs, however, the state AG declined to issue an opinion. He further reported that the Council will next deliberate on Bill 2491, Relating to GMOs, on September 27, 2013. He opined that Bill 2491 will have statewide ramifications and encouraged the other counties to closely monitor its status. In response to a query, he clarified that approximately 1,800 people marched to the Kauai County Building to protest the use of GMOs and pesticides. He opined that a portion of the demonstrators had traveled from the other counties and the mainland to participate in the march.

- C. NACo Report. Treasurer Victorino reported that the primary issue discussed at the last NACo Board of Directors meeting was the uncertainty that all counties face throughout the nation regarding the impact of federal sequestration.
- D. WIR Report. Vice President Onishi reported that the next WIR Board of Directors meeting will be held October 2 – 4, 2013, in Grand Junction, Garfield County, Colorado.

V. UNFINISHED BUSINESS

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

President Rapozo clarified that HSAC receives approximately \$12K quarterly from the NACo Prescription Drug Marketing Fee Program (Program). He requested that each county submit a written proposal recommending uses for the Program fees, upon which the Committee will base its allocation decisions.

This item was deferred.

- B. Discussion relating to the HSAC Lobbying Plan for the 2014 state legislative session, which was approved by the Executive Committee on May 6, 2013.

Maui County Council Chair Baisa informed the Committee that the four county Council Chairs recently met and decided that in lieu of hiring a contract lobbyist to represent HSAC, the four Council Chairs would bolster their participation and involvement in HSAC and HSAC-related lobbying. She further informed the Committee that the four Council Chairs committed to meet more often as a collective with the primary focus of increasing collaboration between the four counties. She concluded by stating that the four Council Chairs intend to actively partner with the four county Mayors to present a united front during the next legislative session.

Kauai County Council Chair Furfaro proposed that the four counties collaborate to create a consolidated data report showing the irrefutable relationship between the growth in the state's visitor industry and the growth in the counties' expenses, particularly in the area of public safety. He opined that if such a report was created and distributed to the state Legislature, the state Legislature would conclude that the counties' allocation of transient accommodation tax (commonly known as TAT) should also increase commensurately with the growth in the visitor industry.

Honolulu City Council Chair Martin stated that the counties' greatest strength during the next state Legislative session is its unification as one body representing all four counties. He further stated that in his experience, the state Legislature will quickly defer a measure if the perception is that the measure has no consensus between the four counties. He expressed his gratification that the four county Council Chairs have recently been meeting collaboratively and frequently and looks forward to continued cooperation between the four counties. He stated that Oahu brings to the table close personal and professional relationships between the Honolulu City Council and individual state Legislators; for example, current Honolulu City Councilmembers include a former Senate Ways and Means Committee Chair, Judiciary Committee Chair, and a former House of Representatives Vice Speaker, furthermore a sitting state House of Representative was most recently a Honolulu City Council Floor Leader. He emphasized that it is these types of relationships that are critical when lobbying at the state Legislature.

This item was received and filed.

- C. Communication from HSAC Secretary Stanley Chang transmitting for the Executive Committee's consideration a proposal to create an "HSAC List of Priorities" to be included in the 2014 HSAC Legislative Package to better assist and provide guidance for HSAC lobbying efforts, as discussed at the July 26, 2013, Executive Committee meeting.

Secretary Chang explained that his proposal calls for general policy statements to provide HSAC with the flexibility needed when lobbying at the state Legislature.

Treasurer Victorino expressed support for this proposal and emphasized that the 2014 HSAC Legislative Package must be streamlined and focused. He informed the Committee that HSAC's counterparts in other states, specifically the Washington State Association of Counties and the Association of Oregon Counties, have adopted a similar practice.

This item was received and filed.

- D. Communication from HSAC Secretary Stanley Chang transmitting for the Executive Committee's consideration proposed amendments to the HSAC Bylaws.

This item was deferred.

VI. NEW BUSINESS

- A. Communication from state Director of Finance Kalbert K. Young requesting the Executive Committee to select one HSAC member to serve

on the Hawaii Employer-Union Health Benefits Trust Fund Task Force, pursuant to Act 268, Session Laws of Hawaii 2013.

Treasurer Victorino, Kauai County Council Chair Furfaro and Maui County Council Chair Baisa informed the Committee that their respective individual Councils will submit recommendations for the Committee's consideration.

This item was received and filed.

- B. Communication from Maui County Clerk Jeffrey T. Kuwada transmitting for consideration by the Committee the following proposals to be included in the 2014 HSAC Legislative Package, as approved by the Maui County Council on August 20, 2013:

- i. A Bill for an Act Relating to Public Agency Meetings and Records.

Maui County Council Chair Baisa explained that this proposal allows Councilmembers to jointly attend and speak at community, educational, or informational meeting or presentation, provided that the meeting or presentation is open to the public.

This proposal was approved.

- ii. A Bill for an Act Relating to Intoxicating Liquor.

Maui County Council Chair Baisa explained that this proposal authorizes a county Liquor Commission to fund alcohol abuse treatment and prevention programs with revenues collected through fines against licensees and license fees, without the current 10 percent limitation.

This proposal was approved.

- iii. A Bill for an Act Relating to Transportation.

Maui County Council chair Baisa explained that this proposal enables government agencies to maintain roads whose ownership and jurisdiction are in dispute between the state and the county, without incurring liability or assuming ownership or jurisdiction over those roads.

This proposal was approved.

She stated that the Maui County Council only submitted legislative proposals for consideration by the Committee that the entire Council enthusiastically supported because both Maui Mayor Arakawa and the Maui County Council firmly believes that the success of the 2014 HSAC legislative package hinges upon keeping the package tight and focused.

C. Communication from Kauai County Council Chair Jay Furfaro transmitting for consideration by the Committee the following proposals to be included in the 2014 HSAC Legislative Package, as approved by the Kauai County Council on August 28, 2013:

i. A Bill for an Act Relating to Energy Resources.

President Rapozo reminded the Committee that this proposal was proposed last year by Kauai County Councilmember JoAnn Yukimura. He summarized the proposal by explaining that this proposal authorizes only the buyer-owner of a newly constructed single-family dwelling to apply for a variance to the solar water heater requirement.

President Rapozo voted nay. This proposal failed.

ii. A Bill for an Act Relating to Liability.

President Rapozo explained that this proposal provides the counties with permanent liability protection for natural conditions on or near public beach parks. Maui Mayor Arakawa stated that the passage of this proposal is critical for all counties and should be included in the 2014 HSAC legislative package.

This proposal was approved.

D. Communication from Hawaii County Clerk Steward Maeda transmitting for consideration by the Committee the following proposals to be included in the 2014 HSAC Legislative Package, as approved by the Hawaii County Council on August 21, 2013:

i. A Bill for an Act Relating to Transient Accommodations Tax.

Vice President Onishi explained that this proposal doubles the counties' allocation of the transient accommodations tax from \$93M to \$196M.

This proposal was approved.

ii. A Bill for an Act Relating to the Pacific International Space Center for Exploration Studies.

Vice President Onishi explained that this proposal appropriates \$900,000 in general fund revenues to the Pacific International Space Center for Exploration Studies (commonly known as PISCES) for personnel costs, operating expenses, and the purchase of equipment, materials and services in FY 2015.

Treasurer Victorino voted nay. This proposal failed.

iii. A Bill for an Act Relating to Education.

Vice President Onishi explained that this proposal appropriates \$38 million in general fund revenues to construct a permanent facility for the University of Hawaii at Hilo Daniel K. Inouye College of Pharmacy.

This proposal was approved.

iv. A Bill for an Act Relating to Health.

Vice President Onishi explained that this proposal appropriates \$2.8 million in general fund revenues for the interdisciplinary Hawaii Health Systems Corporation Primary Care Training Program at Hilo Medical Center.

This proposal was approved.

E. Communication from Hawaii County Clerk Stewart Maeda transmitting for consideration by the Committee the following proposals to be included in the 2014 HSAC Legislative Package, as approved by the Hawaii County Council on August 21, 2013:

i. A Bill for an Act Relating to County Authority concerning Agriculture.

Vice President Onishi explained that this proposal amends the state "Right to Farm Act" to provide that each county through its county council has the right to regulate the cultivation of genetically modified crops.

Treasurer Victorino voted nay. This proposal failed.

ii. A Bill for an Act Relating to Videoconferencing.

Vice President Onishi explained that this proposal requires both legislative chambers to implement rules to provide audio or audiovisual technology thereby enabling live oral testimony to be received from residents on the neighbor islands. In response to a query, he stated that the proposal also provides for a blank appropriation amount to enact the measure.

This proposal was approved.

F. Discussion and Consideration of the following proposals to be included in the 2014 HSAC Legislative Package, to be acted upon by the Honolulu City Council on September 11, 2013:

i. A Bill for an Act Relating to Traffic Infractions.

Secretary Chang explained that this proposal was part of the HSAC legislative package last year. He further explained that the proposal would transfer a portion of the fines and forfeitures from uncontested traffic infractions to the counties. In response to a query, he confirmed that a similar proposal was also passed by the Honolulu City Council and will be considered by the Committee.

This proposal was received and filed.

ii. A Bill for an Act Relating to Sidewalks.

Secretary Chang explained that this proposal requires design flexibility for sidewalks so that the relative cost and benefit of alternatives and minimizing condemnation of private property can be considered.

Treasurer Victorino voted nay. This proposal failed.

iii. A Bill for an Act Relating to Landowner Liability.

Secretary Chang explained that this proposal was a part of the HSAC legislative package last year. He further explained that this proposal creates a cause of action against the person who maintains a property nuisance on residential property that results in damage or injury to the person or property of another person.

Treasurer Victorino voted nay. This proposal failed.

iv. A Bill for an Act Relating to Helmets.

Secretary Chang explained that this proposal requires all motorcycle and motor scooter drivers to wear a helmet.

This proposal was approved.

v. A Bill for an Act Relating to Mopeds.

Secretary Chang explained that this proposal requires all moped riders to wear a helmet.

This proposal was approved.

vi. A Bill for an Act Relating to Voting.

Secretary Chang explained that this proposal was part of the HSAC legislative package last year. He further explained that this proposal allows citizens to register to vote on Election Day.

In response to a query, Kauai County Clerk Ricky Watanabe informed the Committee that this proposal, if enacted, would probably require the counties to hire and train additional personnel during the election period. He expressed concern whether county elections officials would be able to successfully implement the proposal on a timely basis due to the proposal's immediate effective date. In response to a query, he stated that this proposal would incur increased expenses for Kauai County.

In response to a query, Glenn Takahashi, City and County of Honolulu Elections Administrator, expressed his agreement with Kauai County Clerk Watanabe's comments.

Treasurer Victorino voted nay. This proposal failed.

- vii. A Resolution Urging the U.S. Department of State, the Department of Homeland Security and the United States of Attorney General to Ease Visa Restrictions for the People's Republic of China.

Secretary Chang explained that this proposal was part of the HSAC legislative package last year and informed the Committee that it was the only proposal in the package that was adopted by the state Legislature.

This proposal was approved.

- viii. A Bill for an Act Relating to Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees.

Secretary Chang explained that this proposal was part of the HSAC legislative package last year. He further explained that this proposal designates one of the five seats allocated to represent "public employers" on the Hawaii Employer-Union Health Benefits Trust Fund Board of Trustees to be filled by an individual appointed by the four county Mayors and approved by the Committee. He opined that this proposal is an ideal candidate for his initiative to create an "HSAC List of Priorities" to be included in the 2014 HSAC Legislative Package to better assist and provide guidance for HSAC lobbying efforts.

This proposal was approved.

- ix. A Bill for an Act Relating to the Employees' Retirement System.

Secretary Chang explained that this proposal was part of the HSAC legislative package last year. He further explained that this proposal adds

one additional member to the Employees' Retirement System Board of Trustees, specifically designated to represent the counties.

This proposal was approved.

x. A Bill for an Act Relating to Traffic Infractions.

Secretary Chang explained that this proposal is similar to the first proposal submitted by the Honolulu City Council. He further explained that the proposal would transfer a portion of the fines and forfeitures from uncontested traffic infractions to the counties. He concluded by informing the Committee that this proposal was a part of the HSAC legislative package last year.

Treasurer Victorino voted nay. This proposal failed.

xi. A Bill for an Act Relating to County Surcharge on State Tax.

Secretary Chang explained that this proposal reduces the percentage, from 10 to two percent, which is automatically deducted from the gross proceeds of a county's surcharge on state tax and earmarked to reimburse the state for costs associated with handling the assessments, collection and disposition of the county surcharge.

Treasurer Victorino clarified that this measure only affects the City and County of Honolulu because it is the only county that currently has a county surcharge.

This proposal was approved.

The Committee recessed at 12:00 p.m.

The Committee reconvened at 12:45 p.m.

VII. Lunch Meeting with HSAC and the Mayors.

Maui County Mayor Arakawa stated that if the counties present a consistent and uniform position to the state Legislature through HSAC, HSAC can be the most powerful voice at the state Legislature.

Ms. Tokioka representing Kauai County Mayor Bernard Carvalho stated that the best strategy would be for the counties to identify which county official has the best relationship with each individual state legislator and "assign" that county official to lobby that state legislator during session. She likened lobbying the state Legislature to a football game.

Hawaii County Mayor Kenoi stated that the counties must make an effort to focus on a couple of county issues to lobby at the state Legislature. He further stated that the best lobbying strategy that the counties can adopt for the upcoming legislative session is to strategically choose and prioritize its legislative proposals.

Honolulu Mayor Caldwell stated that the counties' best strategy is to lobby the state Legislature as a united group. He further stated that the counties should play "offense" instead of "defense." He emphasized that the counties need to be more proactive in showing the state Legislature that the counties have a strong legislative package and a strong constituency base to ensure successful passage.

President Rapozo remarked that the Kauai County legislative proposal to be included in the 2014 HSAC legislative package regarding making permanent county liability protections for natural conditions on or near public beach parks is an ideal proposal for all the counties to rally behind.

Maui County Council Chair Baisa reminded the Committee about the Maui County proposal to hire a lobbyist to perform the crucial task of coordinating all four counties' legislative proposals and presenting a single identifiable county point person for the state legislators to recognize. She used the example of Mr. Mateo who represents Maui County at the state Legislature.

Maui County Mayor Arakawa proposed that each county designate one individual as the county point person. He stated that the four county point persons would constitute an informal committee to coordinate the counties' interests at the state Legislature. He further stated that this informal committee would determine who would be the best county official to lobby a particular state legislator or a particular county issue during the upcoming session. Hawaii County Mayor Kenoi expressed support for this concept and opined that this four county point persons committee would be the counties' lobbying team.

Maui County Council Chair Baisa opined that HSAC's legislative package should be coordinated with Hawaii Council of Mayors (commonly known as HCOM).

Hawaii County Mayor Kenoi queried whether the other counties suffered from issues stemming from the extremely poor condition of the state parks located in their counties. He used the example of Mauna Kea State Park which has the only comfort station along the 55 mile stretch of Saddle Road which spans between Waikoloa and Hilo. He commented that Mauna Kea State Park has only one bathroom stall and no sinks. He opined that Hawaii County residents and visitors deserve better facilities.

Maui Mayor Arakawa and Treasurer Victorino agreed with Hawaii County Mayor Kenoi's statements.

This item was received and filed.

VIII. ANNOUNCEMENTS

A. Schedule next meeting.

The next Executive Committee meeting was scheduled to be held on October 22, 2013 at Honolulu Hale.

The next General Membership meeting was scheduled to be held on October 22, 2013 at Honolulu Hale.

B. Other announcements.

There were no other announcements.

IX. ADJOURNMENT

The meeting was adjourned at 2:46 p.m.

Very truly yours,



STANLEY CHANG
Secretary
Hawaii State Association of Counties