



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



MINUTES
HSAC EXECUTIVE COMMITTEE MEETING
 April 27, 2015
 Honolulu Hale, Council Chambers
 Honolulu, Hawaii

I. CALL TO ORDER

The HSAC Executive Committee was called to order by Vice President Dennis Onishi at 10:22 a.m. The following members comprising a quorum were present:

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| County of Kauai: | HSAC Alternate Ross Kagawa, County of Kauai Council Vice Chair |
| County of Hawaii: | Vice President Dennis "Fresh" Onishi, County of Hawaii Councilmember |
| City and County of Honolulu: | Secretary Ikaika Anderson, City and County of Honolulu Council Vice-Chair |
| County of Maui: | Treasurer Michael Victorino, County of Maui Councilmember |
| Others Present: | Honolulu staff Doug Chun, Legislative Analyst, Office of Council Services;
Honolulu staff Brandon Mitsuda, Council Liaison, Honolulu City Council Administrative Support Services;
Kauai staff Ashley Bunda, Legislative Assistant, Office of the County Clerk; |

II. APPROVAL OF AGENDA

The Committee approved the agenda.



III. MINUTES

The Committee approved the minutes of the March 10, 2015 Executive Committee meeting.

IV. REPORTS

A. Treasurer's Report

- 1-3. Treasurer's Report for March 2015, as submitted by the HSAC Treasurer.

Treasurer Victorino summarized the report by noting that the major revenue gained of \$1,490.40 was due to the NACo prescription drug program, while major expenses included \$1,036.46 for auditing expenses, Board air and ground travel expenses of \$4,652.27, and Steering Committees air and ground travel expenses of \$1,282.20. The remaining HSAC account balance as of March 31, 2015 is \$156,009.30.

The Treasurer's Report was approved and accepted.

B. County Reports

1. Maui County Report. Treasurer Victorino reported the following points: 1) Maui County's budget process is heading into the home stretch and should be completed soon, 2) Maui has a website (mauicounty.gov) that, among other things, is geared to the 2016 elections, 3) the Maui Film Festival will be held in June, 4) Maui County and its residents are closely following the progress on a public/private partnership for Maui Memorial Hospital, since this is the only acute care hospital on Maui, 5) Unemployment in Maui County is down from 4.4 percent to 4.2 percent, 6) the Maui Police Department is currently testing body cams (cameras) with its officers, 7) County Council leadership has sent letters to the State Legislature opposing the GET surcharge for neighbor island counties, and supporting the TAT as the proper revenue vehicle for all counties.

Treasurer Victorino concluded his report by noting two final points: 1) Maui County is looking forward to choosing HSAC's new slate of officers since its appointed HSAC member has assumed the role of Treasurer for the past nine years. It might be time to switch officer positions and roles, and allow a member of another county to be Treasurer, and 2) Sponsorships for the 2015 HSAC Conference in

June are currently at \$26,000 compared with \$45,000 at this point last year. Noting that the goal for the conference is \$75,000, Treasurer Victorino stated that the usual donors and sponsors may be having financial difficulty supporting the HSAC conference because they have already committed to providing support for the WIR and NACo conferences, which will be held this year in May and July respectively, and thus, sequentially sandwich the HSAC conference.

2. Hawaii County Report. Vice President Onishi stated that the Hawaii County Council is considering the Mayor's budget and noted that the various County departments are not requesting significant increases to their budgets, but rather, are maintaining the status quo in comparison to their budgets for the current fiscal year. Vice President Onishi also noted that Hawaii County is considering increasing the fuel tax, which currently stands at 8 cents per gallon. He noted that this is low compared with the other counties which all have double-digit fuel tax rates.

3. City and County of Honolulu Report. Secretary Anderson reported that: 1) The City Council has acted to expand the current sit/lie ordinance, which bans sitting or lying on public sidewalks. Secretary Anderson noted that he would prefer to have an ordinance that applies to the entire island of Oahu, but that constitutional issues raised by the Department of the Corporation Counsel resulted in a lack of votes for this option, resulting in the piecemeal approach that the Council is taking, and 2) the City Budget process continues, with the Budget scheduled to be submitted to the Mayor for his signature in June.

Kauai County Report. Alternate Ross Kagawa reported that: 1) The Council continues to work on the South Shore and Lihue Community Plans, which are considered true community plans that were drafted with the participation and input of residents. He further noted that there is sometimes a tension between the community's desires and councilmembers who are seeking to make changes to the plans, and 2) The Council has drafted a bill to address bed-and-breakfast ("homestay") issues by regulating these properties to allow ten homestay properties per year to apply for licenses to operate a temporary vacation rental. This would establish a process for operations and regulation that currently does not exist on Kauai. (A lengthy discussion ensued about how each of the other counties is attempting to address this issue.)

A motion was made, seconded and approved to receive the county reports.

C. NACo Report

Treasurer Victorino reported that the NACo Annual Conference is coming up in July, and will be held in North Carolina this year. He advised making reservations early as it will be popular and time is running short.

D. WIR Report

Kauai staffer Ashley Bunda, who was asked to update the members, reported that 350 people have already registered for the WIR Conference that will be held on Kauai from May 20 through May 22. She stated that Kauai, as the host county, will be buying 25 orchid lei for the leadership officials expected to attend. However, she requested feedback from the members regarding the type of "omiyage" to present to these 25 leaders and officials. (A lengthy discussion ensued regarding the different types of omiyage that can be given and the logistics of transporting the omiyage to Kauai.) A motion was made, seconded and approved to use HSAC funds to buy 25 bags and 25 packets of dried ahi from Costco as HSAC's contribution to each omiyage bag. In addition, each county would provide a representative gift from their island to add to the omiyage bag. Ashley will assemble the completed bags during the week prior to the start of the conference.

A motion was made, seconded and approved to receive the NACo and WIR reports.

V. UNFINISHED BUSINESS

Vice President Onishi noted that there was no unfinished business.

VI. NEW BUSINESS

- A. Communication (March 27, 2015) from Deputy County Clerk Jade K. Fountain-Tanigawa, County of Kauai, transmitting for the HSAC Executive Committee's information, Resolution No. 2015-30, relating to the appointment of a representative and alternate to the Executive Committee of the Hawaii State Association of Counties and nominating a representative to serve as a Board Director for the National Association of Counties, which was approved by the Kauai County Council on March 25, 2015.

There being no discussion, a motion was made, seconded and approved to receive the item.

- B. Communication (April 9, 2015) from Deputy County Clerk Josiah K. Nishita, County of Maui, transmitting for the HSAC Executive Committee's information, Resolution No. 15-45, relating to the appointment of a representative and alternate to the Executive Committee of the Hawaii State Association of Counties, which was approved by the Maui County Council on April 7, 2015.

There being no discussion, a motion was made, seconded and approved to receive the item.

- C. Communication (April 9, 2015) from Deputy County Clerk Josiah K. Nishita, County of Maui, transmitting for the HSAC Executive Committee's information, Resolution No. 15-47, relating to the Fiscal Year 2015-2016 Proposed Operating Budget for the Hawaii State Association of Counties, which was approved by the Maui County Council on April 7, 2015.

There being no discussion, a motion was made, seconded and approved to receive the item.

- D. Communication (April 17, 2015) from Council Chair Mel Rapozo, County of Kauai, transmitting for the HSAC Executive Committee's information, C 2015-117, relating to the Fiscal Year 2015-2016 Proposed Operating Budget for the Hawaii State Association of Counties, which was approved by the Kauai County Council on April 8, 2015.

There being no discussion, a motion was made, seconded and approved to receive the item.

- E. Discussion regarding the 2015 Hawaii State Legislative Session.

Treasurer Victorino distributed copies of letters (dated April 22, 2015) from Maui County Council Chair Mike White to the Legislative Chairs of the Senate Committee on Ways and Means and the House of Representatives Committee on Finance opposing the General Excise Tax (GET) surcharge for counties and supporting the Transient Accommodations Tax (TAT) as the proper vehicle for county revenue. Treasurer Victorino noted that Maui County, as a whole, is opposed to the GET surcharge, believing that it is the first step towards the State Legislature justifying reducing and eventually eliminating the TAT as a source of revenue for the counties.

(A lengthy back-and-forth discussion ensued. In brief, core statements are as follows:)

Alternate Kagawa discussed various issues and alternatives, but in the end took a position to maintain the status quo with no GET surcharge implemented on the neighbor islands.

Vice President Onishi reiterated the State Attorney General's position that any GET surcharge must be offered to all counties, not just the City and County of Honolulu. Because the counties have the option of not accepting the surcharge, he did not see how the State would take TAT revenues from the counties.

Treasurer Victorino warned again that it's a slippery slope, with the Legislature's offering of the GET surcharge potentially serving as the basis for justifying taking the TAT from the counties.

Secretary Anderson noted that the GET and TAT are two separate issues and that the Legislature will take the TAT if that is their desire, regardless of whether there is justification or not.

A motion was made, seconded and approved to close and file the discussion regarding the 2015 Legislative Session.

- F. Discussion and consideration of the HSAC Slate of Officers, and NACo and WIR Board of Director nominations for the 2015-2016 term.

(At 11:31 a.m., Honolulu HSAC Alternate and Council Chair Ernie Martin replaced Secretary Ikaika Anderson, who had to leave the meeting.)

A motion was made, seconded and approved to defer this item until the next meeting to allow the Honolulu City Council time to consider and approve its appointments to HSAC for 2015-2016, as well as to consider and approve nominees for NACo and WIR director seats at the next Council meeting scheduled for Wednesday, May 6, 2015.

VII. ANNOUNCEMENTS

- A. Schedule the next meeting:

Thursday, May 7, 2015, Honolulu City Council Committee Room, 10:00 a.m.

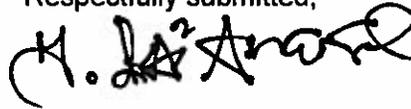
B. Other announcements.

Vice President Onishi asked for and declared that there were no announcements.

VIII. ADJOURNMENT

The meeting was adjourned at 11:33 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "I. Anderson", written in a cursive style.

IKAIKA ANDERSON, Secretary
Hawaii State Association of Counties