

Hawai'i State Association of Counties (HSAC)

Counties of Kaua'i, Maui, Hawai'i and City & County of Honolulu

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MINUTES
HSAC EXECUTIVE COMMITTEE MEETING
May 31, 2016
Mission Memorial Hearings Room
550 South King Street
Honolulu, Hawaii 96813

I. CALL TO ORDER

The HSAC Executive Committee was called to order by HSAC President and County of Maui Councilmember Michael Victorino at 10:30 a.m. The following members comprising a quorum were present:

- County of Maui: President Michael Victorino,
County of Maui Councilmember
- County of Hawai'i: Vice President Daniel K. Paleka, Jr. (Alternate),
County of Hawai'i Councilmember
- County of Kaua'i: Secretary Ross Kagawa (Alternate),
County of Kaua'i Council Vice Chair
- City and County of Honolulu: Treasurer Joey Manahan (Alternate),
City and County of Honolulu Councilmember
- Others Present: Gladys C. Baisa, County of Maui Councilmember
Honolulu staff Lisa-Ann Kimura, Staff Attorney,
Office of Council Services;
Honolulu staff Brandon Mitsuda, Council Liaison,
Honolulu City Council Administrative Support
Services;
Honolulu staff Francisco Figueiredo, Legislative
Aide, Office of Councilmember Ikaika
Anderson;
Maui staff Kit Zulueta, Communication Director,
Office of Council Services;
Kaua'i County Clerk Jade K. Fountain-Tanigawa



II. APPROVAL OF AGENDA

Secretary Kagawa moved for approval of the Agenda as circulated, seconded by Treasurer Manahan, and unanimously carried.

III. MINUTES

A. Minutes of the April 21, 2016 HSAC Executive Committee meeting, as submitted by the HSAC Secretary.

Secretary Kagawa moved for approval of the Minutes of the April 21, 2016 HSAC Executive Committee Meeting, seconded by Vice President Paleka, and unanimously carried.

IV. REPORTS

A. Treasurer's Report

1. Treasurer's Report for the month of April 2016, as submitted by the HSAC Treasurer.

Treasurer Manahan noted that the account balance beginning in April 2016 was \$212,778.20, and with expenditures of \$1,061.38, ended the month with a balance of \$211,720.31.

President Victorino noted that the account balance includes interest income of \$3.49.

Vice President Paleka moved to approve the Treasurer's Report for April 2016, seconded by Treasurer Manahan, and unanimously carried.

B. County Reports

1. City and County of Honolulu Report. Treasurer Manahan reported the Honolulu City Council welcomed and are grateful for representatives visiting from Sister Cities in Edogawa and Chigasaki, Japan.

2. County of Hawai'i Report. Vice President Paleka reported that Hawai'i County Council is finalizing their annual budgets. Of particular interest may be legislation regarding a Styrofoam ban,



which is currently being considered by the Council. He extended a warm welcome and looked forward to everyone attending the HSAC Conference in Kona next month.

3. **County of Kaua'i Report.** Secretary Kagawa reported that the County budgets are scheduled for second and final reading on Wednesday, June 1, 2016. The budget is approximately \$180 million, with no increases to taxes. The Council denied Mayor Carvalho's request to establish a general excise and use tax (GET) surcharge, which was amended to a quarter percent and would have generated approximately \$12 million. The tobacco coalition has requested legislation to ban smoking in vehicles. It is disappointing that the Legislature did not address the ban on smoking in vehicles. The Legislature informed him that despite having a high degree of importance, 90% of proposals do not get heard. This matter is a statewide issue and the laws addressing it should be consistent statewide. In addition, legislating parenting responsibilities is not the County's function. President Victorino agreed that a smoking ban in vehicles is a statewide issue and should be dealt with at that level. Under similar circumstances, the counties addressed the cell phone use prohibition prior to the State initiating any action. Enforcement of these laws is another issue for consideration.
4. **County of Maui Report.** President Victorino reported that they are currently researching the possibility of establishing a program similar to unadjudicated fines where counties could get direct revenue from the assessments. County police do the work and the county should receive some type of assessment for that effort. Currently, counties have no ability to receive unadjudicated fine moneys. President Victorino also felt that the amount expended by the court system to address the unadjudicated fine cases is much more than what is collected, so it is not worth the fight to go after.

Maui has close to 20 proposed amendments to the Charter, dealing with issues from ethics to fire ants, etc. Of concern is county governance. The Special Governance Committee has made a recommendation that would transform the mayor as a figurehead or chief executive officer, the managing director as the chief operating officer, and the council would have control of managing



both positions. This proposal is scheduled for first reading on Friday.

Maui Metropolitan Planning Organization (MPO) has been formed and is looking for an executive director, with a salary range of \$80,000-\$110,000. Applications must be received by June 3, 2016.

Maui County Council has recently approved the ocean safety BU 14 contract, which now has been approved by all counties. Seventy (70) units of affordable housing in Waiale have been approved and will be 100% affordable. Finally, Friday is second and final reading on the annual budgets, which was cut from \$711 million to \$659.5 million, and includes some necessary changes in rates and fees.

Secretary Kagawa commented that the county manager issue, which requires five affirmative votes to be placed on the ballot, is being considered on Kaua'i. Although he and Councilmember Kaneshiro strongly oppose the measure, the Council is awaiting a final ruling based on Chapter 89, Hawai'i Revised Statutes, which requires a council manager position to be designated Civil Service. President Victorino noted that civil service positions do not necessarily fall under any specific bargaining unit, as well as each county's charter is constructed differently.

Councilmember Baisa asked what happened with the GET proposal on the Big Island. Vice President Paleka replied that Hawai'i County Council denied it. Maui County has not considered the GET surcharge, for which President Victorino believes the people should be given the opportunity to voice their opinion.

Secretary Kagawa moved for approval of the county reports, seconded by Vice President Paleka, and unanimously carried.

C. National Association of Counties (NACo) Report

There was no NACo report.

D. Western Interstate Region (WIR) Report



Vice President Paleka noted that he was unable to attend the recent WIR meeting, but Councilmember Dennis “Fresh” Onishi is currently attending. President Victorino noted that Councilmember Mike White, Maui County Council, also attended the WIR. A report will be submitted at the next HSAC Executive Committee Meeting.

There being no objections, President Victorino tabled the NACo report and the WIR report until the June 2016 HSAC Executive Committee Meeting.

V. NEW BUSINESS

- A. Communication from HSAC President Michael P. Victorino, relating to HSAC logo items.

President Victorino suggested that HSAC purchase logo items, which will be shared with colleagues at national and legislative conferences and meetings.

Secretary Kagawa moved to approve the purchase of HSAC logo items, seconded by Vice President Paleka, and unanimously carried.

- B. Communication from HSAC Secretary Mel Rapozo, relating to a proposed amendment to the HSAC bylaws to allow for the reimbursement of lodging expenses arising from official travel.

Secretary Kagawa stated that travel is a necessary component of a Councilmember’s official duty, and HSAC is an additional duty that requires travel. If a Councilmember is serving as an HSAC board member, travel reimbursement is a reasonable request. He noted that Councilmember Kualii was unable to attend one of the scheduled WIR meetings due to his limited travel budget.

Treasurer Manahan stated support for the amendment, and noted that travel expenses for Alternate members should be included.

President Victorino stated that covered travel expenses are for the members of HSAC, WIR and NACo. Travel expenses for Alternates are not reimbursed when the primary member is attending the event.



Vice President Paleka stated that it is crucial that this funding be made available for travel expenses, because for certain counties funds are limited.

Secretary Kagawa moved for approval of the amendment, seconded by Vice President Paleka.

President Victorino circulated an amendment to the proposal that the amount of travel expenses not exceed \$2,000.00 expected to be incurred by the HSAC Executive Committee Members in the conduct of official business at the NACo Legislative Conference, the NACo Annual Conference, and members of the council who serve as Board of Directors on NACo or WIR in the conduct of official business, directors or members who serve on HSAC special committees and NACo steering committees as defined in Section 22.

Treasurer Manahan moved to amend the proposal as stated by President Victorino, seconded by Secretary Kagawa.

President Victorino continued that the Alternate is not included in the language. He explained that limits need to be set. Should the primary member be unable to attend a conference/meeting and the Alternate attends in their place, then travel expenses for the Alternate member will qualify for reimbursement by HSAC.

President Victorino confirmed Councilmember Gladys Baisa's request for clarification that the proposed language is clear that travel expenses for an Alternate member attending a conference/meeting in place of the primary member will be reimbursable.

Vice President Paleka inquired whether the \$2,000 expenditure limit is attributed to members from the same council combined or individually; for instance, Councilmember Onishi is both an HSAC representative and a NACo Board member, so Councilmember Onishi could attend as a NACo Board Member and Councilmember Paleka could attend as an HSAC Alternate. President Victorino stated that the expenditure limits are per individual. The HSAC budget currently allocates \$1,500 maximum per member.

President Victorino suggested a further amendment to the amendment to include after the words "HSAC executive committee members" the words



“or their official designated Alternate.” There was no objection to this friendly amendment.

The members unanimously approved the amendment to the HSAC Bylaws, as amended herein.

- C. Maui County Council Resolution 16-77, entitled “APPROVING THE HAWAII STATE ASSOCIATION OF COUNTIES’ OFFICERS, NOMINEES TO THE NATIONAL ASSOCIATION OF COUNTIES AND WESTERN INTERSTATE REGION BOARDS OF DIRECTORS, AND ANNUAL BUDGET FOR FISCAL YEAR 2017,” which was adopted on May 20, 2016.

Secretary Kagawa moved to receive the Resolution for the record, seconded by Treasurer Manahan, and unanimously carried.

- D. Communication from Kauai County Clerk Jade Fountain-Tanigawa, transmitting Resolution No. 2016-46, “RESOLUTION APPROVING THE FISCAL YEAR 2017 PROPOSED OPERATING BUDGET FOR THE HAWAII STATE ASSOCIATION OF COUNTIES,” which was adopted on May 18, 2016.

Secretary Kagawa moved to receive the Resolution for the record, seconded by Treasurer Manahan, and unanimously carried.

- E. Communication from Kauai County Clerk Jade Fountain-Tanigawa, transmitting Resolution No. 2016-45, “RESOLUTION APPROVING THE HAWAII STATE ASSOCIATION OF COUNTIES BOARD OF DIRECTORS, AND NOMINEES TO THE WESTERN INTERSTATE REGION BOARD OF DIRECTORS FOR FISCAL YEAR 2017,” which was adopted on May 18, 2016.

President Victorino noted a clerical error on the agenda to the title of Resolution No. 2016-45, which should correctly read: “Resolution Approving the Hawai‘i State Association of Counties Slate of Officers, Nominees to the National Association of Counties Board of Directors, and Nominees to the Western Interstate Region Board of Directors for the Fiscal Year 2017.”

Secretary Kagawa moved to receive the Resolution for the record, seconded by Treasurer Manahan, and unanimously carried.



President Victorino reminded the Hawai'i County Council and the Honolulu City Council to submit their approval resolutions no later than June 16, 2016 for consideration at the HSAC Annual Conference.

VI. UNFINISHED BUSINESS

A. State Legislature update and discussion on lobbying efforts.

President Victorino noted that HCR 29 regarding Citizens United was approved by the Legislature, and SB 2121, relating to Public Agency Meetings, was enrolled to the Governor for approval. Secondly, Becker Communications has submitted a proposed strategic plan for next year (see attached communication dated May 31, 2016).

President Victorino reported that he and Councilmember Baisa have been working on a draft legislative package that they hope to present to Councilmembers for input at the June 2016 HSAC Conference. The discussion will include recommendations on issues of importance to the counties, as well as strategies and efforts to assist and improve HSAC's effectiveness. President Victorino stated that his goal is to start working on HSAC's legislative package in July 2016; recommendations received at the HSAC Conference will be incorporated into the plan. Scott Ishikawa of Becker Communications is anticipated to be involved with the public relations aspect of HSAC's efforts. HSAC needs to determine the following: 1) should HSAC have a lobbyist, and 2) schedule of meetings—how, what, where. Kaua'i Mayor Carvalho has requested that HCOM be involved with HSAC's efforts, as well as the Council Chairs have expressed their willingness to be involved. President Victorino stated that HSAC must be the leader upfront, and will be inclusive of HCOM and the Council Chairs. The two top priorities going into the next legislative session are 1) beach liability and 2) transient accommodations tax (TAT).

Councilmember Baisa noted that the Sunshine Law is an important issue and that Common Cause and the League of Women Voters should be invited to discuss their concerns. President Victorino stated that he will informally discuss with corporation counsel whether seeking a court ruling on this Sunshine Law matter is a possible option.



Scott Ishikawa of Becker Communications provided a recap of their assistance to HSAC during this recent legislative session. There was a learning curve because of being retained after the crossover period, and some of the media strategies under consideration were put on the shelf. Options included crafting an op-ed and hold a press conference, but since it was so kind of late in the game in the legislative session, a decision was made not to bite the hand that feeds – the state lawmakers. Now that the session is over, there is 6 months before the legislative session begins to plan strategy and get ahead of the curve regarding the message.

Mr. Ishikawa recognized challenges facing HSAC is that the general public has difficulty in differentiating between the two levels of government – state and county. The message needs to be tweaked to explain the counties’ need for a fair share of the TAT, because the general public tends to merge the two levels of government as one and the same. Secondly, the working group’s study and recommendation needs to be kept upfront and not become stale information and forgotten.

Regarding the strategy timeline, the recommended press conference in January can be held concurrently with HSAC’s briefing with the legislators. Becker Communications will assist with developing fact briefing sheets and press kit briefing documents for HSAC’s priorities. TV media will be requested to cover the press conference, as well as editorial board meetings/briefings can be arranged to provide additional information regarding subject matters. Suggested media organizations include *Civil Beat*, *Pacific Business News*, and *Hawai‘i Public Radio*. Meeting with an editorial board helps to establish that relationship with the media and the assigned reporter and assist them in developing a better understanding of HSAC’s priorities. It is also possible that the editorial board may see fit to do an editorial on their own in support of HSAC’s position, without HSAC having to put out an op-ed. As well as should future stories on a topic be written, HSAC’s name would appear in the paper because of the relationships established with the media and reporter who hopefully makes an effort to reach out to an HSAC representative for an opinion on the issue.

Submitting an op-ed at the beginning of the session (late January/early February) to neighbor island newspapers is one method to get the message out about what HSAC is doing and the intent on the TAT legislation. Another idea is to develop “letters to the editor” in support of TAT legislation supported by HSAC that can be used by third party



supporters such as the realtors, HGEEA, UPW, HSTA, etc., to help get and keep the message out without personally involving HSAC and potentially having a negative response from a key legislator. Finally, regardless of the end of session results, HSAC should put out an op-ed or letter to the editor explaining the organization's legislative actions and what it hopes to improve on in the next session.

Members discussed the need for a coordinator to work out the necessary logistics with Councilmembers, Scott Ishikawa, and other parties.

Secretary Kagawa questioned whether alternatives will be available should option one not be a viable course of action, because pressuring the legislature through the media is not a guaranteed favorable result. President Victorino did not disagree that a couple of options are good to have. He requested concurrence from the members that the proposed approach is what HSAC needs to do as a first step. Treasurer Manahan added that it is important to consider the relationship of the TAT allocation with the GET surcharge. President Victorino stated that it is important to first have a plan of action with alternatives so that the message does not get convoluted somewhere during the process. The objective is to get HSAC's message out to as many others who can help, and the message needs to be clear and definitive. President Victorino plans to have this discussion with all Councilmembers during the HSAC conference in Kona.

There being no objections, the members received the update for the record.

- B. 2016 Hawai'i State Association of Counties Annual Conference update.

There was no update.

VII. ANNOUNCEMENTS

- A. The next Executive Committee meeting will be on Wednesday, June 22, 2016, 8:30 a.m. at Keauhou III, Sheraton Kona Resort and Spa at Keauhou Bay, Kailua Kona, Hawai'i County, to be followed by the General Membership meeting at 10 a.m.



B. Other announcements.

There were no other announcements.

VIII. ADJOURNMENT

The meeting was adjourned at 12:15 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mel Rapozo".

MEL RAPOZO, Secretary
Hawai'i State Association of Counties