

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
July 8, 2016
Honolulu Hale, Committee Meeting Room
530 South King Street
Honolulu, Hawai'i 96813

I. CALL TO ORDER

The HSAC Executive Committee was called to order by HSAC President and County of Maui Councilmember Michael Victorino at 10:00 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 Mel Rapozo,
County of Kaua'i Council Chair

City and County of Honolulu:

Treasurer Ikaika Anderson,
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;
County of Maui staff Kit Zulueta, Communication
Director, Office of Council Services;

Kaua'i staff Aida Kawamura, Legislative Assistant,
Office of Council Services

Scott Ishikawa, Becker Communications, Inc.



II. APPROVAL OF AGENDA

Treasurer Anderson moved for approval of the Agenda as circulated, seconded by Vice President Paleka, and unanimously carried.

III. MINUTES

- A. Minutes of the June 22, 2016 HSAC Executive Committee meeting, as submitted by the HSAC Secretary.

Secretary Rapozo moved for approval of the Minutes of the June 22, 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 June 2016, as submitted by the HSAC Treasurer.

There being no objections, the 2016 Treasurer's Report for the month of June 2016 was deferred.

B. County Reports

1. City and County of Honolulu Report. Treasurer Anderson reported that at its meeting on July 6, 2016, the City Council passed on second reading Bill 38, relating to including the Kapalama Hale Parking Facility in Section 15-16.5 of the Revised Ordinances of Honolulu. The City Council also passed on third reading Bill 27, relating to providing incentives that stimulate the creation of accessory dwelling units (ADU) in order to offer additional rental properties to those who have challenges becoming homeowners. Bill 27 is currently at the Mayor's office for approval.

Secretary Rapozo asked whether Bill 27 included restrictions for affordability to a certain median income group. Treasurer Anderson stated that there were no rent or price restrictions included in the bill. Bill 27 will allow property owners to build a



second unit complete with a kitchen on their property. The CPR (condominium property regime) approach to subdividing the property and selling either unit is not permissible. Treasurer Anderson noted that the City Council has discussed and done research on establishing rent controls, but have not considered any formal proposal.

2. County of Hawai'i Report. Vice President Paleka thanked everyone for attending the recent HSAC Conference hosted by the County of Hawai'i. In terms of legislation, a Charter amendment has been proposed to remove the Hawai'i County Band from the Charter. It was later clarified that the band members are seeking civil service status, so the proposal will be either amended or withdrawn. Treasurer Anderson noted that the Royal Hawaiian Band is a municipal band that is city-funded, and those band members are HGEA employees. It was also noted that both bands originate from the Hawaiian Kingdom and have been in existence for 133 years.
3. County of Kaua'i Report. Secretary Rapozo reported that the Kaua'i County Council is considering an additional rental unit (ARU) proposal that would allow property owners to build an additional unit on their property, while still complying with lot coverage restrictions. If the size of the lot were over 3,500 square feet, the owner would be allowed to construct a 400 square foot structure; if the lot size is over 5,000 square feet, the unit can be up to 800 square feet in size. On Kaua'i, property owners who rent units at or below the HUD rental housing guidelines receive a beneficial tax rate. Secretary Rapozo stated his disapproval of the ARU proposal without an affordability requirement, because it basically increases property value for someone who could choose to rent at market rates and not help the affordable housing situation. Ultimately, the Council recommitted the ARU bill to the Planning Committee for further discussion, as some members believe that any increase in the number of available units creates a more favorable rental housing market. Councilmembers also questioned whether ARUs should be allowed islandwide rather than limited to the Līhu'e district as proposed in the bill.



The Intermediate Court of Appeals (ICA) issued its ruling in the Police Commission v. Mayor case on Kaua'i, stating that the commission holds the authority for discipline and employment related matters of the chief of police. The intent of Charter Review Commission members of not politicizing the police department and that they were against the mayor having any authority over the police chief is clear in the Minutes of the Charter Review Commission. However, Mayor Carvalho has stated that he will appeal the ruling, which would necessitate additional special counsel funds to be approved by the Council. State Senator Will Espero has also voiced his belief that authority over the police chief should lie with the mayor.

President Victorino expressed an interest in the ARU legislation being discussed on Kaua'i, noting that Maui County has an acute shortage of housing inventory and that he agrees that an affordability requirement is important.

4. County of Maui Report. President Victorino reported that the county manager form of government proposal failed in committee by a 5:4 vote. The Council passed the Lāna'i Community Plan Comprehensive Update on July 1, and the Moloka'i Community Plan Update is next. A recent brushfire shut down transportation between West and Central Maui, stranding residents and visitors. President Victorino noted that developing a bypass highway would not solve these issues, because that route would pass through these areas that are susceptible to these incidents. A groundbreaking for the new West Maui acute care hospital with senior facilities is scheduled for August 15, 2016. The last leg of the new airport access road will be opening on July 23, 2016. The \$3 million upgrade of the airport has commenced, and the County is fighting to have the runway extended to provide for a safer landing strip.

There being no objections, the foregoing County Reports were received for the record.

C. National Association of Counties (NACo) Report



The Annual Conference is happening July 22-25, 2016 in Long Beach, California. President Victorino thanked each county for contributing to the omiyage package: sugar from Maui County, flower leis from Hawai'i County, macadamia nuts from Honolulu City & County, Kaua'i Kookies from Kaua'i County. Secretary Rapozo noted that TSA Pre-check enrollment services will be available at the NACo Annual Conference in Long Beach. President Victorino announced that HSAC will be hosting breakfast meetings with the candidates for NACo second vice president, and that schedule will be forwarded to members attending the conference.

There being no objections, the NACo Report was received for the record.

D. Western Interstate Region (WIR) Report

There was no WIR report.

V. NEW BUSINESS

A. Financial summary and agreement for services for the Hawai'i State Association of Counties, submitted by Becker Communications, Inc. ("Becker").

Scott Ishikawa, Becker Communications, Inc. stated that his professional experience includes 13 years as a newspaper reporter (which includes 8 years at *Honolulu Advertiser*), 5 years as the State Department of Transportation spokesperson, 6.5 years representing Honolulu City on the rail transit project, and he is currently employed with Becker. This resume has afforded the expansion of his skills and circle of contacts regarding media relations. Becker also works on building community relations and can assist HSAC with arranging speaking engagements with various organizations and groups. Mr. Ishikawa noted that he is not a lobbyist, and should HSAC decide it needs the services of a lobbyist, that would be a separate matter and decision for HSAC.

Mr. Ishikawa talked about options regarding the contract – hourly rate, hourly rate with a cap, and a project status from December 2016 to May 2017 with a monthly retainer and a cap on the number of hours. HSAC had chosen to contract with Becker late in the legislative session to get media coverage. During that period, Mr. Ishikawa observed what



type of media communication worked at a particular point and what would be better for the duration of the session, and that it is better to be proactive rather than reactive by having a basic plan and making necessary adjustments along the way. Sticking with the plan throughout the session will give HSAC a better chance of getting its message out to the public, as well as to the lawmakers, through the media.

Secretary Rapozo recollected the conversation to engage Becker focused on HSAC, HCOM, and the Council Chairs wanting assistance to get the message out regarding TAT via a press release and a press conference. There was no discussion about additional services, and President Victorino recommended hiring Becker on an hourly basis because the lump sum of \$3,000 was considered too high, and everyone agreed. For the upcoming legislative session, Becker's assistance will be critical in coordinating meetings for the various county councilmembers with various groups/organizations to elicit their help in lobbying for HSAC's top two priority issues – TAT and beach liability, as well as providing members with overall guidance in promoting the same message statewide. He recommended that HSAC start developing a legislative plan of action for now until December, when HSAC could decide to continue its retention of Becker.

President Victorino agreed with developing a legislative plan now, without making any commitment for 2017. It is important to set the legislative structure now, and not wait until September to make any decision. HCOM's makeup will consist of two new mayors in 2017, and their priorities are unknown until the mayors are elected. The Council Chairs may also change. Members agreed that HCOM and Council Chairs would be supplementary to HSAC decisions. Secretary Rapozo clarified that HSAC is spending its resources to hire Becker, who will be working in the best interest of HSAC, which basically includes the County Councils. Members agreed that each Council Chair must either be in support of HSAC, or be silent regarding actions taken by HSAC on legislative matters. It was also agreed that each Council Chair will be made aware of this caveat. Councilmember Baisa requested that Becker assist HSAC with formulating a plan and calendar of events (meetings with various groups/organizations). President Victorino added that his plan is to start now in the hopes of having a preliminary proposal for consideration at HSAC's meeting in August. The August meeting will be focused on legislative issues. If necessary, a second meeting in August



will be held to finalize the HSAC legislative package for consideration by each County Council.

Secretary Rapozo moved to approve, retroactively, the Financial Summary / Agreement For Services between Becker Communications, Inc. and the Hawai'i State Association of Counties effective April 1, 2016 through December 31, 2016, seconded by Vice President Paleka, and unanimously carried.

VI. UNFINISHED BUSINESS

A. State Legislature update and discussion on lobbying efforts.

President Victorino stated his goal that each Council adopts the HSAC Legislative Package by September. Secretary Rapozo noted that the two obvious priorities are TAT and beach liability. President Victorino explained that although the beach liability bill was introduced last session, Representative Rhoads and Senator Keith-Agaran advised that they did not entertain it because the provision does not sunset until 2017. Secretary Rapozo noted that Kaua'i County will introduce the beach liability proposal for next session. President Victorino noted that Maui County will introduce the TAT proposal for next session. Maui County will also introduce the Sunshine Law proposal, with a focus on public meetings. Other proposals mentioned included county tax/fee on cruise ships as a revenue-generating mechanism, collective bargaining negotiations, and EUTF (employer-union health benefits trust fund). The members agreed that the top four issues for HSAC at the next legislative session are: TAT, beach liability, the Sunshine Law, and Collective Bargaining. Mr. Ishikawa spoke of the importance of designating which members will be representing HSAC on certain issues when meeting with the editorial boards.

Treasurer Anderson moved to approve TAT, beach liability, and the Sunshine Law as HSAC's top three priorities for the 2017 legislative session, seconded by Vice President Paleka, and unanimously carried.

Secretary Rapozo noted that he is considering introducing the unadjudicated fines proposal, because it involves primarily county resources that are not being reimbursed. President Victorino felt that the cost for the courts to administer these cases as compared with the



amount derived from the fines is not sufficient to justify the county going after it.

VII. ANNOUNCEMENTS

A. Scheduling of the next meeting.

The next Executive Committee meeting is scheduled for Monday, August 22, 2016, at 10:00 a.m. on O'ahu, with a tentative second meeting scheduled for Friday, August 26, 2016, if needed.

B. Other announcements.

Secretary Rapozo moved for approval to purchase, at a cost of approximately \$20 each, 40 portfolios with an HSAC logo imprint on the front cover for distribution to all county councilmembers and mayors, seconded by Treasurer Anderson, and unanimously carried. President Victorino noted that this expense will be budgeted from the HSAC Promotion line item.

Members welcomed representatives from the Waikiki Community Center who were touring the City Hall and stopped in to view government officials in action and to say hello.

VIII. ADJOURNMENT

The meeting was adjourned at 11:39 a.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mel Rapozo", is written over a horizontal line.

MEL RAPOZO, Secretary
Hawai'i State Association of Counties