

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
August 22, 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 10:03 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 Dennis "Fresh" Onishi,
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
Valerie Poindexter, County of Hawai'i
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;
Honolulu Intern Nelson Mukai, 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;
Nelissa Asato, Special Assistant to Mayor Kirk
Caldwell, City & County of Honolulu;
Scott Ishikawa, Becker Communications, Inc.

II. APPROVAL OF AGENDA

Secretary Rapozo moved for approval of the Agenda as circulated, seconded by Vice President Onishi, and unanimously carried.

III. MINUTES

- A. Minutes of the July 8, 2016 HSAC Executive Committee meeting, as submitted by the HSAC Secretary.

Secretary Rapozo moved for approval of the Minutes of the July 8, 2016 HSAC Executive Committee Meeting, seconded by Vice President Onishi, and unanimously carried.

IV. REPORTS

A. Treasurer's Report

1. Treasurer's Report for the months of June and July 2016, as submitted by the HSAC Treasurer.

Vice President Onishi moved to approve the HSAC Treasurer's Reports for the Months of June and July 2016, seconded by Treasurer Anderson, and unanimously carried.

B. County Reports

1. City and County of Honolulu Report. Treasurer Anderson reported that the City Council passed on final reading Bill 36, related to private transportation services and drivers, which establishes regulations applicable to drivers of private transportation services, as well as creation of a central database of information pertaining to drivers of private transportation services, which includes both taxicab companies and transportation network companies. In introducing this measure, Councilmember Kobayashi's goal was to ensure the health, safety, and wellbeing of passengers, citizens,



and guests in Honolulu, and that drivers operate vehicles in a safe manner. Mayor Caldwell allowed Bill 36 to become law without his signature for various reasons.

On August 18, 2016, the City Council hosted past members of the City Council at a rededication of the Hall of Members gallery located on the second floor of Honolulu Hale. Pacific Gallery and Trophy House assisted with the retouching and restoration of many of the historic pictures of former councilmembers. Included among these notable members are Governor Neil Abercrombie and Congresswoman Patsy T. Mink.

Honolulu City Council continues its discussion with the Edogawa City Council Members, Japan, towards strengthening relationships between the two cities.

Regarding the cash-strapped rail project stalled at this point to reach Middle Street with available finances, Treasurer Anderson suggested that HART (Honolulu Authority for Rapid Transportation) meet with the Federal Transit Administration (FTA) to request an amendment to the full-funding grant agreement and minimum operable segment (MOS) from East Kapolei to Ala Moana Center to allow the MOS to terminate at Middle Street, with the understanding that the City would then be bound to enter into another agreement with the federal government to extend the rail to UH Mānoa via Ala Moana Center. This would allow the City to remain in compliance with the full-funding agreement. Treasurer Anderson surmised majority support from colleagues on the City Council for the rail going to Ala Moana Center and who do not support an indefinite terminus at Middle Street; indefinite meaning there are no plans to reach Ala Moana Center.

2. County of Hawai'i Report. Vice President Onishi reported that Hawai'i County Council adopted a resolution establishing a task force made up of twenty-plus members (State government, County government, public sector) to look into styrene products. The task force report is due to the Council prior to the first meeting in December 1, 2016.

Vice President Onishi summarized the 2016 HSAC Conference Report (see attachment hereto). He noted some of the problems



they experienced while planning the conference. Beginning in October 2015, they selected the University of Hawai'i at Hilo Conference Center to assist with the conference planning. Unfortunately, the Conference Center was unable to fulfill their commitments of securing speakers, organizing the website and conference registration, and requested to withdraw from their commitment in April 2016. Hawai'i County agreed and both parties came to a compromise on the amount due for the services the Conference Center provided. There were a total of 163 registered conference attendees and 60 golf participants. Vice President Onishi expressed his appreciation to Maui County for registering a number of Maui County staff members for the conference, primarily from the Planning Department. He added that he encouraged various Hawai'i County departments to participate as well. Vice President Onishi reported that a Farm Bureau Conference and a Legislative Leadership Conference were scheduled for the same dates on O'ahu, and were a contributing factor affecting participation at the HSAC Conference. The net profit from the conference is \$14,155.43 (total income was derived as follows: 30% registration, \$10% golf, and 60% sponsors and donations). Vice President Onishi thanked the conference co-sponsors: Big Island Candies, Hawaiian Airlines for the special conference roundtrip airfare, Kohanaiki for their sponsorship of the golf tournament, and Sheraton Kona Resort & Spa at Keauhou Bay, the Hawai'i County Council staff for their work in coordinating the conference and various events, and everyone for their participation and assistance in making the conference successful.

Vice President Onishi also noted that Roberta Chu, Vice President, Bank of Hawai'i Hilo Branch, informed him that at their statewide meeting, Bank of Hawai'i committed their support for HSAC and being an HSAC conference sponsor with a donation of \$5,000 annually.

President Victorino reviewed the conference financial report and recommended that future conference financial reports include information regarding the seed money provided by HSAC, which will accurately reflect moneys coming in and going out, regardless of the seed money being returned to HSAC prior to closing of the conference account.



3. County of Kaua'i Report. Secretary Rapozo reported that the Kaua'i County Council deferred the additional rental unit (ARU) measure in committee because it was limited to the Līhu'e District, and requested that the Planning Department submit a new proposal that would address ARUs islandwide.

Secretary Rapozo requested to be informed if any member has knowledge of any events that are scheduled in the month of June 2017 that would affect attendance at the 2017 HSAC Annual Conference on Kaua'i. This information would help facilitate securing of the conference dates. For the conference hotel, consideration is being given to properties that provide airport shuttle, thereby reducing the need for participants to rent a car. The Kaua'i Marriott Resort and Aqua Kaua'i Beach Resort both offer airport shuttles to/from their properties, but the costs at the Marriott are significantly higher. A conference golf tournament will be included. The topics presented at the conference should be relevant to each county, such as real property taxes, etc. He invited members to voice their interests in any topic that may be a statewide issue, for consideration as part of the conference. One idea is to have a legislative session where key state legislators would be present to speak on the State Legislature's relationship with the counties and how to accomplish goals and objectives.

Vice President Onishi stated that feedback from the HSAC conference in Kona was that it is important that conference topics relate to the fields of planning, land use, etc., to attract participation from landowners, developers, consultants, etc.

Secretary Rapozo added that he met with NOAA (National Oceanic and Atmospheric Administration) representatives, who informed him that NOAA will be seeking protection of spinner dolphins and are looking at establishing restrictions for Maui and the Big Island. Kaua'i has no activities involving spinner dolphins, so there are no protective zones being recommended for Kaua'i. NOAA continues to have a grave effect on the economies of the islands as they become more and more successful at limiting activities in and surrounding the islands. Protective species is a big issue at WIR, and this issue will be considered for presentation at the HSAC conference.



4. County of Maui Report. President Victorino reported that the Budget & Finance Committee recommended the acquisition of 267 acres of north shore property from A&B located in the area of Pe'ahi, also known as "Jaws." Uses on this land still need to be decided, but will serve multiple purposes, such as, agriculture, culture, equestrian, possible dirt biking, etc. President Victorino noted that the County of Maui has purchased close to one thousand acres of property since 2006, and Councilmember Baisa has voiced concern over management of the property and liability.

The Water Resources Committee is working on addressing the pending water meter list for upcountry properties, and seeking methodologies to "whittle down" the numbers on the list. One option being considered is increasing the limit on the number of fixtures allowed before requiring an upgrade to the existing meter. This measure would be applicable to other areas of the island and allow some expansion that does not require a meter upgrade.

A proposed Charter amendment is seeking to require Council approval of managing directors for finance, public works, parks and recreation, housing and human concerns, transportation, environmental management, and the managing director; currently, the Council approves the water director, prosecuting attorney, and corporation counsel. This amendment would give the Council more interaction and transparency, and provide the public an opportunity to provide testimony. Another Charter Amendment proposes that county council staff attorneys have the authority to render formal legal opinions to councilmembers.

The access road to Kahului Airport just opened. This is a \$56 million project that is still ongoing. The State Commission on Water Resource Management unanimously rejected a fine for John and Rose Duey for installing a stream diversion in the Wailuku River for growing taro, and instead issued them a permit for the diversion.

Maui County is close to final approval of three hospitals (Maui, Kula, and Lāna'i) to be under the management of Kaiser Permanente Health System. Recently, the UPW (United Public Workers) challenge was thrown out, and the ERS (Employees Retirement System) issue has been remedied. Smaller issues are close to being resolved, in the hopes that the changeover will be



completed in November 2016. West Maui Hospital had its groundbreaking on August 15, 2016. The West Maui Hospital facility will provide urgent care, ambulatory care, and also long term and senior services. On August 23, 2016, the Maui County Council will honor the life of the late Mayor Elmer Carvalho, who is considered the most influential politician in Maui County's history, and was the Speaker of the House who received the call from Washington, D.C., in 1959 with information that Hawai'i had become a state.

Treasurer Anderson moved to receive the foregoing County Reports for the record, seconded by Vice President Onishi, and unanimously carried.

C. National Association of Counties (NACo) Report

Vice President Onishi stated that the NACo report is being finalized and will be submitted at the next meeting.

There being no objections, the NACo Report was deferred.

D. Western Interstate Region (WIR) Report

There was no WIR report.

V. NEW BUSINESS

A. Communication from Kaua'i County Council Chair Mel Rapozo submitting four State bills for inclusion in the 2017 Hawai'i State Association of Counties Legislative Package, as approved by the Council on August 3, 2016. The bills have the following respective purposes:

1. To delete the sunset provision for the liability exceptions for county lifeguards.
2. To direct the traffic fines and forfeitures collected for uncontested traffic infractions to the county in which the citation was issued.
3. To exempt from civil service positions of non-elected chief executive officers or heads of the executive branch of county government.
4. To appropriate funds to the Department of Health for Fiscal Year 2018 for the purchase of an ambulance vehicle and the operational costs for one ambulance unit, including equipment, supplies, and personnel costs for State-certified emergency medical



services personnel, for a 24-hour ambulance unit for the County of Kaua'i.

President Victorino clarified that September 9, 2016 is the deadline for all Councils to pass their legislative proposals for recommendation to HSAC. Today's meeting was scheduled to discuss all proposals. He recognized that not all Councils will be able to finalize their recommendations by September 9, and stated that proposals need to be submitted no later than by the end of September, which will provide sufficient time for the package to be finalized in October. President Victorino stated that he will not accept any proposals submitted from that point forward.

Secretary Rapozo stated the importance of item no. 1, which needs to be addressed by the Legislature during the upcoming legislative session because immunity for county lifeguards sunsets on June 30, 2017. Item no. 2 proposes a solution for generating revenue for the counties. Secretary Rapozo hoped the discussion on this proposal would result in some form of recuperation derived from unadjudicated traffic tickets. Item no. 3 is a proposal by Kaua'i County Councilmember JoAnn A. Yukimura. Secretary Rapozo said that he supported this measure to allow HSAC to have a discussion on the merits of the proposal. This proposal relates to creating a county-manager form of government and would allow the county manager to be appointed by the council rather than be classified as a civil service employee. Item no. 4 was requested by the Kaua'i Branch of American Medical Response (AMR). At the past legislative session, the Legislature rejected AMR's request for new ambulances for three counties, noting that funds were not available for the requested three new ambulances. AMR submitted another request for a rapid response service that gained traction, but ultimately did not pass. Statewide, the organization agreed to a unified approach of requesting one new ambulance per year that would be awarded on a rotational basis to one of the counties. AMR prioritized the islands based on need, and Kaua'i was found to have the least number of ambulances at five. AMR agreed that Kaua'i would be the first to receive an ambulance, which costs approximately \$1.2 million.

The same items were forwarded to Mayor Bernard P. Carvalho, Jr., for concurrence to include in Kaua'i County's Legislative Package, and the mayor approved of items nos. 1, 2, and 4.



President Victorino stated that although there is no agenda item, he would like a discussion regarding collective bargaining. His research found that there is no law that prohibits the councils from participating in collective bargaining negotiations, and it has just been the “practice” that the Administration represents the counties during these bargaining negotiations. The Councils are responsible for the counties’ budgets and should understand the reasons behind the requests for various increases, rather than being blocked from acquiring a better understanding of the requests by the Administration claiming nondisclosure due to confidentiality.

Councilmember Gladys Baisa, County of Maui, informed of her conversation with Senator Roz Baker, who did not see any reason that prevented the councils from being informed about bargaining negotiations during an executive session meeting. Senator Baker felt that it was just a precedent that the councils should seek to change. Councilmember Baisa stated that more research is needed to determine what the Council can and cannot know. It is not fair that negotiations happen and the council is handed the bill, and now needs to figure out how to fund it. Councilmember Baisa noted that as soon as collective bargaining results in arbitration, negotiations stop. She stated the importance of delaying this occurrence to allow additional discussion towards an agreement. President Victorino added that arbitration was included in the collective bargaining process to prohibit the unions from striking.

President Victorino related collective bargaining to the Transient Accommodations Tax matter stating that a good chunk of the money being requested to be reinstated to the counties needs to be taken into consideration as part of the negotiations. This would behoove the various unions to support the counties’ efforts for an increased share of the TAT. President Victorino stated that the counties need strong partners in the unions. The general public is not educated on how TAT works, and they are only motivated at the mention of raising real property taxes.

President Victorino requested that each county inform him of when the respective counties will be able to consider proposals for the HSAC Legislative Package. He stated his preference of finalizing the HSAC Legislative Package in October, so that HSAC will be ready to move forward with its media plan.



Ambulance Service. Vice President Onishi stated that two years ago, Hawai'i County received an offer to donate an ambulance to West Hawai'i, which required the Department of Health (DOH) to approve the necessary staffing. This one location did not have EMS service, so DOH was required to provide the staffing. Vice President Onishi stated that a State Representative told him to raise real property taxes to fund this need. Secretary Rapozo stated that this request to the Legislature is to fund one ambulance service per year at a cost of \$1.2 million, which includes the ambulance and staff. Vice President Onishi reported that because of the distance involved in Hawai'i County, and depending on the number of calls, ambulances travel about 100,000 miles per year. The lifespan on the ambulance is 200,000 miles, after which it starts to break down and creates other problems. Further discussion revealed that ambulance/emergency services are structured differently in each county. President Victorino recommended that this item be deferred to the next meeting, with a request that AMR/EMS representatives be present to explain and provide information regarding their proposal.

Collective Bargaining. Vice President Onishi stated his understanding that each county has approved special counsel representation for the Hawai'i Fire Fighters Association (HFFA) case. Secretary Rapozo noted that the Administration recommended sending the HFFA matter to court, and the council approved the funding to hire special counsel. Members agreed that the counties cannot sustain HFFA's continued request for increases.

Secretary Rapozo moved to approve item no. 1 for inclusion in the 2017 HSAC Legislative Package, seconded by Vice President Onishi, and unanimously carried.

Unadjudicated Traffic Fines. Secretary Rapozo asked if there were any objections to this measure. President Victorino voiced his objection, noting that he would like to discuss it further. He stated that he gathered information during Maui Council's budget process that shows that it costs approximately \$17-\$18 million to administer Maui County's judicial system, while funds derived from unadjudicated traffic fines were approximately \$5.5-\$6 million. President Victorino stated that members need to research their respective county's judicial administration costs versus the fines collected to understand the disparity, because he is against pushing an issue like this that may result in the responsibility for the court system being given to the counties. Councilmember Baisa mentioned her discussion with Speaker Joe Souki in that he does not



believe the counties would benefit much from it. Councilmember Baisa added that it will cost the counties more than the amount received from unadjudicated fines, as well as there would be that temptation for the State to turn over operations of the court system to the counties. President Victorino noted that the court systems were administered by the counties in the past. Secretary Rapozo requested clarification regarding comments made regarding the State's expenses related to unadjudicated fines. Treasurer Anderson questioned the same comments and stated that it just involves opening the envelope and cashing the check. The county's police officers issue the citations and the county prosecutor charges the violation. Vice President Onishi noted that there have been past unsuccessful attempts requesting for a portion of the fines for the counties and the legislature never moved on it. Secretary Rapozo stated that HSAC acted to remove the measure from the legislative package because Speaker Souki was against it, but it may be time to revisit the issue and try again.

Secretary Rapozo stated that legislators are highly aware that it is difficult to raise the general excise tax in the counties during an election year. He used a scenario where the State approaches the counties recommending a \$2.50 or \$5 surcharge on all unadjudicated fines; he did not feel such a proposal would be opposed by the counties, the realtors, and the general public. The State would not be losing any revenue by creating an additional surcharge on unadjudicated fines, and he went further by saying that a county surcharge should be placed on all tickets written by the police. Secretary Rapozo asserted his belief that the counties should be given authority to establish a county surcharge on rental vehicles or hotel rooms. Vice President Onishi agreed with the idea and asked Secretary Rapozo if he is making such a proposal. Secretary Rapozo stated that the measure on the agenda was written broadly to allow discussion to a point where members agree on what methodology to use. There are many different variations where the counties can benefit and the State will not lose money. President Victorino expressed his willingness to support a county surcharge and discussing it with fellow Maui County Councilmembers. He agreed that if the measure is massaged to ensure that the State loses nothing and the counties receive a benefit, he could support it.

Vice President Onishi moved to defer action on items nos. 2, 3, and 4 to the next HSAC Executive Committee Meeting, seconded by Secretary Rapozo, and unanimously carried.



- B. Proposal from Becker Communications relating to public relations and media strategy for the 2017 State Legislature Session.

Scott Ishikawa, Becker Communications, Inc., (BCI) reviewed the proposed Media Communications Strategy/Timeline (September 2016 – May 2017), which is attached hereto and incorporated herein. Mr. Ishikawa explained that staying with three to four priority issues is not only to keep the public focused, but it also keeps the media focused.

President Victorino stated his goal of HSAC coming out of the gate strong, and that HSAC not play a secondary role to the mayors.

Vice President Onishi stated that councilmembers may have other proposals they would like to submit. He was unaware as to whether Hawai'i County would have any proposals for the upcoming legislative session. He asked what experience BCI has with the legislative process. Mr. Ishikawa noted that certain clients do have measures that are before the Legislature, and BCI developed a communications strategy for their needs. Mr. Ishikawa explained that BCI is not licensed to act as a lobbyist for clients, and HSAC would need to secure lobbying services from another entity if that is the direction HSAC decides to take. Vice President Onishi added that it is also vital that the Governor support HSAC's position.

Secretary Rapozo believed that for the transient accommodations tax ("TAT") measure, removal of the cap on 7.25% is preferred because Senate President Ron Kouchi had mentioned his support for this action. Personally, if the Legislature can commit to not opposing the removal of the cap on 7.25%, that should be the strategy for TAT.

President Victorino had no opposition to involving Governor Ige. Mike McCartney has invited President Victorino to talk story on some of these issues, and that meeting will occur this afternoon.

Councilmember Baisa stated that it is very important that HSAC set up and lock in a good plan now, and make commitments now, so that the follow-through by incoming members goes smoothly. The carryover by people knowledgeable of the plan and the reasons therefor is crucial in being able to implement the plan, because several current HSAC representatives will not be in office come January.



Councilmember Valerie Poindexter stated her support for the proposed communications plan, which she believed will get the governor involved because the plan involves the public. Governor Ige is currently campaigning for the upcoming governor's race, and will need to listen to the people. This strategy is very valuable and can work.

President Victorino stated that the key is formulating HSAC's priorities that the four counties can agree with, and focus should be on the top three or four issues. He agreed that the communications plan is the roadmap for HSAC to be successful.

Vice President Onishi requested that HSAC schedule a meeting with Governor Ige during August or September, because the Governor may be in the process of formulating his budget. If HSAC can convince Governor Ige to support HSAC's position regarding the TAT, one-half of the battle is done. Secretary Rapozo stated that Governor Ige opposes any TAT increase for the counties.

Councilmember Baisa questioned whether HSAC had funds available to commit to engaging BCI. She also asked whether HSAC will be considering setting aside funds for a dedicated staff person to work alongside with BCI. President Victorino stated that the matter of an HSAC staff person should be discussed at the next meeting, and that BCI will be submitting a funding proposal for HSAC's consideration.

Vice President Onishi moved to defer action on this matter until the next Executive Committee meeting, seconded by Secretary Rapozo, and unanimously carried.

- C. Two proposed State bills from HSAC President Michael P. Victorino. The bills have the following respective purposes:
1. To allow members of a county council to jointly attend and speak at community meetings where informational presentations are made.
 2. To remove the cap and increase the counties' share of the transient accommodations tax revenue.

Secretary Rapozo noted that Maui County Council has not addressed these measures to forward their recommendation for HSAC's consideration. The measures appear on the agenda for informational purposes only.



VI. ANNOUNCEMENTS

A. Scheduling of the next meeting.

The next Executive Committee meeting is scheduled for Monday, September 26, 2016, from 10 a.m. – 5 p.m. on O‘ahu.

B. Other announcements.

There were no other announcements.

VIII. ADJOURNMENT

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

Respectfully submitted,

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

MEL RAPOZO, Secretary
Hawai'i State Association of Counties