

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
April 24, 2017
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 Stacy Crivello at 10:32 a.m. The following members comprising a quorum were present:

- County of Maui: President Stacy Crivello,
County of Maui Councilmember
- County of Hawai'i: Vice President Dru Kanuha
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: JoAnn A. Yukimura, County of Kaua'i Councilmember
Honolulu staff Brandon Mitsuda, Council Liaison,
Honolulu City Council Administrative Support
Services;
Honolulu staff Alan Texeira, Office of
Councilmember Ikaika Anderson;
Honolulu staff Kamakana Watanabe, Office of
Council Services;
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.,
Charter Communications
Michael P. Victorino, HSAC Lobbyist



II. APPROVAL OF AGENDA

President Crivello requested approval to amend the agenda by moving item J. under New Business to item A. under Old Business, and renumbering VI. A. as VI. B.

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

There being no objections, item V. A. was taken out of order, to conduct a conference call with Linda Langston, Director of Strategic Relations, National Association of Counties, relating to updates on NACo's Prescription Drug Program. (Ms. Langston was noted present via telephone conference at 10:33 a.m.)

Ms. Langston reported that all of Hawai'i's counties are signed up to participate in NACo's Prescription Drug Card Program (Rx program). The vendor of the program is CVS Caremark, and the contract with CVS will be extended through 2020. Even in the changing landscape with the Affordable Care Act (ACA), NACo's Rx program is still a great opportunity for people who do not have insurance to be able to get a good discount on their prescription drugs. The RX program card is used primarily for uninsured residents, for prescription drugs not covered under a resident's plan or by Medicare Part D, for prescription drugs that require a very high deductible, as well as for prescriptions for pets. Ms. Langston stated that generally, 9 out of 10 pharmacies accept this card, and NACo continues to build its relationship with the pharmacies on this program. Generally, the average savings realized by a participant is between 24% to 50% on a prescription, whether generic or brand name. Another value beyond the Rx program is that residents have the opportunity to sign up for dental care and medical services care, which are not covered by ACA. There is a nominal cost to participate in these programs, depending on whether it is for an individual or for a family. The family plan costs \$69 per year, compared with the cost of just one dental visit. Ms. Langston stated that one-third of Americans lack dental and vision coverage, so this is a great way to get some discounted services that does not tie someone to a regular insurance program. Vision care, hearing aids, diagnostic imaging, and diabetic supplies are covered under the medical services care plan. There are no annual limits, no claims to file, no waiting period; there is no "open enrollment period," and plan flexibility allows people to move in and out of the program as necessary, with monthly or annual payments. Ms. Langston explained the CVS/Caremark marketing fee which allows a county to recoup a dollar per prescription if CVS/Caremark is the lowest available price, which happens in a number of circumstances. Some counties are concerned that residents might perceive participating in this marketing as a bad thing and have declined to participate, and the money just goes back to CVS/Caremark. Ms. Langston noted that her county chose to pay the marketing fee, and they chose to direct any moneys coming in from that program to be used for veterans homeless services. Ms. Langston stated that NACo's TV and radio ads will be provided for the counties to utilize.



President Crivello noted that she resides on a very rural island where pharmacies are operated in the old mom-and-pop store fashion, and how would someone know if they accept the Rx program card. Ms. Langston stated that generally, most pharmacies accept the card. She said that pharmacies can participate in this network by going through and completing certain steps via the internet. NACo has found that although many pharmacies offer other discount programs, such as for veterans or for senior citizens, that oftentimes those persons benefit from NACo's Rx program regardless of other available offers. Additional information and resources are available on NACo's website at www.nacohealth.org.

Secretary Rapozo requested information regarding the dental program. Ms. Langston stated that the dental program would cover cleaning and other typical dental services, and that if major dental work is required, the person should work with the dental provider on what discounts are available. NACo has found that the lack of dental care is oftentimes the root of many medical problems.

President Crivello thanked Ms. Langston for her time and the information provided.

There being no objections, the updates regarding legislative lobbying were taken up next.

Michael P. Victorino, HSAC Lobbyist, submitted a "March 2017 Legislative Report," update, a copy of which is attached hereto. Mr. Victorino stated that at the end of March, he was very optimistic that measures supported by HSAC were moving along steadily. Came April, all hell broke loose and efforts have gone south fast. Mr. Victorino was unsure what happened, but positive statements hinged on the outcome of other matters. Mr. Victorino stated that "it is a mess" right now.

Mr. Victorino reviewed the measures included in the HSAC Legislative Package. The only measure alive is the public records bill, HB 308.

Regarding the Transient Accommodations Tax (TAT) bill, Mr. Victorino stated that the House Tourism Committee recommended the counties' allocation at \$93 million. The hope is that the allocation is increased to \$108 million, but the feedback is that it will not happen, especially due to the recent Hawai'i State Teachers Association negotiated salary increases, and the forthcoming Hawai'i Government Employees Association agreement. Mr. Victorino added that no funding mechanism bills are alive as well.

SB 478, Relating to Government Records, which is a Maui County Council package item, is scheduled for conference committee. Kit Zulueta, Maui County staff, reported that the measure limits the kinds of records to be distributed among the Councilmembers. Maui County's concern is that amendments to SB 478 would prohibit documents created by an officer or employee of the county council, which includes legislation. Maui County is in agreement with other provisions in SB 478.



Scott Ishikawa, Becker Communications, Inc., thanked everyone for their teamwork during the April 12, 2017 press conference regarding the tort liability bill, which was a big success. Members did a great job from a media standpoint –it was passionate, but not too aggressive. The quote of the day and picked up by the media was by Secretary Rapozo: “Who stands to gain the most out of this? What do the counties stand to gain from this? What does the public stand to gain from this?” Following the press conference, *Star Advertiser* printed an editorial, as well as *Civil Beat* published their editorial. Mr. Ishikawa noted that a Letter to the Editor (from Bruce Black) was printed in today’s issue of the *Star Advertiser* after reading the editorial regarding lifeguards’ liability protections lapsing. The tort liability matter is now on the media’s radar, and they will continue to track its movement. The TAT (transient accommodations tax) matter is in conference committee today, but is competing for media presence with Vice President Mike Pence’s visit on O’ahu. *Hawai’i Civil Beat* and *Hawai’i Public Radio* may send representatives to the State Capitol for comments regarding the TAT. In discussions with HSAC Lobbyist Victorino, it was noted that Kevin Dayton, political reporter for the *Star Advertiser*, was informed by persons “behind the scenes” that the TAT matter would not be decided at today’s conference meeting because legislators are awaiting numbers from HGEA to figure out the State budget.

Mr. Ishikawa stated disappointment that legislators did not schedule any hearing on the ambulance bill. TAT and tort liability are important issues, but for senior citizens, a new ambulance would have greater impact. He suggested that the end of session recap, or op-ed, be about any successes and HSAC’s wish list, which includes the ambulance measure. Mr. Ishikawa added that HSAC should consider working closely with AARP and other senior organizations on these types of legislation.

President Crivello and Secretary Rapozo stated frustration that Union leaders are not showing support on legislation affecting their members, because of fear that the Legislature will not fund their negotiated pay increases. The public needs to be educated on issues and know that the counties are working hard to secure necessary funding, but the counties are not getting what is deserved.

Treasurer Anderson made note that HSAC’s legislative package bills were introduced by request by the Senate President and Speaker. Two similar bills, one of which was the beach liability, were introduced by Senator Kalani English without the “by request” label, and the bills are still moving along. Treasurer Anderson expressed appreciation for Senator English’s courage for introducing these bills, and requested that other members also express their appreciation to Senator English.

III. MINUTES

- A. Minutes of the March 17, 2017, HSAC Executive Committee meeting, as submitted by the HSAC Secretary.



Treasurer Anderson moved for approval of the Minutes of the March 17, 2017, HSAC Executive Committee Meeting, seconded by Secretary Rapozo, and unanimously carried.

IV. REPORTS

A. Treasurer's Report

1. Treasurer's Reports for February and March 2017, as submitted by the HSAC Treasurer.

Secretary Rapozo moved to approve the HSAC Treasurer's Report for the Months of February and March 2017, seconded by Vice President Kanuha, and unanimously carried.

B. County Reports

1. City and County of Honolulu Report. Treasurer Anderson reported on Honolulu City Council's activities (see attached memorandum dated April 24, 2017).
2. County of Hawai'i Report. Vice President Kanuha reported that the Hawai'i County Council completed budget reviews, the mayor's supplemental budget is due on May 5, and depending on the Legislature's decision on several issues, the Council may be faced with raising taxes. The Mayor, because of pressure by the Council, rescinded his cancellation of the composting contract and is currently renegotiating the contract terms. The Council has also been actively lobbying the Legislature on measures affecting Hawai'i County.
3. County of Kaua'i Report. Secretary Rapozo reported that Kaua'i is also done with budget reviews and awaiting the mayor's May 8 supplemental budget. There is a proposed 19 cents across-the-board real property tax increase, but similar to neighbor island counties, decisions by the Legislature will affect the final budget. Regarding the upcoming Annual Conference on Kaua'i, Secretary Rapozo reported that a Legislative Panel is scheduled, but there have been no response to fill the panel speakers. He requested recommendations to replace this panel, if necessary. NACo President Brian Desloge has confirmed attendance at the annual conference.

JoAnn A. Yukimura, Kaua'i County Councilmember, talked about the importance of providing opportunity during the HSAC annual conferences to discuss and exchange ideas for the HSAC Legislative Package when all counties are present to provide information



regarding their county proposals. Councilmember Yukimura expressed appreciation for the response she received to her questions regarding the proposed HSAC fiscal year budget, and requested that the response be distributed to each County Council for their information.

President Crivello noted a request that Kaua'i County consider including a session to discuss real property tax and the constitutional convention, which was last held in the 1970s, during the upcoming HSAC Annual Conference in June. Secretary Rapozo recalled a discussion with Maui Councilmember Riki Hokama regarding this matter, and asking for his assistance to formulate this panel. Secretary Rapozo stated that this real property tax panel could fill in if the Legislative Panel is canceled.

4. County of Maui Report. President Crivello reported that similar to other counties, Maui is also considering its annual budget. Mayor Arakawa has made the news again, because of his request to close the only municipal golf course on the island. Maui is also dealing with the recent Rat Lungworm scare, and President Crivello noted that some businesses have experienced a 50% drop in sales. The State Director of the State Department of Agriculture mentioned that the San Francisco couple contracted the Rat Lungworm virus after drinking a kale smoothie purchased along the roadside, and apparently, the organic farmer making the kale smoothie did not clean the ingredients adequately. The Wailuku Post Office audit was finally released, there are matters regarding biofuel, sunflower fields, and a drought in upcountry Maui.

Vice President Kanuha noted that the Rat Lungworm virus has been present on the Big Island for years now, and the County has been trying to work with the Legislature to address the problem. Now that it is present on Maui, Rat Lungworm has made the news and is causing a scare statewide. Vice President Kanuha stated that his aunt actually died from rat lungworm virus, and the autopsy indicated that it was the cause of her death.

Mr. Victorino mentioned that the Democratic Party Chairs on the Big Island and Maui are anti-GMO leaders, apparently because no other candidates came forth.

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



C. National Association of Counties (NACo) Report

Treasurer Anderson stated that he will be attending the NACo annual conference scheduled for July 2017 in Columbus, Ohio, but is unable to attend the NACo board meeting during the WIR Conference in Oregon.

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

D. Western Interstate Region (WIR) Report

Vice President Kanuha noted that the WIR Annual Conference is scheduled for May 24-26, 2017 in Oregon. He will be in attendance, along with Kaua'i Councilmember Arryl Kaneshiro, Maui Council Chair Mike White, and Hawai'i Councilmember Tim Richards. President Crivello noted interest in attending this WIR Annual Conference. It was noted that HSAC does have a contingency budget for the President to be able to attend the WIR Annual Conference in Oregon.

There being no objections, the WIR report was received for the record.

V. NEW BUSINESS

A. Conference call with Linda Langston, Director of Strategic Relations, National Association of Counties, relating to updates on NACo's Prescription Drug Program.

Treasurer Anderson moved to receive the information for the record, seconded by Vice President Kanuha, and unanimously carried.

B. Kaua'i County Council Resolution 2017-26, adopted on March 22, 2017, appointing Derek S.K. Kawakami as HSAC representative and Ross Kagawa as alternate to the Executive Committee, and approving Arryl Kaneshiro to serve on the NACo Board of Directors for fiscal year 2018.

Treasurer Anderson moved to receive the communication for the record, seconded by Vice President Kanuha, and unanimously carried.

C. Hawai'i County Council Resolution 132-17, adopted on April 5, 2017, appointing Dru Kanuha as HSAC representative and Valerie Poindexter as alternate, and approving Dru Kanuha on the WIR Board of Directors for fiscal year 2018.

Treasurer Anderson moved to receive the communication for the record, seconded by Vice President Kanuha, and unanimously carried.

D. Hawai'i County Council Resolution 133-17, adopted on April 5, 2017, approving HSAC's annual budget for fiscal year 2018.



Treasurer Anderson moved to receive the communication for the record, seconded by Vice President Kanuha, and unanimously carried.

- E. Maui County Council Resolution 17-66, adopted on April 7, 2017, appointing Stacy Crivello as HSAC representative and Riki Hokama as alternate, and approving the annual budget for fiscal year 2018.

Treasurer Anderson moved to receive the communication for the record, seconded by Vice President Kanuha, and unanimously carried.

- F. Correspondence from U.S. Senator Mazie Hirono, relating to a draft resolution for consideration regarding potential cuts to federally funded Native Hawaiian programs and to strengthen these programs.

Secretary Rapozo stated that he will forward this resolution to the County Attorney for review prior to HSAC taking any action.

There being no objections, the communication was deferred pending receipt of a County Attorney's opinion.

- G. Nominations to NACo and WIR Board of Directors for fiscal year 2018.

President Crivello stated that the following nominations to NACo and WIR for fiscal year 2018 has been presented:

NACo: Arryl Kaneshiro, County of Kaua'i
Ikaika Anderson, City & County of Honolulu

WIR: Mike White, County of Maui
Dru Kanuha, County of Hawai'i

Treasurer Anderson moved for approval of the foregoing nominations, seconded by Vice President Kanuha, and unanimously carried.

Secretary Rapozo confirmed the nominations for fiscal year 2018. Discussion ensued regarding Hawai'i receiving a Presidential Appointment to NACo for fiscal year 2018, to continue Hawai'i's representation which is currently being served by Vice President Kanuha. Secretary Rapozo requested consideration that HSAC support putting his name forward for a Presidential Appointment for fiscal year 2018. Vice President Kanuha concurred with the request, because he did not feel it appropriate to serve in both positions simultaneously as a WIR director and a NACo Presidential Appointee. Vice President Kanuha noted that hopefully Maui Councilmember Riki Hokama can assist by starting the discussion with current First Vice President Roy



Brooks. President Crivello stated that she will follow-up and discuss the presidential appointment with Councilmember Hokama.

H. Discussion on HSAC's slate of officers for fiscal year 2018.

President Crivello noted that the Executive Committee has approved an amendment to the Bylaws, which will be presented to the General Membership for concurrence on June 19, 2017. This amendment removes the officers' rotation schedule. President Crivello requested discussion regarding the fiscal year 2018 slate of officers that will be presented to the General Membership for approval on June 19, 2017. Vice President Kanuha was amenable to a nominating process that considered each county's ability to serve. Treasurer Anderson stated a willingness to continue serving as Treasurer, or as Secretary if necessary. President Crivello agreed to serve as Secretary, and asked whether Vice President Kanuha will have sufficient staff assistance to serve as President. Vice President Kanuha believed that Hawai'i County Chair Poindexter would approve a budget for staff for the purpose of serving as HSAC President.

President:	Dru Kanuha (Hawai'i County)
Vice President:	Derek S.K. Kawakami (Kaua'i County)
Secretary:	Stacy Crivello (Maui County)
Treasurer:	Ikaika Anderson (City & County of Honolulu)

There being no objections, the foregoing slate of officers was approved and will be presented to the General Membership for approval at the Annual Conference on June 19, 2017.

I. Consideration of Senate Bills 686 and 683, relating to a constitutional amendment to establish a surcharge on residential investment property and visitor accommodations for public education.

President Crivello noted that both measures are dead, so no further work is needed.

There being no objections, the communication was received for the record.

VI. OLD BUSINESS

A. Report form HSAC Lobbyist Michael P. Victorino on legislative updates

There being no objections, the report was received for the record.

B. 2017 State Legislative Session update and discussion on lobbying efforts.

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



VII. ANNOUNCEMENTS

A. Scheduling of the next meeting.

The next Executive Committee meeting is scheduled for Tuesday, May 9, 2017, at 10:45 a.m. on O'ahu.

B. Other announcements.

There were no other announcements.

VIII. ADJOURNMENT

The meeting was adjourned at 12:18 p.m.

Respectfully submitted,

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

MEL RAPOZO, Secretary
Hawai'i State Association of Counties