

# 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 GENERAL MEMBERSHIP MEETING  
June 22, 2016  
Keauhou III, Sheraton Kona Resort  
78-128 Ehukai Street  
Kailua-Kona, Hawai'i 96740

## I. CALL TO ORDER

The HSAC General Membership Meeting was called to order by HSAC President and County of Maui Councilmember Michael Victorino at 10:05 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:

Maui Council: Councilmember Gladys C. Baisa, Councilmember Riki Hokama,  
Councilmember Robert Carroll, Councilmember Stacy Crivello

Hawai'i Council: Council Chair Dru Kanuha, Councilmember Danny Paleka

Kaua'i Council: Councilmember KipuKai Kualii, Councilmember Mason K.

Chock

Honolulu City Council: Council Chair Ernest Y. Martin

Matt Chase, NACo Executive Director

Richard Forster, California State Association of Counties President

Daniel Brady, Splunk

Scott Ishikawa, Becker Communications



Honolulu Council staff: Lisa-Ann Kimura, Brandon Mitsuda, Francisco Figueiredo, Deputy City Clerk Kimberly Ribellia, Joanne Tachibana, Allison Hong, Catherine Pligavko  
County of Maui Council staff: Kit Zulueta  
Kaua'i Council staff: Aida Kawamura  
Hawai'i Council staff: Amy Miwa

Kaua'i County Council Vice Chair Ross Kagawa and Councilmember Arryl Kaneshiro were en route to the Conference, as well as Maui County Council Member Don Couch.

## II. APPROVAL OF AGENDA

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

## III. MINUTES

The Membership approved the following items, as submitted by the HSAC Secretary:

- A. Minutes of the June 24, 2015 HSAC General Membership meeting, as submitted by HSAC Secretary Ikaika Anderson.
- B. Minutes of the January 19, 2016 Special HSAC General Membership meeting, as submitted by HSAC Secretary Ikaika Anderson.

## IV. TREASURER'S REPORTS

- A. Fiscal Year 2017 HSAC Annual Operating Budget.

Treasurer Anderson moved for approval of the FY 2017 HSAC Operating Budget, seconded by Vice President Onishi.

Secretary Rapozo moved to amend the FY 2017 Operating Budget to include lodging expenses for official HSAC business, seconded by Vice President Onishi.

President Victorino moved to further amend the FY 2017 Operating Budget to specify "travel expenses not to exceed \$2,000 for any one trip," seconded by Vice President Onishi.



President Victorino recommended that the FY 2016-2017 HSAC Operating Budget be amended as follows:

- 1) Increase Executive Committee Travel-Air and Ground by \$2,000
- 2) Increase NACo Travel-Board-Air and Ground by \$2,000
- 3) Increase WIR Travel-Air and Ground by \$1,500
- 4) Reduce Adjustments for Travel and Related Expenses by \$4,500
- 5) Reduce Prescription Drug Scholarship Program by \$1,000

Councilmember Hokama requested clarification that covered travel expenses are for the NACo Legislative Conference, NACo Annual Conference, and Western Interstate Region Conference. Secretary Rapozo clarified that his proposal is to provide reimbursement of travel expenses to attend meetings that require the presence of a NACo board member or a WIR board member from Hawai'i. Councilmember Hokama stated support for travel expenses for members in a leadership position.

Councilmember Hokama requested that the Membership consider establishing minimum expectations for income generated by conferences on behalf of the Association.

Vice President Onishi noted that there are four (4) meetings that NACo and WIR directors need to attend: NACo Annual Conference, NACo Legislative Conference, NACo Presidential Meeting, WIR Conference; WIR Presidential Meeting.

Vice President Onishi requested discussion regarding whether HSAC should subsidize a portion of travel expenses or cover the entire cost. President Victorino stated that to avoid abuse, limits need to be set on travel expenses. Councilmember Baisa believed that each County allocates sufficient funds for Councilmembers' travel, and that as an HSAC Alternate, she has used her Council travel budget to attend HSAC meetings to be prepared and informed should President Victorino be unable to attend an HSAC Executive Committee meeting. Secretary Rapozo stated that it is not a matter of having sufficient travel funds in a county budget; HSAC is a separate entity and the member is working on behalf of HSAC on HSAC issues, so it makes sense that HSAC should fund travel expenses. As far as abuse, all reimbursement requests are scrutinized and approved. The costs



associated with attending meetings on the mainland is ridiculously high, and yes the county can afford to pay these costs, but travel as a board member representing NACo, WIR, or HSAC should be funded by HSAC. HSAC's account balance has increased annually, and these funds were generated to allow the organization to move forward. As mentioned by Immediate Past President Riki Hokama, participation by HSAC representatives at these meetings is key to maintaining Hawai'i's status and support from sister states.

Vice President Onishi stated that conference registration fees are another added cost, which is currently paid for by the counties.

Vice President Onishi moved to further amend the amendment to the FY 2016-2017 Operating Budget to include conference registration fees as a travel expense, seconded by Treasurer Anderson.

Councilmember Kualii noted that with the expenditure limit set at \$2,000 for each travel, it is not critical to define the separate expenses. Taking into account the \$2,000 limit, Vice President Onishi asked Councilmember Kualii whether the amount would have been adequate to allow him to attend all four meetings as a NACo director. Councilmember Kualii believed that the amount is sufficient.

Vice President Onishi added that HSAC should also consider allocating funds, such as \$500, for members serving on a NACo Steering Committee to compensate for their expenses, and thus provide an incentive for members to attend the steering committee meetings.

The Membership approved including registration fees as an allowable travel expense.

The Membership approved setting a \$2,000 limit for travel expenses.

The Membership approved including lodging as a travel expense.

Secretary Rapozo moved to amend certain line items in the FY 2016-2017 HSAC Operating Budget to read as follows, seconded by Vice President Onishi, and unanimously carried:

1. Executive Committee Travel – Air, Ground, Lodging & Registration Fees - \$17,500
2. NACo Travel – Air, Ground, Lodging & Registration Fees - \$20,000
3. WIR Travel – Air, Ground, Lodging & Registration Fees - \$10,500



4. Adjustments for Travel and Related Expenses - \$6,295
5. Prescription Drug Scholarship Program - \$6,500

The Membership approved the FY 2016-2017 HSAC Operating Budget, as amended herein.

B. Monthly Treasurer's Reports from June 1, 2015 to May 31, 2016.

Secretary Rapozo moved for approval of the Monthly Treasurer's Reports from June 1, 2016 to May 31, 2016, seconded by Vice President Onishi, and unanimously carried.

V. EXECUTIVE COMMITTEE MEETING MINUTES

- A. June 24, 2015
- B. July 29, 2015
- C. August 27, 2015
- D. September 11, 2015
- E. September 30, 2015
- F. November 23, 2015
- G. December 7, 2015
- H. January 19, 2016
- I. February 12, 2016
- J. March 8, 2016
- K. April 21, 2016
- L. May 31, 2016

Secretary Rapozo moved to approve and file the foregoing Meeting Minutes as submitted by the HSAC Secretary, second by Treasurer Anderson, and unanimously carried.

VI. EXECUTIVE COMMITTEE REPORTS

- A. The Executive Committee at its August 27, 2015 meeting approved HSAC's audited financial statements for Fiscal Year 2015 as prepared by Carbonaro CPAs & Management Group.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.



- B. The Executive Committee at its September 11, 2015 meeting approved a State bill relating to zoning to be included in the 2016 HSAC Legislative Package.

Treasurer Anderson moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Secretary Rapozo, and unanimously carried.

- C. The Executive Committee at its September 30, 2015 meeting approved a bylaw amendment adding a two-year rotation schedule for the HSAC slate of officers and approved a new slate of officers.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.

- D. The Executive Committee at its November 23, 2015 meeting approved the following proposals to be included in the 2016 HSAC Legislative Package:

1. A bill for an act relating to counties' short-term investments
2. A bill for an act relating to public agency meetings and records
3. A bill for an act relating identification cards for persons with disabilities
4. A bill for an act relating to zoning
5. A bill for an act relating to tort liability
6. A bill for an act relating to mopeds
7. A resolution requesting the Hawaii State Legislature urge Hawaii's congressional delegation to propose and pass a constitutional amendment to provide that corporations are not people with constitutional rights and that unlimited campaign spending is not free speech

The four county councils reviewed and approved the proposals, which was submitted to the Legislature as the 2016 HSAC Legislative Package.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.



- E. The Executive Committee at its November 23, 2015 meeting approved \$5,000 as seed money for the 2016 HSAC Conference bank account.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Treasurer Anderson, and unanimously carried.

- F. The Executive Committee at its January 19, 2016 meeting authorized Dennis “Fresh” Onishi and Susan Caseria as signatories for the 2016 HSAC Conference bank account.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Treasurer Anderson, and unanimously carried.

- G. The General Membership at its January 19, 2016 meeting approved the Fiscal Year 2016 slate of officers:

President                      Michael P. Victorino, Maui County Council  
Gladys C. Baisa (alternate)

Vice President                Dennis “Fresh” Onishi, Hawai‘i County Council  
Danny Paleka (alternate)

Secretary                      Mel Rapozo, Kaua‘i County Council  
Ross Kagawa (alternate)

Treasurer                      Ikaika Anderson, Honolulu City Council  
Joey Manahan (alternate)

On April 21, 2016, the committee approved the same slate for Fiscal Year 2017.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.

- H. The Executive Committee at its February 12, 2016 meeting authorized reimbursement for airfare and ground transportation for one staff member from Maui County for training purposes. The committee also approved a new official letterhead.



Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.

- I. The Executive Committee at its March 8, 2016 meeting approved a \$10,000 budget for lobbying and communication efforts, with a focus on the counties' advocacy for a fair share of the Transient Accommodations Tax.

President Victorino noted that Scott Ishikawa from Becker Communications is present at this meeting to provide a report regarding HSAC's legislative lobbying efforts. Members discussed the scope of HSAC's contract with Becker Communications ("Becker"). Councilmember Baisa confirmed that the Executive Committee discussed and believed it was important for Mr. Ishikawa to be present at the June 22, 2016 General Membership Meeting to discuss future lobbying efforts. Councilmember Paleka noted that he attended the May 31, 2016 Executive Meeting as the alternate, and it was implied that HSAC was moving ahead with developing a legislative package. Secretary Rapozo recalled approving the \$10,000 allocation at the March 8, 2016 Executive Committee Meeting, but did not recall any discussion regarding retention of services beyond the close of the legislative session. He asked if a motion was voted on at the May 31, 2016 Executive Committee Meeting to continue retention of Becker.

The Membership recessed the meeting to review the Minutes of the May 31, 2016 Executive Committee Meeting. The meeting was called back to order and President Victorino noted that expenses for Mr. Ishikawa's services which were requested for today will be paid from the HSAC Promotion and Outreach line item. President Victorino apologized for creating any confusion regarding continued retention of Becker.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.

- J. The Executive Committee at its April 21, 2016 meeting approved HSAC's Fiscal Year 2017 Annual Operating Budget.



Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.

- K. The Executive Committee at its April 21, 2016 meeting approved Ikaika Anderson and KipuKai Kualii to serve on the National Association of Counties Board of Directors and Mike White and Danny Paleka to serve on the Western Interstate Region Board of Directors for Fiscal Year 2017. In addition, Dennis “Fresh” Onishi continues to serve on the NACo Board of Directors as a presidential appointee.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee, seconded by Vice President Onishi, and unanimously carried.

- L. The Executive Committee at its May 31, 2016 meeting approved a bylaw amendment to allow for the reimbursement of lodging expenses arising from official travel.

Secretary Rapozo moved to amend the Bylaws to include registration fees as a reimbursable travel expense, seconded by Vice President Onishi, and unanimously carried.

Secretary Rapozo moved to receive and file the foregoing item, as reported and submitted by the Executive Committee and amended by the General Membership, seconded by Vice President Onishi, and unanimously carried.

## VII. ELECTION OF OFFICERS

- A. The following is the proposed slate of officers for Fiscal Year 2017.

President	Michael P. Victorino, Maui County Council Gladys C. Baisa (alternate)
Vice President	Dennis “Fresh” Onishi, Hawaii County Council Danny Paleka (alternate)
Secretary	Mel Rapozo, Kauai County Council Ross Kagawa (alternate)



Treasurer                    Ikaika Anderson, Honolulu City Council  
   Joey Manahan (alternate)

Vice President Onishi moved for approval of the slate of officers for Fiscal Year 2017, seconded by Secretary Rapozo, and unanimously carried.

B.     The following are nominees to the NACo Board of Directors and WIR Board of Directors for the 2016-2017 term.

NACo Board of Directors

- KipuKai Kuali`i, Kauai County Council
- Ikaika Anderson, Honolulu City Council

WIR Board of Directors

- Mike White, Maui County Council
- Danny Paleka, Hawaii County Council

Secretary Rapozo moved for approval of the nominees to the NACo and WIR Boards of Directors for the 2016-2017 term, seconded by Vice President Onishi, and unanimously carried.

Immediate NACo Past President Hokama reported that for each NACo presidential appointment, the president sends out notification well in advance of the deadline for members to apply for certain positions. In their application, members may request an area of interest, and the president, staff, NACo Executive Director Chase, with input from NACo's professional lobbying group, will make a decision for the term of the president. Councilmember Hokama said that during his term as president, he and Mr. Chase made strategic choices and considered which states and counties the congressional chairs were from, and tried to match House and Senate leadership with county representatives to improve communication access to advance county issues before Congress. At his sole discretion, the NACo President also appoints 10 at-large Board of Directors to balance the board, whether it is for minority groups or certain areas of underrepresentation, etc. Councilmember Hokama added that all past NACo Presidents from active member counties who continue to be elected serve on the NACo Board until they leave office. NACo wants people who want to sit at the table and participate towards protecting county interests in Congress.



## VIII. NEW BUSINESS

Matt Chase, NACo Executive Director, thanked HSAC for the opportunity to attend the HSAC Annual Conference in Kona. NACo is honored with the participation of Hawaii's representatives, who bring great spirit to NACo. Hawaii's congressional delegation has been key for many decades leading up to today, and NACo continues to be very engaged with the tremendous amount of movement at the national level and the extensive list of issues at the Supreme Court and Federal Court levels. One big issue with potential impact to counties and adds substantial costs are added regulations. Waters of the United States (WOTUS), which is in the courts now, will affect decisions made regarding Maui's wastewater issue. Mr. Chase encouraged everyone to keep abreast of national news. He highlighted the following: Congress has expressed concern with the rising costs of dealing with disasters, which has prompted FEMA to develop new regulations that would force state and local governments to pay deductibles and basically capping the federal government's contribution towards disaster recovery. The Department of Labor just issued new overtime rules that even those counties that are supportive of it are concerned with a one-size-fits all approach. The rules affect approximately four million individuals, including counties with a significant number of employees driving up costs. Serious flaws in the crafting of this proposed legislation are to blame. Finally, there is a full range of issues with great impact across the country, including EPA proposed regulation, the opioid heroin epidemic, mental health and criminal justice reform, and transportation.

- A. Discussion on the proposed 2017 HSAC Legislative Package timeline:
  - 1. September 9, 2016 — Deadline to receive proposals from each county to be included in the 2017 HSAC Legislative Package.
  - 2. September 30, 2016 — Deadline for the Executive Committee to forward the proposals to each county for consideration.
  - 3. November 25, 2016 — Deadline for counties to approve the proposed 2017 HSAC Legislative Package.
  - 4. January 18, 2017 — Opening day of 2017 State Legislative Session; luncheon and briefing with State legislators.

Treasurer Anderson moved for approval of the foregoing legislative timetable, seconded by Secretary Rapozo, and unanimously carried.

- B. Discussion on lobbying efforts for 2017 State Legislative Session.



Scott Ishikawa, Becker Communications, reported that Becker Communications assisted HSAC with media relations this past legislative session. Despite it being midstream in the legislative session, HSAC did get some positive media coverage particularly regarding the transient accommodations tax (TAT). At the same time, because it was late in the session, the media tactics employed were limited so as not to aggravate State lawmakers as they moved closer to decision making. Mr. Ishikawa noted the challenges HSAC faced with regard to TAT, especially with regard to the public's difficulty with understanding the difference between State and County governments. He said that missing from a message standpoint is that "state lawmakers need to be convinced to increase the TAT distribution to the counties."

Mr. Ishikawa recommended that HSAC start developing its media strategy, from start to finish, for the 2017 legislative session utilizing the various media tactics. The position statement can be tweaked based on HSAC's legislative priorities for the 2017 legislative session, noting that concerns have been conveyed about counties needing to raise real property taxes as costs increase if this funding situation does not address the counties' needs. Meetings/speaking engagements with news media and business organizations could begin as early as November, especially on the neighbor islands, so that HSAC's position is clear and understood, as well as to establish media relations for future needs. Mr. Ishikawa then reviewed other recommendations listed on his June 21, 2016 memorandum (see attachment hereto).

President Victorino commented that HSAC needs support of the unions, like HGEA, UPW, SHOPO, Firefighters, and others who are the benefactors of the visitor industry and protectors of the visitor industry, for which their salary increases have a profound effect on county budgets. HSAC needs a definitive plan, and President Victorino requested input from attendees.

Councilmember Hokama agreed with the Executive Committee's actions to promote HSAC's priorities during the past legislative session, but was disappointed with the outcome. He recommended utilizing NACo resources to obtain research data that would assist in promoting HSAC's position at the State Capitol. Fourteen bargaining units are currently in negotiations, and the State will be facing budgetary issues related to these contracts, much like the counties. It may be time to ask the people to hold a constitutional convention to lay out the responsibilities and revenue streams for the



counties without state interference, to allow government to perform for the benefit of the people.

Secretary Rapozo responded to Councilmember Hokama's concerns with the past legislative lobbying efforts. Becker Communications ("Becker") provided the support requested by HSAC. Citing a "balls to the wall" campaign, HCOM (Hawai'i Council of Mayors) started the ball rolling and requested support from the Council Chairs on the TAT issue. HSAC also agreed to be onboard, and for the first time, everyone was in agreement. A decision was made late in 2015 that HSAC would support an "all out" effort regarding the TAT. HSAC hired Becker, who researched the issue and got members in front of the camera. Becker also drafted an op-ed regarding the TAT. Then on a subsequent conference call between all parties, Maui County's mayor backed out in fear of losing State funding for CIP projects. Kauai County's mayor followed Mayor Arakawa and pulled out, so HCOM caved in. HSAC also caved in, followed by the Council Chairs. The op-ed was never published under HSAC's name. HSAC paid for Becker's services. Secretary Rapozo took the op-ed and sent it to every media outlet in Hawai'i, and it was printed by *The Garden Island* newspaper, but no other. Kauai's legislative delegation was upset, but all other state legislators were unaware. Secretary Rapozo stated that unless public pressure is felt, the decisions made by state legislators will not be affected. He added that beach liability is another critical issue that needs attention next session.

President Victorino agreed that Becker Communications provided the services requested by HSAC to the best of their ability. The important key is that HSAC needs to be committed towards a position and lead the effort.

Councilmember Baisa confirmed that HSAC organized its legislative lobbying in March, which was too late in the session. Legislative lobbying needs to be a year-round priority, and those meetings with state legislators need to happen months in advance of the session starting in January. She requested that HSAC set aside funds for someone (a consultant, a staff member, etc.) whose job it will be to coordinate the lobbying plan and make it happen. Councilmember Baisa recommended more updates regarding HSAC activities, and that daily updates be provided during the legislative session. HSAC needs to build its circle of partners (community organizations, visitor industry, etc.) to be more effective. She commended Mr. Ishikawa's efforts in assisting HSAC during the legislative session. Councilmember Baisa recommended that a committee be formed immediately to start work on the



upcoming legislative priorities and issues. HSAC needs to commit to being a presence and spending money to achieve positive results.

Councilmember Paleka stated that this matter requires more consideration, because alternatives, such as legal recourse, have been mentioned. The membership needs more information on all alternatives.

President Victorino noted that the Executive Committee will continue this discussion regarding HSAC's legislative efforts at its meeting in July. He invited all County Councilmembers to be involved in HSAC's activities.

Secretary Rapozo moved to refer this item to the July 8, 2016 Executive Committee Meeting, seconded by Treasurer Anderson, and unanimously carried.

#### IX. ANNOUNCEMENTS

There were no announcements.

#### X. ADJOURNMENT

President Victorino noted that this is his one and only chance to conduct the General Membership Meeting, because he and Councilmember Baisa have reached their respective term limits for service on the Council and are moving on. He wished everyone success in their upcoming election bids and success in their continued work at the counties. Finally, President Victorino thanked everyone and the staff for their work in coordinating the annual conference.

The meeting was adjourned at 12:03 p.m.

Respectfully submitted,

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

MEL RAPOZO, Secretary  
Hawai'i State Association of Counties