

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
March 17, 2017
Mission Memorial Hearings Room
550 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 10:27 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: 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.
Michael Victorino, HSAC Lobbyist



II. APPROVAL OF AGENDA

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

President Crivello requested that the Lobbyist report and Legislative Session update be entertained next to accommodate the presence of HSAC Lobbyist Michael P. Victorino and Scott Ishikawa from Becker Communications.

There were no objections to taking these items out of order.

V. D. Report from HSAC Lobbyist Michael P. Victorino on legislative updates

HSAC Lobbyist Victorino thanked the members for their vote of confidence, and stated that he will work hard to accomplish HSAC's goals. Mr. Victorino's February 2017 Legislative Report is attached hereto (Mr. Victorino noted that this report is missing a page). Because this is his first report, he asked for input from members on what information they would like included in future reports.

Mr. Victorino stated that his report focuses on Transient Accommodations Tax (TAT) and Tort Liability issues, although other issues were discussed with various Representatives. He added that he also met with Senator Kidani, Senator Harimoto, Representative DeCoite, and Senator Gabbard. Mr. Victorino reviewed the information provided in his report.

Mr. Victorino noted that the pesticides issue was brought up, and he informed them that it was not an HSAC issue. He did, however, say that he personally opposed the measure.

Mr. Victorino asked for direction on HSAC's priority – to keep pursuing a fair share of TAT and making the tort liability permanent. Secretary Rapozo stated concern over statements made by Representative Tokioka regarding the TAT, as well as the article printed in *The Garden Island* newspaper.

VI. A. 2017 State Legislative Session update and discussion on lobbying efforts.

Scott Ishikawa, Becker Communications, provided an update on media coverage (see attachment hereto). Mr. Ishikawa reported that HSAC's op-ed appeared in all four newspapers, and that getting HSAC's position out into the public was



successful. Members of the media now seek input from HSAC on issues related to the HSAC legislative package. Mr. Ishikawa requested direction on HSAC's main focus moving forward, given the recent forecast by the Council on Revenues, President Trump's proposed budget, and Lobbyist Victorino's report.

Secretary Rapozo noted that it is ridiculous that the tort liability will not be made permanent, but it has been extended another four years. HSAC can work towards making the tort liability permanent during this extended period. On Kaua'i, the Executive Director of the Kaua'i Chamber of Commerce strongly urged members at a recent quarterly meeting to support HSAC's position for the counties getting a fair share of the TAT by contacting their legislative representatives. There is finally traction for businesses supporting HSAC's position. Treasurer Anderson added that the Visitor Industry realized revenues of \$550 million in January, according to some reports. We can only guess what this translates to in transient accommodations tax revenues and general excise tax revenues that came into the State. Mr. Victorino stated that part of that discussion was O'ahu's lack of focus on collecting from the Bed and Breakfasts, transient vacation rentals, etc. During the Air BnB bill hearing, it was noted that \$26 million to \$28 million is uncollected each and every year just for O'ahu. Secretary Rapozo noted that O'ahu is the easy target and gets hammered because of the rail situation. Funding sources are a statewide concern, and somehow, the legislature continues to ignore the fact that State and County constituents are the same people.

Mr. Ishikawa requested direction on submitting another op-ed based on TAT and tort liability, as an update. A draft op-ed will be transmitted for review by the members prior to sending it to the newspapers. Mr. Victorino asked whether he should pursue making the tort liability permanent if the House will be reconsidering the measure. Vice President Kanuha had no problem with pursuing making the tort liability permanent, if that is the direction of all the members. Honolulu Staff Brandon Mitsuda recommended that the op-ed include information regarding the amount collected for TAT, especially because the tourism numbers are up, where the moneys are distributed, and the fair share amount of the TAT that the counties should be getting.

Members acknowledged that the media services provided by Mr. Ishikawa has proven valuable and has created a lot of public awareness and education.



III. MINUTES

- A. Minutes of the February 10, 2017, HSAC Executive Committee meeting, as submitted by the HSAC Secretary.

Secretary Rapozo moved for approval of the Minutes of the February 10, 2017, HSAC Executive Committee Meeting, seconded by Vice President Kanuha, and unanimously carried.

IV. REPORTS

- A. Treasurer's Report

- 1. Treasurer's Report for January 2017, as submitted by the HSAC Treasurer.

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

- B. County Reports

- 1. City and County of Honolulu Report. Treasurer Anderson reported that Honolulu City Council passed out numerous Resolutions dealing with Mayor Caldwell's cabinet appointments, as well as Bill 3, CD1, which eliminates the cap on transportation surcharge that was enacted last year. The Honolulu City Council also passed on second reading Bill 57, CD1, which adopted the revised Koolau Poko Sustainable Community Plan, and Bill 2, CD1, which amends the Fire Code of the City & County of Honolulu, which allows for fresh-cut Christmas trees to be a part of the annual Honolulu City Lights Christmas Celebration. The existing building ordinance requires that any public building without sprinklers can house only false Christmas trees. Bill 2, CD1, will be heard next week and will hopefully be passed on third reading. The Honolulu City Council also passed on third reading Bill 64, CD1, which relates to motor vehicle registration, and Bill 69, CD1, relating to automated external defibrillators (AED), which requires that buildings have AEDs available for public use. The Honolulu City Council adopted Resolution 17-22, which urged the State to address the homeless



encampment under the H-1 Freeway in Kāhala, Resolution 17-26, urging the expeditious replacement of six shower trees removed from the Halemaumau Street area in Niu Valley, as well as several resolutions pertaining to neighborhood transit-oriented development plans and other land use initiatives. The Honolulu City Council is currently collecting food for the annual support effort of the Hawai'i Food Bank, and participated in the 2017 Honolulu Festival, which included the Honolulu Festival Parade and the Nagaoka Fireworks Display for Peace on March 12, 2017.

2. County of Hawai'i Report. Vice President Kanuha reported that the Styrofoam measure (polystyrene ban) passed and will move on to the full Council where an ad hoc committee has been created for additional review. The Hawai'i County Administration opposed the Styrofoam measure because of its fiscal challenges when implementing the law. Mayor Kim recently canceled a composting contract that had been in operation for 7-8 months. This has resulted in a lawsuit being filed against the County. Mayor Kim also issued a new contract that is pending approval by the Council. Hawai'i newspapers reported that Mayor Kim hired lobbyists in excess of \$16,000 a month to lobby in behalf of Hawai'i County. Hawai'i County Council is expecting a briefing on this matter.
3. County of Kaua'i Report. Secretary Rapozo reported that Kaua'i County faces a similar situation that deals with problems with a recyclables contract. The volume of material to be processed included in the contract was way less than the actual volume being delivered to the vendor. The vendor was unable to handle the amount of materials being delivered to the recycling center, and the County is working towards a solution to this issue.

Secretary Rapozo reported that the venue for the 2017 HSAC Annual Conference has been selected. The conference will take place at the Kōloa Land Resort at Po'ipū. Room rates start at \$199, and the resort fee of \$32 will be waived. The tentative program includes an agriculture panel, a millennial panel, a legislative panel, and a medical marijuana panel. A golf tournament is scheduled for Monday, June 19, 2017 at either the Kiahuna Golf Club or Po'ipū Bay, with the welcome reception at the Kōloa Landing Resort at Po'ipū in the evening. Sam Choy is the Food and



Beverage consultant for Kōloa Landing Resort. Secretary Rapozo noted that he is looking into coordinating a couple of tours on Sunday, June 18, for conferees who arrive a day early.

4. County of Maui Report. President Crivello reported that Mayor Arakawa makes the newspaper headlines on Maui. His most controversial proposal is the closure of the public Waiehu Golf Course. Mayor Arakawa's comments that on rocks not being sacred during the recent Wailuku River flooding also made newspaper headlines. As far as legislation, Representative McKelvey and Senator Baker are working on the issue surrounding the Front Street Apartments at the Legislature. Maui County is comprised of nine districts, each with a community plans. Maui County's General Plan is complete, Lānai's is complete, Moloka'i is going through the process now. Mayor Arakawa is scheduled to present his proposed County budgets to the Council on March 24, 2017, and the Council will engage the community by visiting each district to gather comments regarding the budget.

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

C. National Association of Counties (NACo) Report

Treasurer Anderson reported that the HSAC delegation met with Hawai'i's Congressional Team in Washington, D.C., and was able to share with them some of the various requests from the counties. Treasurer Anderson also attended the NACo Board of Directors Forum and the NACo Board of Directors meeting. At the meeting with Senator Hirono, Treasurer Anderson asked for assistance with Honolulu's rail project, and requested that Senator Hirono, along with Senator Schatz, work with the Federal Transit Administration to ensure that the annual allotted funding for the rail continues. Treasurer Anderson noted that a written report with more detail will be submitted to Council Chair Ron Menor and HSAC next month.

Secretary Rapozo requested follow-up on the status of steering committee applications submitted in June 2016 by Kaua'i's Councilmembers.



D. Western Interstate Region (WIR) Report

Vice President Kanuha reviewed his report dated March 13, 2017, which is attached hereto. WIR feels that President Trump will scale back a lot of initiatives, which will have a positive impact on the western states, such as with the Endangered Species Act. The upcoming WIR Conference will be in Deschutes, Oregon on May 19, 2017, and Vice President Kanuha noted the importance of having HSAC representation at these conferences. WIR Immediate Past President Gordon Cruikshank introduced amendments to the WIR Bylaws, and Commission Cruikshank was elected to represent WIR on the NACo Executive Board.

Vice President Kanuha reported that he received the Presidential Appointment to the NACo Board of Directors. Secretary Rapozo noted that because of timing, Vice President Kanuha should serve in both capacities, HSAC's representative on WIR and the Presidential Appointee at NACo, until new nominations are made for the upcoming term, which will be considered at the June 19, 2017 HSAC General Membership Meeting.

There being no objections, the NACo Report and the WIR Report were received for the record.

V. NEW BUSINESS

- A. Hawai'i County Council Resolution 58-17, adopted on February 8, 2017, approving the nomination of Arryl Kaneshiro to the NACo Board of Directors.

Secretary Rapozo moved to receive the communication for the record, seconded by Treasurer Anderson, and unanimously carried.

- B. Consideration of a bylaw amendment proposed by President Stacy Crivello, relating to HSAC Executive Committee officers.

Secretary Rapozo moved to approve the amendment to the HSAC Bylaws, seconded by Treasurer Anderson.



President Crivello asked if members were in agreement with her proposed amendment. She noted that each council must finalize their respective appointments to HSAC by April 15.

Secretary Rapozo asked for clarification that the four appointees will be recommending the slate of officers, because Kaua'i's appointee will not take office until July 1. Further, Secretary Rapozo noted that a consensus was made at the previous meeting to continue with the rotation schedule for the upcoming term beginning July 1, 2017, with the presidency being held by Hawai'i County. President Crivello concurred with Secretary Rapozo's recollection. Vice President Kanuha agreed with the present rotation of officers occurring on July 1, 2017, and eliminating the rotation of officers thereafter.

The motion to amend the Bylaws was then put, and unanimously carried. President Crivello stated that this amendment will be presented to the General Membership for confirmation on June 19, 2017.

- C. Consideration of HSAC Fiscal Year 2018 Annual Operating Budget as submitted by Treasurer Ikaika Anderson.

Treasurer Anderson reviewed the proposed Fiscal Year 2018 Annual Operating Budget.

Honolulu staff Francisco Figueiredo explained the Prescription Drug Promotion line item. While attending the NACo conference, Mr. Figueiredo spoke with Linda Langston, who is the NACo Promotions person dealing with the prescription drug program. Ms. Langston reported an update to the program that results in an increased reimbursement of three cents; each county will get an additional three cents reimbursement when the program is utilized. Ms. Langston also informed that public service announcements are available on the web for counties to utilize to inform constituents of this program. Mr. Figueiredo explained that this prescription drug program helps with additional expenses not covered by a person's own prescription drug insurance. Secretary Rapozo added that this program covers pet medication as well.

Treasurer Anderson noted a correction to the FY2018 proposed budget for the Prescription Drug Promotion line item from \$4,000 to \$6,400. There were no objections to the amendment.



Secretary Rapozo moved to approve the Fiscal Year 2018 Annual Operating Budget, as amended, seconded by Vice President Kanuha, and unanimously carried.

VII. ANNOUNCEMENTS

A. Scheduling of the next meeting.

The next Executive Committee meeting is scheduled for Tuesday, April 25, 2017, at 10 a.m. on O'ahu.

B. Other announcements.

There were no other announcements.

VIII. ADJOURNMENT

The meeting was adjourned at 12:16 p.m.

Respectfully submitted,

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

MEL RAPOZO, Secretary
Hawai'i State Association of Counties