

**COST OF GOVERNMENT COMMISSION
M I N U T E S
DAVID TRASK BUILDING, FIRST FLOOR, LIQUOR CONFERENCE ROOM
THURSDAY, NOVEMBER 13, 2008**

PRESENT: Warren Suzuki, Chair
Ron Vaught, Vice-Chair
Craig Anderson, Member
Leo Caires, Member
Gina Flammer, Member
Malcolm Findley, Member
Rebecca Kikumoto, Member

EXCUSED: Robert Hill, Member
John Del Gatto, Member

STAFF: Stan Zitnik, Executive Assistant to the Mayor
Jeff Ueoka, Corporation Counsel
Aulani Delatori, Executive Secretary
Emme Cabacungan, Clerk Typist

I. CALL TO ORDER

Chair Suzuki called the meeting to order at 9:02 a.m.

II. PUBLIC TESTIMONY

Chair Suzuki asked if anyone wished to give public testimony. No one is present to give testimony. Chair Suzuki closed public testimony.

III. CORRESPONDENCE RECEIVED

First item for discussion is the letter from the Office of Information Practices (OIP) regarding a letter of complaint received from Buck Joiner concerning the Cost of Government Commission (COGC). Ms. Delatori handed out copies of the letter to all members present. Chair Suzuki asked if Corporation Counsel Jeff Ueoka would summarize the letter and what action the COGC should take.

Corporation Counsel Ueoka summarized that Mr. Buck Joiner wrote a letter to OIP complaining about the actions of Corporation Counsel, Mayor's Executive Assistant, and the COGC. Ms. Adrian Heely, who formerly staffed the COGC during this time, wrote a response to OIP on behalf of the County. From his understanding, Mr. Ueoka stated that OIP wrote a letter to Mr. Suzuki, as the Chair of the COGC, asking for the Commission's opinion to Ms. Heeley's response. If the COGC does not respond to the OIP, they will assume that the COGC agrees with Ms. Heeley's response.

Chair Suzuki then asked if Corporation Counsel Ueoka could summarize Mr. Joiner's concerns and the response from Corporation Counsel to OIP. Member Kikumoto remembered that they were discussing the Maui Visitor's Bureau (MVB), the amount of money given to them and the possibility of a conflict of interest for one of the COGC members. Corporation Counsel Ueoka added that the current Chair, Mr. Suzuki was the member in question concerning this conflict of interest. Chair Suzuki adds that in the meeting that occurred, Corporation Counsel Heely stopped Mr. Joiner while he was giving public testimony. Chair Suzuki mentioned that he was not present at that meeting so he is unsure as to what had transpired. Chair Suzuki felt unclear as to what action COGC needed to make at this point. Member Flammer asked if the members could look over the

letter. Chair Suzuki requested for a five-minute recess for the members to review the letter.

After the five-minute recess, Chair Suzuki asked if the Commission members had any questions regarding the letter. Member Findley questioned that as a COGC member, what role, if any, does he need to play as far as the substance of the issues are concerned. Member Findley then questioned whether Mr. Joiner was entitled to make a statement before the COGC on a non-agenda item and being constrained to do so by Corporation Counsel due to the length and subject of that statement. Corporation Counsel Ueoka stated that Sunshine Law requires that open public meetings must have the proper agenda to give the public a general idea of what the meeting will entail. Sunshine Law also limits the board to discuss matters listed only on the agenda but, at the Chair's discretion, the board may hear non-agenda matters. However, the board may not take action for this type of testimony until the following meeting. The OIP has stated that public testimony standard is three minutes. Corporation Counsel Ueoka then explained about minutes and executive sessions. When a Board or Commission goes into executive session, the purpose is to keep the public out of sensitive matters in which the Board or Commission need to discuss. He went on to say that in this particular meeting with Mr. Joiner, the Chair called an executive session to consult with Corporation Counsel Heely. According to Sunshine Law, any minutes taken during an executive session shall remain confidential as long as disclosure would defeat the purpose of convening the executive meeting.

Member Findley posed a concern regarding Mr. Joiner contacting the Chair. Mr. Joiner asked to be included on the agenda to testify but the Chair told him that he would not be included on the agenda but would still be able to testify on his subject. Member Findley questioned if this was a true statement by Mr. Joiner. Corporation Counsel Ueoka stated that the Chair decides what goes on the agenda and what does not. Corporation Counsel Ueoka then stated that in the meeting in question, Mr. Joiner was not on the agenda and was trying to give public testimony on a non-agenda matter.

Member Flammer stated that she believes the OIP is asking the COGC if they agree with Corporation Counsel Heely's response. She asked the members who were present at that time if the response letter from Ms. Heely was accurate or if it needed more information. Member Anderson questioned if Mr. Joiner ever received a copy of the approved minutes. Corporation Counsel Ueoka stated that Mr. Joiner did receive a copy of the approved minutes without the executive session discussion. Member Anderson then questioned if the COGC could close out the response letter by addressing that Mr. Joiner did receive a copy of the approved minutes being that Ms. Heely did not address this area in her response letter. He suggested that COGC write a letter to OIP stating that the only item not addressed in Ms. Heely's letter is the receipt of the minutes, which COGC understands that Mr. Joiner did receive. Chair Suzuki agreed with Mr. Anderson's suggestion in sending a letter to OIP. He asked if Mr. Zitnik if he could draft a letter to OIP from the COGC. Chair Suzuki asked for a motion. Vice-Chair Vaught moved to have the letter drafted to OIP that Mr. Joiner did receive a copy of the approved minutes. Member Anderson seconded the motion. Chair Suzuki asked for any discussion. Member Caires questioned if the vote is to have a follow-up letter sent to OIP. Corporation Counsel Ueoka clarified that it would be a statement letter given to OIP that Mr. Joiner did receive a copy of the approved minutes. All were in favor. Motion carried.

Next item discussed was the budget request for reimbursement. Chair Suzuki asked if Member Findley was the one who instigated this. Member Findley stated that he did. He had submitted his mileage claim to Ms. Delatori. The Animal Control Board, of which he is

a member, receives mileage reimbursement. Therefore, he thought that COGC was the same. Chair Suzuki stated that did not recall having discussions regarding this, throughout his term on the Commission. Chair Suzuki asked Mr. Zitnik if Cost of Government Commission members are entitled to mileage reimbursement from the County. Mr. Zitnik stated that the Charter states that members are entitled to reimbursement for off-island travel, but is unsure if this also covers mileage reimbursement. Mr. Zitnik continued by saying that the COGC has not budgeted for mileage reimbursement and if this were what they would like to have, they would need to put in a budget request for next year. Chair Suzuki questioned if members are entitled to mileage reimbursement. Corporation Counsel Ueoka stated that he is unsure if members are entitled to mileage reimbursement but usually it is common practice of the County.

Chair Suzuki then asked Mr. Zitnik if the COGC ever put together a budget, because he did not remember at any time while he has been a member of this Commission that they have done so. Mr. Zitnik stated that in the Charter it states that the Commission will submit a request for money for the Commission. He went on to read from the Charter, "...such Commission shall prepare and submit to the mayor a request for an appropriation for the operation of the commission." Corporation Counsel Ueoka stated that he did not believe "appropriation for the operation of the commission" dealt with reimbursement. It would relate more to hiring of an outside party to assist with something that the COGC was working on, such as an outside auditor.

Member Flammer commented that as a member of the COGC she would be embarrassed to ask for things given the state of the economy right now. Member Findley stated that he agrees with Member Flammer. He added that a number of Boards and Commissions (B&C) reimburse their members. He continued by saying that it would be interesting to find out how many members are reimbursed for mileage. Mr. Zitnik commented that he had asked the Executive Assistant Secretary who handles B&C as well as the Executive Assistant who was from the last administration regarding this. According to the secretary, as far as she could recollect, she has not had any request for mileage reimbursement. She does know that members are granted reimbursement if traveling from another island. She is unsure if the Mayor would approve of this being that funding would come from the miscellaneous funds. Mr. Zitnik continued by saying that the Mayor also has asked all of the County departments to cut 16% from the budget for operating costs for the rest of the fiscal year. If the COGC members feel this is something that they would like to pursue, they would need to work on their budget request now for the next fiscal year.

Vice-Chair Vaught commented that the Police Commission does not receive mileage reimbursement, only reimbursement for off-island travel. Chair Suzuki asked the Commission if they would like to pursue this further. Member Caires clarified that he believed it might be helpful for future COGC members. Member Kikumoto stated that it might be an incentive. Chair Suzuki asked if Mr. Zitnik could ask the mayor what her thoughts are on mileage reimbursement. Chair Suzuki asked Mr. Zitnik when they would need to turn in the budget proposals. Mr. Zitnik stated that they need to be in by December, and then it goes out to the public at the beginning of the year, then to Council in March. Chair Suzuki then stated that the COGC would need to initiate the budget soon. Member Findley reiterated what the mayor asked each department to do which was to cut back 16%, which is probably a conservative number. Chair Suzuki asked if the COGC would like to file or not follow up on this item. Member Caires commented that he believes it would be worth asking the mayor but not following up on it. Member Anderson then asked, as the COGC, do we have the due diligence responsibility to determine what B&C do receive mileage reimbursement and if there are incongruent information now, is it the responsibility of the COGC to find that out and what should be done about it. Chair

Suzuki then asked if the staff could look at various B&C and find out which ones are entitled to mileage reimbursements and the amount given for mileage reimbursement. Chair Suzuki asked Mr. Zitnik if that would be okay and when would they be able to get a report back. Mr. Zitnik stated that he would try to have a report done by December's meeting.

IV. MEETING MINUTES

Chair Suzuki asked for a motion to approve the September 11, 2008 meeting minutes. Member Flammer motioned to approve the minutes. Member Anderson seconded the motion. Chair Suzuki asked for any discussion. No discussion had. All were in favor and the motion carried.

V. SUBCOMMITTEE REPORTS

DEPARTMENT OF MANAGEMENT SUBCOMMITTEE

Member Flammer thanked Member Findley for all of his hard work on the report. She goes on to give her report by summarizing the presentation given to the COGC by Ms. Morrison, the Managing Director (MD) for Maui County. These were Ms. Morrison's suggestions for the COGC to research:

- ✓ the Managing Director's position in Honolulu and having two Executive Assistants and others that oversee day to day operations
- ✓ the City and County of Honolulu has the authority to make organizational change which on Maui would require a charter amendment

Member Findley researched the above and found:

- ✓ Honolulu is the 12th largest municipal government in the United States with a staff of over 8,000
- ✓ On Oahu there is a managing director, who is a subordinate of the Mayor, and a deputy director
- ✓ The managing director has direct authority over 21 separate offices and departments including Human Services, Police, and Fire.
- ✓ The director plays a key role in helping the mayor whereas the deputy plays a key role in providing routine administrative oversight to subordinate units.
- ✓ City and County of Honolulu have the flexibility of making organizational changes without a charter amendment,

Member Findley feels that this would be helpful but unlikely to occur on Maui.

On Kauai, there is no managing director. In his report, Member Findley also talked about a city manager type system and preparation of a countywide audit that could raise awareness of problems in the present system.

In the second part of his report, Member Findley talked about organizational changes and implementing them within Maui County. As a subcommittee, they have agreed that they need to enable the MD to focus on the highest administrative priorities, which means freeing her up from some of this other management duties. The subcommittee recommended changing the first assistant to the MD position to a deputy director position with the full authority to act. In addition, the subcommittee suggested making changes to the management organizational chart. This change would be to make all four branches of management (management, MIS, GIS, and Energy) and any other function, such as the County auditor, report to the new deputy director position as an immediate supervisor. This may require an amendment to the charter and the subcommittee will continue researching this.

Due to her structure and the scope of her duties, finding appropriate staff help for the MD is challenging. With added extra work, she does not have the staff to support her in these duties. The subcommittee will look at key staff resources to help address this issue whether it be full-time or part-time assistance. Member Findley added that the staffing issue is a very sensitive one because there is either permanent staff added, which could lead to budgetary issues, or temporary staff such as part-time interns from Maui Community College (MCC).

Member Findley added that he believes the county auditor position should be in the management department. Another concern of Member Findley's is the tracking report information, such as CIP projects and Personnel issues. The management department should be handling these issues. He recommended three positions that might be achievable. They are the auditor position, a part-time program analyst, and hiring a couple of part-time interns from MCC.

The subcommittee will be setting up a meeting with the MD, along with Member Anderson, to continue discussion regarding her department.

Member Findley asked if the first assistant position to the MD needed a charter amendment to make it a deputy director position. Mr. Zitnik believed that it would need changing because currently it states that when the Mayor is not here, the Managing Director would assume responsibility for the County, and if both the Mayor and Managing Director were unavailable, the Finance Director would then be in charge. Vice-Chair Vaught asked if the title of the First Assistant to the MD needed to be changed or could remain the same and only their duties defined as a deputy-managing director. Mr. Zitnik stated that he was unsure, but that the Charter should be clarified as to who will be in charge if the mayor and managing director were to be unavailable.

CIP SUBCOMMITTEE

Member Anderson stated that their next step is to meet with MD to find out the status of the hiring of the CIP coordinator. He has been working closely with Councilmember Pontanilla office, which has been tracking CIP projects. They have nothing new to report until they are able to meet with MD. Their major concern is the amount of CIP projects that have lapsed or are inactive. In addition, what it means in terms of availability of those resources for other projects, or moving them forward to provide jobs.

Member Kikumoto asked how they prioritize CIP projects. Member Anderson is unsure and it is one of the questions that he will be asking the Managing Director. Member Findley fears the recapturing of federal and state funds if a project lags too long.

DEPARTMENT OF PERSONNEL SERVICES (DPS) SUBCOMMITTEE

Vice-Chair Vaught reported that DPS has explained to them the length of time it takes to fill a position. It has to do with determining what the position is and the advertising of it. After that, there is the recruiting process and then testing.

The subcommittee has received job descriptions from DPS and will asking about them when meeting with the Managing Director. Member Flammer suggested talking to former Department Heads to find out about the hiring process within their department. Vice-Chair Vaught stated that they have met with some department heads and it was regarding when they would or would not fill a position. Sometimes the positions did not need to go through the regular process if they had someone that they felt would be beneficial to their department. Member Findley questioned if Management is aware of the positions that are overdue and if a follow up has be done. Chair Suzuki reminded the Commission that the

mayor has no authority over DPS but does choose the members for the Civil Service Commission, which appoints the director and deputy director of DPS.

Member Flammer questioned who determines the criteria for whittling down the list of applicants. Member Anderson stated that DPS does that. Member Flammer then stated that perhaps the list given to the requesting department might not fit the criteria that the department wanted. Member Anderson stated that she was correct in her statement. Vice-Chair Vaught mentioned that the DPS process is changing. He gave the example of the Police department and their hiring process as mentioned in previous meetings. He also mentioned that DPS mentioned that any department might request a waiver filling positions and by pass the process like Police have done. Member Anderson added that DPS mentioned that the Department heads would need to request for a fast track process such as Police has done. He added that the departments may or may not be aware of this process.

AUDIT SUBCOMMITTEE

Member Findley stated that he has serious reservations as to the one trained, experienced CPA auditor is appropriately assigned under the Finance department given the restrictions as to what he can do. He also mentions that this auditor can track into the operational and financial audits. He will discuss this in a meeting with Ms. Morrison.

Member Findley then commented on the CIP coordinator. If for some reason they are unable to fill that position, he suggested that a program analyst handle the assignment to start a tracking system for the mayor until the filling of the position.

ENERGY SUBCOMMITTEE

Member Caires stated that they have met with Kal Kobayashi and Victor Reyes. Their next step is to research more and identify the specific responsibilities needed for the Department of Energy. They will be doing this by investigating other municipalities across the country and the federal government. Their preliminary findings for the Department of Energy are Director and Deputy Director. They also have four divisions, which are Efficiency, Information Technology, Collaborative Engagement, and Resource Development. They also will be developing timelines as to when they would like to accomplish certain things. They will also be researching and identifying the cost of creating this department. They are looking at researching for at least one year.

The subcommittee questioned whether the County needs a new department or if the focus should be on improving the existing resources. Member Caires then asked for suggestions from the Commission.

Member Findley commented if it makes sense having Mr. Kobayashi under the Management office and Mr. Reyes under the Mayor's office. He also questioned if they are communicating with each other and if their priorities are the same or different? He suggested that the Energy subcommittee focus on these two positions and clarifying their job descriptions. Member Kikumoto added that they were looking at combining the two positions and put them together to form the Department of Energy. This would require a charter amendment that would not take place until 2010.

Chair Suzuki commented that with the rise in oil prices, the urgency to find alternative forms of energy is up, and when the oil prices drop, the sense of urgency seems to go away. I regardless, the urgency should remain to look for alternative energy sources. As to the Energy Commissioner and Energy Coordinator, he raised the question last year as to what their roles and responsibilities were, how they were coordinating their work and

feels that it should be looked at and addressed.

Member Kikumoto commented that the Energy Subcommittee knows that they need to work with the existing framework.

Member Anderson stated that the mission of the COGC is not to develop an energy plan for the county but to look at the county resources and if they are being used to achieve an energy deliverable at some point. Chair Suzuki added that he believes Member Anderson is asking if the role of the COGC is to come up with specific recommendations or raise the concern of high-energy costs in certain areas and the options that are available.

Member Cairnes continued by stating that the subcommittee could continue research on this idea and then make recommendations. Vice-Chair Vaught mentioned adding all recommendations from COGC to the report.

Member Anderson asked what the expectations are for COGC. When is the report of the COGC's finding and recommendations due? Mr. Zitnik stated that the report is due no later than 11 months after appointment. Member Anderson continued by saying that in order to have an impact on the budget, the COGC should turn the report in earlier than 11 months. He then asked if they should set a deadline to turn in the report. Chair Suzuki then asked the members if they would like to set a deadline for the report. The COGC would like to turn in their report to the Mayor in January. Member Findley added that to have an impact, the reports from the COGC should be narrow, immediate, achievable, and specific. Member Flammer asked if the drafts could be finished by, December 11's meeting. Members agree.

VI. DETERMINATION OF THE NEXT MEETING DATE AND AGENDA

The next meeting will be on Thursday, December 11, 2008 at 9:00 a.m. at 2145 Kaohu Street, David Trask Building, 1st floor, Liquor Conference Room.

VIII. ADJOURNMENT

Meeting adjourned at 11:01 a.m.