

**COST OF GOVERNMENT COMMISSION
MINUTES
Kalana O Maui Building, 9th Floor, Mayor's Conference Room
Thursday, November 8, 2012**

PRESENT: Frank De Rego Jr., Chair
Garrett Evans, Member
Jeffrey Halpin, Member
Joseph Kanahuna, Member
Ronald Kawahara, Vice-Chair
Victoria Johnson, Member
Rick Tanner, Member
Tina Gomes, Member

EXCUSED: Fred Rohlfig, Member

STAFF: John Buck, Executive Assistant
Michelle Makii, Administrative Assistant
Scott Hanano, Corporation Counsel

I. CALL TO ORDER

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

II. PUBLIC TESTIMONY

There was no public testimony.

Written testimony from Chris Salem was distributed to the Commissioners. Without objection, the Commission adjourned the meeting at 9:05 a.m. for a 10 minute recess to read the material distributed.

Chair De Rego called the meeting back into order at 9:15 a.m.

Chair De Rego deferred discussion of this issue until the appropriate time on the agenda.

III. REVIEW AND DISCUSS OCTOBER 11, 2012 MINUTES

Vice-Chair Kawahara moved and Commissioner Kanahuna seconded the motion to pass October 11, 2012 meeting minutes. Motion carried unanimously.

IV. REVIEW AND DISCUSS CORRESPONDENCE RECEIVED

a. William Spence, Planning Director, Department of Planning, October 29, 2012, RE: Fee Cost and Recovery Plan

Chair De Rego explained that correspondence was received from Planning Director, William Spence regarding *Fee Cost and Recovery Plan*.

Chair De Rego deferred this issue until later in the agenda when Jeffrey Dack from the Department of Planning's Current Planning Division gives his presentation.

b. Chris Salem (Email), October 29, 2012, RE: Fairness Bill

Chair De Rego stated that an e-mail was received from Chris Salem regarding the Fairness Bill. In the e-mail, Mr. Salem asked the Commission to reconsider their decision to defer this issue until the bill is reviewed and approved in form and legality by the Department of the Corporation Counsel and asked questions about the Commission's relationship to the Department of the Corporation Counsel. Chair De Rego also explained that the letter outlined alleged conflicts of interest concerning the Department of the Corporation Counsel in this matter as well.

Chair De Rego asked each member of the Commission for their thoughts.

Vice-Chair Kawahara commented that this issue is not something the Commission should get involved in, therefore recommended referring this issue to the County Auditor to investigate when that office is functioning.

Commissioner Tanner commented that based on the serious accusations that have been leveled and on the dollars involved, this doesn't seem like the appropriate Commission for this matter at this time. He agrees that this matter should be dealt with by an auditor.

Commissioner Gomes commented that with the magnitude of the issue and the accusations made, it is far too great for this Commission to make a determination. Commissioner Gomes asked if Mr. Salem is accusing Corporation Counsel and the Administration of collusion. Deputy Corporation Counsel Hanano gave the opinion that investigating conflict of interest charges was not part of the COGC's mandate, but belongs rather with the Board of Ethics.

Commissioner Halpin commented that the County should pursue the collection of these developers' obligations, but commented that if there was no precedent for the Commission to write letters of support for particular pieces of legislation it should defer from doing so in this case.

Commissioner Kanahuna commented that he agrees that the Commission should take no action it as it is a time consuming matter to investigate.

Commissioner Evans commented that no action should be taken on this issue as well.

Commissioner Johnson agrees that the Commission should take no action and it should be referred to the County Auditor.

Chair De Rego commented that the COGC did not have the time or resources to complete a thoroughgoing investigation of the material contained in Mr. Salem's submittal. He commended Mr. Salem for taking the time and the effort to resolve this issue fairly for those impacted by the issue and the County of Maui.

Commissioner Gomes clarified that the Commission is not deferring the matter but deciding to take no action on the request for a letter of support.

A motion was made by Commissioner Halpin that the Cost of Government Commission examined the issue and decided that it doesn't fall within the purview of this Commission. The COGC will not take up this matter and will not be making recommendations on the Fairness Bill, thus no action will be taken. Commissioner Johnson added a friendly amendment to the motion that Chair De Rego would send Mr. Salem a letter to notify him of the Commission's decision. The motion was then seconded by Commissioner Johnson.

Chair De Rego called for an individual roll call vote of each member of the Commission.

Commissioner Kanahuna - Aye
Commissioner Evans - Aye
Commissioner Johnson - Aye
Commissioner Gomes - Aye
Commissioner Tanner - Aye
Commissioner Halpin - Aye
Vice-Chair Kawahara - Aye
Chair De Rego - Aye

Motion passed unanimously.

V. DISCUSSION ON PLANNING DEPARTMENT FEE COST AND RECOVERY PLAN SUBMITTED BY THE DEPARTMENT OF PLANNING

Chair De Rego introduced Mr. Jeffrey Dack, Supervisor from the Department of Planning's Current Planning Division.

Mr. Dack presented a PowerPoint presentation on the *Planning Department Fee Cost and Recovery Plan*.

In 2006, an audit report on the Department of Planning called the *Review and Assessment of the Department of Planning* was presented by the company, Zucker Systems. This report listed various recommendations, one of which was that the Department of Planning's fees were well below anything close to achieving the cost recovery of the expenses. Therefore, the County Council funded the Matrix Consulting Group to do a study called the *Planning Department Fee Cost and Recovery Plan*. The purpose of this study was to update the fees to recover more of the department's processing costs.

Mr. Dack explained that the intent now is to have fees vary by size of project (i.e.: number of acres per subdivision, building square footage for commercial structures, number of residential units in an apartment complex). This type of assessment has been found to better relate to actual personnel time, which is the largest component of the county's expenses. Mr. Dack also explained that the goal in the next 5 years is to recover 70% of the County's cost to process applications.

Chair De Rego asked what the Department of Planning does with incomplete plans. Mr. Dack answered that in the current fee schedule, there are extra costs for extra submittals. He also commented that the better approach would be to be more careful when taking the initial plans in rather than having a financial disincentive.

VI. DISCUSSION ON CHARTER AMENDMENT ELECTION RESULTS

a. Direct impact of Charter Amendments on the Cost of Government Commission

Chair De Rego explained that in the November 6, 2012 election, all of the Charter Amendments except for one was passed. The Charter Amendment that directly affects the Commission is the County Auditor Amendment, which was a charter recommendation proposed by the COGC.

b. Preliminary discussion on efficient and cost effective implementation of those Charter Amendments approved by the voters

Chair De Rego distributed a list of the Charter Amendments and explained that each of these amendments have a cost factor involved that the Commission needs to look at and make suggestions.

Commissioner Halpin commented that it would be helpful if the Charter Commission showed the public an estimate of the added costs of these Charter Amendments.

Chair De Rego commented that these changes will possibly take effect as early as December 2012. Chair De Rego referred to a 2002 opinion by the Department of the Corporation Counsel after the voters approved several Charter Amendments at the 2002 General Election. Chair De Rego forwarded this opinion to Deputy Corporation Counsel Scott Hanano. The Commission will discuss more details of the changes and cost factors of the Charter Amendments in the next meeting's agenda after receiving more information from the Mayor's Office and the Department of the Corporation Counsel.

VII. DISCUSS IDEAS AND ORGANIZATION FOR THE COST OF GOVERNMENT COMMISSION 2012-2013 ANNUAL REPORT

a. Subcommittee Reports

i. Permits

Commissioner Evans distributed a rough draft of recommendations to the commissioners. In this document, he listed three goals with recommendations:

1. **Goal: Improve the quality and standardize incoming applications**
 - a. Standardize information needs by applications
Provide a handbook which takes people through necessary steps to submit permits of “reasonable simplicity.” Offer an online form for submitting permits where every needed field is present before it will be accepted online.
 - b. Reject incomplete permits and charge a fee for re-submitted permits
Train staff to recognize incomplete permits quickly and return those permits to the persons who submitted them. Provide an automatic notification of “acceptance” or “rejection” to the landowner and to the person who submitted the permit.

2. **Goal: Improve workflow once applications are received**
 - a. Establish which division enforces each section
Train staff to quickly identify areas subject to their departments. Use an interdepartmental collaborative “to do list” that identifies and sends permits only to relevant departments which allows each of those department to “accept” or “reject” (with comment) sections relevant to them.
 - b. Develop and utilize standard policies and interpretations of County Codes
Provide a handbook to staff explaining their role, the code requirements and an interpretation of each requirement specific to each department, and emphasize that a staff member is not to do work outside of their specific role. Use an interdepartmental collaborative “to do list” that enable staff to easily identify sections relevant to their department, and to pass or fail (with explanations) those relevant sections.
 - c. Triage permits received and assign to staff based on complexity/experience
Assign each staff a rating which will be used to direct simpler projects to less experienced personnel and more complex projects to more experienced personnel. Use an interdepartmental collaborative “to do list” to assign appropriate personnel to permits based on complexity and size of the project. Also, assign project timelines based on complexity with an emphasis on simple projects being processed quickly.

3. **Goal: Improve transparency and public perception**
 - a. Notifying the owner and architect at each step of the approval process
Provide alert notifications for approval or rejection at each point in the process.

The Permits Subcommittee’s goal moving forward would be to take this rough draft of recommendations and make it more comprehensive. They will also meet with Public Works Director, David Goode, to get more feedback on these recommendations.

ii. County Services

Commissioner Johnson reported that the County Services Subcommittee determined that there are 19 departments within the County of Maui that provide services to the public. She

explained their research revealed that the County's current accounting system does not keep track of the cost of providing individual services to the public. They would like to recommend that the new County Auditor implement a cost accounting system.

Commissioner Johnson also explained that the Subcommittee reviewed the County services offered to the public and studied the fee charges. They have determined that due to political sensitivities regarding some services, their approach would be better served and probably more receptive if they produced a general package of recommendations rather than focusing on specific services being self-sufficient.

The Subcommittee found that the County provides multiple services to the community for free. The subcommittee thinks that service fees noted seemed to be too low, therefore concluding that the County fees are not high enough to compensate personnel to perform or activate the service, much less the other costs associated with the service.

Commissioner Halpin commented that the fundamental problem is that the County cannot identify what it cost to provide a service.

Vice-Chair Kawahara commented that it is hard to verify the cost to provide a service. There are situations where people provide multiple services making it difficult and inefficient to keep track of the costs for each service.

Chair De Rego commented that the Subcommittee's focus should to make broad policy recommendations. They should look at the County services and determine if it should be self-sustaining, partially supported by the County or fully supported by the County. He also commented that the fee structures for services in each department needs to be analyzed.

Chair De Rego also reflected that the Subcommittee might pursue recommendations that would require the departments to complete fee and recovery plans similar to that being pursued by the Planning Department. Mr. Dack of the Planning Department's Current Planning Office offered the Subcommittee his assistance in this regard.

VIII. Determine Next Meeting Date and Agenda

Next meeting will be December 13, 2012, 9:00 a.m. to 11:30 a.m. in the Mayor's Conference Room.

IX. Adjournment

Commissioner Evans moved and Commissioner Gomes seconded the motion to adjourn. Motion passed unanimously. Meeting adjourned at 11:37 a.m.