

# BUDGET AND FINANCE COMMITTEE

Council of the County of Maui

## MINUTES

April 12, 2013

Council Chamber, 8<sup>th</sup> Floor

**CONVENE:** 9:02 a.m.

**PRESENT:** Councilmember Mike White, Chair  
Councilmember Robert Carroll, Member  
Councilmember Elle Cochran, Member  
Councilmember Donald G. Couch, Jr., Member  
Councilmember Stacy Crivello, Member  
Councilmember Don S. Guzman, Member (In 9:04 a.m.)

**EXCUSED:** Councilmember G. Riki Hokama, Vice-Chair  
Councilmember Gladys C. Baisa, Member  
Councilmember Michael P. Victorino, Member

**STAFF:** Scott Kaneshina, Legislative Analyst (In 10:15 a.m.)  
Michele Yoshimura, Legislative Analyst  
Josiah Nishita, Legislative Analyst  
Camille Sakamoto, Committee Secretary  
Ella Alcon, Council Aide, Molokai Council Office (via telephone conference bridge)  
Denise Fernandez, Council Aide, Lanai Council Office (via telephone conference bridge)  
Dawn Lono, Council Aide, Hana Council Office (via telephone conference bridge)

**ADMIN.:** Sananda K. Baz, Budget Director, Office of the Mayor  
Patrick K. Wong, Corporation Counsel, Department of the Corporation Counsel  
Edward S. Kushi Jr., First Deputy Corporation Counsel, Department of the Corporation Counsel  
Franklyn L. Silva, Director, Department of Liquor Control  
Georgette Tyau, Administrative Assistant, Department of Liquor Control  
Jeffrey T. Ueoka, Deputy Corporation Counsel, Department of the Corporation Counsel

*Seated in the gallery:*

Traci Fujita Villarosa, Deputy Director, Department of Liquor Control

**OTHERS:** Pomai Konohia  
Stephen West  
One (1) additional unidentified attendees

**PRESS:** *Akaku: Maui Community Television, Inc.*

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

**April 12, 2013**

---

---

CHAIR WHITE: . . .*(gavel)*. . . Good morning, Members. This Budget and Finance meeting will please come to order. This morning, we have our Vice-Chair, Mr. Hokama, excused, and Members that are joining us today are Vice-Chair of the Council, Bob Carroll --

COUNCILMEMBER CARROLL: Good morning, Chair.

CHAIR WHITE: --and Members Stacy Crivello --

COUNCILMEMBER CRIVELLO: Morning, Chair.

CHAIR WHITE: --Elle Cochran --

COUNCILMEMBER COCHRAN: Aloha, Chair.

CHAIR WHITE: --and Don Couch.

COUNCILMEMBER COUCH: Good morning, Chair.

CHAIR WHITE: Good morning. And also excused are Gladys Baisa, Don Guzman, and Michael Victorino. And I'm sure Mr. Guzman will and Ms. Baisa will be joining us shortly.

**ITEM BF-1:            PROPOSED FISCAL YEAR 2014 BUDGET FOR THE COUNTY OF MAUI (CC 13-100)**

CHAIR WHITE: And this morning, Members, we will be reviewing the Budget of the Office of the Corporation Counsel and without objection, we'll first open public testimony.

COUNCIL MEMBERS: No objections.

**. . .BEGIN PUBLIC TESTIMONY. . .**

CHAIR WHITE: And we have no one who has signed up to testify in the Chambers, so we will check with our District Offices. We'll first go to Dawn in Hana. Dawn?

MS. LONO: Good morning, Chair. This is Dawn Lono at the Hana Office and I have one testifier, Pomai Konohia, testifying on BF-1.

CHAIR WHITE: Thank you very much, Dawn. Please proceed.

MS. KONOHA: Good morning. Aloha, Council.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

CHAIR WHITE: Aloha.

COUNCIL MEMBERS: Aloha.

MS. KONOHA: ...*(Inaudible)*... Budget hearing but I would just like to speak on behalf of the Hui. That's my employer, Hui No Ke Ola Pono, here in Hana. We're celebrating our 11<sup>th</sup> Annual Hana Health Fair tomorrow and I just wanna express my appreciation for the County Parks and Recreation Team and the County of Maui for supporting our stint the last 11 years by allowing us to use the facilities and, of course, provide health treatment...

CHAIR WHITE: Could you get a little closer to the microphone?

MS. KONOHA: Sure.

CHAIR WHITE: I'm having, your words are breaking up a little bit.

MS. KONOHA: Can you hear me now?

CHAIR WHITE: Let's try it and we'll see.

MS. KONOHA: Okay. So, I would just like to express my appreciation on behalf of Hui No Ke Ola Pono for number one, the County of Maui being a great supporter by allowing us to use the Hana Community Center here where our office is located for the last 11 years that we've celebrated our Hana Health Fair and its free screening exams to the Hana community and we get over 200 participants from all over. And this year, we're having the Vision Bus that comes from Oahu to provide free vision for our families here in Hana. And as an employee of Hui No Ke Ola Pono, we depend on our office here at the Hana Community Center and we've been blessed to have free offices for our doctor, for our dentist, as well as for our agency where we can provide all this health services to our people here, and so we're so fortunate to have that available to us at a really reasonable cost, I believe. So mahalo again for that. And I also would like to speak in support of the Ma Ka Hana Ka `Ike, which is our school building construction program under Rick Ortiz. He has also helped us to keep our office up to par by, you know, doing some minor renovations to help with upkeep of our office so we can continue to provide services to our community. And he's also been a wonderful and very big part of the self-help housing here at Helani Gardens. I'm also a homeowner for that and I appreciate what Ma Ka Hana Ka `Ike has done to keep that project going as well as our Councilman Bob for, you know, all the support of the grant, but it was provided so that we can go in, in an affordable housing. And there's 12 different families all from Hana who are benefiting from this awesome project and I just wanna, you know, we've got ten houses already done and we've got two more that are just around the corner, but we're just waiting for inspection and some plumbing and electrical work before we can all move in. But it's been, this will be the third Taro Fest that we're still working over the self-help project but we're very...we see the light at the end of the tunnel. And we just continue to work something on the weekends to get the other homes done.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

**April 12, 2013**

---

MR. NISHITA: Three minutes.

MS. KONOHA: And again, it wouldn't be possible if it wasn't for the County of Maui and all your support and help with that. And then also for Na Mamo O Mu'olea, I also sit on that board, and I just thank you again for your diligence in trying to get us the lease. And we hope that, that will be happening shortly as well. That's another ongoing project that we're hoping to, as a family, the lineal lines, the neighbors that border along this awesome property, we hope to continue to keep that place how it is and not change it at all and welcome, you know, the community to come down there. So I hope you guys can get that lease and the department that you guys are trying to find out who will be, I think it was the Parks and Rec, that you guys try looking at being the department head for this Na Mamo O Mu'olea Project but thank you again for that. And now I know I had more.

MR. NISHITA: Four minutes.

MS. KONOHA: Questions?

CHAIR WHITE: Well, you've used up your four minutes, but we certainly appreciate your coming to testify for us this morning. And if you have additional comments that you would like to send to us in an e-mail or a fax, we'd be happy to hear from you.

MS. KONOHA: Oh, I'm sorry. I wanted to mention one more. I know I went over but Public Highways, we just, I just appreciate what they do on the, keeping our highways safe here in Hana. I just wanted to add that \_\_\_\_\_ in for County of Maui, Public Works.

CHAIR WHITE: Okay, great.

MS. KONOHA: Mahalo.

CHAIR WHITE: Thank you, so much. Aloha.

MS. KONOHA: Aloha.

CHAIR WHITE: Next, we'll go to Denise on Lanai.

MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez at the Lanai Office and we have no one waiting to testify.

CHAIR WHITE: Thank you. And we'll go to Ella on Molokai.

MS. ALCON: Good morning, Chair. This is Ella Alcon on Molokai and there is no one here waiting to testify.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

CHAIR WHITE: Thank you very much. Do we have anyone that signed up? Would you like to provide testimony this morning?

MS. SAKAMOTO: No, Mr. Chair.

CHAIR WHITE: No? Okay, we have no one in the Chamber, we'll go back to Dawn for one last time. Dawn, do you have anyone else that would like to testify?

MS. LONO: The Hana Office has no one waiting to testify.

CHAIR WHITE: Thank you very much. Without objection, Members, we'll close public testimony.

COUNCIL MEMBERS: No objections.

CHAIR WHITE: Well, thank you, ladies. I will see you on Monday. Yeah, you saw me reaching for the gavel?

UNIDENTIFIED SPEAKER: Yeah, we almost closed the meeting.

***...END OF PUBLIC TESTIMONY...***

CHAIR WHITE: Okay, Members, this morning, as I mentioned, we have the Corporation Counsel 2014 Budget up for review and I'd like to recognize Mr. Guzman has arrived.

COUNCILMEMBER GUZMAN: Good morning, Chair.

CHAIR WHITE: Good morning.

**DEPARTMENT OF THE CORPORATION COUNSEL**

CHAIR WHITE: And with that, we'll let Mr. Wong proceed with his presentation. Mr. Wong?

MR. WONG: Good morning, Chair, Council Members.

COUNCILMEMBER COCHRAN: Good morning.

MR. WONG: What you have in front of you is our Projected Budget for this fiscal year. There is some changes in wages and salaries that are reflected in the Budget, and that is directly related to the ordinance, salary ordinance for the deputies in my office. There's also two that are relative to clerical staff that transferred from a different department and in one circumstance from the State and so their salary numbers were higher. There's also a, I'm not sure if you have the Details, but there's one typographical error that should be...do we have the Details of all the attorneys?

UNIDENTIFIED SPEAKER: Yes.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

MR. WONG: Okay, so on Page 2-4, there's a typo on...it's CP-0032. That number should be 104,772. Instead it reflects 104,872 and it's simply a typographical error that needs to be changed.

CHAIR WHITE: Okay, thank you.

COUNCILMEMBER COCHRAN: Chair, sorry. What page is that again?

CHAIR WHITE: On the Detail--

COUNCILMEMBER COCHRAN: Yes.

CHAIR WHITE: --Pages, it's 2-4.

COUNCILMEMBER COCHRAN: Thank you.

CHAIR WHITE: Uh-huh.

MR. WONG: I'd also like to speak briefly about, and you can ask me any questions, about our Department Budget. But we were able to, this year, accomplish the goal that we set last year, and that is to incorporate the Division of Risk Management into the Department of Corporation Counsel. It took some time to complete it properly, which is what we've done. They're currently physically located within the Department of Corporation Counsel, and it's been a very good start and I believe that as we move forward, that you'll be able to see good results. So I'm really excited about it and looking forward to a strong working relationship with the Division within our Department. On the organizational chart, on Page 117, it does reflect the Risk Management Section as part of our Department. So, as you can see, it's comprised of three...four sections - Litigation, Administrative and Clerical, Counseling and Drafting, and Risk Management. So the additional change...well, it's not a change. It was approved last budget cycle, and that is the increase of our employee count to incorporate the numbers directly from Risk Management. So, if you look at the employee count, it's, I believe, 35, 34.5. And so there's no increase otherwise except for the inclusion of that Division. If you look at our overall Budget, setting aside the increases for attorney numbers based on the ordinance, there really is a small increase of--what was it, 11,000?--\$11,000 and that was for the, let's see...

MR. BAZ: Page 2-7 in the Details shows \$88,000 one-time appropriation for a new case management database software, but he, they are reducing the Charter Commission items so the net increase is, is 11,000...oh, yeah, \$11,000.

CHAIR WHITE: Of course, the Charter Commission is once every 10 years.

MR. WONG: Yeah.

MR. BAZ: That's correct.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

MR. WONG: Right.

MR. BAZ: And they're assuming that this software purchase will be a one-time expense as well.

CHAIR WHITE: Right. Members, any questions thus far? I think...oh.

COUNCILMEMBER GUZMAN: Thank you, Chair. Since we're on the subject matter of the software, 88,000 for the new case management software, what does that entail?

MR. WONG: Well, there's several things that we've been looking at. The Risk Management component has a need to track the claims. And so the software package, and it would be by Request For Proposal, an RFP, we've been looking at an office management program to be able to properly manage all our files, also properly manage all the open claims. And so the cost is a projection based on what is out in the industry. So it's meant to track claims. It's meant to track our open files to better manage the office and also to allow the Risk Management Division to track claims through all the departments.

COUNCILMEMBER GUZMAN: All right. Is this like an internal software system that's going to be built in from our IT Section, or are you going outside source, like independent licensing with like...I know we have lawyer-type applications like Tabs to follow. It's a Tabs program that follows cases ...*(inaudible)*... different sections of case law. But is that, are we talking about billing internally or are we going through a licensing agreements route?

MR. WONG: It's a little bit of both. We have been working directly with our IT Department. And so they've provided, provided us with detailed information on what their capacity is. Historically, the Department did both and that was to purchase software off the shelf and also to work within the IT Department to create calendaring and/or tracking programs. So, the vision is to actually secure a program that can handle all our needs and also work with our IT Department to make sure we're not entering into something that they cannot support and/or may cause a breach within their own system, within our system. So, it's both, Council member.

COUNCILMEMBER GUZMAN: So the 88K is just an estimate? I mean...

MR. WONG: Yeah.

COUNCILMEMBER GUZMAN: Or do you have like an actual proposal?

MR. WONG: No, we don't.

COUNCILMEMBER GUZMAN: Oh, okay.

MR. WONG: That's an estimate.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

COUNCILMEMBER GUZMAN: Okay.

MR. WONG: Yeah.

COUNCILMEMBER GUZMAN: Thank you. Thank you, Chair.

CHAIR WHITE: Mr. Wong, could you explain to us what the provisions of Maui County Code 2.44.015 are that outline the required increases for the deputies' salaries?

MR. WONG: 2.44.015 is the salary provisions for the Department of Corporation Counsel, also the Department of the Prosecuting Attorney, and it provides, effective 2008, a listing of the number of years of a deputy's licensure with a corresponding salary amount, and the years of licensure is not just from the State of Hawaii but licensure when they are *first* licensed.

CHAIR WHITE: Uh-huh.

MR. WONG: So it could be anywhere throughout the country. So, you take the first year of licensure and then you plot them in this scale and based on this ordinance, we have the allocated salary amounts. Some attorneys have, if you look at our budget increases, some attorneys that were not increased in the past couple of years. So I needed to make those adjustments to bring it into compliance with the ordinance. Do you have any other specific questions about it?

CHAIR WHITE: No, I think it's important for people when they hear or see significant increases that this is by ordinance and it's by, we're following a required set of standards. That these are not plucked out of the air, so to speak.

MR. WONG: Well, Chairman, if I may, the increases, although directed by ordinance, they're certainly well deserved by the deputies that receive those increases. They certainly, in my view, have done work commensurate with the salary that it reflects and in some occasions I strongly believe that they're underpaid. But that's for something that we can discuss maybe at a later date. At the moment, the reflected amounts and increases are directly related to the ordinance amount.

CHAIR WHITE: Right. Well, and I think it's important to point out they don't, they don't earn any overtime.

MR. WONG: No, they don't.

CHAIR WHITE: And so, and we know you're not asking for additional staffing so you're continuing to deal with a slightly larger workload without additional staff.

MR. WONG: Correct.

CHAIR WHITE: We appreciate that. Members, any questions at this point?



**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

COUNCILMEMBER GUZMAN: I just had a follow-up question --

CHAIR WHITE: Mr. Guzman?

COUNCILMEMBER GUZMAN: --from your question, Chair. Mr. Wong, it indicates in the Detail for the salaries for the line deputies 104,772 for basically all of them except for one, which is at 81,924 and based on the ordinances that you just mentioned, I'm questioning whether are they all being paid at 104,772 because of the, they can't all be at the same level and what are they doing with the extra additional monies? Because they were based on years of practice or years of licensure, they're going to be discrepancies, like for example, 16 years of licensure versus 10 years, so that...

MR. WONG: That's correct.

COUNCILMEMBER GUZMAN: But in the Detailed Budget, they're all at 104,000 except for two, so.

MR. WONG: Very good question, Council member. Actually, I should have increased those other two. Quite frankly, the way I see it, Council member, when there's a vacancy that occurs, if it's not properly budgeted for, I cannot hire quality deputies to be able to provide adequate service to our clients. There are a few deputies that are not at the max and that's because, again, it's tied into their years of licensure. Majority of the deputies in the Department have the max because of their number of years of licensure. I actually would suggest, and I've thought about this for some time, that there be, and we can deal with it at a different time, and that is to adjust the ordinance so we're not, I'm not tied to the years of licensure and rather that it's based on work performance and the quantity and quality of work being delivered. Currently, it's not structured that way, so unfortunately --

COUNCILMEMBER GUZMAN: Well, I...

MR. WONG: --I cannot explain why in that two scenarios it was not increased. More than likely, it was carried over from previous budgets and because the deputies that previously were in those roles were maxed out at those levels so. And then you have other positions where a deputy has left that was at the max and the deputy replacing is not, in terms of years of licensure, at the max. So what typically happens, and it has happened in the previous years, that is those amounts get passed back as Carryover/Savings.

COUNCILMEMBER GUZMAN: Right. Now I see that. I see that now. So there's, so you've built in a sort of a cushion just in case you get a different qualified line deputy that you hired that's at a lower rate or licensure years, based on the ordinance you can adjust?

MR. WONG: Correct.

COUNCILMEMBER GUZMAN: Okay. I understand that now. I also have an issue in terms of how, I know my colleagues in the bar will probably disagree with me, but I do have an issue with the

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

ordinance as it's written in terms of the years of licensure. For example, one attorney could be not practicing law for five years and then come back and practice law for two years and then all of a sudden he's at the step level of seven years of practice. And so that's adjusted in to his salary.

MR. WONG: Right.

COUNCILMEMBER GUZMAN: So, there is an issue in terms of the ordinance itself but it's something that we can work on later.

MR. WONG: Right, I, Council member, Chair, I agree except that there's also a very strong basis for the ordinance as it was drafted and adopted back in time, and it does provide, to me, a range of expectation that is based purely on years of licensure and you don't get into the nuances of individual merit-based items. And so people get kind of leery when it's not a quantifiable stat. I, on the other hand, look at it as private practice and we can certainly hold our deputies to higher standards.

COUNCILMEMBER GUZMAN: Thank you.

MR. WONG: You're welcome.

CHAIR WHITE: Members, other questions? You could go over the Activities and, Activity Goals & Measures.

MR. WONG: So, if you turn to Page 120, the Key Activity Goals & Measures, identified as goal number one is to expand the Department by adding Risk Management, and we've done that. We're fully engaged at this point and I'll be happy to report how we've improved the County during the *next* budget cycle actually. If you turn to 121, expand the Department by adding Risk Management, that continues. Become the primary claims handler of Worker's Comp, excuse me, County's general and Worker's Comp claims. We've also done that even more, in my view, more hands-on. Well, what you should be aware of is historically the third-party administrator that is hired by the County handled our claims at the Department level. I've changed that such that we handle it in-house now and, in my view, there's two factors that I think are very positive. One is there's a direct financial corresponding result, and that is we experience a savings as it relates to our third-party administrator and their projected cost. Two is we have a deputy that is handling the case at the first level and therefore the continuity of handling that case is very important at the next appellate level. So it accomplishes the goal of reducing our overall cost with our third-party administrator, our internal costs, and it provides, in my view, consistent better handling of the claim. Goal number two on 121, minimize the need for costly outside assistance with claims and legal proceedings against the County, and that's kind of where I just mentioned in one circumstance with the third-party administrator hiring, having them attend the claims and represent the County, so that decreases in cost. Also the goal of minimizing the need to hire special counsel. You know, that's been a goal of mine and that is having our Department actively represent the County in all litigated matters. Part of the goals on, and objectives on

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

Page 121 is, I have in there, limit the number of hours spent in meetings to allow more time for attorneys to work on clients' legal requests and in defending legal actions and claims brought against the County, thereby minimizing the need for costly outside assistance. You know, that's a topic area that I have not yet broached with you and that is the prospect of, in some occasions, questioning whether or not you need a deputy sitting in every proceeding, and that's true in my mind to raise that question not just for...and Jeffrey is going to stay here, by the way, just so you know. But there's some circumstances where I believe the attorney is never asked a legal question, and the questions that are, you know, posed to the attorneys are questions that do not need a law degree to respond to. So, in my view, some of the efficiencies and the inefficiencies of it may be that on some circumstances, you know, you may not need a deputy sitting in the proceeding or at least the entire proceeding, or there may be at the end of the day legal questions that may come up and you save them for the end of the day. I'm not sure how that's going to operate with your comfort level and your capacity to conduct business. I certainly would not want to interrupt your flow of business, but, you know, there's alternatives that can be discussed and there's methods that can be used to still provide you with the guidance that you need from a legal standpoint but also allowing the attorney to better use their time by being in their office and/or working on drafting and counseling and/or some other aspect of our law department. So that's, that's one of the items that I have looked at and am looking at to, in my view, improve the efficiency of my Department.

CHAIR WHITE: You know, while you're on that subject, one of the questions I had for you was whether or not you all have looked at combining some of the boards and commissions, like the Public Works Department has done, rolling the number of different boards into one, and I can't remember how many were involved in that consolidation. But there was a recommendation by the Cost of Government Commission to reduce the number of boards and commissions and I think some of the recommendations make sense. Has the Administration or you gotten together to discuss that?

UNIDENTIFIED SPEAKER: Public Works ...(inaudible)...

CHAIR WHITE: Pardon?

UNIDENTIFIED SPEAKER: Public Works has a ...(inaudible)...

CHAIR WHITE: Right. No, that's what, that's what I'm talking about. I just mentioned Public Works.

MR. BAZ: Yes, Mr. Chair. We have on occasion discussed, and Mr. Wong can respond as well, but we have on occasion discussed the either consolidation or abolishment of certain commissions. There are ones that are created by Code that we would be proposing to the Council to reduce, to change the Code to be able to remove that commission. The Policy and Intergovernmental Affairs Committee just voted a little while ago to abolish the Grants Review Committee, so that's one of the commissions that is affected. There are others that we're looking at as well.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

CHAIR WHITE: Thank you. I think you bring up a good point as to not necessarily having a deputy here for all meetings and as long as they can be on on-call, I think that's probably...

MR. WONG: Chairman, if I may? Part of my segue into that is if you look at the next item, and that is regarding statistics of the workload of the counseling and drafting attorneys, in FY '12, you know, there were, if you look at those numbers, 4,101 requests for services received and 4,131 requests completed. You know, that, that's a large number of requests for legal services that require the attorneys to not just provide a written response but to do the analysis and so on. And these counseling and drafting attorneys are sitting in these meetings, sometimes they go all day. And when they're done, they need to then go back and respond in writing for, you know, these legal services requests. And then it's not just the Council, it's the Departments and the Administration. So it's a large workload for these attorneys and so I'm trying to figure out how do we better use our resources. And that is we can request that we decrease the number of work we get but that's not going to happen. We can, you know, request an increase in the number of employees we have and I don't see going there. So, you know, how do we, how do we do it with what we have with the high demand that we have on our Department, and that was just one thought that I had was conceptually maybe bracketing a time for each Committee to be able to properly formulate the legal question if there are any and then present it, and the attorney could come prepared with a response as opposed to having a live discussion and a turn to the attorney with, the deputy with the, "is that legal?" question. Those are difficult to deal with and attorneys in private practice are not really thrown into that type of scenario. And it's very difficult to provide a strong analysis of your question and provide you with, in my view, sound advice. So if we look forward to adjusting how we do it, you may be able to get a more in-depth response but at the same time, we may be able to address sooner some of the demands on the Department for legal services requests.

CHAIR WHITE: Good point.

COUNCILMEMBER CRIVELLO: Chair?

CHAIR WHITE: Yes, Ms. Crivello?

COUNCILMEMBER CRIVELLO: Thank you. Good morning.

MR. WONG: Good morning.

COUNCILMEMBER CRIVELLO: Thank you for being here. In reference, going back to goal number one, if you don't have it now but if you could provide information, what is the average claims that you handle for Worker's Comp as far as in relation to our safety?

MR. WONG: Can I ask you to clarify average? Do you mean average in terms of per claim?

COUNCILMEMBER CRIVELLO: No, how many claims do you have to process, I guess, yeah.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

MR. WONG: Okay, I have some information. There are currently 280 open active claims. The numbers fluctuate depending on year. If you go back over the last several years to 2008, '09, '10, and '11, it's in the 280 to 270 range across the board for the entire County. Those are all Work Comp claims. The average life of the claim is something that the Risk Management Department Division has been trying to address and that is how long does a claim remain open and active? Now, you're going to have some claims that date back many years, some that are opened relatively quickly and closed relatively quickly, and then you have those that linger for a year or two. So the goal is to decrease the length of time that the claim is actually open, and that means an injured worker received rehabilitative care and is back at work. But I currently don't have an average or an average employee.

COUNCILMEMBER CRIVELLO: I understand. Okay. I guess, too, in line, would you have a breakdown of what departments are basically have the most claims or...

MR. WONG: I do. You know, if you look at all the departments, the departments that, the department that has the highest risk is usually the one that has the most claims. In, you know, I don't know if I want to start getting into all the details about it, but in order of ranking from most claims currently today, we have Police Department, Parks and Rec, Fire, Environmental Management, Water, Public Works, and then it goes on down, all the way down to those that have the least, and that's the Liquor Department and Corporation Counsel, so.

COUNCILMEMBER CRIVELLO: Thank you. Thank you, Chair.

CHAIR WHITE: So, the total claims for last year was about \$2.8 million and we're so far this year, I can't remember whether it was, I think it was as of December 31<sup>st</sup> we're at about 619. So a significant reduction and as he said, the vast majority of the big numbers are in the bigger departments with the greater exposure. Corp, Counsel itself has a very, very low, I think it's 39 bucks or something like that. We have that information and we'll give --

COUNCILMEMBER CRIVELLO: Oh, okay.

CHAIR WHITE: --make it available to you.

COUNCILMEMBER CRIVELLO: Appreciate it. But I think it's impressive, you know, Public Works is also way down too.

MR. WONG: Actually, it is.

COUNCILMEMBER CRIVELLO: Yeah, so.

CHAIR WHITE: We, we'll pass that information on to you. The question for you, while we're on Worker's Comp, my recollection is the \$2.8 million is just the, it does not include the wage and salary element, right? So the actual cost is significantly higher than the 2.8, and most, and most

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

employers, they add the salary and wages but in ours it's just the other costs because the salaries and wages stay in the department.

MR. WONG: That's correct.

CHAIR WHITE: Do you have any...

MR. WONG: I believe, yeah.

CHAIR WHITE: Well, I'm sure you don't have a sense of how much the wage and salary element would add to that?

MR. WONG: I don't, Council member.

COUNCILMEMBER CRIVELLO: Thank you.

MR. WONG: Sure.

CHAIR WHITE: Members, other questions? Elle, did you have a question? Okay, I thought I saw your hand go up. Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair . . .*(clears throat)*. . . excuse me. Just a concern on goal number two and number, item number three. It says the number of litigation actions, civil/administrative pending against the County, 440. I know we have a lot of stuff through Mr. Hokama's Committee. But then the next one is number of actions settled is only 30. So we're, you're following...and I know it's, you've got a big workload but essentially you're getting 400 more a year than you can handle? And is that number going bigger or how does it, how does that work?

MR. WONG: We never stopped getting sued --

COUNCILMEMBER COUCH: Right.

MR. WONG: --and/or claims filed against us. The difference in the number between cases settled and cases remaining are resolved in one of two ways. One is we prevail and the case just goes away. The other is it's still in active litigation. There are some cases that, quite frankly, have been on the books and are active and have been so for a decade, and we cannot close them out because there's still a risk that they would revive themselves. And I'm going to suggest to you that projecting into the next, you know, year or two, there are a number of cases that will become active again simply because they've made their way back from the appellate courts and/or the administrative body now has the capacity to address the issues. I'm talking about the Commission on Water Resources Management and cases that have made its way to either the Intermediate Court of Appeals, the Hawaii Supreme Court, and/or the 9<sup>th</sup> Circuit, so hence the

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

numbers are still high and we don't resolve all of them, but on average it would probably be around 30 cases that we will resolve within the fiscal year. Okay.

COUNCILMEMBER COUCH: Yeah, I figured there's a good answer just that you're looking at the numbers if there's something you can do in between somehow to another goal or an explanation so it's not so bad to the people who don't have a chance to ask you the questions. You know, 'cause it, you guys are doing a bang-up job and when we get so many in there and we're telling you things that we tell you in executive session and so it kind of increases the load, so understood. I just, if there's a way to explain that, that would be --

MR. WONG: Okay.

COUNCILMEMBER COUCH: --a little bit better. Thanks.

CHAIR WHITE: Members, other questions? Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I'm very interested...well, first of all, let me make a comment. I want to extend my commendations and accolades to the Department for doing such a good job. I know you guys work hard and have a lot of case work and you provide the most diligent opinions expeditiously. But my curious, my question is for goal number five in regards to...and that's on Page 126. I'm interested to find out more about this incentive-based compensation directly related to performance and creating a, I guess a revolving fund for the Department. It sounds, this kind of sounds like kind of a bounty system, like if you win a case you get more money, which I know it's, that type of system is unethical so I know it's not a bounty system, so can you explain to me what, what's going on in that particular goal?

MR. WONG: Sure. The, it's a goal and that's what it is. It's, in my view, it's to, what I wanted to try to do is create a circumstance that, and we may not be able to do this because our Budget Director sitting next to me may not agree with me in allowing me to create such a fund and you may not agree with me in allowing me to do that, but the goal has been, in my view, to improve the amount of successful cases and to help some of our departments address, for example, collections, bringing in house every opportunity to collect a debt that the County is owed. We don't do it for all departments. We should. And there are circumstances where we actually sue individuals and/or entities out there, and we end up recouping money and those things generally get paid into the General Fund. Whether we are successful in defending the County and then are successful in getting fees and costs assessed against the adverse party, those monies get paid into the General Fund. And you may be of the opinion that maybe the attorneys don't deserve any type of incentive-based compensation. What I'm trying to do is create a circumstance that we maximize the amount of effort to bring in as much as we can for the County, and I'm not saying we're not already doing that. I'm saying that I want to reward those individuals that have the capacity to do that, which would, in my view, create an atmosphere of people wanting to be a part of that team. So far, we've, I have created various teams within the Litigation Division and I think the teams work very, very well together and they can rise up to defend against any law firm in the State and I'm confident that they can do that, we can do that. But it was a goal that I've

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

had to create such a thing so that we can, within the Department, find ways to improve the salaries and/or improve the circumstances of the deputies and conceptually the clerical staff also.

COUNCILMEMBER GUZMAN: Thank you. That --

MR. WONG: Sure.

COUNCILMEMBER GUZMAN: --sounds very interesting. And to the victor comes the spoils. That's, that's. . . *(laughs)* . . . it'll be very interesting. I think it's something that would be motivating. So, thank you, Chair.

MR. BAZ: Mr. . . .

CHAIR WHITE: Other questions?

MR. BAZ: Mr. Chair?

CHAIR WHITE: Yes?

MR. BAZ: I might just add something. Our Corporation Counsel is sometimes a little humble. In the prior question Mr. Couch had regarding the statistics of litigation actions pending against the County, the goal, yeah, he mentioned was 440. They've actually been able to reduce that year to date as of December 31<sup>st</sup> down to 303. And then the second one, litigation actions settled, while the goal was 30, the department has been able to increase that and has been able to settle 102. So they've done significant work efforts the first half of the year. And --

CHAIR WHITE: Well we certainly...

MR. BAZ: --I, we'll be open to further discussion about the revolving fund.

CHAIR WHITE: You know, we've often had conversations along those lines with real property tax issues offering, offering bounties for people that provide information to real property tax on people that are skirting, skirting our laws. I think you, I think we all feel that what you all present during executive session is always very, very well thought out, and I think you guys have been significantly effective and we all appreciate it.

MR. WONG: Thank you.

CHAIR WHITE: So you want to present something for consideration, go for it.

MR. WONG: Thank you.

CHAIR WHITE: The other question I had for you was that we've had situations come before us that clearly might have been avoided had we been in a position to provide action on a timely basis to



**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

keep people from getting to the point where they want to sue the County. So I would like your thoughts on setting aside some funds that would be made available to you for lack of a better term, pre-litigation settlements. So I'd just like your thoughts on that and if you could give the Committee some idea of what that amount might be, and I think the Members would probably want, since we're responsible for settlements, the money would be set aside but it would only be used if it was, if it was by vote of the Council.

MR. WONG: Chairman, thank you for that question. I believe that there are circumstances that present sufficient information and present sufficient opportunity to be able to address prospective resolution pre-suit, and not everyone, I think, agrees with a pre-suit resolution. However, from a fiscal and economical standpoint, there are circumstances that we can provide you with, in my view, in-depth analysis as to the risk involved, the cost-benefit evaluation, and allow you to authorize us pre-suit resolution. It's not going to be in every circumstance though, and we cannot project that all the time. There are circumstances where individuals and/or entities file claims without contacting us to resolve. If we had within the budget a defined amount set aside for that specific purpose with the same constraints that we currently have and that is that we come to the Council for authorization to provide you with the full scope of what's going on and receive your authorization in order to settle, that'll be, in my view, a method to allow the Department of Corporation Counsel to address issues pre-suit, and I strongly believe that, that would be an improvement to our system especially with the incorporation of Risk Management into our Department. We will be able to, in my view, provide you with a very good analysis of the safety issues, if there are any, the downside risks based on what we present, and what the economic exposure would be. And we can certainly do those things and hopefully be able to *avoid* a lawsuit being filed. And typically when you, and I'll say this without hesitation, you remove the attorneys from the equation and the numbers are different. And I've always believed that throughout my career and especially here in the Department. Typically the numbers increase when you have lawyers involved. So if we had an effort or a capacity to be able to resolve these things pre-suit, then the numbers may be different.

CHAIR WHITE: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I just wanted to also support our Corporation Counsel in that by incorporating the Risk Management in his Division and creating a pre-litigation settlement fund, I think that our County would save substantial amount of monies and times, and I would be in full support of creating such a fund. I'm going to put that on the record because Mr. Wong is correct. Once you involve attorneys into anything, the cost of the litigation, the cost just rises and I think that we could, we can save the County a lot more money if we have, if we give them a resource or a tool to work with, without having to go into litigation.

CHAIR WHITE: Right.

COUNCILMEMBER GUZMAN: Thank you, Chair.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

CHAIR WHITE: And without having to come back with a budget amendment from... anyway, I think it makes a lot of sense. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you, Department, for being here. So prior to me getting on to the Council, I was part of Maui Mediation Services and so it was all about mediate don't litigate. And, you know, it's, it was very proactive and it was the decision between the two dispute, you know, disputes that came to agreement. So I'm just curious if, Chair, maybe you were hinting towards such a program where, you know, we can have a neutral person somehow intervene and say listen, we understand you wanna do a litigation with us, the County. But how's about we talk it out and that's what mediation's all about. And it seemed to work quite well with many cases. I've done probably 17 at the courthouse and, you know, we settled it together versus having the judge make the decision. I think it doesn't work for all cases obviously, as you know, Mr. Wong, but I think that would be another preventative-type measure from going, you know, whole nine yards of the actual litigation. But again, it's not a one-size-fits-all idea but I just wanted comments from you if we do such, you know, we take such measures.

MR. WONG: Thank you for the question, Council member. Currently, we don't engage mediation services at the outset of the claims. However, there are circumstances where we do receive claims where the party is not represented by an attorney, and we certainly engage those individuals currently in trying to reach an amicable resolution of their claim, but in order for us to do that, they must file a claim. And I'm not adverse to early mediation efforts. It's certainly a way to reach resolution in an economical fashion. So part of the discussion can be that we explore that opportunity for and maybe even build it within our program.

COUNCILMEMBER COCHRAN: Okay. Well, thank you for considering --

MR. WONG: Sure.

COUNCILMEMBER COCHRAN: --the idea. And, you know, it's also looking at different cases through executive sessions and having things repeat itself. You know, of course, let's learn from our mistakes and that's why I understand you're moving Risk Management into, you know, your Department, I think that's gonna really alleviate some of that type of situations. And I'm looking forward to seeing the numbers drop in regards to that. And of course, savings on litigation too. So thank you for the idea and I'm looking forward to having that roll out and getting some results. So thank you, Chair.

CHAIR WHITE: Thank you. Members, just to, just to give you some of the Work Comp numbers, and I don't know, Mr. Wong, you can add your thoughts as to the degree to which the changes in Risk Management have added to this, but it's significant to me that the year-to-date figures for some of these large departments...let me just...if they stay on the course that they're on now, Environmental Management claims costs will have dropped by 50 percent, Fire Department will drop by 54 percent, Parks and Recreation by 50 percent, Police by 65 percent, and Public Works by 50 percent. So I don't know how much of that is due to your efforts and the Risk

## BUDGET AND FINANCE COMMITTEE MINUTES

Council of the County of Maui

April 12, 2013

---

Management efforts, but it sounds to me like we're becoming a bit more aggressive on investigating lingering claims and getting people back on the job.

MR. WONG: Chair, if I may, I want to have you, with those numbers, my view is the team is an awesome team. The Risk Management Team is great. They're very proactive. I think that they bring a lot to the table. Our new third-party administrator is, to me, very efficient. You know, I've attended our quarterly meeting, the last one. They provide excellent analysis of what's going on and to me very, very good direction. So it's, what you have is a combination of factors that have resulted in the decreased numbers. So, too, are the individual departments making an effort from a safety standpoint to better educate their employees. I know Fire has made a very strong effort to educate their employees. I also know that within Risk, that there's been a lot of effort to provide outreach in that regard. So we look forward to providing you with more insight and a comprehensive package as we move forward. So the numbers reflect the work being performed by the Division and the individual departments. So thank you very much for that.

CHAIR WHITE: From the Budget perspective, Director, would you have any great hardship if we were to add, put in the Department's Budget their Work Comp expense? Mr. Baz?

MR. BAZ: Mr. Chair, I think from a consistency of reporting perspective, it would, we would prefer it to be in the Department of Finance, Countywide Costs where the fringe benefit and related items as well as the insurance program costs and the self-insurance fund itself are, so that we can look at it overall because it's a Countywide expenditure. That's why that program is set up that way. So I, I mean I, Corporation Counsel can respond as well, but from a budgetary perspective we would prefer it to be in the Countywide Costs, which are housed in the Department of Finance.

CHAIR WHITE: Okay. Corp. Counsel?

MR. WONG: Chair, I'd, I don't have a problem with the current setup and the way it's currently functioning. I don't see any issues with it. We certainly are capable of getting the numbers. It's our activity to get the numbers down, but, you know, the role of the Department of Finance certainly in being able to cut the checks when necessary. I think they do, they do a great job at that and I would not want to burden our Department with an area that we're not experts in and I would prefer the Finance Department handling that.

CHAIR WHITE: How well are the numbers communicated to the department heads? How are they communicated?

MR. WONG: You know, I don't currently believe that they...they do have a full understanding of what the numbers are. Their DPOs do come to the quarterly meetings. They do have direct input on every claim that we're handling over a certain value. So they're aware of what the numbers are and I think that some of them are monitoring it closely and some of them are maybe not, but they have access to the information and we provide a lot of information to the DPOs without violating anyone's, you know, personal rights and so on.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

CHAIR WHITE: Okay. Members, other questions? Seeing none, I think that brings us to the end of our review of Corporation Counsel Budget, and with that, Members, we will take a, take a recess for 10 minutes and then we'll take up the Department of Liquor Control. With that, we're in recess. . . .(gavel). . .

**RECESS: 10:07 a.m.**

**RECONVENE: 10:29 a.m.**

CHAIR WHITE: . . .(gavel). . . We're back in session. The Budget and Finance Committee has come back to order for the review of the Liquor Department Budget for 2014.

**DEPARTMENT OF LIQUOR CONTROL**

CHAIR WHITE: And without further ado, we'll turn it over to Director Frank Silva. And joining him this morning is Georgette Tyau to help answer some of the questions that we might have. So Director, please proceed.

MR. SILVA: Alright. Good morning, Chair and Members of the Finance Committee. I'd like to present our Budget. Our Budget this year is again a flat Budget except for an increase of \$50,000, which reflects two vehicles. Without the two vehicles, it's exactly as it was last year. Department of Liquor Control is charged with regulating the liquor industry in its sale, service and, of alcoholic, and manufacture of alcoholic beverages. The industry this past year sold \$280 million of alcohol in Maui County alone. Let me turn it over to Georgette now. Go ahead, Georgette.

MS. TYAU: I think he covered it all but just to point out to some of you who may not be familiar with our Budget, we are solely funded by liquor license fees. We collect basic fees in the beginning of the fiscal year, at the end of the last fiscal year for the next fiscal year, and then there's applicable Carryover/Savings from the previous fiscal year and everything else is made up by a percentage fee, which we charge to each licensee based on their gross liquor sales for the previous fiscal year. This past fiscal year, it's at 0.66 percent, which reflects 66 cents for every \$100 that they make in gross liquor sales.

CHAIR WHITE: Is that it?

MS. TYAU: Yes.

CHAIR WHITE: Okay. Members, questions? Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Good morning, Director.

MR. SILVA: Good morning.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

**April 12, 2013**

---

COUNCILMEMBER GUZMAN: I noticed in, that you have 100K, 100,000 for a CIP Project for enhanced security for your, I guess, your building, but there's no, I guess, justification or description in terms to why you need that and what it is. What is it? I mean, why do you need enhanced security at your building?

MR. SILVA: It's been a long time coming. We've had several instances at the Department of Liquor Control that has put safety in jeopardy of our employees. We collect money during the renewal time, June and July. Quite a bit of money, in fact. So it's for safety for the employees and also for security.

COUNCILMEMBER GUZMAN: Are these cameras?

MR. SILVA: No.

COUNCILMEMBER GUZMAN: Are they additional locks? What is --

MR. SILVA: What we...

COUNCILMEMBER GUZMAN: --this security about?

MR. SILVA: What we have so far is the self-locking doors. So in order to get into the building now, you have to knock on the door and then we'll buzz you in. And that's the initial phase. The second phase is going to be to put in windows, like Real Property Tax and Finance has so that you deal with the customers through the window rather than in the open.

COUNCILMEMBER GUZMAN: Are those bulletproof windows?

MR. SILVA: Depends on the type of gun.

COUNCILMEMBER GUZMAN: I'm just kidding...no, 'cause I know that we're placing some bulletproof windows in Kihei Police Station. But thank you for that response in regards to the enhanced security. I'll let the other Members ask some more questions.

MR. BAZ: Thank you, Mr. Chair? Just for reference, their CIP Project is on Page 720.

CHAIR WHITE: Okay. Members, other questions? Mr. Couch?

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Are you going through goals and everything right now, or...

CHAIR WHITE: It's open.

COUNCILMEMBER COUCH: Wide open.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

**April 12, 2013**

---

CHAIR WHITE: This is a small enough program, you can --

COUNCILMEMBER COUCH: Okay.

CHAIR WHITE: --have wide-ranging questions.

COUNCILMEMBER COUCH: Then, Mr. Chair, on Page 350 of the goals, goal number three, objective number one, Mr. Silva, it says provide a fair and efficient licensing and permit process and then it says number of registration cards issued for minors. What's that for?

MR. SILVA: That's minors 17 and 18, I mean 17 to 20, have to register as minors in an, in the liquor license premises.

COUNCILMEMBER COUCH: But why would anybody be allowed in the premises? Are you talking about workers?

MR. SILVA: Workers.

COUNCILMEMBER COUCH: Oh, okay. So, somebody from 18 to 20 just before 21 can work at an establishment that has, that sells liquor then?

MR. SILVA: Actually, it's 17 year olds, 16 and 17 year olds need to be registered. Eighteen and above doesn't.

COUNCILMEMBER COUCH: Okay. And then I'm looking at the numbers from FY '12 and actual is 423, FY '13 estimate is 540, and then the FY '14 estimate is 150. Why do you anticipate such a big drop in the number of permits to minors?

MS. TYAU: Because last fiscal year, I believe it was in April, there was a rule change where minors 18 to 20 years old no longer need to be registered.

COUNCILMEMBER COUCH: Gotcha.

MS. TYAU: Previous to that it was 16 to 20.

COUNCILMEMBER COUCH: Okay. Mr. Silva, on the, we, when we were looking at the vehicle, County Vehicle, Motor Vehicle Policy, we noticed that you have quite a number of vehicles that are take-home vehicles. Any comments on that?

MR. SILVA: Initially, none of the vehicles were take-home vehicles and we were, we had parking at the Police Department. As the Police Department starting losing spaces, we started getting kicked out and we were left with no place to park the vehicles and this was during Mayor Lingle's Administration. And to fix that, we, the Mayor approved taking the vehicles home for security. During that time, the Cost of Government Commission thought it was a good idea, and

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

our vehicles are detailed once a year. And now the supervisors check once a week to make sure that the vehicles are being up kept. So number one, it started off as being a place to keep the vehicles in a safe environment and then it became, we opened up the Lahaina office and rather than the Lahaina workers stopping by and checking in at Wailuku, they drive directly to the office.

COUNCILMEMBER COUCH: Okay, so if there was, you know, if there's talk of a motor pool and a situation like that, then it would revert back to, if we had a regular motor pool?

MR. SILVA: It...

COUNCILMEMBER COUCH: Because, because the parking was the issue, now if we have a motor pool, would that be a situation where they wouldn't be take-home vehicles anymore?

MR. SILVA: Not entirely because we still have supervisors that go out at night to do audit checks on the field investigators. So my intent would be to keep some enforcement vehicles as far as take-home vehicles.

COUNCILMEMBER COUCH: Okay, and then how, I guess this is maybe to Mr. Baz as well, either one, how, how much have you complied with the Motor Vehicle Policy? What's your compliance rate?

MR. SILVA: You talking about the Department of Liquor Control?

COUNCILMEMBER COUCH: Yeah.

MR. SILVA: We've applied to the Managing Director for an exemption as the Police and the Fire does.

COUNCILMEMBER COUCH: Uh-huh.

MR. SILVA: So we're still waiting back for reply from Managing Director.

COUNCILMEMBER COUCH: Okay. And I think lastly, do you still have a take-home vehicle?

MR. SILVA: Yes.

COUNCILMEMBER COUCH: Any reason that you feel that you need a take-home vehicle.

MR. SILVA: Sure. It's a benefit and it's an incentive. I believe that the Director *and* the Deputy-Director should have take-home vehicles as it's, you know, it gives something for...everybody should wanna be the Director or Deputy-Director.

COUNCILMEMBER COUCH: True. Okay, thank you, Chair.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

CHAIR WHITE: Other Members have questions? Mr. Guzman?

COUNCILMEMBER GUZMAN: Okay, thank you, Chair. In regards to the goals and objectives, on number one on Page 349. Correct me if I'm wrong, but my calculations here is that I'm seeing 15,000 inspections and you have maybe about 19 inspectors, that leaves you with like a total of 41 inspections every day. Are the numbers correct or I'm wrong? Are you actually doing 15,000 inspections? And if we calculate it at 365 days, that means you're doing two inspections every day for 365 days.

MR. SILVA: Well, the inspections are when the investigators go out at night or even during the day, every licensed premises that they visit is an inspection. So, they have eight hours during each shift and their job is to go into each establishment throughout the night to do their investigation.

COUNCILMEMBER GUZMAN: So, if I break this down on a weekly schedule, you're doing inspections every night, is that correct?

MR. SILVA: Yes.

COUNCILMEMBER GUZMAN: Okay. And how many inspectors do you have?

MR. SILVA: Right now we have...how many on duty?

MS. TYAU: Well, in enforcement there's six at this time. So if you look at the actuals, actuals are actually lower right now because we're in the process of recruiting and some of them were trainees so they were doubled up, so that's considered one inspection when they enter a premises together. We also have, so six in enforcement, but we also have day inspections by licensing that go in for licensing purposes to inspect a premises.

COUNCILMEMBER GUZMAN: So, on average you're doing two inspections a day, seven days a week?

MS. TYAU: Well, I haven't broken it down. It may not be as clear as two per day. I believe it's more because when the night inspectors come in, the Liquor Control Officers, they'll enter more than one, two premises a night.

COUNCILMEMBER GUZMAN: And then, okay. It just, that just seems like a lot of...are you sure the numbers are correct? In terms of premises, do we have 15,000 premises?

MS. TYAU: We have currently 434 permanent licenses. Premises inspected doesn't mean taking a tally sheet and doing...it's going in, observing for liquor, you know, making sure rules and laws are being followed and so forth. When they enter a premises, they do keep stats on where they go and where they enter, and so these numbers are correct because it is, they do keep a tally on it.



**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

**April 12, 2013**

---

COUNCILMEMBER GUZMAN: Okay, so in terms of one month, do you revisit the same premise more than one time?

MR. SILVA: Yeah.

COUNCILMEMBER GUZMAN: And how many times do you do that?

MR. SILVA: I'd say, for instance, we have an investigator on the West Side. They'll park their vehicle somewhere and then they'll hit Front Street and they'll walk up on the one side, down the other. They'll go into each licensed premises. If there's action in the premises, they'll spend some time there. If not, if it's just a restaurant where people are eating, they'll go in and they'll just look for the young faces if they're drinking or not and then they'll leave. That's an inspection.

COUNCILMEMBER GUZMAN: And then they record that as --

MR. SILVA: They record that as --

COUNCILMEMBER GUZMAN: --an inspection.

MR. SILVA: --entry.

COUNCILMEMBER GUZMAN: Okay. So that's where you're getting the --

MR. SILVA: How many people on duty.

COUNCILMEMBER GUZMAN: --the numbers. Okay.

MR. SILVA: How many people were present. That kind of thing.

COUNCILMEMBER GUZMAN: So it's almost not only the premises, you're counting in that number individuals that you, that the inspector comes across, is that right?

MR. SILVA: And also the manager who was on duty at that time and whether that manager is certified by the Director.

COUNCILMEMBER GUZMAN: Okay. Now, can I have a follow-up, Chair?

CHAIR WHITE: Sure.

COUNCILMEMBER GUZMAN: Okay. In those numbers that you've mentioned, does that also include the minor decoy stings --

MR. SILVA: Yes.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

COUNCILMEMBER GUZMAN: --that you're doing? And how many do you have or you conduct per month or per week?

MR. SILVA: That's not, it's not a set amount. We, we do when we can. When we have the decoys available, that's when we schedule the minor decoy.

COUNCILMEMBER GUZMAN: And that's placed in your Budget as well, the Minor Decoy Sting Program or expenses that you use for the decoys or their salaries or their compensation? 'Cause I know they're not on payroll.

MR. SILVA: No.

COUNCILMEMBER GUZMAN: They're, you pay them. I don't know how you pay them but...

MS. TYAU: They just started getting an honorarium [*sic*] payment of \$50 I believe it is.

COUNCILMEMBER GUZMAN: Right.

MS. TYAU: Before it was just volunteering.

COUNCILMEMBER GUZMAN: Right. So is that that \$50, is that buffered into your --

MS. TYAU: It's in our Budget.

COUNCILMEMBER GUZMAN: --Budget?

MS. TYAU: Uh-huh.

COUNCILMEMBER GUZMAN: Under what section is that in?

MS. TYAU: Under 6221, Miscellaneous Other Costs.

COUNCILMEMBER GUZMAN: Okay, thank you, Chair. I'm going to look that up and --

MR. BAZ: Yeah, it's...

COUNCILMEMBER GUZMAN: --allow my other colleagues to ask questions.

MR. BAZ: Page 9-7 of the Details.

COUNCILMEMBER GUZMAN: Okay, thank you.

CHAIR WHITE: Members, other questions? Question for you, Director. The County Vehicle Policy, have you all presented your take-home vehicles to the Managing Director's Office for review?

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

**April 12, 2013**

---

MR. SILVA: Yeah.

CHAIR WHITE: And have all been approved or...all eight vehicles have been, have gone through the process and have been approved by the Managing Director's Office?

MR. SILVA: Yeah.

CHAIR WHITE: Okay. And could you provide us with the age and mileage of the two vehicles that you're going to replace?

MS. TYAU: They're both 2002 vehicles.

CHAIR WHITE: You don't have to provide it to us now if you don't have the mileage.

MS. TYAU: Well, as of...

CHAIR WHITE: You can just follow up.

MS. TYAU: They're about 80,000 and 95,000.

CHAIR WHITE: My wife's is a 2001 with 130 and she's not asking for a new one. Or at least maybe she knows not to ask if that's what you were trying to infer, Mr. Couch.

COUNCILMEMBER COUCH: Yeah.

CHAIR WHITE: But no, she loves her car. Okay, any further questions, Members?

COUNCILMEMBER GUZMAN: The payment for the...I'm sorry.

CHAIR WHITE: No, please go ahead, Mr. Guzman.

COUNCILMEMBER GUZMAN: The payment for the decoys, I still can't find that in the, am I, under 9-7 in the Details.

MR. BAZ: Mr. Chair?

CHAIR WHITE: Please proceed.

MR. BAZ: Thank you. They, it's listed under Miscellaneous Other Costs, which is Sub-Object Code 6221. They have a budgeted amount of \$8,000.

COUNCILMEMBER GUZMAN: Thank you.

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

CHAIR WHITE: Okay. And then the other question I had for you, Director, was on the list of vacancies that was provided to us by the Department of Personnel, they're reflecting vacancies of positions 003 and 007, both of which reflect an NRF, which was a No Request to Fill. Are those going to remain vacant?

MS. TYAU: LC-0003 is in the process of updating classification specs and LC-0007 is pending qualified applicants. It's a LCO III, so until we have someone for in-house promotion, it's going to remain.

CHAIR WHITE: Okay, so the Officer III is higher than an Officer II, is that correct?

MS. TYAU: An LCO III, yes.

CHAIR WHITE: Okay.

MS. TYAU: But I believe there's like a five-year requirement in being an LCO.

CHAIR WHITE: Okay. One of the questions I had was on the, on 003, or 0003, it says that it's been vacant since 2005. Is that correct?

MS. TYAU: Yes.

CHAIR WHITE: Or is that a typo?

MS. TYAU: No, when the employee retired.

CHAIR WHITE: Okay. And then they also reflect the trainee position 0011 as being vacant as well as another Liquor Control Officer III position 0014.

MS. TYAU: Okay.

CHAIR WHITE: What is the status of those?

MS. TYAU: Well, LC, we have two LCO training positions that are in recruitment at this time. That's LC-0011 and LC-0018. And then we're also in recruitment for LC-0019 at this time. The other LCO training position is a limited term position, because another employee has return rights to it. And then two of the LCO IIIs, employees retired, but like I mentioned earlier, we need qualified applicants for in-house promotion prior to filling those positions.

CHAIR WHITE: Okay, so that would be 0014?

MS. TYAU: And 0007. We don't do outside recruitment for an LCO III.

CHAIR WHITE: Okay. And so 19 you're pending recruitment?

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

MS. TYAU: We're actually in the process right now.

CHAIR WHITE: Okay. And 0026, there's no request to fill that position, is that correct?

MS. TYAU: We're trying to fill the permanent positions first, because people are more leery on taking a limited term position.

CHAIR WHITE: Uh-huh. Okay. And then under 0028...*(clears throat)*... excuse me, Liquor Control Officer I, the note says Department cancels request and recruitment. So is that going to remain open?

MS. TYAU: At this time, we're unsuccessful at recruiting at the LCO I level. So we're recruiting at the LCO trainee and we're possibly looking at reallocating that position down and then doing recruitment for a trainee instead.

CHAIR WHITE: Okay. Okay. Members, other questions? Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, thank you. Thank you, Department, for being here. So, we obviously have liquor inspectors on Lanai and Molokai also?

MR. SILVA: No, we don't.

COUNCILMEMBER COCHRAN: No?

MR. SILVA: No.

COUNCILMEMBER COCHRAN: So, how does that work? 'Cause they have establishments also, don't they?

MR. SILVA: Oh no, we do inspect on Lanai and Molokai. We just don't have permanent positions there.

COUNCILMEMBER COCHRAN: Okay, and so is that where the airfare and transportation fees come into play and it's up about 10,000 this year?

MR. SILVA: Yes.

COUNCILMEMBER COCHRAN: Okay. Just checking on that. Thank you, Chair.

CHAIR WHITE: Okay. Mr. Couch?

COUNCILMEMBER COUCH: Yeah. That increase in airfare and transportation, are you taking into account the new scheduled services going into Molokai and Lanai?

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

April 12, 2013

---

MS. TYAU: What increase are you referring to?

COUNCILMEMBER COUCH: For travel.

MS. TYAU: We didn't request any increase. If you're looking at...are you looking at the combined where they included the Liquor Education Fund?

COUNCILMEMBER COUCH: Oh, could be.

MS. TYAU: Because Liquor Fund there is no change other than the vehicles. Liquor Education Fund, if you look at the Budget separately for Liquor Fund, there's no increase.

COUNCILMEMBER COUCH: But there is in the Revolving Fund though, yeah?

MS. TYAU: No increase, it's just that they combined it, if you're looking at Page 319. Is that what you're looking at?

COUNCILMEMBER COUCH: Three fifty-three.

MR. BAZ: Yeah, Mr. Chair? Because this is the first year we're showing Revolving Funds --

COUNCILMEMBER COUCH: Uh-huh.

MR. BAZ: --there's no...

COUNCILMEMBER COUCH: Oh, I see. Okay, right. It went from zero but for the previous years before.

MR. BAZ: Yeah, so we had actual...

COUNCILMEMBER COUCH: Okay.

MR. BAZ: We had actuals for previous years that we could actually show --

COUNCILMEMBER COUCH: Okay.

MR. BAZ: --and that's what we, you know, we adjusted their budgeted amount to what their actual expenditures were.

COUNCILMEMBER COUCH: Okay. Thank you, Chair.

CHAIR WHITE: Uh-huh. Members, any further questions? Mr. Guzman?

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

**April 12, 2013**

---

COUNCILMEMBER GUZMAN: Thank you, Chair. I just wanted to get back to the, my original question, which was goal number one on the 15,000 premises inspected. Director, I'm a little bit confused, because on this, on the next level there, it says percent of cases/reports per premises inspected and you have in 2013, 10 percent and 2014, 10 percent. So are you trying to relay that out of the 15,000 premises' inspections, only 10 percent of those are reported?

MR. SILVA: Only 10 percent of those will generate a case. In other words, you can go into 15,000 premises and 10 percent of those you'll find violations.

COUNCILMEMBER GUZMAN: Oh, okay. Thank you for that clarification.

CHAIR WHITE: Members, other questions? Okay, with that we will adjourn this meeting.

**COUNCIL MEMBERS VOICED NO OBJECTIONS.** (excused: GB, GRH, and MV)

**ACTION: DEFER pending further discussion.**

CHAIR WHITE: And Members, we will not be meeting to get together again after PIA this evening. So, Mr. Couch, if you'd like to come in and have some quiet time, you're welcome to the Chamber.

COUNCIL MEMBERS: . . .*(Laughter)*. . .

CHAIR WHITE: With that, Members, we are adjourned . . .*(gavel)*. . .

**ADJOURN:** 10:54 a.m.

APPROVED:



---

MIKE WHITE, Chair  
Budget and Finance Committee

bf:min:130412:kr

Transcribed by: Kekai Robinson

**BUDGET AND FINANCE COMMITTEE MINUTES**  
Council of the County of Maui

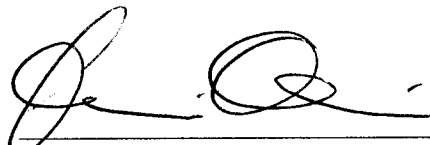
April 12, 2013

---

CERTIFICATE

I, Kekai R. Robinson, hereby certify that the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings. I further certify that I am not in any way concerned with the cause.

DATED this 6<sup>th</sup> day of May, 2013, Wailuku, Maui, Hawaii.

  
\_\_\_\_\_  
Kekai R. Robinson