

CHRONOLOGY OF OLD WAILUKU POST OFFICE EVENTS

SEPTEMBER 3, 2010

- Stan Zitnik, First Assistant during the Tavares Administration, prepares a report entitled "Old Wailuku Post Office Property Inspection Report". The report is based on a Property Condition Assessment prepared by Hawaii Inspection Group. According to the report, "the building is structurally sound and building rehabilitation for County use is a viable option." The Zitnik report provided for four options: (1) leave the building unoccupied; (2) use the building solely for storage; (3) use the building for storage and office space; or (4) demolish the building and construct a new one. Demolition and new building construction was the most expensive option.

MARCH 18, 2011

- Mayor transmits his proposed Fiscal Year ("FY") 2012 Budget, which includes an appropriation of \$1.5 million for the initial design of the Old Wailuku Post Office Rehabilitation project so the building could be used for storage and office space, the third option proposed in the Zitnik report. The six-year capital program anticipated another \$4.25 million for FY 2013 for construction of the Old Wailuku Post Office Rehabilitation project. The proposed FY 2012 Budget Details describe the project as:

Rehabilitation of the Old Wailuku Post Office acquired by the County of Maui in 2009 to allow for occupancy for offices, meeting rooms, and storage. Improvements anticipated included rehabilitation of roof to prevent water intrusion and to extend life span, upgrade 50-year old electrical, removal of asbestos on the first and second floors, removal of lead where necessary throughout the building, removal of mold in the basement, fire sprinkler improvements, exterior concrete repairs, and necessary structural repairs.

- Section 10 of the General Budget Provisions of the FY 2012 Budget Ordinance states that "all program objectives and performance plans as described in the Budget Proposal FY 2012 are incorporated herein and made a part hereof, except as otherwise provided for in other sections of this ordinance." This provision incorporates the Mayor's proposed Budget Details, including the project description for the Old Wailuku Post Office Rehabilitation.

APRIL 5, 2011

- The Budget and Finance Committee meets and discusses with the Budget Director the Mayor's proposal for the Old Wailuku Post Office Rehabilitation. The Budget Director said the proposal is based on "a preliminary study done with a few alternatives". The Budget Director was referring to the Zitnik report. The Committee requested a copy of the report.

APRIL 13, 2011

- The Budget Director transmits to the Budget and Finance Committee a copy of the Zitnik report.

JULY 1, 2011

- The FY 2012 Budget is enacted. The Old Wailuku Post Office Rehabilitation project appropriation is included in the FY 2012 Budget and is based on the Mayor's proposed Budget Details for the project.

JULY 14, 2011

- The Cost of Government Commission meets to discuss County leasehold properties. An Executive Assistant to the Budget and Finance Committee Chair Joseph Pontanilla referred to the Zitnik report, and informed the Commission the FY 2012 Budget has funding for the building. She did not say there was funding for demolition of the building.

MARCH 12, 2012

- Wendy Taomoto, CIP Coordinator, instructs the Department of Planning to initiate Historic American Building Survey documentation for the Old Wailuku Post Office building.

MARCH 23, 2012

- Mayor transmits the proposed FY 2013 Budget with no appropriations for the Old Wailuku Post Office Rehabilitation.

APRIL 8, 2012

- Administration issues the Request for Proposals for the design of a master plan for the Kalana O Maui campus expansion.

MAY 17, 2012

- Period to accept proposals for the design of a master plan for the Kalana O Maui campus expansion is closed.

JULY 19, 2012

- The Administration receives a letter from Group 70 outlining the scope of work and fees for the master planning of the County campus expansion project.

SEPTEMBER 11, 2012

- Contract C5155 executed with Group 70 International, Inc. to develop a conceptual master plan for the Kalana O Maui Campus Expansion (\$781k). The Director of Finance certifies that appropriation to be used for the Old Wailuku Post Office Rehabilitation.

DECEMBER 2, 2012

- *The Maui News* announces that County was accepting bids to demolish the Old Wailuku Post Office. Article further states that a “master plan is being formulated in consultation with county departments and council members.”

DECEMBER 31, 2012

- Contract executed with Betsill Brothers LLC to demolish the Old Wailuku Post Office (\$664k). Contract signed by the Budget Director acting for the Director of Finance.

JANUARY 7, 2013

- Demolition of the Old Wailuku Post Office begins.

JANUARY 10, 2013

- Mayor transmits to the Council a proposed bill to amend the FY 2013 Budget to add an appropriation of \$1.5 million for the design phase to complete the plans for Phase IA of the Kalana O Maui Campus Expansion project.

FEBRUARY 1, 2013

- The Budget and Finance Committee meets for the first time to discuss the Mayor’s proposed amendment. Handout distributed to members from County’s consultant Group70 details specifics of what parts constitute the Kalana O Maui Campus Expansion.

FEBRUARY 26, 2013

- The Budget and Finance Committee meets for a second and final time to discuss the Mayor’s proposed amendment. Wendy Taomoto discloses that contracts to begin master planning and demolish building were encumbered using FY 2012 Budget “Old Wailuku Post Office Rehabilitation” project appropriation.

MARCH 25, 2013

- Opinion request sent to Corporation Counsel as to whether the FY 2012 Budget was violated through the encumbrance of contracts for master planning and demolition Old Wailuku Post Office. Mayor submits proposed FY 2014 Budget which includes \$1.15 million for “Kalana O Maui Campus Expansion” project.

MARCH 29, 2013

- Budget and Finance Committee Chair Mike White submits his version of FY 2014 Budget which DELETES funding for Kalana O Maui Campus Expansion project, noting the uncertainties surrounding the demolition, and stating that subsequent appropriations for this project are premature.

APRIL 15, 2013

- Response received from Corporation Counsel declining to give a legal opinion citing a conflict of interest.

APRIL 19, 2013

- Council recommits bill to add \$1.5 million to the FY 2013 Budget for the Kalana O Maui Campus Expansion, based on the response from Corporation Counsel.

MAY 17, 2013

- Budget and Finance Committee Chair Mike White transmits a proposed resolution to authorize the employment of special counsel to advise and represent the Council regarding the potential misuse of County funds.

MAY 28, 2013

- First Reading of FY 2014 Budget, which does not include funding for the Kalana O Maui Campus Expansion project.

MAY 31, 2013

- Policy and Intergovernmental Affairs (“PIA”) Committee meets to discuss the authorization to employ special counsel to advise and represent the Council regarding the potential misuse of County funds. The matter is deferred.

JUNE 5, 2013

- Request to the State of Hawaii, Department of the Attorney General regarding the potential misuse of funds relating to the Old Wailuku Post Office.

JUNE 6, 2013

- Second and Final Reading of FY 2014 Budget, which does not include funding for the Kalana O Maui Campus Expansion project.
- PIA Committee Chair Riki Hokama transmits a proposed resolution to authorize the Committee to conduct a formal investigation of the Department of Management; Department of Finance; Budget Office, Office of the Mayor; Department of Public Works; and Department of the Corporation Counsel.

- Mayor transmits to the Council proposed bills to amend the FY 2013 Budget and bond authorization to add an appropriation of \$1.5 million for the Old Wailuku Post Office Rehabilitation project. The proposed bill would allow the Department of Management, in collaboration with the Department of Finance, to reimburse all charges posted against the Old Wailuku Post Office Rehabilitation appropriation prior to the end of this current fiscal year.

JUNE 13, 2013

- Response received from the Deputy Attorney General, dated June 13, 2013, relating to the Potential Misuse of County Funds Relating to the Old Wailuku Post Office. It states “Because this matter involves a potential dispute between the County’s legislative branch which appropriates monies for capital improvement projects and the executive branch that administers the appropriation, we believe that this is a matter which the County of Maui should address and resolve for itself”.

JUNE 17, 2013

- PIA Committee recommends adoption of a resolution to authorize the Committee to conduct a formal investigation.

JUNE 28, 2013

- Mayor transmits to the Council proposed bills to amend the FY 2014 Budget and Bond Authorization to add an appropriation of \$728,936 for the Old Wailuku Post Office Demolition project. The Administration remains hopeful that the concerns regarding the use of funds from the Old Wailuku Post Office Rehabilitation appropriation will be alleviated through passage of these proposed bills.
- Mayor transmits to the Council proposed bills to amend the FY 2014 Budget and Bond Authorization to add \$2,281,203 for the Kalana O Maui Campus Expansion Master Planning and Design project. The costs relating to master planning is \$781,203, and the design phase to complete the plans and specifications for Phase IA is \$1.5 million.

JULY 2, 2013

- Opinion request sent to Corporation Counsel as to whether the proposed bills to amend the FY 2014 Budget were to pass, would the Council’s approval resolve or ratify any violations of the FY 2012 Budget, which has ended.

JULY 5, 2013

- Response received from Corporation Counsel indicating the approval of proposed bills would be a ratification of any alleged violations.

- Council adopts Resolution 13-83 to authorize the PIA Committee to conduct a formal investigation of the Department of Management; Department of Finance; Budget Office, Office of the Mayor; Department of Public Works; and Department of the Corporation Counsel.

JULY 8, 2013

- Mayor transmits to the Council revised proposed bills to amend the FY 2014 Budget and Bond Authorization to add \$781,203 for the Master Planning of the Kalana O Maui Campus Expansion project.
- Mayor transmits to the Council revised proposed bills to amend the FY 2014 Budget and Bond Authorization to add \$1.5 million for the design of Phase IA of the Kalana O Maui Campus Expansion project.

JULY 15, 2013

- Opinion request sent to Corporation Counsel as to whether approval of the proposed amendments to the FY 2014 Budget and Bond Authorization would ratify all prior acts, actions, and or related events concerning the Old Wailuku Post Office demolition and Kalana O Maui Campus Expansion project.

JULY 26, 2013

- Response received from Department of the Corporation Counsel stating “Any appropriation that furthers the development of the Old Wailuku Post Office project could be interpreted as a ratification of all prior acts, actions, and/or related events concerning the demolition of the Old Wailuku Post Office.” The response further provides a possible alternative for the Council to “include a statement in the appropriate budget amendment bill to the effect that it is not the intent of the Council to ratify” prior acts and omissions. However, the Department advised the alternative would not necessarily avoid the action being deemed a “*de facto*” ratification.

AUGUST 12, 2013

- The PIA Committee meets and recesses to August 14, 2013. The Committee establishes the scope, procedures, and rules for its investigation, and authorizes the Chair to send correspondence to the County Auditor requesting the Office of the County Auditor to conduct an audit relating to the matter.

AUGUST 13, 2013

- The PIA Committee receives 12 requests from the Mayor for special counsel to represent county employees and officers relating to the investigation, and 12 corresponding proposed resolutions authorizing the requests.

AUGUST 26, 2013

- The PIA Committee Chair sends request to the County Auditor.

SEPTEMBER 6, 2013

- The Council adopts Resolution 13-104 authorizing the omission of the Department of the Corporation Counsel from the PIA Committee's investigation.
- The County Auditor responds to the request and asserts he is unable to commit to conducting the requested audit at this time.