

**COST OF GOVERNMENT COMMISSION  
MINUTES  
Kalana O Maui Building, 9<sup>th</sup> Floor, Mayor's Conference Room  
Thursday, August 8, 2013**

**PRESENT:** Frank De Rego Jr., Chair  
Ronald Kawahara, Vice-Chair  
Steve Aheong, Member  
Sunny Gutierrez, Member  
Yuki Lei Sugimura, Member

**EXCUSED:** Garrett Evans, Member  
Tina Gomes, Member  
Jeff Halpin, Member  
Victoria Johnson, Member

**STAFF:** John Buck III, Executive Assistant  
Michelle Makii, Administrative Assistant  
Ed Kushi, First Deputy Corporation Counsel  
Scott k. Hanano, Deputy Corporation Counsel

**OTHER:** Lance Taguchi, County Auditor  
Shelley Pellegrino, Technical Writer for the Commission  
David Raatz, Director, Office of Council Services

**I. CALL MEETING TO ORDER**

Chair De Rego called the meeting to order at 9:18 a.m.

**II. PUBLIC TESTIMONY**

There was no public testimony.

**III. REVIEW AND DISCUSS JULY 18, 2013 MEETING MINUTES**

Vice-Chair Kawahara requested that the third sentence on page three of the minutes be corrected to delete the phrase, "as well as outline goals and an action plan for the Auditor." Vice-Chair Kawahara moved that the July 18, 2013 minutes be approved as amended, and Commissioner Aheong seconded the motion. The motion carried unanimously.

**IV. REVIEW AND DISCUSS CORRESPONDENCE RECEIVED**

**A. Copy of Letter from the Office of Economic Development to Members of the Commission on Culture and the Arts**

The Commission reviewed a letter from Office of Economic Development (OED) Director Teena M. Rasmussen, which detailed OED's decision to dissolve the Maui County Commission on Culture and the Arts (MCCCA). Chair De Rego noted that the Cost of Government Commission (Commission) recommended dissolution of the MCCCA in its 2010 – 2011 Annual Report.

## V. PRESENTATION ON SUNSHINE LAW, MR. SCOTT HANANO, DEPUTY CORPORATION COUNSEL

Deputy Corporation Counsel Hanano distributed a handout entitled, "Quick Review: Who Board Members Can Talk to and When" prepared by the State Office of Information Practices (OIP). Part 1 of the handout was prepared on July 23, 2013, and Part 2 was prepared on August 1, 2013.

Vice-Chair Kawahara requested that future informational materials be transmitted to Commissioners prior to the meeting so they may review it ahead of time.

Chair De Rego asked for clarification on whether the Commission could still meet without a quorum as long as it did not take any official action. Deputy Hanano confirmed that the Commission could meet, but a report of the unofficial meeting would need to be drafted and submitted to members.

Vice-Chair Kawahara asked for clarification on the following sentence in Part 1 (p. 1): "Board members may also attend lunches, social and ceremonial events, or board retreats, without violating the Sunshine Law, **so long as board business is not discussed, deliberated, or decided upon.**" (Emphasis in original.) Vice-Chair Kawahara wondered how a board could participate in a retreat but not discuss board business. Deputy Hanano responded that an example of a board retreat that did not discuss board business would be one where the board members were meeting to get to know one another socially. The board could not, however, have a retreat to discuss the board's mission, vision, or goals.

Commissioner Gutierrez also asked for clarification on the permitted interaction section in Part 1 (p. 3), which allows "two board members to discuss any board business, without limitation, so long as they do not make or seek a commitment to vote." Commissioner Gutierrez asked how this language could be reconciled with the "temporary investigative groups" the Commission has created, which permits more than two people to meet and make decisions. Deputy Hanano explained that the creation of temporary investigative groups is permitted as an exception under the Sunshine Law.

Vice-Chair Kawahara also inquired about the section in Part 2 (p. 2) on informational meetings, which states, "Two or more members of a board but less than a quorum, may attend an **informational meeting or presentation** on matters relating to official board business." (Emphasis in original.) He stated that the Office of Corporation Counsel had previously advised that all members of the Commission could attend County Council meetings in which the Commission Chair and Vice-Chair presented the annual report to the Council. The language in the handout, however, seemed to contradict this advice.

Chair De Rego recommended that the Sunshine Law discussion be put on the September meeting agenda, and that prior to the meeting, the commissioners review the handout and submit questions to Deputy Hanano.

## VI. COUNTY AUDITOR'S REPORT (UPDATE)

Auditor Taguchi stated that he has secured office space and moved into the office on August 1. He still does not have a working phone and is waiting for his e-mail to be set up. The recruitment period for analysts is scheduled to close on August 9, at which time he will review résumés with the City

and County of Honolulu Auditor and the Hawaii County Auditor. He hopes to have either one or two analysts hired by the end of August. Auditor Taguchi also stated that he has put on hold the hiring of an administrative assistant until the analysts are hired because he plans to ask the analysts to help him evaluate administrative assistant candidates.

## **VII. CHAIR'S REPORT**

### **A. Maui News, Viewpoint, July 28, 2013**

Chair De Rego stated that he submitted a Viewpoint to The Maui News and wanted to assure members that he submitted it on his behalf and was not speaking for the Commission as a whole.

### **B. Presentation of 2012 – 2013 Annual Report to County Council Budget and Finance Committee**

Chair De Rego stated that he sent a note to Councilmember Mike White, Chair of the Budget and Finance Committee, requesting that he and Vice-Chair Kawahara be provided with the opportunity to make a presentation to the Committee on the Commission's 2012 – 2013 Annual Report.

## **VIII. INVESTIGATIVE GROUP REPORTS**

### **A. Strategic Plan**

Vice-Chair Kawahara reviewed the mission, vision, and goals drafted by the Strategic Plan Temporary Investigative Group (TIG). He reiterated his statement made in the Commission's July meeting that the Commission and Auditor should try to work in unison at all times if possible. He stated that the Commission should support the any future action plan created by the Auditor, but if the Commission and Auditor cannot agree, then a compromise should be reached.

Vice Chair Kawahara noted that the mission and vision statements are plans for the Commission, not necessarily for the Auditor, and that the language in the mission statement is taken directly from the County Charter.

Chair De Rego noted that the mission statement did not include language regarding the declaration of policy of the Commission as stated in the County Charter, namely economy, efficiency, and improved service in County government. He added that the vision seemed too abstract and asked that the language be re-crafted to be a little more concrete.

Vice-Chair Kawahara asked to defer the decision on the mission and vision statements until the September meeting so that members can propose language changes to the Strategic Plan TIG.

### **B. Assessment and Evaluation**

Commissioner Gutierrez distributed a handout prepared by the Assessment and Evaluation Temporary Investigative Group (ATIG). She summarized each section of the report, concluding that the ATIG recommends a "360 Assessment" approach, in which the Auditor will be evaluated by a variety of groups or individuals (e.g., the County Council and Mayor), as well as the Commission. She outlined the steps the ATIG plans to take next, which includes: (1) asking the

Auditor for annual goals and timelines; (2) determining the “calendar” year in which he is to be evaluated; (3) inviting Council Chair Baisa, Budget and Finance Committee Chair White, and Managing Director Regan to future Commission meetings to gather their input about the Auditor’s role; (4) collaborating with the Auditor and Strategic Plan TIG; and (5) designing the 360 Assessment.

Auditor Taguchi stated that he liked the 360 Assessment approach. He maintained that after reviewing the County Charter and minutes of the recent Charter Commission meetings, he believes the relationship between the Auditor and the Commission should not be similar to the “board of directors” model of other organizations. Rather, his reading of the Charter and minutes clearly provides that the authority to appoint and remove the Auditor is held by the County Council, which also holds budgetary controls over the Auditor. Therefore, he appreciates the ATIG’s recommendation that the Council be included in the evaluation process.

Auditor Taguchi also discussed the Charter Commission’s work to ensure the Auditor’s independence from the County Council, and highlighted the following language in the Charter: (1) the Auditor is appointed for a set term (six years); (2) the Auditor’s salary is determined by the Salary Commission, not the Council; (3) the Auditor has the authority to hire employees who are exempt from Civil Service; (4) the Auditor may hire Special Counsel; (5) the Auditor may investigate all departments, including the Council; (6) the Council and Mayor have no veto power over what the Auditor decides to audit.

Chair De Rego noted that a seventh factor could be added, namely that the Commission’s role is to help maintain the independence of the Auditor.

Commissioner Gutierrez noted that the Auditor’s role as set out by the Charter and highlighted by Auditor Taguchi could be incorporated into the 360 Assessment.

Chair De Rego requested that at the September meeting, the ATIG provide more information on how the 360 Assessment process is defined and how it works in practice.

**IX. DETERMINE NEXT MEETING DATE AND AGENDA**

The next meeting is scheduled for September 13, 2013, in the Mayor’s Conference Room, at 9:00 a.m.

**X. ADJOURNMENT**

Commissioner Gutierrez moved and Commissioner Aheong seconded the motion to adjourn. The motion passed unanimously. The meeting adjourned at 10:45 a.m.