

**COST OF GOVERNMENT COMMISSION
MINUTES
Kalana O Maui Building, 9th Floor, Mayor's Conference Room
Thursday, October 10, 2013**

PRESENT: Frank De Rego Jr., Chair
Ronald Kawahara, Vice-Chair
Steve Aheong, Member
Garrett Evans, Member
Jeff Halpin, Member
Yuki Lei Sugimura, Member

EXCUSED: Tina Gomes, Member

STAFF: John Buck III, Executive Assistant
Michelle Makii, Administrative Assistant
Jeffrey Ueoka, Deputy Corporation Counsel

OTHER: Scott Kaneshina, County Auditor's Office

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 AUGUST 8, 2013 MEETING MINUTES

Vice-Chair Kawahara moved that the August 8, 2013 minutes be approved, and Commissioner Evans seconded the motion. The motion carried unanimously.

IV. REVIEW AND DISCUSS CORRESPONDENCE RECEIVED

A. Resignations Letters of Victoria Johnson and Sunny Gutierrez

The Commission acknowledged receipt of the resignations of Commissioners Johnson and Gutierrez.

V. COUNTY AUDITOR'S UPDATE

Scott Kaneshina, a newly-hired analyst with the Office of the County Auditor, introduced himself.

VI. CHAIR'S UPDATE

A. New Deputy Corporation Counsel, Mr. Jeffrey Ueoka

Deputy Corporation Counsel Ueoka introduced himself.

B. Presentation on Sunshine Law Delayed Until November Meeting

Deputy Corporation Counsel Ueoka stated that a new deputy corporation counsel has been hired who has expertise in the Sunshine Law. Mr. Ueoka stated that either he or the new deputy will make a presentation on the Sunshine Law at the Commission's November meeting.

Vice-Chair Kawahara stated that he was confused about a number of Sunshine Law provisions, including how many commissioners could attend a presentation by the Commission Chair and Vice Chair at a County Council meeting. In response, Mr. Ueoka replied that two or more members, but less than a quorum may attend. In this case, not more than four commissioners could attend the County Council meeting.

Vice-Chair Kawahara then asked about political fundraisers in which more than four commissioners attended unbeknownst to the others. Mr. Ueoka stated that more than four commissioners could attend fundraisers as long as they did not discuss board business.

Mr. Ueoka or another deputy corporation counsel will provide more information on the Sunshine Law in November.

C. Presentation to County Council Budget and Finance Committee on Cost of Government Commission 2012 – 2013 Annual Report, October 1, 2013

Chair De Rego stated that he and Vice-Chair Kawahara made a 2½-hour presentation before the Council's Budget and Finance Committee. He noted that the Committee was particularly interested in the Commission's findings and recommendations on County services and permitting issues. Vice-Chair Kawahara added that the Commission's work is taken seriously by the County Council.

D. Discuss Arrangements and Results of Meetings with Individual Council Members to Introduce the 2012 – 2013 Annual Report

Chair De Rego stated commissioners have now met with all Councilmembers, the last being Councilmember Hokama, to discuss the 2012 – 2013 Annual Report. Chair De Rego and Vice-Chair Kawahara also met for a second time with Councilmember Guzman because he wanted to discuss the budget process in more detail with them, especially with respect to whether the County should transition from an annual budget to a biennial budget. Chair De Rego noted that perhaps the concept of a biennial budget could be reviewed by the Commission or the County Auditor.

VII. WAILUKU POST OFFICE DEMOLITION INVESTIGATION

A. Documents and Status of Investigation

Chair De Rego provided the following documents to the Commission: (1) Chronology of Old Wailuku Post Office Events; (2) Memo from G. Riki Hokama, Chair, Public and Intergovernmental Affairs (PIA) Committee, to Members of the PIA Committee. Both of these documents were received at the September 30, 2013 PIA Committee meeting. Chair De Rego also pointed out that at the PIA meeting, the County Auditor stated that he was not prepared to decide whether to conduct an audit of the Old Wailuku Post Office, but that he would have an audit plan completed by January 2014. In response to the Auditor's statement, the PIA Committee decided to defer action on the Old Wailuku Post Office until the County Auditor presented his audit plan.

Chair De Rego reiterated the Commission's previous position, taken in its 2011 – 2012 Annual Report, recommending demolition of the Old Wailuku Post Office and supporting the creation of office space within the larger context of the revitalization of Wailuku. Chair De Rego reminded members that the Commission had not taken a position with respect to the investigation into the demolition financing.

Vice-Chair Kawahara opined that the Commission should now take a position on whether the County Auditor should proceed. He asserted that, in his view, the Auditor should not move forward because the outcome of an audit is unclear. Vice-Chair Kawahara added that the Administration admitted to the error, apologized for the error, and the building was demolished in plain sight.

Vice-Chair Kawahara moved that the Commission recommend that the Office of the County Auditor not take on as one of its investigatory goals for 2014 the actions by the County Administration in demolishing the Old Wailuku Post Office. Commissioner Evans seconded the motion.

Commissioner Sugimura requested a legal opinion from Deputy Corporation Counsel Ueoka. Mr. Ueoka declined to provide an opinion because he is not involved in the issue, but stated that the Office of the Corporation Counsel has provided written opinions on the matter. Commissioner Sugimura requested that the written opinions be provided to the Commission.

Commissioner Halpin stated that he is in favor of the motion. Commissioner Evans inquired about the general public's response, wondering whether there is sufficient outrage over the issue or whether people are indifferent to it. Vice-Chair Kawahara stated that the issue is political, and that should the County Auditor decide to investigate and report on the issue, there will be people who will not be happy with the outcome.

Chair De Rego expressed that there is a need for some type a performance evaluation to ensure that this type of problem does not happen again. At the same time, he is unsure of the purpose of the investigation — i.e., is it meant to sort out communication issues, management issues, or relationship issues between the County Council and the Mayor, or is the investigation's purpose to determine whether there was

malfeasance involved. Chair De Rego agreed with Vice-Chair Kawahara that the outcome is unclear. He added that he would not suggest that this issue be the first audit conducted by the County Auditor because it is so heated.

Commissioner Sugimura noted that she does not think the County Auditor should say "who was wrong," but rather determine how to improve the process to avoid this type of situation from occurring in the future.

Following a call for the question, the motion passed unanimously. Chair De Rego will draft a letter to the County Auditor relaying the Commission's advice, and the letter will be presented at the November meeting for the Commission's review.

Commissioner Sugimura requested that the Administration make a presentation at a future Commission meeting on the issue. Chair De Rego stated that such a request could be made.

VIII. INVESTIGATIVE GROUPS REPORTS

A. Assessment and Evaluation of County Auditor

Commissioner Aheong stated that the Assessment and Evaluation Temporary Investigative Group continues to favor using a 360-degree performance review process. The group hopes to obtain a list of annual goals and timelines from the Auditor's Office. Mr. Kaneshina stated that the Auditor's Office is not yet prepared to provide this information because the Auditor is still purchasing office equipment and hiring staff.

Chair De Rego noted that Councilmember Hokama had expressed concern about the Commission conducting a yearly evaluation, but Chair De Rego pointed out that the Commission is simply trying to open a discussion on a review process at this point. Chair De Rego added that he thinks some type of regular evaluation or assessment is necessary, but the measurement criteria to be used will probably not be fleshed out until the Auditor's Office is better organized. Commissioner Aheong suggested that the Commission invite Council Chair Baisa or Mayor Arakawa to a future meeting present their feedback on the 360 review process. Chair De Rego agreed.

B. Strategic Plan

Vice-Chair Kawahara presented the Strategic Plan Temporary Investigative Group report, and distributed a handout entitled, "Suggestions for Mission and Vision Statement." Vice-Chair Kawahara read the mission statement, vision statement, and goals as written on the handout, which included suggested revisions by Chair De Rego.

Deputy Corporation Counsel Ueoka pointed out that the Commission cannot take action on a report of an investigative committee until the meeting after the report is presented.

There was no discussion on the proposed mission statement or vision statement. There was a brief discussion on the last action item regarding goals. Commissioner Aheong asked for clarification of the language stating that the Commission will “perform general investigations on subjects suggested by the Commission or the County Auditor as a preliminary step to a more in depth review.” Chair De Rego clarified that the Commission could assist the Auditor with reviewing a particular issue and then report its findings to the Auditor. Such an investigation would be more general in nature and could be done over shorter time frame (e.g., two to three months).

IX. DETERMINE NEXT MEETING DATE AND AGENDA

The next meeting is scheduled for November 14, 2013, in the Mayor’s Conference Room, at 9:00 a.m.

Commissioners requested that the following items be placed on the agenda.

- (1) A discussion of the Sunshine Law. Commissioners also requested a copy of the statutory language (Ch. 92 HRS), which is included as an appendix to guidance provided by the Office of Information Practices.
- (2) Presentation on the Old Wailuku Post Office by Administration and Council representatives. Mr. Buck stated that he will contact Managing Director Regan to request that an Administration representative attend.
- (3) Discussion of the 360-Degree Performance Review concept. Chair De Rego will contact Council Chair Baisa requesting her attendance at a November or December Commission meeting. Alternatively, he will request to meet with her in person and report back to the Commission.
- (4) Discussion of a succession plan for Commission Chair and Vice Chair in preparation for the departures of Chair De Rego and Vice-Chair Kawahara in March 2014.

X. ADJOURNMENT

Commissioner Sugimura moved and Commissioner Evans seconded the motion to adjourn. The motion passed unanimously. The meeting adjourned at 11:30 a.m.