

# POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE

Council of the County of Maui

## MINUTES

May 13, 2014

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

**CONVENE:** 9:04 a.m.

**PRESENT:** Councilmember G. Riki Hokama, Chair  
Councilmember Donald G. Couch, Jr., Vice-Chair (Temporary Chair: 11:17 to 11:20 a.m.)  
Councilmember Gladys C. Baisa, Member  
Councilmember Elle Cochran, Member  
Councilmember Don S. Guzman, Member  
Councilmember Michael P. Victorino, Member  
Councilmember Mike White, Member

**EXCUSED:** Councilmember Robert Carroll, Member  
Councilmember Stacy Crivello, Member

**STAFF:** Carla Nakata, Legislative Attorney  
Tammy M. Frias, 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.:** John Buck, Executive Assistant, Office of the Mayor (Items PIA-2(23), -2(24), -2(25), -2(26), -2(27), and -2(28))  
Jo-Ann T. Ridao, Director, Department of Housing and Human Concerns (Item PIA-10(10))  
Edward S. Kushi, Jr., First Deputy Corporation Counsel, Department of the Corporation Counsel

*Seated in the gallery:*

Michael J. Molina, Executive Assistant, Office of the Mayor

**OTHERS:** John Buck, Executive Assistant, Office of the Mayor (Item PIA-10(10))  
Ron Kawahara (Item PIA-10(2))  
Alice Lee, Go Maui, Inc. (Item PIA-10(10))  
John Andersen, Executive Director, Na Hale O Maui (Item PIA-10(10))  
Gayle Long (Item PIA-10(2))  
Victoria Cheromcka, REALTORS® Association of Maui, Inc. (Item PIA-10(10))  
Tina Gomes (Item PIA-10(2))  
Rosemary Robbins  
Winifred Basques (Item PIA-2(26)) (via telephone conference bridge at Lanai Council Office)  
Peter Davis, nominee to the Real Property Tax Review Board (Item PIA-2(23))

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

Henry Kauka, Jr., nominee to the Liquor Control Adjudication Board (Item PIA-2(24)) (via telephone conference bridge at Molokai Council Office)  
Bradley Bunn, nominee to the Lanai Planning Commission (Item PIA-2(26)) (via telephone conference bridge at Lanai Council Office)  
Dale Thompson, nominee to the Cost of Government Commission (Item PIA-2(28))  
Additional attendees (5)

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

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CHAIR HOKAMA: . . .(*gavel*). . . The Council's Committee on Policy and Intergovernmental Affairs shall come to order. This is the Committee's meeting of May 13, 2014. Today present for our meeting is Vice-Chairman, Mr. Couch.

VICE-CHAIR COUCH: Good morning, Mr. Chair.

CHAIR HOKAMA: Good morning. And then we have Committee Members, Ms. Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR HOKAMA: Good morning. Ms. Cochran.

COUNCILMEMBER COCHRAN: Aloha, Chair.

CHAIR HOKAMA: Mr. White.

COUNCILMEMBER WHITE: Good morning, Chair.

CHAIR HOKAMA: Mr. Guzman.

COUNCILMEMBER GUZMAN: Good morning, Chair.

CHAIR HOKAMA: And Mr. Victorino.

COUNCILMEMBER VICTORINO: Aloha and good morning, Chair.

CHAIR HOKAMA: Good morning, Members. Excused from this meeting is Mr. Carroll and Ms. Crivello. First we shall eliminate all interruptions by silencing our phones and other appropriate equipment, Members and guests. I shall have no problem ensuring decorum in this Chambers at all times. We shall have public testimony on any item that has been agendized for today's meeting. You have three minutes. When your name is called, please come forward, state your name. If you represent an entity or organization, the Committee requests you share that information with us. We shall assist with your time with the lighting system. Green light means you're to speak. Yellow light means you have 30 seconds to conclude. The red light means your

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

time is up. And if you need more time to conclude, you shall request the Chair for additional time. And if granted, you may conclude. We shall rotate between the Chambers and our District Offices, Members. We have testimony definitely from Lanai and Molokai this morning so we shall rotate as best we can.

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

CHAIR HOKAMA: We shall start with the Chambers and our first person is Mr. John Buck, and following Mr. Buck is Mr. Ron Kawahara.

MR. BUCK: Good evening [*sic*], Chair, Committee Members. My name is John Buck, testifying on behalf of Mayor Alan Arakawa on PIA 10(2) related to the resolution proposing to amend the Maui County Charter by abolishing the Cost of Government Commission. After reviewing the resolution, the Administration respectfully opposes any action to abolish the Cost of Government Commission for the following reasons. One, this proposal was already rejected by the 2011-2012 Maui County Charter Commission. On January 26, 2011, Mayor Alan Arakawa nominated 11 members to the 2011-2012 Maui County Charter Commission. The Council by Resolution No. 11-31 confirmed these members to serve on the Charter Commission. On April 26, 2012, the Council adopted Resolution No. 12-45 entitled, Proposing an Alternative Amendment to the Revised Charter of the County of Maui (1983), As Amended, To Abolish the County...oh, to Establish a Office of the County Auditor. This resolution proposed to abolish the Cost of Government Commission. The Charter Commission met on May 11...May 7, 2012 and May 21, 2012 to consider the Council's proposal. Ultimately, the Commission rejected the Council's proposal. In its 2011-2012 Maui County Charter Commission Revised Final Report to the County Clerk, June 25, 2012, the Commission is rejecting the...the Commission in rejecting the proposal stated, it is the opinion of the Commission that it is absolutely critical to have a County Auditor so that there can be financial and performance accountability for both the Administrative and Legislative Branches of the government. The Commission disagrees with the Council that the County Auditor's Office shall be assigned to it. The County Auditor should be independent above all else. The Commission gave priority to independence and to have a system of checks and balances. Moreover, since the Auditor would have the power and the duty to audit the Council, the Commission did not want to leave these issues unresolved in any way to protect the Auditor from politics and possible retaliation in the event of a negative audit. Finally, the Commission debated whether or not to continue the functions of the Cost of Government Commission. And it concluded that it was necessary in order to give the highest priority to independence. The Commission disagreed with the Council and has decided to continue the Cost of Government Commission and would enhance and further protection in a system of checks and balance. Accordingly, the Administration agrees with the wisdom of the Charter Commission that the Cost of Government Commission should not be abolished. And as we read...and as we read the Commission's comments as a whole, it is obvious that there were concerns with any eroding of transparency, independence, and the protections provided by our checks and balances and made a calculated decision to protect the position of the Auditor from politics, personal issues, vendettas and retaliations. I have one more, could I have a minute?

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

CHAIR HOKAMA: Yeah, please finish.

MR. BUCK: Thank you. Alternatives to the resolution being proposed. For further consideration and to further the independence and objectivity of the County Auditor, I would propose that the Office of the County Auditor consist of the County Auditor, the Cost of Government Commission and necessary staff. The Cost of Government Commission would consist of members appointed by the Mayor and with the approval of the Council. The County Auditor would be appointed and removed by the Cost of Government Commission. I have copies of the draft resolution and proposed Charter amendments to accomplish this. This is...this is a draft in draft form for your consideration. In closing, as you will see it is modeled after the Charter's provision related to the Police Department, the Fire Department, the Department of Personnel Services and the Department of Liquor Control where the chiefs and department heads are appointed and may be fired by a Police Commission, Fire --

MS. NAKATA: Four minutes.

MR. BUCK: --and Public Safety Commission, Civil Service Commission and Liquor Commission. The reason it's set up this way is to ensure that the chiefs and department heads are independent and not subject to politics.

CHAIR HOKAMA: Thank you for your testimony. Obviously it doesn't work 'cause it doesn't work with the Charter on the budget. We don't see the Commissions giving us the budget. Any questions on the testimony? Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And Mr. Buck, do you have that in writing? Has that been submitted to us?

MR. BUCK: I...I meant it's coming down...it should be down in...they're...put the packet together now.

VICE-CHAIR COUCH: Thank you.

CHAIR HOKAMA: Okay, any other questions for Mr. Buck, Members? Thank you very much for your testimony, Mr. Buck. Mr. Kawahara, followed by Alice Lee.

MR. KAWAHARA: Chair Hokama, Members of the County Council, ladies and gentlemen. My name's Ron Kawahara. I'm speaking here on PIA-10(2), Elimination of the Cost of Government Commission. I was formerly the Vice-Chair of the Cost of Government Commission. My term expired March 31 so I guess I'm here speaking as an individual and on behalf of the Cost of Government Commission. A little bit of history. Cost of Government Commission is a Charter-created commission. Its purpose is to find efficiencies, basically represent the taxpayers in relationship to its...in relationship of the role of County government to its citizenry. Just in the past two or three years or four years that I've served on the Commission, there's been a few

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

notable reports. Dealing with County-owned vehicles, I believe the Administration's implementing that policy. The fact that the County should construct and maintain its own office space which would save nearly \$4 million a year. We also proposed that ten boards and commissions, ironically, should be eliminated and either merged with other agencies, boards or commissions, or handled by the departments themselves. One other thing is we recommended that fees for services used by limited number of our citizens should probably be better matched to affect the cost of providing those services. You know, however, these are micro-studies. We never really had a paid staff member to do in-depth research. The Cost of Government Commission recommended that the County Auditor be appointed. That was one of our recommendations. Having the County Auditor appointed in November's General Election last year meant that the role of the Cost of Government Commission was gonna change. So in the last year we've explored how the Cost of Government Commission was going to operate. We developed a mission statement, value statement and goals and objectives, one of which was to work very closely with the County Auditor. But because the County Auditor will do pretty much and perhaps better than the Cost of Government Commission with no paid staff, we looked at procedures of various departments. So the role of the Cost of Government Commission in our discussion should be that we should look at broader enterprise-wide issues. For example, biennial budgeting makes a lot of sense because it seems like the County kinda stops every year going over the budget. You should look at emergency preparedness. Are we really prepared for disasters? Have County employees been sent voluntarily to disaster areas to see what is involved? Real property taxes, should we continue to reflect...should the property tax revenues continue to reflect the state of the economy? Or should we create reserves? So when disasters occur, the demand for services goes up but yet the County revenues, the County's ability to provide these services go down and property taxes have to be raised to meet the increased demand. Perhaps we should look at a County manager rather than a mayor-run organization as some of these municipalities have done. So we believe that the Cost of Government Commission...well, let me put it this way. If the County Auditor takes on this broad enterprise-wide issues, maybe at that point the Cost of Government Commission will be become irrelevant. However, it seems that the County Auditor would be taking on subjects that the Cost of Government Commission did in the past. But someone needs to look at or a group of people, citizens, need to look at enterprise-wide issues that affect the County and its citizenry. Thank you for your attention.

CHAIR HOKAMA: Thank you for your testimony this morning. Mr. Couch, you have a question for Mr. Kawahara?

VICE-CHAIR COUCH: Thank you. And thank you, Mr. Kawahara, for being here. You answered one of the questions about the Cost of Government Commission's function versus what the Auditor is doing. But you mentioned...what you mentioned that you would like to see the Cost of Government to do...the Cost of Government Commission do is to basically take over what the Policy Committee, this Committee, that their function is. Part of our function is to do almost exactly what you were talking about. And some of the concerns that I would have is the, you know, ironically the Cost of Government Commission is trying to see what they can do to cut the cost of the government yet every time you guys meet there's staffing charges, I mean costs and

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

costs to hold your meetings. But...and you're saying that if what the Auditor's doing now is what you used to do and so you decide to do...you guys came up with a new role and that is to do what we're supposed to do now. It just kind of...I don't know if that...

MR. KAWAHARA: Well, in my mind, in my opinion...and I'm just an average citizen when I look at this thing. I believe that the...not just the County government, but whether it's State or Federal, has become very politicized. So if the County Council generally proposes things, usually it becomes controversial. It makes more sense for the independent body of citizens, informed citizens, looking at other municipalities and counties, talking to members of the County Council and the Administration, getting a feel for how the political process works makes more sense to present it as a secular proposal that this body can look at it with support if it makes sense. If it comes from certain individuals, perhaps they're pushing a personal agenda or agenda of some local organization, whether profit, or non-government organization. So I believe that the Cost of Government serves as a neutral party to look at these things objectively. And mostly what we do, or have done, is contact other municipalities, get information, the positive and the negative, and then present it in an objective, informed format. And that constitutes our annual report. So I don't believe that the Cost...if the County Auditor takes on these broad -- because he is technically independent -- these broader issues, with the support of this body, then it does make sense. And I would agree that if an independent body does take on this role, then the Cost of Government Commission really does become irrelevant. But until that point happens, I believe the Cost of Government Commission is very relevant.

VICE-CHAIR COUCH: Okay, thank you. Thank you, Chair.

CHAIR HOKAMA: Okay. Any other questions for Mr. Kawahara, Members? Thank you for your testimony this morning. We'll have Ms. Lee come up and then we'll go and check with our District Offices.

MS. LEE: Good morning, Mr. Chair and --

CHAIR HOKAMA: Morning.

MS. LEE: --members of the Committee. I'm Alice Lee representing Go Maui, Inc., a nonprofit organization which supports a wide range of social, economic, cultural and environmental opportunities for our residents including the advancement of home ownership. I am testifying on PIA Number 10. The lack of affordable and gap group housing is an ongoing challenge everywhere, not just here on Maui. To address this challenge effectively requires a multi-pronged strategy. In addition to the current inclusionary zoning program, namely the Residential Workforce Housing Policy, Chapter 2.96, the County should also have a policy encompassing affordable financing. This policy could include a down payment program, a home ownership counseling program, a subsidy program for new and rehabilitative construction projects and a series of classes on money and credit management. The Affordable Housing Fund could pay for these various components of the affordable financing program. In order for the affordable financing program to be effective it must have a reliable and consistent source of

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

funding. The need to produce affordable housing for our diverse labor force in Maui County is significant. The need to increase home ownership opportunities for low- and moderate-income families is essential. Therefore, I urge the Committee to rule in favor of making the Affordable Housing Fund permanent. Thank you for your consideration on this important matter.

CHAIR HOKAMA: Thank you, Ms. Lee. Any questions for Ms. Lee on the testimony she presented this morning, Members? Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. Thank you, Ms. Lee, for being here. Some of those functions that you mentioned, we have supported nonprofits who do that sort of function. Are you suggesting that that comes back under the County government as opposed to this...what appears to be successful nonprofits that are doing it now?

MS. LEE: No, I believe that the down payment program, I think you eliminated that a few years ago. So to reinstitute that because that's really important for young families who really don't have the cash up front. And then I don't believe there is a credit and management...and money management program which is different from home ownership counseling. Home ownership counseling usually is linked with the down payment program. So those who are going to apply for or receive a down payment subsidy should have, or should attend these classes on home ownership, not...which includes a lot more than money management. It includes, you know, maintenance of your home, et cetera. Now, and I don't believe that program is active either.

VICE-CHAIR COUCH: Oh, okay.

MS. LEE: And then I don't believe there's a credit and money management program. This is important because people, even to apply, people need to have their credit, you know, in order. So this is in advance of trying to apply for a home. So these kinds of things are very important to prepare people for home ownership.

VICE-CHAIR COUCH: Okay. And the last...lastly, you mentioned to make it permanent which may or may not be a bad idea. The...I've heard talk about, you know, keep putting a sunset date in there so that if at some time it becomes unnecessary, if we ever get to that point where it becomes unnecessary, at least we don't have to go do a Charter amendment to try and remove that provision from the Budget.

MS. LEE: Realistic...

VICE-CHAIR COUCH: What're your thoughts on that?

MS. LEE: Yeah, realistically speaking I would put affordable housing right next to world hunger. I don't think it's ever gonna end, you know. And especially on an island where land is limited, the cost of land is very expensive. We are the number one destination in the world, yeah. Land costs are not gonna go down. So it's gonna make it always difficult for the young families or the older people to try and become homeowners.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

VICE-CHAIR COUCH: Okay, thank you, Chair.

MS. LEE: Okay, thank you.

CHAIR HOKAMA: Any other questions for Ms. Lee? Having none, thank you very much for your testimony.

MS. LEE: Thank you, Chair.

CHAIR HOKAMA: We'll go to the Hana Office. Ms. Lono, anyone wishing to provide testimony?

MS. LONO: Good morning, Chair. This is Dawn Lono at the Hana Office and there is no one waiting to testify.

CHAIR HOKAMA: Okay, thank you. Lanai, Ms. Fernandez, anyone wishing to provide testimony?

MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez at the Lanai Office and we have one testifier. And that is Winnie Basques, testifying on PIA-2(26).

CHAIR HOKAMA: Thank you.

MS. BASQUES: Good morning.

CHAIR HOKAMA: Good morning.

MS. BASQUES: How are you this morning?

CHAIR HOKAMA: Very good, thank you.

MS. BASQUES: It was nice to see you on the island. Well, anyway, my name is Winifred Basques. I've been on the island of Lanai over 51 years. First of all, what is this Bradley Burn [sic] qualifications to be on the Lanai Planning Commission?

CHAIR HOKAMA: Ms. Basques, we're here to hear your concern and so if that's a question you're posing in general the Committee's listening so you can continue your testimony for us, please.

MS. BASQUES: All right.

CHAIR HOKAMA: Give us your mana`o?

MS. BASQUES: Thank you very much. Because I opposed to the position for Mr. Bradley Bunn because I do not know his qualification to be on the Planning Commission. That's all I have to say.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

CHAIR HOKAMA: Okay, thank you very much for your testimony this morning.

MS. BASQUES: You're welcome.

CHAIR HOKAMA: Okay, Members, any questions for Ms. Basques? Okay, no questions, Winnie. Thank you very much for sharing your thoughts this morning.

MS. BASQUES: Mahalo.

CHAIR HOKAMA: Mahalo. Anyone else, Ms. Fernandez?

MS. FERNANDEZ: No, there is...there's no one else waiting to testify but we do have Mr. Bradley Bunn, a nominee for the Lanai Planning Commission who is in the office should anyone, any Members have questions for him.

CHAIR HOKAMA: Okay, thank you very much. Molokai, Ms. Alcon, anyone wishing to provide testimony?

MS. ALCON: There's no one here to provide testimony, just Henry Kauka waiting for questions from the Council.

CHAIR HOKAMA: Okay, thank you, Ms. Alcon. When we get to the item, we'll have...we'll let Mr. Kauka know. Thank you very much.

MS. ALCON: You're welcome.

CHAIR HOKAMA: We'll get back to the Chambers and our next testifier will be Mr. John Andersen, and following Mr. Andersen is Gayle Long.

MR. ANDERSEN: Good morning, Chair Hokama.

CHAIR HOKAMA: Good morning.

MR. ANDERSEN: And Committee members. My name is John Andersen. I'm the Executive Director of Na Hale O Maui and Na Hale O Maui's one of the many nonprofits that has received funding from the Affordable Housing Fund so I'm here to speak to Item PIA-10(10). To give you a little progress report on what we've done with our funding which I'm happy to share with you. We have acquired 12 single-family homes directly with funding from the Affordable Housing Fund. We have rehabilitated and resold those homes to low- and moderate-income families and with the proceeds of those 12 sales, we have purchased eight other homes that, you know, are a direct result of the Affordable Housing Fund. So to date that's 20 single-family homes that we have acquired and rehabilitated with the funds. We have six more in the pipeline right now, two in escrow that have been rehabilitated and are being resold and then four more coming. We are

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

averaging a subsidy still under 100,000 per house to take a distressed, abandoned single-family home, rehabilitate it to move-in condition and move a low- and moderate-income family into that home. That's a lot of bang for the buck in terms of \$100,000 subsidy turning out a permanently affordable single-family home, not temporary, but permanently affordable. Our homes from the Affordable Housing Fund are in Wailuku, Kahului, Makawao, Kihei and Lahaina. They are in many of your districts, not just one area. So scattered-site, affordable development really is a very excellent thing to produce if you're able to do that. So why do we have an Affordable Housing Fund? Why do we as a County need to do something like that when many other counties wouldn't even consider funding affordable housing? Well, the bumper sticker that comes to mind is, this ain't the mainland. And on the mainland, and I've been a real estate broker for 36 years, 24 of them in a very high-cost area in California, the last 12 in the high-cost area of Maui. On the mainland the workforce is expected to drive until they qualify. That's the expression in the business. You get in your car, you get on the freeway and you drive from one county to the next county to the next county until you can find a house that is priced low enough for you to be able to afford to qualify for a loan. We can't do that here. We are an island. We have to provide solutions within the boundaries of our island. Our workforce cannot drive until they qualify. It's a unique situation requiring a unique solution. And in terms of how long this should be, there are three proposals in front of you, extend for four years, six years, eight years. And I appreciate the Members who brought those forward for consideration. But ask yourself, is this problem gonna be solved in our lifetime? I don't think so. Not in our lifetime. Let's make this a permanent affordable housing fund to deal with this so we have consistent funding year after year. Thank you very much.

CHAIR HOKAMA: Thank you for your testimony, Mr. Andersen. So you mentioned the 20 homes you were able to put into permanent affordability at less than 100,000 subsidy per house. The County...for the Committee, the County provided how much money to Na Hale O Maui?

MR. ANDERSEN: Three different grants to date totaling just under \$3 million. So we...I'm expecting to have 30 single-family homes as a result of that funding, with the subsidy about 100,000 per house.

CHAIR HOKAMA: Okay, so about 3 million so far, Mr. Andersen?

MR. ANDERSEN: Yes, it's under that.

CHAIR HOKAMA: Okay. You mentioned homes, has there been any requests of your organization for rentals? We've heard a lot about rentals this --

MR. ANDERSEN: Yes.

CHAIR HOKAMA: --Budget season besides actual ownership.

MR. ANDERSEN: Yes.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

CHAIR HOKAMA: So you have a comment you can share on that component?

MR. ANDERSEN: Yes. In fact, we are at a transition point now as we see the opportunities for acquiring abandoned, foreclosed homes reducing this year's proposal to the Affordable Housing Fund which is yet to be brought forth but will come to Committee. It's gone through the Department of Housing and Human Concerns. We put in a request to have the County fund 50 percent of the acquisition of 12 single-family lots in Lahaina that we have applied for low-income housing tax credit financing. Those will be low-income rentals. So we are broadening our base from ownership into rentals now and this is our first project in that area. It'll be 12 new home constructed in the Kahoma subdivision in Lahaina that will be available for long-term affordable rentals. With a rent-to-own program built in at the end of that component but it's 15 years of rental.

CHAIR HOKAMA: Okay. Well, thank you for responding to the question, Mr. Andersen.

MR. ANDERSEN: Thank you.

CHAIR HOKAMA: Questions for the gentleman? Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And thank you, John, for being here today. We appreciate all the work you've done. You know, these homes that you are consistently turning over, you know, that you rehab, turn over. What is the margin of difference from what you actually put in to what we actually get back? You know, I know you buy it for...let's say, 200,000, and I'm just using numbers. And maybe you spend another 50,000 to fix it up, or whatever it might be. What is the return? In other words, if you put in 300,000, do we get back 300,000 or do we get less? . . .*(Inaudible)*. . .

MR. ANDERSEN: Let me give you an example of one of our --

COUNCILMEMBER VICTORINO: Yeah.

MR. ANDERSEN: --recent acquisitions. The cost of the property was \$400,000.

COUNCILMEMBER VICTORINO: Okay, okay.

MR. ANDERSEN: It was a distressed property. We put in approximately 40,000 in rehab and brought the price down and are reselling it for around 300,000 and it appraised fee-simple for 500,000. So we're taking a what would be a \$500,000 market-rate house, selling it for 300,000. That is affordable for our workforce.

COUNCILMEMBER VICTORINO: Okay, and then so...and how long do they have to stay there now at that point? You know...

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MR. ANDERSEN: You know, we have a sustainable ground lease method that allows a owner to sell at any time but the resale price is controlled and restricted by the ground lease. So it will be affordable for the next homeowner and we have had one resale. It was a house in Maui Lani. It was sold three years ago for under 300,000. Our family moved off island and we have a new family in there and the resale price was also under 300,000. We kept it affordable and proved that the formula works.

COUNCILMEMBER VICTORINO: Okay, very good. Thank you very much. I think the public needs to know that. Thank you.

MR. ANDERSEN: Thank you.

CHAIR HOKAMA: Okay, any other questions for Mr. Andersen? Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And Mr. Andersen, on that...on that house that you're talking about, how much did it sell for, you know, how much did the original family sell that house for?

MR. ANDERSEN: Purchase that house?

VICE-CHAIR COUCH: No, they purchased it for 300...under 300.

MR. ANDERSEN: Oh, oh, the resale price, yes.

VICE-CHAIR COUCH: Correct.

MR. ANDERSEN: Yeah, it was...the original purchase price was 287.5 and we resold it for 294.5, if I remember correctly.

VICE-CHAIR COUCH: So then they got to split some of that equity?

MR. ANDERSEN: They...the homeowners, a single mom with two daughters, she left escrow with several thousand dollars more than she came into escrow 'cause she had three years of principle paid down on her loan. There was an equity increase, small, but she shared in that and so she left with a check in her hand on the plane moving to Texas with, you know, a very satisfied experience. She thought it worked out great for her.

VICE-CHAIR COUCH: Thank you, Chair.

CHAIR HOKAMA: Okay. Any other questions for Mr. Andersen, Members? Having none, thank you for your testimony.

MR. ANDERSEN: Thank you.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

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CHAIR HOKAMA: Gayle Long, please.

MS. LONG: Good morning, Mr. Chair. Good morning, Council members. First of all, let me ask your forgiveness because I'm a relatively new appointee to the Cost of Government Commission but I am speaking for myself as an individual. I've been in community service for over 45 years. I started in high school and I felt like that was a very valuable part of my giving back to the community. Sometimes it was effective but the older I got the more effective I became in adding value to the organizations I served. Regarding my service to the Cost of Government Commission and why I don't think that PIA-10(2) should be offered to the community is for this reason alone. I think that every time that you get an independent board representing the community that that value to the community is worth much more than the hard cost in the form of savings one way or another. I think when you get people in a room that can look at objective situations or situations objectively, bring their expertise to the table and offer that service back to the community, particularly in this situation where we've got a new and developing Auditor's Office as well as a new...a newer and developing Cost of Government Commission mission, so to speak, it is very premature to disband this commission. And I feel that strongly. And this is coming from someone that certainly has more time to do, or has less time to do this type of community service than I probably would like. But I can assure you that there's other things that I could be doing that would be profitable to me personally. But my goal is to return those dollars back to the community by my service and the efforts that my work can provide. And I feel like every time I've been on a board for the last 10 or 15 years, the hard-dollar savings, because of my participation and other board or I guess commission members, whatever you wanna call us, have more than justified any expenses in holding those meetings. So I feel like if we cannot justify our service to the County, then certainly at some point in the future obviously you should look at disbanding this commission. But at this point I feel strongly that it is very premature to disband this commission until we have the opportunity to offer the kind of service on a checks and balances mission that I think this County deserves.

CHAIR HOKAMA: Thank you for your testimony, Ms. Long. Any questions for the gentle lady on her testimony? None? Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. You mentioned...thank you for coming in this morning and testifying and also for your service here and congratulations on your new appointment. You mentioned a checks and balances. Are you referring to what...the previous testifier was mentioning about the commission appointing the Auditor?

MS. LONG: No, no.

COUNCILMEMBER GUZMAN: Is that what you're talking about? Checks and balances.

MS. LONG: I'm just generic...it was just a generic comment regarding the fact that we don't work for the County, per se. We're independent volunteers. We represent the County and the public, whereas the Auditor, the County Council, everyone technically is employed by the County. We actually are not. And I believe have a more independent level of freedom, or whatever, to

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

represent the public. We're not constrained by our jobs, et cetera. Does that make sense? I don't mean that in a very strong way. I just mean it from my personal viewpoint that if I don't have to go in on a 9-to-5 job and I have certain missions that I can pick or that the Council picks, then that's going to make me a more effective person. I hope I'm saying that the right way.

COUNCILMEMBER GUZMAN: So your checks and balance is based off of being a volunteer?

MS. LONG: I think the fact that we can represent the County as a whole without having any vested interest, I guess, is a checks and balances, so to speak.

COUNCILMEMBER GUZMAN: Thank you, Chair. I just...

MS. LONG: I don't have any agenda, Councilman.

COUNCILMEMBER GUZMAN: Okay. And you're assuming that people who work for the County do?

MS. LONG: No, no, not at all. But I'm just saying that I don't have a job specifically for the County. In other words, I don't have to go in at 8:00, do a certain amount of things, leave at 12:00, go to lunch, you know, like...

COUNCILMEMBER GUZMAN: Thank you, Chair.

MS. LONG: It's same with my job.

COUNCILMEMBER GUZMAN: That's, that's fine. You've answered the question. Thank you very much.

MS. LONG: Okay, I hope so. I meant that in a very, I guess, general good way, not in anything, you know, that would be disparaging or anything. I'm just saying that I feel like I have value for the...that isn't constrained necessarily but trying to look at an objective situation because I'm not, I guess, I don't have anyone to report to other than our Council Chair, et cetera. Or our Commission Chair as well as the Council.

CHAIR HOKAMA: Okay, thank you very much for your response. Mr. White, do you have a question for Ms. Long?

COUNCILMEMBER WHITE: Yes, thank you, Chair. The Charter language for the Auditor makes it clear that the Auditor is independent of the Council --

MS. LONG: Right.

COUNCILMEMBER WHITE: --and independent of the Administration.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

MS. LONG: Correct.

COUNCILMEMBER WHITE: Is it your feeling that the Auditor's position should not be independent of the Cost of Government Commission? Or what is your feeling?

MS. LONG: At this point, I am not educated enough to answer that specific question. My, my...I guess my mission, so to speak, personally stems from the fact that when I did different reviews of agencies, some of which were funded by the County, on United Way panels, for example which is where I first came in on a...on the foundation review...or grant review committee. As a business person, I looked at certain things that I could offer that might, I guess, make those people look at their efficiencies a little bit differently. For example, one large agency had no idea what their cost of service was but they were getting a rather large grant from the United Way. But they...when I asked them how much does it cost you to do your service per service, they had no idea. Well, as a businessman to me, that would be unacceptable. I'd have to at least know because how would you know what your efficiencies are? And I'm not looking at it in the same way the Auditor is.

COUNCILMEMBER WHITE: Okay, so...

MS. LONG: It's a different process, I guess.

COUNCILMEMBER WHITE: So you feel the Cost of Government Commission shouldn't have any more say over what the Auditor does than the Council or the Mayor?

MS. LONG: No. I wouldn't think so at this point but then again, like I said, I'm new to the Cost of Government Commission. I'm on the learning curve. So as far as I understand, I'm more looking to do research and help with inefficiencies more than anything else.

COUNCILMEMBER WHITE: Okay, thank you.

MS. LONG: Does that make sense?

COUNCILMEMBER WHITE: Uh-huh.

MS. LONG: I hope that answers your question.

COUNCILMEMBER WHITE: Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Any other questions for the lady, Members? Thank you very much for your testimony, Ms. Long. Next we'll have Victoria Cheromcka. Cheromcka.

MS. CHEROMCKA: Good morning, Committee Chair --.

CHAIR HOKAMA: Good morning.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MS. CHEROMCKA: --Committee members. Thank you for letting me speak today. Is that okay?

CHAIR HOKAMA: Yeah, that's good.

MS. CHEROMCKA: Terrific. Thank you for this opportunity to speak in favor of a Charter amendment to continue the funding source for the Affordable Housing Fund. I am Victoria Cheromcka, Chair of the REALTORS® Association of Maui's housing committee. I am speaking both for RAM and for myself as a long-time advocate for affordable housing. RAM has been a consistent advocate for the creation of housing our working families can afford. That is why we were directly involved with the creation of Na Hale O Maui, the Community Land Trust and in the Maui Nui Housing Alliance's initiation of the Workforce Housing Policy. We also supported the creation of this funding source for affordable housing projects and are actively supporting its continuation. Ask any working Maui class resident what the number one economic problem they face is and they will reply it is the availability and the cost of housing. I specialize in getting local families into homes that they can afford. And I can tell you that there is now very little housing that average working Maui families can actually afford. As the real estate market heats up, the housing pressure on our families increases. The Affordable Housing Fund is one of the key programs that brings results and gets local families into homes. The pairing of this fund with Na Hale's program and with Habitat for Humanity programs has been particularly effective. But if the continuous funding source is allowed to lapse, RAM fears that the effectiveness of the Affordable Housing Fund will diminish. After studying this issue in some depth, our association has come to the conclusion that we will not be able to overcome our deficit of affordable housing in the foreseeable future. Our housing market is tied to the global economy. So there will always be buyers from somewhere else ready to snap up Maui homes. That means we must continually push to provide the homes our working families require. It is imperative to make the effort to make a dent in the demand and to relieve some of the pressure. For that reason RAM does not support the extension of the sunset as proposed. We believe that the current property tax source for affordable housing should be made permanent. This housing problem has been with us for the last 50 years and evidence suggests that it will be with us for a long time. We are not going to overcome it in the next decade. So what is the point of putting another sunset date on the funding source for a key problem that addresses this perennial problem? If Maui reaches that point where the cost and availability of housing is no longer an issue, won't that be great? We will certainly support terminating this funding source then. But we are far from that point now. Please show how serious you are about this issue by making the funding provision permanent. Mahalo.

CHAIR HOKAMA: Thank you very much for your testimony this morning. Any questions for the gentle lady on her testimony, Members? Having none, thank you very much for your presence. We'll check with Hana Office. Ms. Lono, anyone in Hana Office would like to testify, please?

MS. LONO: There's no one waiting to testify at the Hana Office, Chair.

CHAIR HOKAMA: Thank you. Lanai, Ms. Fernandez, anyone wishing to provide testimony?

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MS. FERNANDEZ: There's no one waiting to testify at Lanai.

CHAIR HOKAMA: Thank you. Molokai, Ms. Alcon, anyone wishing to provide testimony?

MS. ALCON: There's no one here on Molokai waiting to testify.

CHAIR HOKAMA: Okay, thank you very much, ladies. We'll return to the Chambers. We'll have Ms. Gomes, and following Ms. Gomes will be Rosemary Robbins.

MS. GOMES: Hi. Good morning.

CHAIR HOKAMA: Good morning.

MS. GOMES: Good morning, Members of the Council. Back here so soon. I'm in here...I'm here to testify in regards to PIA-10(2). This is for the proposed Charter amendments for Cost of Government Commission. I'm a commissioner of the Cost of Government Commission. I've been a member since 2012 and I'm here to speak for myself in regards to this testimony in opposition of the abolishment of the Cost of Government Commission. The proposed resolution claims that the establishment of the Office of the County Auditor assumes -- and I'm perceiving this all-encompassing -- the roles and duties of the commission and that its use and/or establishment of the Commission is unnecessary and no longer needed. I'm gonna reiterate...I know that Executive Assistant John Buck had previously testified and I will reiterate some of the words that he also had provided you in regards to the Charter Commission. Chair Joshua Stone of the Charter Commission said it best in a statement made in the letter then to Council Chair Danny Mateo dated May 25, 2012, regarding the Maui County Charter Commission. It's a response to the Council's recommendations and proposed alternatives on April 27, 2012. It stated, and I read, that it is the opinion of the Commission that it is absolutely critical to have a County Auditor so that there can be financial and performance accountability for both the Administrative and Legislative Branches of government. The Commission disagrees with the Council that the County Auditor's Office should be assigned to it. The County Auditor should be independent above all else. The Commission also considered the different ways in which to have the County Auditor appointed and managed. The Commission gave priority to independence and to the system of checks and balances. The letter goes on to express how the Commission concluded that it would be of the utmost importance for the powers and duties of the Auditor to be spelled out in the Charter so that they would be very clear. In addition, since the Auditor would have the power and duty to audit the Council, the Commission did not leave...want to leave these issues unresolved in any way to protect the Auditor from politics. Finally in his letter, the Charter Commission disagreed with the Council and concluded that it was necessary to continue the functions of the Cost of Government Commission. And it's in quotes, in order to give the highest priority to independence in which it would enhance and provide further protection in a system of checks and balances. The fact that the Cost of Government, if anything else, it is needed even more now to provide the necessary transparency of the Maui County government. This Commission was created by County Charter to carry out the policy of the

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

County, to promote economy, efficiency and improved service in the transaction of the public business in the Legislative and Executive Branches. The County Auditor cannot replace true civilian oversight. The intentions of a board or commission being in place are to provide civilian oversight and a system of checks and balance. If there were no Cost of Government Commission, then that would lead to an imbalance of power, in my opinion, in our government. If we left this task solely to the Office of the County Auditor, then there is no true independence because the fact is this body, the County Council, is who hired the County Auditor. Concluding that there is no objectivity and independence from the Legislative Branch because of the so-called politics involved in acquiring and hiring for the position, the abolishment of the county...of the Cost of Government Commission would ultimately leave the public with no outlet to raise their questions knowingly, freely that it would be --

MS. NAKATA: Four minutes.

MS. GOMES: --handled fairly and equitably. There is a need for this Commission. The perception that having a County Auditor in place duplicates the work of the Commission is inaccurate at best.

CHAIR HOKAMA: You need to conclude, please.

MS. GOMES: Thank you. The validity of the work of the Cost of Government is evident. It's evident in previous and past annual reports. For example, the GPS systems, the intent to upgrade our systems for the building permits. I mean we work very hard. The Cost of Government investigates, researches and findings and recommendations to this body, to the Administration. The Administration has stated that we have value. You know, I feel that the public should educate themselves in regards to the work of the Cost of Government. And maybe the solution to this is another resolution for the public.

CHAIR HOKAMA: You need to conclude, please.

MS. GOMES: And that is --

MS. NAKATA: Five minutes.

MS. GOMES: --in regards to appointing the County Auditor as like the Police Commission, the Fire Commission, the Liquor Commission. Again, the determination to abolish the Commission is premature in my opinion. Thank you.

CHAIR HOKAMA: Thank you. Well, this Committee is not naïve enough to know that Mayoral appointments is not political, okay. This Council is not that naïve. Any questions for the testimony? Okay, thank you very much for your testimony this morning.

MS. GOMES: Thank you.

CHAIR HOKAMA: Rosemary Robbins.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

MS. ROBBINS: Good morning, everybody.

CHAIR HOKAMA: Good morning.

MS. ROBBINS: As always I learn a lot by sitting back there and listening to the exchange. Thank you for affording me and everybody else who has access to this, however it works. First of all, yay, affordable housing. I don't serve on any of those commissions, committees, whatever, but I support totally the concept of that. And the concept of having purchase and rentals including rent-to-own are something that I would like to think nobody would question. I do have a question as to why it would be 2 percent of the money that would be accorded there. Several people asked me that over the weekend. I couldn't get down yesterday to go through the binder and I don't know why we would be 2 percent or something more. Also when I read through Pages 3 and 4 on today's agenda, I noticed there was a discrepancy. The Mayor's wishes were to have this run out at 2019. One of the Council members wanted it to run out at 2021 and another Council member wanted it to run out at 2023. I have no clue as to what would prompt those different time frames. I think it would be helpful for the community as well as for me to be able to get a grip as to why the time frame would be what it has been stated in there. And then on the Page 4, last two on the promoted Charter amendments, these are diametrically opposed. I think we all need a lot of education on this. On PIA-10(9) it says, and I'm quoting here, the purpose of the proposed resolution to amend Section 13-10 of the Charter to remove the limitation on the amount of penalties that may impose...be imposed. So sky's the limit, it would seem in that one. And then on PIA-10(11), it says that the purpose is to increase the maximum penalty from 1,000 to 10,000 for violations of the Charter and violations of ordinances and rules having the force and effect of law. Huge gamut in there. And it would be really helpful for all of us to be able to understand what that is. So obviously the thought processes happen, we'd be happy to hear it. Thank you.

CHAIR HOKAMA: Thank you for your testimony, Ms. Robbins. Any questions for the lady on her testimony, Members? Having none, thank you for your presence this morning.

MS. ROBBINS: You're welcome.

CHAIR HOKAMA: Anyone else would like to give testimony? Now is your opportunity. Please make yourself known and I'll provide you with your chance to speak to the Committee before we move on to the specific agendized items. Having no one coming forward, Members, with no objections, we shall close public testimony for today's Committee meeting.

COUNCIL MEMBERS: No objections.

CHAIR HOKAMA: Thank you very much, Members. So ordered. Testimony is hereby closed for today's meeting.

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

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

**ITEM PIA-2(23): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS  
(REAL PROPERTY TAX REVIEW BOARD) (CC 13-42)**

CHAIR HOKAMA: Let me please direct you to our first item today, Members. That is on the heading of Nominations to Boards, Committees, and Commissions. We have from the Mayor a communication where he is nominating Peter Davis to the Real Property Tax Review Board, for a term expiring March 31, 2015. And this is due to a resignation from Ms. Matsumoto who was currently serving on this Board. Let's see now. Is Mr. Davis here? Mr. Davis, why don't you come forward, please, if you will, to the podium. Why don't you introduce yourself and give us some of your thoughts on why you'd like to serve and volunteer your time? And thank you very much for being here.

MR. DAVIS: Good morning. My name is Peter Davis. I've been a resident of Maui now for about eight years. By way of background I'm what I call a recovering attorney. I'm licensed in California and Colorado. I have not sought admission here. For the last 25 years along with having bar admissions, I've been a real estate broker and a developer. So I bring a good solid background of residential real estate and a little bit of commercial. Frankly, I have very little knowledge of agriculture and ag properties. But hopefully that could be enhanced by serving on the committee. So the Mayor's Office got hold of me and asked me if I'd be willing to serve on this committee and I think my background puts me in a position where I could make a contribution. That's why I'm here today.

CHAIR HOKAMA: Okay, thank you very much, Mr. Davis, for making yourself available. We appreciate that. I'll ask the Committee Members...*(telephone rings)*...you need a recess? Okay, we can continue. I'm sorry. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Mr. Davis, it looks...via your application it seems as though you were, I guess, your initial choice was Planning Commission. Is that correct?

MR. DAVIS: Yeah, the...in speaking with the Mayor's Office before submitting the application, they said give us some indication of where you'd like to be appointed and so I think I put down Planning and as a secondary thought, Ethics. But the...although I got from the Mayor's Office said would you consider doing this instead? And I said, of course.

COUNCILMEMBER GUZMAN: Okay. And what do you feel is the...what is detailed or entailed in the Real Property Tax Review Board?

MR. DAVIS: I have not filed an appeal myself. Haven't had that need but it seems to me that the citizens that do so are feeling that they are being treated unfairly by the assessments that they're being subjected to on their property taxes. To me the role of the commission is to review those and then hopefully...well, let me say this. I think the art of appraising real estate even when appraisers get to see it is an inexact science. For an assessor to be evaluating property, obviously

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

not having gone through and seeing them is obviously an inexact science and I can see where citizens would have reason to say, hey, you guys have missed the mark on this one. My property is not worth what you're telling me that it is. That's not a fair assessment. And I think the process if it works to success, reviews matters and leaves the person who has asked for the review feeling at least that they were heard and that they were treated fairly.

COUNCILMEMBER GUZMAN: Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Any other questions from the Members for Mr. Davis? Mr. Davis, we understand you're a broker, real estate broker.

MR. DAVIS: Yes.

CHAIR HOKAMA: I think we currently have one and I think we currently have another one in the process of being confirmed by the Council. So I'm gonna be upfront with you. I have sent a request from this Committee as its Chairman to the County Board of Ethics to see if having...if you go on, it's three, three or four that has real estate backgrounds or earn livings from real estate backgrounds to see if that's one issue to be on the Real Estate Review Board. If they view that as a potential conflict if, well, with you might be the fourth, third or fourth, member of a seven-member board representing a specific discipline. And we wanna know if there's a concern of vested interest from your profession being...making those final decisions on the tax appeals. And so we're...they have it scheduled for tomorrow. We hope to get some kind of communication, verbal or written, by the time Council takes action. But at this point in time I just wanted to make you aware of the situation and that it's not a personal thing. For us, it's a concern of keeping balance of every board and commission that the Council has a say in.

MR. DAVIS: I'm aware of your having written to the Commission because I was copied on that.

CHAIR HOKAMA: Okay, good, good. I just wanted to be upfront with you, Mr. Davis.

MR. DAVIS: No, no problem with that, sir.

CHAIR HOKAMA: Okay, any other questions for Mr. Davis regarding his nomination to the Real Property Tax Review Board, Members? Anything else you...Ms. Baisa?

COUNCILMEMBER BAISA: Chair...Chair, thank you. And just the standard question. We all have busy lives. You're aware of the time commitment that'll be involved?

MR. DAVIS: Yes, I discussed that with a couple of people before agreeing to accept the nomination.

COUNCILMEMBER BAISA: Well, we...you know, we appreciate the volunteerism but, you know, attendance at the meetings is very important. You accept the appointment and we hope that you'll be able to be there.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MR. DAVIS: Oh, indeed.

COUNCILMEMBER BAISA: Thank you very much.

MR. DAVIS: You're welcome.

CHAIR HOKAMA: Okay, thank you, Ms. Baisa. Any other questions by the Members? Having none, Mr. Davis, thank you for making yourself present this morning and we are happy to put a face to a name.

MR. DAVIS: Aloha.

CHAIR HOKAMA: Thank you.

**ITEM PIA-2(24): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS**  
**(LIQUOR CONTROL ADJUDICATION BOARD) (CC 13-42)**

CHAIR HOKAMA: I'm gonna bring up next Policy Item 2(24), also under the heading of Nominations to Boards, Committees, and Commissions. This is regarding the Mayor's nomination of Mr. Henry Kauka, Jr. for a term expiring March 31, 2016, to the Liquor Control Adjudication Board. Ms. Alcon, can you ask Mr. Kauka if he would mind coming up to the microphone on Molokai and share some thoughts with us regarding his willingness to serve on the Liquor Control Adjudication Board, please?

MS. ALCON: Okay, here's Henry.

CHAIR HOKAMA: Okay, thank you.

MR. KAUKA: Good morning, everyone.

CHAIR HOKAMA: Good morning.

MR. KAUKA: I just...I spent 22 years with the County of Maui. I retired from the Department of Motor Vehicles on Molokai and I'm giving back to the County by going on one of the...going on the Board of...the Adjudication Board. I already completed five years as a Liquor Commissioner and to complete the spectrum wanted to finish off the Adjudication Board to make it complete. And like I said, I'm just giving back to the County since I got so much time and they did a wonderful job to nourish me for 22 years. Mahalo.

CHAIR HOKAMA: Mahalo to you, Mr. Kauka. So Mr. Kauka, one question, you know, that may be one potential concern for you. You have no problem with the travel requirements to be a Commissioner?

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

MR. KAUKA: No.

CHAIR HOKAMA: Okay, and have you had any problems with your transportation requirements, Mr. Kauka?

MR. KAUKA: Well, a few times that the plane was delayed and I missed the meeting. But I flew in the day before after that occasion, yeah.

CHAIR HOKAMA: Okay.

MR. KAUKA: But everything else as far as transportation I'm okay with it. The airlines, the u-drives, or however I get there.

CHAIR HOKAMA: Okay, okay. Well, we appreciate you volunteering and so on behalf of the Committee, thank you very much. Members, any questions for Mr. Kauka? Mr. White? Can you speak up loud, please, Mr. White, 'cause Mr. Kauka has hearing \_\_\_\_\_.

MR. WHITE: Yes. Can you hear me, Mr. Kauka?

MR. KAUKA: Good morning.

MR. WHITE: Good morning. I...just one quick question, was how many years...what years did you serve on the Liquor Commission?

MR. KAUKA: 2007 to 2012.

MR. WHITE: Okay, great. Thank you. I think that experience gives you a lot of good qualities to move into the Adjudication Board. So thank you very much for your service.

MR. KAUKA: Thank you.

CHAIR HOKAMA: Okay, any other questions for Mr. Kauka, Members? Having none, Henry, thank you very much for being there and we appreciate you volunteering to serve the County from the Molokai District. Thank you.

MR. KAUKA: Aloha, everyone.

CHAIR HOKAMA: Aloha.

**ITEM PIA-2(25): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS  
(BOARD OF VARIANCES AND APPEALS) (CC 13-42)**

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

CHAIR HOKAMA: May I now direct you, Members, to 2(25), also under the heading of Nominations to Boards, Committees, and Commissions. This is regarding the Board of Variances and Appeals. The Chair requested and no Members responded to have Mr. Matsuura present. On this item, Mayor Arakawa is nominating Scott Matsuura to the Board of Variances and Appeals for a term expiring March 31, 2015, Members. And this is due to a resignation of Mr. Bart Santiago, Jr. We'll ask Mr. Buck if he has any comments he'd like to share from the Administration regarding Mr. Matsuura's nomination.

MR. BUCK: Thank you, Chair. Scott Matsuura, nominee for the Board of Variances and Appeals, is a partner with SPJ Consulting and was a former member of the Salary Commission. He is also active with the Boys Scouts of America and a member of the Kehalani Community Association. Thank you, Mr. Chair.

CHAIR HOKAMA: Okay, thank you. Members, any questions for Mr. Buck on the nomination of Scott Matsuura to the Board of Variances and Appeals?

COUNCILMEMBER BAISA: Chair?

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Mr. Chair, and Mr. Buck for being here. Does Mr. Matsuura's employment allow him to make this commitment?

CHAIR HOKAMA: Mr. Buck?

MR. BUCK: Yes. In answer to your question, Ms. Baisa, is yes. He's...he wouldn't have accepted the nomination if it didn't allow him.

COUNCILMEMBER BAISA: Okay, I just wanna make sure that, you know, when commissioners accept appointments that they understand that there's a serious time commitment here. It's so difficult to have meetings when we don't have quorum. So if they understand that, then fine. I know Scott and I'm sure he'll do a good job. Thank you.

CHAIR HOKAMA: Okay, thank you very much. Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. And not so much a question, Mr. Chair, as much as I've known Scott for many, many years and this gentleman has been very dedicated and very oriented to serving this community, yeah. Boy Scouts is one of 'em but many other organizations that I know he's put in time and effort. So I think he makes an excellent candidate. His background, his experience will be most valuable in this...in the Board of Variances and Appeals. So, anyhow, I'll wait for your recommendation, Mr. Chair. I think we have an excellent candidate here and thank you, Mr. Matsuura, for your willingness to serve again. Thank you, Chair.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

CHAIR HOKAMA: Okay, thank you. Any other questions from the Members for Mr. Buck? Okay, having none, we'll move on to Policy Item 2(26).

**ITEM PIA-2(26): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS  
(LANAI PLANNING COMMISSION) (CC 13-42)**

CHAIR HOKAMA: This is also under the heading of Nominees to Boards, Committees and Commissions. The Mayor has recommended and nominated a Bradley Bunn to the Lanai Planning Commission due to a resignation of former Commissioner Priscilla Felipe and this would be for a term expiring March 31, 2017. Mr. Buck, any opening comments for the Committee?

MR. BUCK: Yes, Mr....

MR. BUNN: Yes, good morning, Mr. Chairman, and Members of the Committee. My name is Bradley Bunn.

CHAIR HOKAMA: Mr. Bunn, Mr. Bunn, hold on one second. We're gonna have Mr. Buck from the Mayor's Office give comments first and then we'll call you up in a short while. Thank you.

MR. BUCK: Thank you, Mr. Chair. Bradley Bunn, nominee for the Lanai Planning Commission is a consultant that has owned several small businesses. He is a former City Council member and served on a number of boards on the mainland. He's currently a member of the Lanai Chamber of Commerce. Thank you.

CHAIR HOKAMA: Okay, thank you. Mr. Bunn, we know you are at the Lanai Office so if you would give us some comment about your interests, please?

MR. BUNN: Yes, good morning. My name is Bradley Bunn. I'm interested in serving on the Lanai Planning Commission. As you know, Lanai is a...and it's an interesting time to say the least to live here on Lanai. With the experience that I've had, I feel that I could be one voice, make a contribution to the community as Lanai deals with the changes and moves into the future. I thank you for your consideration and will welcome any questions that you might have.

CHAIR HOKAMA: Okay, Members, questions for Mr. Bunn? Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you. Mr. Bunn, can you hear me?

MR. BUNN: Yes.

COUNCILMEMBER VICTORINO: Okay, thank you. First of all, how many years have you lived there on the island of Lanai?

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MR. BUNN: We have been homeowners and residents on the island since 2009.

COUNCILMEMBER VICTORINO: 2009. Okay, thank you. The other question, I understand according to your record here, you've served in some governmental capacities in the past.

MR. BUNN: Yes, that is correct. City Council, six years in the rural community of Andrews, Texas and then on a State Board in Texas, the TRAB, the Texas Radiation Advisory Board. And then numerous other community posts.

COUNCILMEMBER VICTORINO: Okay, thank you. And so I'm going to assume that you plan to make Lanai your permanent home for the future?

MR. BUNN: Yes, Lanai is our...is our permanent residence. It is home for us so, yes.

COUNCILMEMBER VICTORINO: Thank you very much. And I guess the last question I have for you, is you heard earlier that there was a testifier who was asking about your qualifications. I guess, you know, your resume is impressive. But how would you answer that pundit that would ask you that question? What...what makes you think you're qualified to assist Lanai in the Lanai Planning Commission?

MR. BUNN: The love that we have for the island of Lanai and the community...the love that we have for Lanai and its community and the passion that we feel for Lanai coupled with the experience that I've had on the mainland I feel would qualify me as one voice among many working for the future of Lanai and building consensus for the community.

COUNCILMEMBER VICTORINO: Okay. Thank you very much for your responses, Mr. Bunn. Thank you very much. Thank you, Chair.

CHAIR HOKAMA: Thank you. Other questions for Mr. Bunn from the Members? Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And thank you, Mr. Bunn, for your volunteering to do...to serve the community. I have a couple questions based on some written testimony that we have here. What kind of community outreach activities have you been doing to become known in the community?

MR. BUNN: The...there've been numerous community meetings here in Lanai from the regular Planning Commission, the community revision plan, CPAC, all the Pulama meetings, I've been attending those and networking with other residents and business owners. And then the...as well as working with the Chamber of Commerce. And we've been working on getting a Rotary Club started over here. So we...if we have any Rotarians there on the Committee, we may be calling on you guys to help us start a club over here as well.

VICE-CHAIR COUCH: Okay. Thank you, Chair.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

CHAIR HOKAMA: Any other questions for Mr. Bunn, Members? So Mr. Bunn, we know you live in Texas also so in the last 12 months how long have you lived in Midland or Andrews, Texas?

MR. BUNN: We no longer have a Texas residence. So we...the last Texas property that we owned we sold last fall so Lanai is our one and only...one and only home.

CHAIR HOKAMA: You have a business registered in Texas. Do you still have...is that still correct?

MR. BUNN: There are...we have numerous entities that are still active with a franchise tax status. There are no active...they're active for reporting purposes only. We have no ongoing or active businesses in Texas.

CHAIR HOKAMA: You have any businesses registered in the State of Hawaii?

MR. BUNN: No, but we are looking at opportunities so I would expect we would be registering...registering a possible interest sometime soon.

CHAIR HOKAMA: So can you tell us what is the key role of the Lanai Planning Commission that only it...which it only has under its jurisdiction, unique powers?

MR. BUNN: It...yeah, makes comment back to the County of Maui at large on zoning and other activities occurring on the island. It also plays a role in reviewing the revised Community Plan of reporting back to the County of Maui in an advisory capacity.

CHAIR HOKAMA: So you're not aware of SMA or Coastal Zone Management authorities of the Commission?

MR. BUNN: I am aware that it has commented on the...reviewed...the changes at the Manele Harbor and the other areas, yes. But in an advisory capacity, not a rule-making capacity.

CHAIR HOKAMA: Do you know how many aquifers the island has and the sustainable yield of water for our island?

MR. BUNN: There...you have the freshwater aquifer, the main freshwater aquifer is perched up above the basin. You have below the freshwater, you have some brackish water that's also being utilized. So you have...it...within the...the geology of the island is...it's fairly complicated. Overall productive capacity is reported at 6 billion gallons a day from the upper reservoir and that reservoir is somewhat complex and it's divided into different compartments. But it's considered one reservoir so you have the upper freshwater reservoir and then you got a basal lower reservoir that grades into brackish water below that so...

CHAIR HOKAMA: Okay. You understand why our community was...or city was built in that town format? You understand when and why we built it that way, the island was built that way?

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

MR. BUNN: Yes. It's my...Lanai is a...Lanai City is...its legacy is a plantation community. It's master-planned by the Dole Company, laid out in a grid pattern. Initially with common facilities for showers, et cetera. The community still reflects its plantation roots. It's the only intact plantation town left in the islands of Hawaii. It's...it is unique in many respects. Of course, before that we had the ranching days. With the close of the pineapple ...*(inaudible)*... to tourism and the ownership changes, you know, new chapters. But the Lanai City itself, its legacy dates to Dole and a master plan in the mid-'20s through the '30s. The home that we live in was built in 1929, it dates to those early days.

CHAIR HOKAMA: Are you aware of the agreements made to the community by current and previous landowners? And do you feel that they need to be complied with and fulfilled?

MR. BUNN: I've not read all of the agreements. I am familiar with some of the agreements between prior company, Castle & Cooke, and the community as relates to Manele Beach, for example. Short answer, yes. I believe that the company should comply with the past agreements that it has made with the community and...as necessary the community and the company should work together to review...to review those agreements to make sure that they're in keeping with current changes in reality. But, no, those agreements should be considered binding between the company and the community.

CHAIR HOKAMA: Are you aware of whether David Murdock received any property or development rights when he sold his assets to Larry Ellison of Oracle?

MR. BUNN: You faded out there at the first part of that question. Could you repeat that for me, please?

CHAIR HOKAMA: Are you aware if David Murdock made...had any reservations or agreements of property for development when he sold his holdings to Larry Ellison?

MR. BUNN: It's been reported in the press but not substantiated by copies of the purchase and sale agreement that David Murdock, Castle & Cooke retained the rights to develop wind on the island. It was also apparent that there were...there's numerous small properties that Castle & Cooke or Murdock retained at the initial sale that were subsequently sold to Larry Ellison, et al. The wind rights has been the big issue and unfortunately, that document has not been made public so that all would know the terms of that agreement.

CHAIR HOKAMA: Okay. So if we gave you a map you could tell us where the Planning Commission has sole jurisdiction of land use issues for Lanai?

MR. BUNN: That would...as a new member of the community and incoming board member and naturally I have many things to learn. And the...

CHAIR HOKAMA: If you don't know, Mr. Bunn, you can just tell us you don't know.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MR. BUNN: The...I'm not aware of any part of the island that the Lanai Planning Commission would not have input or jurisdiction over. But, no, the exact answer to that question...no...I've said I have...there's many things to learn so...

CHAIR HOKAMA: That's fine, that's fine, not a problem. Members, other questions for Mr. Bunn? Okay, Mr. Bunn, you would like to have any concluding comment before we move on?

MR. BUNN: No, other than...as we all know these are...the old Chinese curse, "may you live in interesting times", these are interesting times in Lanai, and it's important that you choose well qualified people to serve on the commissions and I thank you for your consideration and look forward to working in this community in any capacity. Thank you.

COUNCILMEMBER BAISA: Chair?

CHAIR HOKAMA: One second, please? Ms. Baisa?

COUNCILMEMBER BAISA: I just wanted to say one thing to Mr. Bunn. I wanted to thank him for applying and offering his service. And I wanted to tell him that as a fellow Rotarian, I would expect him to follow the four-way test and I know he knows what I'm talking about.

MR. BUNN: I do. And I thank you for mentioning that.

COUNCILMEMBER BAISA: Thank you.

CHAIR HOKAMA: Thank you for that, Ms. Baisa. Okay, Mr. Bunn, thank you very much for your participation in the meeting this morning. We appreciate you making yourself available and for volunteering. Thank you.

MR. BUNN: You're welcome.

**ITEM PIA-2(27): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS**  
**(AFFIRMATIVE ACTION ADVISORY COUNCIL) (CC 13-42)**

CHAIR HOKAMA: Okay, let us move on to 2(27), also under Nominations to Boards, Committees, and Commissions. This is regarding the nomination of Thomas White to the Affirmative Action Advisory Council. And this is due to a resignation of the previous member for a term expiring March 31, 2017. Mr. Buck?

MR. BUCK: Thank you, Mr. Chair. Thomas White, nominee for the Affirmative Action Advisory Council, is a retired Lahaina resident. He has a food service and insurance background in the State of New York and is a Cornell University graduate. Thank you.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

CHAIR HOKAMA: Thank you. Questions for Mr. Buck, Members, regarding Mr. White's nomination?  
Any questions?

COUNCILMEMBER VICTORINO: No.

CHAIR HOKAMA: Okay, having none, we'll move forward to Policy Item 2(28).

**ITEM PIA-2(28): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS**  
**(COST OF GOVERNMENT COMMISSION) (CC 13-42)**

CHAIR HOKAMA: This is Nominations to Boards, Committees, Commissions. The Mayor is nominating Dale Thompson to the Cost of Government Commission for a term expiring March 31, 2018. And this is due to a resignation of a previous commissioner. Mr. Buck, any comments?

MR. BUCK: Thank you, Mr. Chair. Dale Thompson, nominee for the Cost of Government Commission, is currently a small business owner, Avalon Art, and has owned other small businesses. He's a former member of the Grammy's Foundation and has been involved with other organizations around the world. Thank you.

CHAIR HOKAMA: Okay. Mr. Thompson? Mr. Thompson, thank you for being here and making yourself available. Why don't you please join us? And we'd appreciate it if you would introduce yourself and give us some comments regarding your willingness to give us time and service.

MR. THOMPSON: Good morning, Mr. Chair and members of the Council.

CHAIR HOKAMA: Good morning.

MR. THOMPSON: Or the Committee. I'm here in regards of PIA-2(28) to fill a resignation for the Cost of Government Commission. I'm a 26-year resident and homeowner and business owner here on Maui and I think I can be of good service to our community although it looks like it's a hotly debated one...right in the lion's den. Is there questions that you have?

CHAIR HOKAMA: Okay, well, thank you. Anything else you'd like to add before I ask the Members for questions, Mr. Thompson?

MR. THOMPSON: I don't believe so.

CHAIR HOKAMA: Okay. We have questions for the gentleman? Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair, and thank you, Mr. Thompson, for volunteering to serve the community. You've heard some of the discussion with the previous testifiers about the Cost

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

of Government Commission. Have you had a chance to kind of digest and take a look for yourself as to whether or not this should be a commission that hangs around or...?

MR. THOMPSON: Hoping not to get fired before I'm hired. And so when I looked online the other day and I saw the agenda and I'm like, okay, great, nominee. And I'm like, wait, abolishing it? And that was the first I've heard of it. And so I'm not familiar with all the goings-on behind the scenes of it. But I do believe that it's a great help to have the community involved and well...and I think that's the biggest asset there. There...it's volunteers of the community involved rather than as part of the government.

VICE-CHAIR COUCH: Thank you, Chair.

COUNCILMEMBER BAISA: Chair?

CHAIR HOKAMA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. Thank you very much for being here. And as you said, right...the timing is wonderful. It's interesting that, you know, we're appointing someone to a commission that is also being considered for...well, we may not need this --

MR. THOMPSON: Abolish it.

COUNCILMEMBER BAISA: --anymore. We may not need it anymore. I'm interested...I don't know how much you know about the controversy but I heard several testifiers earlier today, and I think you did too, mention that they feel that the Cost of Government Commission should hire the Auditor. Do you have any thoughts? And I know it may be premature and if it is, just say so.

MR. THOMPSON: It's premature for me to make a decision on that.

COUNCILMEMBER BAISA: Okay, okay, thank you very much.

CHAIR HOKAMA: Okay, thank you for that question. Any other questions for Mr. Thompson, Members? The Chair...Ms. Baisa brought up a good one, Mr. Thompson, about whether or not the Commission should have an oversight of the County Auditor. You know, for me in my years of service, the Charter makes direction to Civil Service Commission, Police, Fire and Safety, the roles of the commission, including budgetary review and submittal to Council. And also that's part of how they would, I guess, also review and determine the level of service that the person they're in charge of hiring and firing, mostly he's the top of the department, either the Police Chief, Fire Chief, Personnel Director, what not, as a way of making it structurally work. I think this County conceptually it might be good thing, but in actuality it doesn't really work that way.

MR. THOMPSON: Certainly.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

CHAIR HOKAMA: And for me, I can tell you, I will not in any way support an appointed body to confirm or appoint the Auditor. You guys wanna talk politics?

MR. THOMPSON: I think that's your job. I think ours is a recommendation to you guys.

CHAIR HOKAMA: I'm just mentioning that, Mr. Thompson, because that's some of your Commissioners' statements. And for me, you know, if they want that job then they should run for office and be an elected because that's our role and that's our job by being elected, not appointed, elected. And that's a big difference in this Chamber. You know, my thing...so, you know, you've heard Mr. Kawahara. And, you know, I believe we're not that far apart in our philosophy and direction 'cause I believe if the Auditor does his job well and the Auditor performs what we have envisioned him to do, then I can see the elimination of the Cost of Government, sooner than later, Commission. It does not, in any way, stop the Mayor from creating ad hoc committees to continue certain types of reviews and advisory components that the Mayor still has under his authority. So if he feels it's a good thing, it doesn't need to be a creature of Charter. The Mayor has his own powers under the Office of the Mayor to create those ad hoc-type of components. So if he believes or she believes it is still a worthy thing, the Administration can still continue to move those efforts forward under their jurisdiction, just wouldn't be a Charter-recognized entity. But still can continue to be created and functioning pretty much the way it is except you won't have power of law. But they can give their advice. They can continue to give comment on how to make the entity work better. So any comments to that scenario, Mr. Thompson?

MR. THOMPSON: Well, I'm here to help as long as I can. And I understand your views on it.

CHAIR HOKAMA: In...being told about serving on this Commission, did you have specific areas of concern that you felt was of a priority to your interests?

MR. THOMPSON: No, sir.

CHAIR HOKAMA: Okay, very good. Any other questions from the Members? Having none, Mr. Thompson, any concluding comments you'd like to share?

MR. THOMPSON: No, thanks very much. It was a pleasure.

CHAIR HOKAMA: Okay, thank you very much for being here, Mr. Thompson. We appreciate your willingness to volunteer and making yourself present.

MR. THOMPSON: Thanks, likewise. Bye-bye.

CHAIR HOKAMA: Thank you. Members, we'll take a mid-morning break for the needs of the Members and we'll come back at 10:45. . . .(gavel). . .

**RECESS: 10:35 a.m.**

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

**RECONVENE: 10:51 a.m.**

CHAIR HOKAMA: . . .(*gavel*). . . The Policy Committee shall return to order.

**ITEM PIA-10(10): PROPOSED CHARTER AMENDMENTS (AFFORDABLE HOUSING FUND)**  
(CC 09-229)

CHAIR HOKAMA: Members, may I direct you now to Policy Item 10(10) under the heading of Proposed Charter Amendments. Under 10(10) we have, let's see, one, two, three proposals, various proposals but all dealing with the Affordable Housing Fund. Currently the Charter requires that 2 percent of the certified real property tax be appropriated to the Affordable Housing Fund for projects that meet the qualifications of the policy and also to get Council's approval in the expenditure of the funding request. As you noticed, Members, we have one from Mr. Couch, one from Mr. Victorino, which has various sunset dates. I'll have the Members...I'll have Mr. Couch bring up your proposal first. Mr. Couch, your comments and then we'll let Mr. Victorino give comments on his proposal. And we also have one from Mayor Arakawa also, Members. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And the reason I brought this up was, of course, that the expiration date is 2015, the sunset date, and I wanted to...that was a five-year, if you go from 2008 to 2015, that was five-year period. I wanted to add another year just to...we...not be so soon but also not be so far away as to if there's an issue for review to take a look at it. I...I don't think at this time it would be prudent to make it permanent only because we can get some reports, we can get some, you know...there's some hard deadlines to say, you've gotta have some sort of progress and some sort of reporting by this date or it'll go away. So I think it's important that we still have a sunset date. Thank you.

CHAIR HOKAMA: Okay, thank you. Mr. Victorino, would you like to share some comments with the Committee regarding your proposal? I leave it up to you.

COUNCILMEMBER VICTORINO: Yeah, no, Chair and thank you. I, like Mr. Couch, feel very similar in my proposal. But I somehow remember we worked on this a few years ago to extend it because there was a sunset date prior to this. And if I'm wrong, I stand corrected. But I thought, you know, couple years back, two, three years back we had to work on it because it had, like, so many years. So my extension for four years was following the same guidelines as we had had in the past. You know, four years, six years, eight years, I mean like the Mayor has proposed, I really have no objections to any of 'em. I do agree that permanent is maybe taking it a little too far. I grant you that I agree with the testifiers that I don't think housing and affordable housing will ever go away, you know, and not in many lifetimes. And so I think that would be challenge and that's a challenge many communities all over this nation faces. It's not just us. It's a nationwide problem. But it's a problem that every community takes a different approach on and I'm proud to say that we've taken a really proactive approach. I think the key here

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

now is to whatever we decide today to me it's very important that a constant reminder, a review, a some set sunset that makes us have to come back and whoever the future Councils are, come back and take a look at it. Maybe there'll be a day we may need to increase. Maybe there'll be a day to decrease the percentage, who knows? And so, you know, by having sunset dates, it makes us have to come back and we've done that with other ordinances. Not to say that all of us cannot request a review of anything at any time. So I understand that process also. So my feeling was, you know, I followed the guidelines that had been done in the past of four-year review. So, but I have no objections to any of the other ones or to look at any of the other ones. But I agree with Mr. Couch. I think making it permanent at this time may not be so prudent. You know, I really believe there is need to review and have a specific time frame that we have to, not be requested, but have to review. Thank you, Mr. Chair, for allowing me that, a few minutes to explain my position.

CHAIR HOKAMA: Okay, thank you very much. Before I ask the other Members for their questions and thoughts, I would first point out that I did send a letter to Director Ridao that was dated April 17<sup>th</sup> in the back of your...in your binders, Members. The Director did respond on April 29<sup>th</sup> to the Chair's letters and also provided you with some updated information regarding the projects funded in part or whole by the Fund, units constructed as well as completed affordable housing units that have been purchased by individuals and b, by the County of Maui. So you have her numbers and I'm gonna ask the Director if she has any comments she'd like to share with us regarding the responses and the extension of the Affordable Housing Fund. Director?

MS. RIDAO: Thank you, Chair. My comments are very short this morning. I know that you have heard from the testifiers as well as Councilmember Victorino that affordable housing will probably be with us for a very long time. I am of the opinion also that I think it's good for us to be reporting back to the Council every so many years. Whichever you decide I think we can live with. To add to my report I think I wanna tell you that the Affordable Housing Fund has touched every gamut, I guess, of our community. The fund has provided for homeless housing. It's provided for senior housing. It's provided for self-help housing. It's provided home ownership as well as for rental units. We've assisted the disabled of our community with the Affordable Housing Fund. So...and also it has touched almost every area of Maui including Hana and we've also done affordable housing on Molokai. Unfortunately, we're still working on the Lanai affordable housing. So I think to say that the fund is making an impact, I'm very confident in saying that we are making an impact, the fund is making an impact. And I encourage the Council to continue the fund and help us try and create what we can in affordable housing. Thank you.

CHAIR HOKAMA: Thank you, Director. Ms. Baisa, questions or any comments on this item here, please?

COUNCILMEMBER BAISA: Yes, very, very much so, Chair, thank you. I am a big supporter of this. I think it's a very important thing. I was not on the Council when the initial law was passed but I was very involved in the grassroots effort to get the Charter amendment passed. And the reasons

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

that were...that was based on at that time still exist. And I looked at the report that Ms. Ridao sent to us and it certainly shows that a lot has been done with this fund. However, as we all know, we talk about this constantly, there is still a very huge need for affordable housing in our County. And it really doesn't matter what island or what district, everybody has this problem of where do we...where do we put people that need affordable housing. So I think it's imperative that we continue. I'm intrigued with the idea of permanent but I understand that, you know, maybe many of the Members feel that our economic situation may change. I remember reading a long time ago, Lowell Kalapa cautioning government bodies about permanent set-asides because he said what happens if you need the money for something else. But, you know, affordable housing is such a priority. And I agree with everybody. I don't think it's gonna go away, Chair. You know, even the Bible says that the poor will always be with us. And because we live in this unique situation where we have very wealthy people coming to Maui and we have others who are really not doing well and no matter how hard we try, that imbalance seems to be there. So we need to help them. We are all citizens of this community and we want all of us to be able have the dream of a roof over our head that we can call our own. So I feel very okay with committing to the longest possible time that my colleagues can agree to.

CHAIR HOKAMA: Thank you. Ms. Cochran, any questions or comments?

COUNCILMEMBER COCHRAN: Thank you, Chair, and thank you, Ms. Ridao, for being here and your report. It's nice to see it all factored out in numbers and stuff. So, yeah, I totally agree that this is a good fund to have and I understand...you know, the sunseting of it, I don't know. I mean I think to have it...have a date there to revisit at that time to reassess where we're at. Has it been productive? Have we, you know...has the intent of the fund been fulfilled and what have you? So I'm...I totally agree that this is not gonna be solved overnight and I think that...and perhaps maybe we wanna bump it up. Maybe we wanna find housing funds from a different source in a way. There's so many opportunities. I think this body can be creative and look towards addressing and adjusting as the time goes by to evolve and morph into, you know, the needs of this community. But I don't foresee the need of affordable housing going away anytime soon. And I think this is definitely a great way to address it at this time. And looking forward to hearing the discussion on how long we wanna keep this but to, you know, keep it as a permanent forever and ever and ever is a tall order. And I think this is a good discussion to have at the table. And thank you for bringing it forward, Chair.

CHAIR HOKAMA: Okay, thank you. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And thank you for the request for the report. I do have a question on the report. If you look at Exhibit 1, Page 1.

CHAIR HOKAMA: Okay.

VICE-CHAIR COUCH: It talks about County of Maui's...in Fiscal Year 2011, County of Maui's Kulamalu Project, 38 million...3.8 million, and then on the next page Fiscal Year 2013 it's 2 million, and then Fiscal Year '14, 1.5 million. Is it my...the way I read that is the 3.8 was set

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

aside for dollars to purchase land but nothing was purchased back in Fiscal Year 2011. And so did that lapse? And the 3.5 million is the actual cost for the land or are we talking \$7 million or 8 million...7 point something million dollars here?

CHAIR HOKAMA: Director, can you please respond?

MS. RIDAO: Yes, thank you for giving me the opportunity to clarify that. We're talking two separate projects. As noted on Page...the second page, it's Kulamalu Town Center Building, a project is for the Hale Mahaolu Project. So the County project purchase of the land was 3.8. And then for Hale Mahaolu I believe their purchase was around the same amount, 3.7, something like that. So we gave them first \$2 million and then an additional 1.5 million.

VICE-CHAIR COUCH: So where is that land that they're planning on doing some?

MS. RIDAO: Our...the County property is off of, I think...it's the main entry going down to Kamehameha School.

VICE-CHAIR COUCH: Right, it's right across the street from --

MS. RIDAO: First corner, yeah.

VICE-CHAIR COUCH: Yeah.

MS. RIDAO: The Hale Mahaolu land is if you take the first left at Longs Drugs. So you come in to Kulamalu, you take the first left. It's all the way at the end next to the public parking. There's a public parking area where they have their Saturday farmers' market.

VICE-CHAIR COUCH: Okay.

MS. RIDAO: It's right below that.

VICE-CHAIR COUCH: Oh, okay. Well, that's good to know that they're two actual separate projects then. That's one of the concerns I had is...

MS. RIDAO: Yeah.

VICE-CHAIR COUCH: It seemed like the same project.

MS. RIDAO: Our project will...consists about...of 56 units and I believe Hale Mahaolu is proposing around 60 units.

VICE-CHAIR COUCH: And those are...theirs are...and ours both are --

MS. RIDAO: Affordable.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

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VICE-CHAIR COUCH: --permanent affordable rentals.

MS. RIDAO: Yes.

VICE-CHAIR COUCH: Right?

MS. RIDAO: Rentals, yes.

VICE-CHAIR COUCH: Okay. Thank you.

CHAIR HOKAMA: Okay, thank you very much. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. I'm very supportive of extending the time frame for the Affordable Housing Fund. I think it may be appropriate at some point for us to allocate additional funds. But I think we...I would prefer that we do that on a year-by-year basis as opposed to putting it in the Charter at this time. I'm like some of the others, I'd like to see this permanent but I think from a fiscal standpoint that it's more appropriate for us to have a time frame within which we would need to review it like as we are today. So thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I also would support this measure in the amendment for the Charter. I also believe affordable housing is of utmost importance in our County. The only issues that I have are whether the 2 percent certified real property tax revenues that are going to support the fund, whether that will eventually be changed or at least be at a time period wherein we can't afford to put in 2 percent. So I would rather have that provision somewhat say maybe at an annual basis to be determined and the percentage-wise. Or my other issue would be in Victorino's proposal, Member Victorino's proposal, it says four years, as Mr. Couch, it's six years extension and the Mayor has eight years. And I just wanted to see what the rational basis for each of those years are for. Why they're different in length. The other issues that I have with the response from...I guess the letter from you, Chair, to the Department. It would be on the, let's see, dated April 29, 2014. That would be question number 3, how many completed affordable housing units have been purchased by the individual buyers and County of Maui? It appears that the fund is usually used for construction, if I'm not mistaken. And my question is why hasn't the fund been used for completed projects or completed affordable housing units? Is that because it's not set for that purpose?

CHAIR HOKAMA: We'll let the Director give a response to that question, Mr. Guzman. Director, if you would please?

MS. RIDAO: Yes, it's probably the way I interpreted the question. As you see in the report, most of the Affordable Housing Fund have been used by nonprofits. Only one project, which is the Kulamalu project, is being spearheaded by the County. So I interpret that as how many did the

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

County do. But if you look at the report you can see how many individual units have either been...have been built for purchase or how many units have been built as rental units.

COUNCILMEMBER GUZMAN: Okay. Chair, may I have a clarification as to the intent of question number 3?

CHAIR HOKAMA: When I had the question posed to the Department, I was curious on who was building houses, who was getting the houses and how the fund...what was the impact of the fund in determining those units. As a Member, you are well aware of through entitlements that the County has granted in the past, there's a lot of projects that owe us affordable components, affordable units, multi-family, single-families. And I didn't want that to get confused with what we're trying to accomplish through the fund. 'Cause I view that as two separate components to the affordable issue there, Mr. Guzman. And one of the ways I'm trying to think about is how to utilize this fund better but at the same time working with the Department to get those compliance to conditions of zoning and entitlement. How do we get those units constructed and --

COUNCILMEMBER GUZMAN: Right.

CHAIR HOKAMA: --on line for the residents' benefits. You know, I mean if we got those 3, 4,000 units built the situation of this fund, questions you asked about how many percent we should be putting in, the length of this type of funding, may be different --

COUNCILMEMBER GUZMAN: Right.

CHAIR HOKAMA: --may be different. I believe it would be if we had those 3, 4,000 units already aligned for our people. And maybe we could put resources to another priority that the Council believes is critical at this point in time. So that's how I approached the question, Mr. Guzman.

COUNCILMEMBER GUZMAN: Thank you very much for the analysis. I really appreciate that. I do understand it now, the question. Thank you.

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: Thank you and again, I agree with my colleagues, you know. The challenges we face today could change in the next few years. And, again, affordable housing is gonna be needed in perpetuity. I'll say it that way. You know, we will need affordable housing 50 years from now, 100 years from now. It's not gonna change. And I did agree with Mr...I think was Andersen that says, you know, the way it's done in the mainland you drive as far as you can go to find housing and then you come back to work, you know. And that's true because I have family and friends that live two hours from where they work because that's where it's affordable. And we're an island and you go more than 100 miles and you probably end up some place else in another island in the water. So obviously that cannot happen. The reason and the rationale for my four years...and I know Mr. Couch wanted six and the Mayor wants eight. And any one of 'em will work. I felt that, first of all, the Council changes. In four years, there'll be

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

new Members sitting here, guaranteed. Guaranteed there's gonna be some new Members sitting on there, you know. And so I think that's another rationale I had is that when the new Members come in, there will be a time when they will have a chance to hear and discuss their feelings, just like you, Mr. Guzman. So I think that was my rationale. You know, six years you'll have new Members, eight years you'll have new Members. But again, I think every four years gives us an opportunity to really look at where we're at, what we've done. It's forced upon us and we've done it in other areas where now we're beginning to say, we'd like to see this back in three, or five years, or...whatever. Because we get tired of passing something and then four or five years later they come rushing in because there's problems. And we never thought about asking what was going on. You know, until there's a problem, really, nobody comes to see you. So this is an opportunity for us, like in other areas, to keep this in the forefront, if you wanna use that term, in the forefront. So whatever we decide today, I like the four years because that's something we've been doing and I wanna keep it that way because of, you know, the new Council members that come on. They would have to have an opportunity to see review because some of us will not be hear in four years. That is for sure and some of us may not be here in four years for other reasons. But there is a term limit and that makes that...that more appropriate. So but I'm fine with either one. I can go with any of the numbers. But, again, in perpetuity, we need to wait. We need to wait. And to answer Mr. Guzman, like Mr. White had said earlier, we can change the figures. We could add more. Now I'm not sure. I think if we wanted to decrease it, we would have to have an amendment to the Charter. Is that correct, Mr. Chair or Mr. Kushi? I don't know who'd answer that question.

CHAIR HOKAMA: Well, the...

COUNCILMEMBER VICTORINO: 'Cause they set aside 2 percent by Charter, right?

CHAIR HOKAMA: As your Chair understands it currently --

COUNCILMEMBER VICTORINO: Yes.

CHAIR HOKAMA: The minimum is 2 percent.

COUNCILMEMBER VICTORINO: Yeah, we cannot go less than that?

CHAIR HOKAMA: That's correct.

COUNCILMEMBER VICTORINO: Yeah, so we can always add. If we wanted to go less for any downturn in the economy which we all were here when the economy went down. Some of us was in this Chamber in 2008 when things went south and we still put the 2 percent aside. But it became less because of the way the certified and as far as the tax rates were concerned. So the 2 percent is minimum, I don't see a reason to change that, you know. I really don't see a reason to change that. We can add more. If we have good years, add another percent. We can. That we can do. The minimum is 2, the max is unlimited. But that's my rationale for four years. Six years, eight years, I'm not objecting to any. Again, I want it to fall so that every Council or every

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

Council member every four years would have an opportunity to review and get abreast to what's going on. And I think Mr...right here is a class example, all the new Council members like Mr. Guzman is a part of that right now and understanding better what's going on. Thank you, Mr. Chair.

CHAIR HOKAMA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. I wanted to say a little bit more about the length of time. The reason why I'm thinking we need a little longer period is because of how long it takes to plan anything. You know, we sit here and we hear about how many years it took to get the land, to plan, to work with the nonprofit and all of that stuff. And I would like that planning cycle to be continuous. And if they're not sure about a source of funding, I think it might have deleterious effect on the ability to plan. So that's why I would go for the longer period. I don't know, maybe Ms. Ridao, you have a comment because you deal with this on a regular basis.

MS. RIDAO: Well, I think, Member Baisa, that your observation is very accurate. We all know how long it takes to do a project from start to finish, and it becomes even more complicated if you have to go in for zoning change. So I...I agree that maybe a little longer period would be helpful. But I also agree that, yeah, not to have a sunset date may be premature at this time until...until the fund is...has really proven itself, yeah.

COUNCILMEMBER BAISA: I agree with you and my colleagues that probably an open-ended, you know, forever is not a good thing. But I'd pull for the longer period only so that it allows more planning time because these projects seem to take forever, and not being sure of funding I don't think is going to help. Thank you.

VICE-CHAIR COUCH (TEMPORARY CHAIR): Okay.

COUNCILMEMBER VICTORINO: Chair?

VICE-CHAIR COUCH (TEMPORARY CHAIR): Mr. Victorino.

COUNCILMEMBER VICTORINO: Thank you. And, Ms. Ridao, thank you very much. If you were to...you see the three proposals on the table, which proposal would you prefer? Because, again, you're the administrator of this and, and whoever your predecessor [*sic*] will be if you go six or eight years, obviously they would inherit that. Again, what would you prefer as far as a number?

MS. RIDAO: Thank you for putting me on the spot, Councilmember Victorino. . . .(*chuckle*). . .

COUNCILMEMBER VICTORINO: I try my best. I try. . . .(*chuckle*). . .

MS. RIDAO: I think, I think a six-year compromise is good. What you have before you is about five years. Four years of what has been done since the projects...since the Affordable Housing Fund

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

started. I think we now have some experience under our belt at the kinds of projects that can get done sooner. So I think a six-year sunset is a very good compromise.

COUNCILMEMBER VICTORINO: Okay, thank you. Thank you for that clarification. Thank you, Chair.

VICE-CHAIR COUCH (TEMPORARY CHAIR): And, Members, some...some food for thought possibly is that, you know, the Charter, every ten years there's a Charter Commission that's supposed to come in, so that's Fiscal Year '21, and this Charter Commission then puts everything to the Charter in 2013. So that might be the thing to do, is coincide it with the Charter Commission which pushes for the, the 2013 year. So potentially you may wanna... 'cause if we do the six year, it's one year before the Charter Commission comes on...onboard. So maybe to coincide it with the Charter Commission, that might be something worth considering.

COUNCILMEMBER VICTORINO: What you're suggesting is eight?

VICE-CHAIR COUCH (TEMPORARY CHAIR): I think that's what it would be, is would be the eight year.

COUNCILMEMBER VICTORINO: Eight year, right?

VICE-CHAIR COUCH (TEMPORARY CHAIR): Yeah. Okay. Members, any other comments on that? Mr. Guzman? Oh, I saw...I thought I saw your hand go up. . . .(chuckle). . .

COUNCILMEMBER VICTORINO: He was . . .(inaudible). . .

VICE-CHAIR COUCH (TEMPORARY CHAIR): Okay. All right. . .oh, Mr...Mr. Hokama is back.

CHAIR HOKAMA: Okay. Thank you very much, Don, for taking over for a short while. Appreciate it. I know you guys were talking about the various terms and I understand Ms. Ridao gave a suggestion of six years. And I know Mr. Couch brought up maybe considering it with the Charter cycle. I would just say, Members, from my perspective, depends where your priority is. You know, we could wait for the Charter cycle but they're tasked to look at the whole Charter in its entirety. And, again, depending on the focus of the membership for that commission of that time would determine its type of amendments. I believe couple things regarding this affordable housing issue and the fund. One, while I know it is a long-term war like poverty, I'm not into anymore giving long-term granted...preappropriations. I've learned that that's not a good solution especially about Council's oversight and the responsibility of accountability of those funds. So I'll be more open to a specific term. I think Council needs to determine whether that priority still maintains its current position or needs to be at that priority position. Or is something else may be of a higher community concern that we need to shift financial focus? So I'll be open to...I'm more supportive of a term. Personally, I like six years. I find that it works for the Feds, works for the State. I think it would work for us. I take in account comments from Ms. Baisa. There needs to be some ability to plan. And so I can see a need for a term...a length

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

that makes sense for long-term planning of those funds. But I get concerned when departments feel is guaranteed funding year after year after year after year. So I'm not into granting that kind of authority. So, Members, for this one I would recommend you consider six years sunset and have them come back and give us the status and report and let Council decide if it's still the top priority. If it's not, change the allocations or what have you. Or create a...amend the fund and make it to something else that we feel is more important, whatever it may be.

COUNCILMEMBER VICTORINO: Chair?

CHAIR HOKAMA: Mr. Victorino?

COUNCILMEMBER VICTORINO: And thank you for your recommendation. But I'm gonna, one more time, I'm gonna present this because I think Mr. Couch brought up an important point with the Charter Commission.

CHAIR HOKAMA: I understand.

COUNCILMEMBER VICTORINO: You know, the eight years. And I'm not...and so I'm not gonna advocate for the eight years. But I would step back and say if we did it four and four, we'd have a point that we would have an opportunity then, at that point, to review along with the Charter Commission to make changes. Now that's my advocacy.

CHAIR HOKAMA: Yeah, yeah.

COUNCILMEMBER VICTORINO: You know, and in four years again, the Council that's gonna be sitting here would have time to review what has occurred over the last four years.

CHAIR HOKAMA: Yeah.

COUNCILMEMBER VICTORINO: And then at that point to look at...oh, in four years the Charter is coming, do we wanna increase, decrease, we wanna make it...whatever it'd be at that point in time. So that's my advocacy. Nothing against six.

CHAIR HOKAMA: No, no, no, I understand --

COUNCILMEMBER VICTORINO: Nothing against eight.

CHAIR HOKAMA: --Mr. Victorino.

COUNCILMEMBER VICTORINO: Yeah, so that would be...you know, that came to my mind --

CHAIR HOKAMA: Yeah.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

COUNCILMEMBER VICTORINO: --when Mr. Couch mentioned about the Charter Commission. Some concurrency at that point in time. You know, we could do it six and then go two years and do with concurrency. But again, to me...like you, Mr. Chair, I don't wanna wait six years and I probably won't be sitting here. You know, with the good Lord's will, we'll see what happens. But somebody else will be sitting here and I would want them to have had a chance to at least review it and say, hey, Charter's coming up in four years. Do we want to recommend some changes at that point? That's my last pitch in that area.

CHAIR HOKAMA: No, no, no.

COUNCILMEMBER VICTORINO: It's really up to everybody what they decide.

CHAIR HOKAMA: No, I think you bring up very good points, Mr. Victorino. I'm a little bit more...not cynical -- that's not the word I want -- a little bit more biased in a sense, Members, 'cause you know my advocacy for the Lanai affordable housing project. One of the things is, you know, is that I'm trying to project out is a long-term financing of the needs of that project. And that's going to be one long-term project. I'm sure even the Director would say it's gonna be multiple phases. We're not gonna grow a 115-acre subdivision overnight on Lanai. It's gonna take time. And so for me, one of reasons why I'm open to the six year, Members, is the Council, the community, the Department can budget for this kind of projects a lot better knowing she's got six years of funding potential. Or unless you guys willing to tell her that we'll find other ways of financing our County projects 'cause this is something that the private sector is going through. Same way, how do they finance one project that...you know, for me and Ms. Ridao, I would like it tomorrow night, the housing unit. But in reality me and Ms. Ridao looking at possibly three years before we get one unit. And you guys heard the demand of the community when we visited last. So, you know, for me it's how do we...how we're gonna get that funding to infrastructure and then get those first 50, 75 units up quickly that Ms. Ridao and I believe we can fill with resident homes...resident people in our homes. So that's one of my things I think about, is how is that fund...this fund gonna help projects like Lanai which is 100 percent County. And we're the only show in town for that island right now. So I just share that with you as that's one of my unique challenges for this district. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. Just following up with your comments, Chair. Does...is it imperative that...or at least is it used as a leverage or a gauge when we do joint ventures or partnerships with the private sector? Does it matter that it is...the funding is there for, you know, a length of time in terms of financing? Is that something that's going to be used for, I guess, a component in determining whether the private sector can jointly go into a project with the County to look at whether the funding will be there for a long period of time or not? I guess I'm just following up with your comments.

CHAIR HOKAMA: Yeah, I think that a lot of the strategies depend...you know, Ms. Ridao is a proven, experienced person who's built affordable housing, okay. I mean she's actually built units which makes me real happy 'cause she's done...she's done the walk and not just the talk. So I would ask Ms. Ridao if she has some comments about the Department's maybe funding options or how

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

we're gonna address projects such as the Lanai project, whether it's on Lanai or here on this island.

MS. RIDAO: Thank you for that question, Mr. Guzman. We have not yet partnered with a for-profit-developer-type organization. I think that that is probably in the future, probably not the too far future. But I think the challenge there is going to be the negotiations and what the for-profit developer wants out of the project. We have been, I think, very successful in talking with and working with people like EAH and DBR that did Imi Ikena. You know...so I think that that is potential for the future in working with a private for-profit developer.

COUNCILMEMBER GUZMAN: Chair, just a follow-up.

CHAIR HOKAMA: Yeah, please.

COUNCILMEMBER GUZMAN: So, Director, would it be more advantageous to us to have a six year as opposed to a four year in negotiations with a partnership with a private sector?

MS. RIDAO: No, I think it's all a matter of timing.

COUNCILMEMBER GUZMAN: Okay.

MS. RIDAO: Yeah.

COUNCILMEMBER GUZMAN: Okay. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Any other questions for...Ms. Baisa?

COUNCILMEMBER BAISA: Yes, I'd like to speak again in support of the six and for several reasons. One is that I know that our Director is trying to not get in the middle of this. She is a smart lady. But I also know that I've been here for a long time and I have listened to the agony over planning projects and how long it takes and trying to guarantee that money is gonna be there. And I just feel more comfortable if we went with six. As far as the idea of binding a future Council four years from now to add four more years, we can't really do that because, as Mr. Victorino says, we don't know who's gonna be sitting in these seats. I know definitely I won't be. And, you know, so I would be very, very comfortable to support your six-year recommendation.

CHAIR HOKAMA: Thank you, thank you. Any other comments, Members? Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. I'm comfortable with the six. I'm also comfortable with the eight. I think the length of term somewhat coinciding with the Charter review. The reason I'm not terribly uncomfortable with the longer term is that, as Ms. Baisa just said, we can't bind a future Council from making a different recommendation. If we get into financial trouble, we can always backtrack and say, for the next three years we'd like relief from this provision and take it to the ballot and let the people decide. So I'm actually comfortable with the

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

four, the six or the eight. And I, you know, I think it's a commitment that all of us feel very comfortable with now. And no matter which one we choose, we always have the ability to provide another Charter amendment at a future date.

CHAIR HOKAMA: Right, right, right.

COUNCILMEMBER WHITE: So I think the Mayor was asking for something reasonable. I think Mr. Couch was asking for something reasonable. And so is Mr. Victorino. This is...you know, I think we're all focused on the same thing.

CHAIR HOKAMA: Right.

COUNCILMEMBER WHITE: And I think we all are committed to making...making affordable housing happen and we know it's one of the biggest challenges that we face.

CHAIR HOKAMA: Right. I'll just ask Mr. Kushi so we're very clear. Hearing Mr. White's scenario, Mr. Kushi, let's say this election we put in...let's say the fund still keeps going. We find we're having financial issues. The County lost great valuation. We don't have the cash that we had anticipated. We put up a Charter amendment this election. It will not go into effect until 2015? I mean the following year's budget cycle, right? So we gotta wait more than one year before we can make any adjustment to the fund?

MR. KUSHI: Mr. Chair, my understanding is the existing language of the Charter includes this fiscal year.

CHAIR HOKAMA: Right.

MR. KUSHI: So if you go in this election, it'll be effective as of January 2015 which would then include the Fiscal Year 2015-16. If it doesn't pass, then this thing ends.

CHAIR HOKAMA: Right.

MR. KUSHI: Again, to respond to some comments about the 2 percent. You know, it's...revenues are put into this fund but you don't have to spend it 'cause it needs to be appropriated through your budget. So if you're having hard times, I mean just accumulate the funds, don't spend it.

CHAIR HOKAMA: Right. But the fund can only be used for its specific purposes now, Members. We cannot not spend and try figure out how we're gonna spend 'em someplace else now. It's earmarked monies. So thank you for that, Mr. Kushi. So at least we have a one-year delay then, right, on the budgeting component because wouldn't take effect until we work on the '16-'17 Budget. If we did it this election 'cause we're preparing to approve the '15-'16 Budget right now.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MR. KUSHI: Yeah, I mean...unless the Charter amendment itself specifies a date certain when to be effective, it usually is effective on January, whatever it is, after the election.

CHAIR HOKAMA: Right, okay.

MR. KUSHI: So you could say effective the 2016-17 Fiscal Year Budget.

CHAIR HOKAMA: Okay, thank you. Thank you for that. Any other thoughts, Members? Comments? Just so you know, I did send out in November, I think, a general time schedule that from sometime in April through June, this Committee would take up as many of the Charter considerations that is within our Committee agenda. And that is because by July we would need to make final determination if we want anything on the ballot so we can take care of the translation requirements and ballot preparation requirements. And that's one of the reasons why I appreciate you meeting today is how we can work with the Elections Office, Clerk's Office and making sure if we do propose any amendments, it's within the time frame that allows Clerk's to do their responsibilities for us. The Chair has no problem, you know, I wanted to take...make the decision-making as much of the items as possible today. We have time on Charter amendments for another meeting. So we could defer all of it or we can make decisions on some of it if you feel ready like the Affordable Housing Fund, you know.

COUNCILMEMBER COCHRAN: We had recommendation on that one?

CHAIR HOKAMA: My recommendation on the...on Item 10(10), Members, which is the Affordable Housing Fund, is to go with six years. That's my recommendation at this time.

COUNCILMEMBER BAISA: Mr. Chair?

CHAIR HOKAMA: Ms. Baisa?

COUNCILMEMBER BAISA: I move that we accept your recommendation.

CHAIR HOKAMA: Okay, is there any second to that?

COUNCILMEMBER WHITE: Second.

CHAIR HOKAMA: Mr. White seconds it. I have a proposal regarding the Charter amendment to extend the Affordable Housing Fund for six years and that would go until 2020. Made by Ms. Baisa, seconded by Mr. White.

VICE-CHAIR COUCH: Is...2021 is the six years? 'Cause it...it ends Fiscal Year 2015 which is...then you add six years. It'd be Fiscal Year 2021.

CHAIR HOKAMA: Okay, that's fine. Is that...would that be the appropriate calendar year for the...for us to recommend, Ms. Nakata?

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

MS. NAKATA: Yes, Mr. Chair. The Charter revision currently runs until 2015. So just for clarification, the Chair's recognizing a motion to adopt the revised proposed resolution stated in Paragraph 3 under PIA-10(10) which was the original proposal by Councilmember Couch, revised by the Department of the Corporation Counsel?

CHAIR HOKAMA: That is correct. Is that understood, Members? Okay, we are under discussion. Any further discussion, Members, on this motion? Having none, all in favor of the motion, please say, "aye".

COUNCIL MEMBERS: Aye.

CHAIR HOKAMA: Opposed say, "no"? Motion passes, seven "ayes", two excused, Ms. Crivello and Mr. Carroll. Thank you for that, Members.

**VOTE:           AYES:           Chair Hokama, Vice-Chair Couch, and Councilmembers Baisa, Cochran, Guzman, Victorino, and White.**

**NOES:           None.**

**EXC.:           Councilmembers Carroll and Crivello.**

**ABSENT:       None.**

**ABSTAIN:      None.**

**MOTION CARRIED**

**ACTION:        Recommending FIRST READING of revised resolution.**

**ITEM PIA-10(9):   PROPOSED CHARTER AMENDMENTS (PENALTIES) (CC 09-229)**

**ITEM PIA-10(11): PROPOSED CHARTER AMENDMENTS (MAXIMUM AMOUNT OF PENALTIES) (CC 09-229)**

CHAIR HOKAMA: Let me bring up quickly. I want to combine PIA-10(9) and 10(11). Members, this is under...also under the heading of Proposed Charter Amendments. These two items deal with the amount of penalties that the County can impose for violations of ordinance and various rules and regulations that go through a public procedure. The current maximum penalty that the Charter allows the County to impose is \$1,000 per day. And I believe that was set...if Mr. Kushi --

VICE-CHAIR COUCH: 1983.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

CHAIR HOKAMA: -- and I can remember, was maybe in the '70s?

VICE-CHAIR COUCH: Actually '83 is when...

CHAIR HOKAMA: Eighty-three? So, you know, it's been a while and the Chair feels that there are certain ordinances and rules and regulations that if violated merit higher penalties. So, of course, one, removes the limitation and, of course, that allows the Council to set to the Code and various ordinance proposals the amount of penalties that could impose within the restrictions of State law. Under 10(11) we have a proposal that I drafted up that would've put a maximum from 1,000 to \$10,000 for any violations of Charter ordinances and rules having the force and effect of law. So we're under discussion. Mr. Kushi, any guidance regarding any...regarding maximum amounts of penalties that the Council could consider?

MR. KUSHI: Yes, Mr. Chair, under PIA-10(9), I believe that that was submitted before the previous Charter Amendment Committee by Member Couch but it was too late. And that would've just removed the maximum. Under 10(11), it fills in from 1,000 to 10,000 and I think the 10,000 is based on the State law on SMA violations. So, you know, I think that's the cap. That's the highest penalty I've ever heard of it. It's 10,000 possibly per day.

CHAIR HOKAMA: Per day.

MR. KUSHI: So that's...that's the gist of it. Our office would recommend, if anything, reviewing consideration of 10(11).

CHAIR HOKAMA: Okay, thank you for that comments, Mr. Kushi. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And, yeah, I submitted the 10(9)...or 10(9) and there was a discussion amongst my staff and I to figure out whether we should go to 10,000 or just remove the limit altogether. And our thought was, you know, ultimately at some time 10,000's not gonna be enough because of inflation or whatever or the egregiousness of the act. And that if there was a State limit set, then we can go to that State limit whether it's lower than 10,000 or above 10,000. So the reason we pulled the dollar amount out was to allow a lot more flexibility with State and the seriousness of the offense. So...

CHAIR HOKAMA: Okay.

VICE-CHAIR COUCH: That's why. And I guess, Mr. Kushi, you recommend that the 10,000 is there just because of the State's SMA limits or...that still kinda ties our hands, in my opinion.

MR. KUSHI: Yes, I think the discussion was...the consideration was the SMA limit on the \$10,000 per day. Now, again, you know, you have some fines...example, Federal environmental fines that go much higher than, you know, 10,000. But that's not our jurisdiction but...and the County does not...will not impose those type of fines.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

CHAIR HOKAMA: Okay. Mr. Couch, anything else?

VICE-CHAIR COUCH: Yeah, part of the reason for the number being so low...I mean getting rid of the low number is that some of these...some of these people will violate our ordinances because it's cheaper to go through that process than it is to go through any of the permitting processes. So not only SMA but some other issues as well. So again, I'm okay with either one but I think we're still handcuffing ourselves a little bit with the 10,000.

CHAIR HOKAMA: Okay, thank you. Mr. White, any questions or comments?

COUNCILMEMBER WHITE: No, thanks.

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I guess I have a question for Corporation Counsel. On the...in terms of enforcement of the ordinances, will this go to the Prosecutor's Office in criminal cases? And if so, if we're going to increase it to 10,000, that's a Class C Felony and if we're...it doesn't...the one-year imprisonment would be in conflict of the 10,000 maximum because then a one-year imprisonment is like a misdemeanor. So you'd have to increase imprisonment. So I see a little bit of conflict. I'm not sure if you could clarify.

MR. KUSHI: Mr. Chair, Member Guzman, not being a prosecutor, I kinda know what you're talking about but I think it's up to 10,000 and up to one year in prison. And I think it specifically says upon conviction. So when you say conviction, it's gotta go through the courts. This is not a civil administrative fine although it includes that but the language about upon conviction, only a court can convict.

COUNCILMEMBER GUZMAN: Yeah, but then if we're saying that 10,000 and one-year imprisonment is the maximum, that's in contradiction to what a misdemeanor would be under HRS. So I'm a little bit confused in terms of the sentencing.

MR. KUSHI: Well, I would think it's a maximum. I mean so if it's a one-year imprisonment, then it's not a misdemeanor anymore.

COUNCILMEMBER GUZMAN: Yeah, we're talking about Class C Felony. But then the Class C Felony is up to five years --

MR. KUSHI: Right.

COUNCILMEMBER GUZMAN: --imprisonment.

MR. KUSHI: Right. I mean but...

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

COUNCILMEMBER GUZMAN: And that's the, right, the minimum, yeah. So I just wanted to see if there's a conflict of sentencing here --

MR. KUSHI: I don't believe so.

COUNCILMEMBER GUZMAN: --at sentencing.

MR. KUSHI: But if you're concerned about this, you could always ask the Prosecutor's Office. But I don't know...I know of no Code violations that would be a felony.

COUNCILMEMBER GUZMAN: Yeah. But the way it's...it's worded here, up to 10,000. Then 10,000, you're out of District Court, you know. So you're looking at Circuit Court. It's, you know, 10,000 fine, you're looking at Circuit Court already. So I'm kinda...there's a little bit of conflict. But maybe something I should put in writing and then maybe send to your office for clarification?

MR. KUSHI: Correct. And then we'll bounce it up to Prosecutor's Office.

COUNCILMEMBER GUZMAN: Okay, okay. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you, Mr. Guzman, for those questions. Mr. Victorino?

COUNCILMEMBER VICTORINO: I think I, you know, support yours more so that...because it's very specific and it follows HRS and what we're using presently. So we'll see what...what comes down but I think it's time to increase the penalties. No question in my mind. Thank you.

CHAIR HOKAMA: Okay, thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Well, I too like your specificity of the one to ten. I think the \$1,000, like we all agree, is maybe just too low. It's been around too long. And I kinda am nervous about taking off all limitations because I believe there has to be some kind of rational nexus to these penalties. So I like the one to ten situation.

CHAIR HOKAMA: Okay, thank you for that. Ms. Cochran?

COUNCILMEMBER COCHRAN: Yeah, I've gotta concur with Ms. Baisa's comments at this point. And I do...I mean 1,000 is quite lenient in a sense that I hear where Mr. Couch is coming from also where people rather just pay that money and be done with it rather than go through our process. So...but it's interesting what Mr. Guzman brought up so looking forward to hearing what the outcome is in determining imprisonment versus the dollar amount and what have you. So looking forward to more discussion on that, Chair. Thank you.

CHAIR HOKAMA: Okay, thank you. Mr. Couch?

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

VICE-CHAIR COUCH: Thank you, Mr. Chair. And just to remind the Members, this is a limit that we can do when we provide for penalties in a separate ordinance. It's just saying how much the maximum we can do. So we're not setting it at 10,000 even if we say 10,000 here. It can be up to 10,000. So if there are concerns about, you know, whether it becomes a class...you know, a felony versus a misdemeanor because of the dollar amount or whatever court it goes to, that can be determined at the time that we set the penalty in whatever ordinance we're saying the penalty is for. So this is just giving us, where's our roof for when we discuss it in other situations. So it's not saying the penalty will be, you know, 10,000. It's just a maximum.

COUNCILMEMBER GUZMAN: Chair?

VICE-CHAIR COUCH: So thanks.

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Mr...can I...thank you. Can...I just wanted to clarify my line of questioning, is that if you increase by 10,000, therefore you must increase the imprisonment consistently with the 10,000. So you're looking at not only one year imprisonment. We're looking at five years imprisonment. That's what I'm...what I was getting at. And I was going to ask Corporation Counsel if they could clarify because that's my understanding that if you increase the fines, then you're gonna have to, on the other side, increase the imprisonment time. And so we're not looking at one year. We're looking more at five years, you know, Class C Felony. So that's my...and I could be wrong. I just want some clarification, Chair.

CHAIR HOKAMA: No, no, that's fine.

COUNCILMEMBER GUZMAN: You know, I'm just trying to vet this out. Thank you.

CHAIR HOKAMA: Yeah. We appreciate that.

COUNCILMEMBER GUZMAN: Thank you.

COUNCILMEMBER COCHRAN: Chair?

CHAIR HOKAMA: I think you brought up a good point, Mr. Guzman. So thank you for that concern. Ms. Cochran?

COUNCILMEMBER COCHRAN: Thank you. And along the lines of Mr. Guzman's queries in relation to the dollar amount versus the years of imprisonment, does the State have that attached to their 10,000? Mr. Kushi, do you know? Or Chair?

CHAIR HOKAMA: I will ask Mr. Kushi if he can respond.

MR. KUSHI: Mr. Chairman, Member Cochran, I don't know.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

COUNCILMEMBER COCHRAN: Okay, I was...thought maybe...because theirs is set if that they have this or, and/or both clause also in regards to years of imprisonment. But thank you.

CHAIR HOKAMA: Okay. We have time, Members, so, you know, with the question from Mr. Guzman, the Chair would recommend we defer these two items.

COUNCIL MEMBERS: No objections.

CHAIR HOKAMA: The Chair will check to see if...and I understand your question. You know, maybe the question needs to be, you know, if we raise the penalty to 10,000 then we would say, or up to five years imprisonment, or both? We will...we'll need to find what is...what is appropriate and then we'll report back at the next meeting, Mr. Guzman. So we can make an informed decision. Okay, no objections, Members, we'll defer it.

COUNCIL MEMBERS: No objections.

**COUNCIL MEMBERS VOICED NO OBJECTIONS** (excused: RC, SC).

CHAIR HOKAMA: Thank you. That's for 10(9) and 10(11).

**ACTION: DEFER pending further discussion.**

**ITEM PIA-10(2): PROPOSED CHARTER AMENDMENTS (COST OF GOVERNMENT COMMISSION) (CC 09-229)**

CHAIR HOKAMA: Okay, let's go to 10(2). This is also under the heading of Proposed Charter Amendments. This is regarding the Cost of Government Commission. You have my correspondence dated March 31<sup>st</sup> of this year whereby the current proposed resolution is to abolish the Cost of Government Commission. We did receive testimony from Commission members, Office of the Mayor through Mr. Buck. And, you know, for me, Members, one of the reasons why I proposed this is it's been interesting. I thought we would be eliminating questions and some concerns about who'd be responsible to do what. I received more questions about now who is responsible to do what. For me, it is very clear what the people voted on. They wanted a County Auditor. Chosen by the procedures we have set up to try and maintain maximum independence and we've heard the term political. Whether it's political on how to appoint and how to hire/fire an auditor, who should have that responsibility. For me, as I stated earlier, I will not support granting anyone with appointed authority or an appointment to have that kind of additional powers on the Auditor. They want that, they can run for office like us and be one elected. You guys understand, like me, the Auditor...you know, most audits we know is reviewing what occurred after it happens. It's hard to do an audit before something happens, or what does the auditor review? Okay, so an auditor usually does something after the fact. After the money was spent, after the operation was...did its task and then we evaluate whether or not it was done properly, it was done according to procedure and, of course, whether or not the monies

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

were spent appropriately. And so for me, Members, I think some of the things that I had looked for is also housecleaning. I do not support having an appointed entity like the Cost of Government Commission to have subpoena powers. I have a difficult time with that. Already the Auditor is granted that by Charter. We have that by Charter as an elected board of the Legislative Branch. I view the Cost of Government Commission as an attachment to the Administration. I get my issues by the administrative appointed panel having that oversight. To me, the Mayor can always create ad hoc committees at his pleasure that he believes is necessary for the community to have input on. And this is not one that I believe needs to be maintained by Charter. So I have put this before you. I think we should consider cleaning up the policy on exactly what the role of the Auditor is and support the Auditor in that manner. So that's why I have this before you. You've heard the testimony to keep it. You've heard testimony that it may eventually outlive itself so that maybe at that point in time to do away with it. I have no problem doing with it...doing away with it now. And that's my position. So I'm open to your questions or comments. And, Members, again as I stated in our schedule we also have next month. It's not necessary to make a determination today. We can continue to deliberate and consider it. I'm not gonna...unless you're ready, I'm not gonna ask you for a decision on this issue today. But I'm open to your questions, your comments, what do you think is your thoughts on maybe bringing some clarity and eliminate some potential conflicts of policy within the Charter. I'm open to those considerations. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. And thank you for bringing this before us today. I think the discussion is very healthy. For me, the disappointment that I've had in the Cost of Government Commission is for them to have strayed from their focus which has been very, very clear in the past of evaluating different government programs and bringing to us reports that have been very valuable. They've brought things such as the vehicle count that's resulted in both the Council and the Administration taking very healthy steps towards controlling the use of vehicles and the cost of doing so. So they provide a wonderful, in my view, addition to the Auditor. My concern over the last couple of...last several months has been that they seem to be focused on investigating the Auditor, controlling the Auditor, evaluating the Auditor and as the drafter of the Charter amendment, we spent a lot of time making sure that it was...that the Auditor was very independent. Yes, we authorize their budget. We hire them. But they're hired for a six-year term. That means that they can be very independent and yet it has appeared to me, and I believe to some others, that the Cost of Government Commission has been trying their best to try to take the Auditor under their wing. And I wish that they would get back to the business that they had been focused on and continue to provide additional reports on, you know, using the appropriate, you know, public view of how County operates and leave the more technical and detailed auditing to the Auditor. Let's give the Auditor a chance to do his job and to move forward and show us what the position of the Auditor can bring to us. I still feel that the Cost of Government Commission can provide a useful perspective. But my concern is that they need to get back to focusing on the issues and let the Auditor do his job and they do theirs. And I agree with you it should not be a situation where an appointed board which predominantly answers to the Administration is suggesting that they need to have control when the focus of the Charter amendment was to provide an Auditor that has the ability to investigate the Council as well as any part of the Administration as well as any...as well as any of the nonprofits and other arms

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

that we do business with. So I think the duties of the Auditor are well spelled out and I'd like to see the Auditor be allowed to conduct his business and show us what he can do. So thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Couch, any comments, questions? Ms. Cochran? Questions or...

COUNCILMEMBER COCHRAN: No, not at this time, Chair, but I would prefer to...if, yeah, if we could get some...I could get some time to look into this a little bit more.

CHAIR HOKAMA: Sure.

COUNCILMEMBER COCHRAN: And talk to others that've, you know, been on the Commission and have some history and background on this. But I completely understand where, you know, your intent and where you're coming from and I can see that point too. So thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. And, of course, I can support a deferral but I do...I do want to make it very clear that I am clear as to what the job of the Auditor is. And in working with him, I try extremely hard and so does he to keep at arm's length. I very...I'm very careful about, you know, how I relate to him and I recognize his independence and really want that to be kept well.

CHAIR HOKAMA: Thank you for your efforts, Ms...Chair Baisa. Mr. Victorino, any questions or comments at this time?

COUNCILMEMBER VICTORINO: No, Mr. Chair. I, too, would like to see this put off for a little bit and, you know, give us some time to review. Also, maybe get some input from out...people outside in the community.

CHAIR HOKAMA: Sure.

COUNCILMEMBER VICTORINO: I think it's very important. Anytime we want to eliminate a valuable board, and I think they have value and I see that, I think it's important for us to really look at all the consequences, you know. And the separation, I think we've discussed it in great detail about separating the Auditor from...and I heard this mentioned that the Legislative Branch has an obligation to the Auditor because we are the ones that hired him. No, we hired him with the pretext, you do your job and we'll be here. And that includes if you have to come and audit us, the Legislative Branch. So I think there needs to be some discussion and also whenever...and whatever we come up with, they must be made to understand they're advisory, and advisory only. And that the Auditor is the final say in all of this. You can give us, just like they give us, you can give everybody, the Mayor, advice. But then we have to take it because we're the elected board. He's the appointed official to make this come to fruition, to take on the task of whatever audit is necessary. Thank you, Mr. Chair.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

CHAIR HOKAMA: Thank you. Mr. Guzman?

COUNCILMEMBER GUZMAN: Thank you, Chair. I also would like time to review and analyze the issues. I see that there's competing interests and I have one thing in terms of what's prevalent in most of the issues or arguments. The word, shall be advisory. I believe...oh, I mean shall be advisory to the County Auditor. I guess it may be something that need to be...needs to be defined as advisory. What are the roles of advisory? So I'd like to study this further.

CHAIR HOKAMA: Sure.

COUNCILMEMBER GUZMAN: Thank you, Chair.

CHAIR HOKAMA: No, the Chair has no problem deferring this item to allow the Members of this Committee to consider more options and get more information to make a very good, informed decision. So with no objection, Members, the Chair is going to defer Policy-10(2).

COUNCIL MEMBERS: No objections.

**COUNCIL MEMBERS VOICED NO OBJECTIONS** (excused: RC, EC, SC).

CHAIR HOKAMA: Thank you very much.

**ACTION: DEFER pending further discussion.**

**ITEM PIA-10(10): PROPOSED CHARTER AMENDMENTS (AFFORDABLE HOUSING FUND)**  
(CC 09-229)

CHAIR HOKAMA: Let's get back. We need to take care some housekeeping. On 10(10), Members, I know we pushed out the six-year consideration for the Affordable Housing Fund. I would ask Mr. Couch for one housekeeping motion that we file County Communication 14-50 as it relates to Policy Item-10(10).

VICE-CHAIR COUCH: So moved, Mr. Chair.

COUNCILMEMBER BAISA: Second.

CHAIR HOKAMA: I have a motion made by Mr. Couch, seconded by Ms. Baisa which is to file County Communication 14-50 from Mayor Arakawa as it relates to Policy Item-10(10). Is there any discussion on the motion? Having none, all in favor of the motion, please say "aye".

COUNCIL MEMBERS: Aye.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

CHAIR HOKAMA: Opposed say “no”. Motion passes with six “ayes”, three excused, Ms. Crivello, Ms. Cochran and Mr. Carroll. Thank you, Members.

**VOTE:           AYES:           Chair Hokama, Vice-Chair Couch, and Councilmembers Baisa, Guzman, Victorino, and White.**

**NOES:           None.**

**EXC.:           Councilmembers Carroll, Cochran, and Crivello.**

**ABSENT:       None.**

**ABSTAIN:      None.**

**MOTION CARRIED**

**ACTION:        Recommending FILING of communication (County Communication 14-50).**

**ITEM PIA-2(23):   NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS (REAL PROPERTY TAX REVIEW BOARD) (CC 13-42)**

**ITEM PIA-2(24):   NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS (LIQUOR CONTROL ADJUDICATION BOARD) (CC 13-42)**

**ITEM PIA-2(25):   NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS (BOARD OF VARIANCES AND APPEALS) (CC 13-42)**

CHAIR HOKAMA: Okay, going from the top on Policy Item-2(23). The Chair is happy to entertain a motion to place on Exhibit “B” for approval the name of Peter Davis to the Real Property Tax Review Board for a term expiring March 31, 2015. Mr. Couch?

VICE-CHAIR COUCH: Mr. Chair, would you be amenable to at least the next three to do it all in one motion or would you rather . . .*(inaudible)*. . .

CHAIR HOKAMA: Members, any objections to a master motion?

COUNCIL MEMBERS: No objections.

**COUNCIL MEMBERS VOICED NO OBJECTIONS** (excused: RC, EC, SC).

CHAIR HOKAMA: Okay, and then in the master motion would also include under the Liquor Control Adjudication Board for Exhibit “B” for approval the name of Henry Kauka, Jr. to the Liquor Control Adjudication Board for a term expiring March 31, 2016. And on the Board of Variances

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

and Appeals, the name of Scott Matsuura to Exhibit “B” for approval for a term expiring March 31, 2015.

VICE-CHAIR COUCH: Mr. Chair, I move to approve those three motions with putting the respective names into Exhibit “B”.

COUNCILMEMBER BAISA: Second.

CHAIR HOKAMA: Okay, we have a motion made by Mr. Couch, seconded by Ms. Baisa. Any discussion, Members? We have three nominees for three specific boards and commissions with specific expiring dates. No further discussion, all in favor of the motion, please say “aye”.

COUNCILMEMBERS: Aye.

CHAIR HOKAMA: Opposed say “no”. Motion passes with seven “ayes”, two excused, Mr. Carroll and Ms. Crivello.

**VOTE: AYES: Chair Hokama, Vice-Chair Couch, and Councilmembers Baisa, Cochran, Guzman, Victorino, and White.**

**NOES: None.**

**EXC.: Councilmembers Carroll and Crivello.**

**ABSENT: None.**

**ABSTAIN: None.**

**MOTION CARRIED**

**ACTION: Recommending ADOPTION of revised resolutions approving the nominations.**

**ITEM PIA-2(26): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS (LANAI PLANNING COMMISSION) (CC 13-42)**

CHAIR HOKAMA: Now down to Policy Item-2(26). The Chair would be recommending that the name of Bradley Bunn be placed on Exhibit...hold on, let me get this right. For Exhibit “C” for disapproval to the Lanai Planning Commission. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to approve the resolution...adopt the resolution appointment of the member to the Lanai Planning Commission by putting...and also putting the name of Bradley Bunn to Exhibit “C”.

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

COUNCILMEMBER BAISA: Second.

CHAIR HOKAMA: Okay, a motion by Mr. Couch, seconded by Ms. Baisa. We're under discussion, Members. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And I do like the answers that Mr. Bunn provided for us in your questioning of him. My only concern is I believe the Charter requires us to have a balance of political affiliations and having looked at the list of political affiliations, I believe there were two Republicans, three each of Independents and...or...and Non-Partisans. I believe it was something of those numbers. So unfortunately, Mr. Bunn's political affiliation is also Republican so I'm not sure that that would jive with what the Charter requires.

CHAIR HOKAMA: That would be a consideration. We have three Independents, three Non-Partisans, and would have three Republicans on the Planning Commission. My quick comments, Members, is I appreciate Mr. Bunn's willingness to volunteer. I can tell you in my two weekends back home, not one person or entity supported his nomination. In fact, I was asked the question, who is he? And I could not respond. And I went to members of the Planning Commission, Coalition for Drug-Free Lanai, Lanai Community Association. I checked with the employers, the company, store owners. We all came with the same question, who is this gentleman? For Lanai, Members, you are well aware we're in a unique situation and the community in their expression to me wants someone *ma`a*. If you guys understand the term "*ma`a*", that means an understanding of the island and its people. That is what the community has told me they wanted in their Planning Commissioners. And, unfortunately at this point, the community is not comfortable with Mr. Bunn yet that he has enough *ma`a* as we would say to represent the people in the island as we would hope for. So unfortunately this is my recommendation. I hope he continues to want to serve in other areas to assist the community and the County. And I'm open to any other further discussion on the motion. Okay, having none, all in favor of the motion, please say "aye".

COUNCIL MEMBERS: Aye.

CHAIR HOKAMA: Opposed say "no". Motion passes with seven "ayes", two excused, Ms. Crivello and Mr. Carroll.

**VOTE:**       **AYES:**       **Chair Hokama, Vice-Chair Couch, and Councilmembers Baisa, Cochran, Guzman, Victorino, and White.**

**NOES:**       **None.**

**EXC.:**       **Councilmembers Carroll and Crivello.**

**ABSENT:**   **None.**

POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES  
Council of the County of Maui

May 13, 2014

---

**ABSTAIN: None.**

**MOTION CARRIED**

**ACTION: Recommending ADOPTION of revised resolution disapproving the nomination.**

**ITEM PIA-2(27): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS (AFFIRMATIVE ACTION ADVISORY COUNCIL) (CC 13-42)**

**ITEM PIA-2(28): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS (COST OF GOVERNMENT COMMISSION) (CC 13-42)**

CHAIR HOKAMA: I believe...if we have no other matters before us --

VICE-CHAIR COUCH: Mr. Chair?

CHAIR HOKAMA: Yes?

UNIDENTIFIED SPEAKER: . . .*(Inaudible)*. . .

CHAIR HOKAMA: I'm sorry.

VICE-CHAIR COUCH: And would you mind putting them in one master motion?

CHAIR HOKAMA: Thank you. Forgive me, Members. You are right on it, Vice-Chairman Couch. So the Chair will be open to a motion regarding Policy Item-2(27) and 2(28) to place the following names on Exhibit "B" for approval for the Affirmative Action Advisory Council the name of Thomas White for a term expiring March 31, 2017 and for the Cost of Government Commission the name of Dale Thompson for a term expiring March 31, 2018. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to adopt the resolutions appointing members to the Affirmative Action Advisory Council and the Cost of Government Commission by putting the respective names into Exhibit "B".

COUNCILMEMBER BAISA: Second.

CHAIR HOKAMA: We have a motion made by Mr. Couch, seconded by Ms. Baisa. We are under discussion, Members. Any discussion? Having none, all in favor of the motion, please say "aye".

COUNCILMEMBERS: Aye.

CHAIR HOKAMA: Opposed say "no". Motion is carried, seven "ayes", two excused.

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

---

**VOTE:**      **AYES:**      **Chair Hokama, Vice-Chair Couch, and Councilmembers Baisa, Cochran, Guzman, Victorino, and White.**

**NOES:**      **None.**

**EXC.:**      **Councilmembers Carroll and Crivello.**

**ABSENT:**    **None.**

**ABSTAIN:**   **None.**

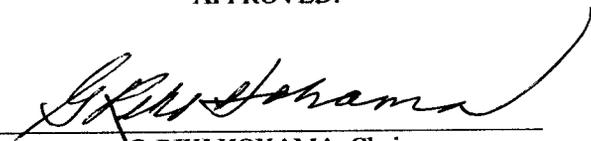
**MOTION CARRIED**

**ACTION:**    **Recommending ADOPTION of revised resolutions approving the nominations.**

**CHAIR HOKAMA:** Thank you very much, Members, and for making this time for this special meeting. No further business. This meeting is adjourned. . . .(gavel). . .

**ADJOURN:** 12:09 p.m.

**APPROVED:**

  
\_\_\_\_\_  
**G. RIKI HOKAMA, Chair**  
**Policy and Intergovernmental Affairs Committee**

pia:min:140513

Transcribed by: Reinette Kutz

**POLICY AND INTERGOVERNMENTAL AFFAIRS COMMITTEE MINUTES**  
**Council of the County of Maui**

**May 13, 2014**

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**CERTIFICATE**

I, Reinette Kutz, 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 4th day of June 2014, in Wailuku, Hawaii.

  
Reinette L. Kutz