

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

**MINUTES**

**October 13, 2014**

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

**CONVENE:** 9:03 a.m.

**PRESENT:** Councilmember G. Riki Hokama, Chair  
Councilmember Donald G. Couch, Jr., Vice-Chair  
Councilmember Gladys C. Baisa, Member (Out 11:24 a.m.)  
Councilmember Robert Carroll, Member  
Councilmember Stacy Crivello, Member  
Councilmember Don S. Guzman, Member  
Councilmember Mike White, Member (In 9:07 a.m.)

**EXCUSED:** Councilmember Elle Cochran, Member  
Councilmember Michael P. Victorino, Member

**STAFF:** Carla Nakata, Legislative Attorney  
Kimberley Willenbrink, Legislative Analyst (Item PIA-3(6))  
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.:** Michael J. Molina, Executive Assistant, Office of the Mayor (Item PIA-2(37))  
Richard K. Minatoya, Supervising Deputy Prosecuting Attorney, Department of the  
Prosecuting Attorney (Item PIA-3(6))  
John Jakubczak, Captain, Criminal Investigation Division, Department of Police (Item  
PIA-42)  
Michael J. Callinan, Detective, Criminal Investigation Division, Department of Police  
(Item PIA-42)  
Lance Y. Kaupalolo, Sergeant, Criminal Investigation Division (Technical Support Unit),  
Department of Police (Item PIA-42)  
Jacob W. Verkerke, Chief Technology Officer, Information Technology Services Division,  
Department of Management (Items PIA-42 and -72)  
Karen L. Sherman, Information Systems Analyst VI, Information Technology Services  
Division, Department of Management (Items PIA-42 and -72)  
Lydia Toda, Risk Management Officer, Department of the Corporation Counsel (Item  
PIA-72)

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Edward S. Kushi, Jr., First Deputy Corporation Counsel, Department of the Corporation  
Counsel

**OTHERS:** Jim Smith (Items PIA-3(6) and -4(1))

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

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CHAIR HOKAMA: *... (gavel) ...* Good morning, everyone. This is the Council's Committee on Policy and Intergovernmental Affairs. This is our regular meeting of the 17<sup>th</sup> of October, 2014.

MS. FRIAS: October 13<sup>th</sup>.

CHAIR HOKAMA: Oh, excuse me, October 13<sup>th</sup>. Time flies quickly doesn't it? October 17<sup>th</sup> is our Council Chair's meeting that she conducts, so my apologies. Our regular meeting of October 13<sup>th</sup>. Before we start and take our public testimony for the day, Members, along with myself I ask everyone present to please turn off your noise making equipment so that we may give the Chambers the appropriate decorum for our testimony as well as our discussion. People wishing to give testimony has three minutes. We assist our people with a lighted system in the Chambers. With the green light up to 2 minute, 30 seconds, we give you a 30-second warning with a yellow or amberish light, and then when the red light goes on it means like anything else stop. If you need a few more moments you shall request the Chair for the Chair's affirmative response. And all individuals shall address the Chair in their presentation and comments. Okay, with that we have Mr. Smith this morning that will join us and share his thoughts on a few items before the Committee this morning. So we'll ask Mr. Smith to please join us at the podium.

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

MR. SMITH: Chairperson Hokama, members of the Policy and Intergovernmental Affairs Committee. I'm here to ask that you withdraw the third item in the transmittal of the County package as well as the package that goes forward to the council association. I'll address PIA-4(1) at 3 first, and you'll note that there are more whereas in the second one than this one. The important thing I think is that what's missing, there is a duty of Corporation Counsel, okay, to ensure understanding and respect. Okay. And it appears to me that fear is driving the engine and not respect. And from my perspective that's a failing of duty. Okay. When you look at our Sunshine Law you notice that it is about the office, not the person. Okay. It relates to the office in boards and commissions, whether they're appointed or elected. It is a demonstration of respect. That translates to me, and so it should be protected and it is in the interest of everyone. In this first bill at number two, first memorandum in number two resolution, all nine represented all of County Maui residents. Well that's disrespectful of our system. You see because you bring the concerns of an area to the attention of the full Council. Okay. This is crucial to an at-large voting system. If you discredit that, if you throw that by the wayside we lose the at-large system, and this is a way of defeating the at-large system in a long-term approach. You gotta have

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concern for and respect. That means understanding. That means it's not a personal thing. It is open government means respect for the legislative and quasi-legislative functions of boards and commissions, and that is harmed when you don't have a demonstration by the members of respect for the identities of citizens. So I would ask you not to transmit that particular item of this resolution, and that would be 4(1) and Paragraph 3. And that has to do with going back to the Legislature again when they've already worked hard to make the changes you asked for in the first time. I think that is obsessive and it is detrimental to respect for the office.

MS. NAKATA: Three minutes on Item 4(1).

MR. SMITH: Thank you very much.

CHAIR HOKAMA: Thank you, Mr. Smith. You had one more item you wanted to share your thoughts on?

MR. SMITH: Yes, I do. The other item is PIA-3(6). Okay.

CHAIR HOKAMA: Okay.

MR. SMITH: And this is at, again at Paragraph 3. I would ask you to remove these paragraphs. I would ask you to focus on the idea of the office and how this, a legislation generates respect for board and commission members. All right. There are two additional additions to this. One of them has to do with...and it's number four. Council members have no control over agendas, discussions, or outcomes of meetings of non-Council entities. And then it says this, somehow this will jeopardize open government, but then at number two it says that elected officials to the job, it's not a job, it's a duty. It's representative, it's not a job. I have a little bit of passion about that. Becomes...educated, you want to be educated, and cannot legislate addressing the issues when advisable so that they can enact. Well that's the whole point, you're not supposed to be educated by special interests so you can act on their behalf, and you're using this as an argument to advance the detrimental effects of this change in rule to our Sunshine Law. It just doesn't make any sense. On October 16<sup>th</sup> there's going to be a legislative forum and it's been advertised and everyone can go, and you've been asked. And it would cost me \$25 to be there. And your ordinance, your proposal says there can be no fee. But if you go then that means nothing, that's just a gesture to whoever you gesture to. But this is the issue, what you're sacrificing is common Jim Smith interest and respect for office. You're sacrificing that for special interest be it a community association president. You're looking at the status they bring to you and you bring to me and you've lost me who's in the dirt, all right, who's from rags to riches. That's where you're going. When you go into this community idea you go from rags, me, to riches, the community. If you will look at this in a reflective way I hope you will come to the conclusion that there is no need to press forward with these two changes. In fact, they're detrimental. In fact, you know, respect the office, keeps me in the game. Status doesn't. Wealth doesn't. A vote does.

MS. NAKATA: Three minutes on Item 3(6).

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MR. SMITH: Thank you very much.

CHAIR HOKAMA: Thank you for your comments this morning, Mr. Smith, on those two items. Although similar they're into different agendized discussions. Any questions for the gentleman on his testimony, Members, this morning? Having none, Mr. Smith, we appreciate your passion and your vocal --

MR. SMITH: Aloha.

CHAIR HOKAMA: --testimony. Thank you so much. We'll ask our Hana Office, Ms. Lono, if anyone wishes to share testimony with the Committee this morning?

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

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

MS. FERNANDEZ: Good morning, Chair. This is Denise Fernandez on Lanai and there is no one waiting to testify.

CHAIR HOKAMA: Thank you. Ms. Alcon, Molokai, anyone would wish to provide testimony, please?

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

CHAIR HOKAMA: Okay. Members, that is the request or non-request we had for public testimony. So with no objections, we shall close testimony for today's meeting.

COUNCIL MEMBERS: No objections.

CHAIR HOKAMA: Thank you very much. So ordered.

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

CHAIR HOKAMA: This morning present for the Committee meeting is Committee members, Mr. Couch.

VICE-CHAIR COUCH: Good morning, Chair.

CHAIR HOKAMA: Good morning. Mr. Carroll.

COUNCILMEMBER CARROLL: Good morning, Chair.

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CHAIR HOKAMA: Ms. Crivello.

COUNCILMEMBER CRIVELLO: Aloha, Chair.

CHAIR HOKAMA: Ms. Baisa.

COUNCILMEMBER BAISA: Good morning, Chair.

CHAIR HOKAMA: Mr. White.

COUNCILMEMBER WHITE: Good morning, Chair.

CHAIR HOKAMA: And Mr. Guzman is here, he just stepped out. Excused are our two Members, Ms. Cochran and Mr. Victorino.

**ITEM PIA-2(37): NOMINATIONS TO BOARDS, COMMITTEES, AND COMMISSIONS**  
**(MAUI COUNTY COMMISSION ON PERSONS WITH DISABILITIES) (CC 13-42)**

CHAIR HOKAMA: May I direct you please first to Policy Item 2(37). This is under the heading of Nominations to Boards, Commissions...Boards, Committees, and Commissions. The subheading of course is the Maui County Commission on Persons with Disabilities. We do have a communication dated September 29, from the Mayor, who has requested the consideration of his nominee Vivian Lindsey to the board for a term expiring March 31, 2017. We did reach out to Ms. Lindsey and unfortunately she did indicate two things. One, she was not able to join us today, but secondly and most importantly is her desire to serve, and so that's the current status. We'll ask Mr. Molina if he has any additional comments he wishes to make on the nominee's behalf.

MR. MOLINA: Yes. Good morning. And thank you, Chairman and Committee members. Ms. Lindsey if you'll note in the binder there's an attachment, she's been involved in a lot of, a variety of employment areas, and she's served in many different areas in the community, most notably on the Maui Disabilities Alliance, the MEO Paratransit Advisory Council along with the Maui Wheelers. So her experience will certainly serve her well on this commission. And her term is until March 31, 2017, due to a vacancy created from the passing of Mary-Doreen Alborano who we extend our sympathies to. So Ms. Lindsey certainly comes with a wide array of experience in this area, and the Administration would ask for your consideration of confirming her to the Maui County Commission on Persons with Disabilities. Thank you very much, Chairman and Committee members.

CHAIR HOKAMA: Thank you, Mr. Molina. Members, any comments/questions for the Chair or Mr. Molina regarding the nomination of Vivian Lindsey to the Maui County Commission on Persons with Disabilities? Having none, the Chair's recommendation is that I will be

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entertaining a motion to place the name of Vivian Lindsey on Exhibit "B" for approval to sit on the Maui County Commission on Persons with Disabilities for a term expiring March 31, 2017. Mr. Couch.

VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to approve the resolution entitled Appointment of a Member to the Maui County Commission on Persons with Disabilities and moving the name of Vivian Lindsey to Exhibit "B" for approval.

COUNCILMEMBER GUZMAN: Second.

CHAIR HOKAMA: Thank you. We have a motion made by Mr. Couch, seconded by Mr. Guzman. Any discussion on the motion, Members? Mr. Couch.

VICE-CHAIR COUCH: Thank you, Mr. Chair. I notice...I guess this is a comment for Mr. Molina. On the application of Ms. Lindsey it says political affiliation none and then on the attachment it says I've always been in the Democratic Party. Is that sufficient enough or can you go in there and change the application to match that?

MR. MOLINA: Yes. Thank you, Councilmember Couch. We'll certainly do that to add clarification to it, 'cause yeah, we did sort of notice that after a while and we said okay, I believe she is a --

VICE-CHAIR COUCH: Right.

MR. MOLINA: --card carrying member. But we'll definitely make that addition --

VICE-CHAIR COUCH: Okay.

MR. MOLINA: --to the application.

VICE-CHAIR COUCH: Thank you.

MR. MOLINA: Thank you.

CHAIR HOKAMA: Okay.

VICE-CHAIR COUCH: Thank you, Chair.

CHAIR HOKAMA: Any other comments? Mr. Guzman.

COUNCILMEMBER GUZMAN: Thank you, Chair. I would be in support of Vivian Lindsey's nomination. I've worked with her several times for different issues, and particularly the most recent one was the transportation issues with the disability on the busing. And she served well on, also on advisory committee that would also help suggest or make comments to the

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transportation issues. So she's, I think she's very well qualified and a person that's going to stand up and advocate for the causes. Thank you.

CHAIR HOKAMA: Okay, thank you very much. Anyone else? Having none, all in favor of the motion, please say "aye".

COUNCIL MEMBERS: Aye.

CHAIR HOKAMA: Opposed, say "no"? Motion passes with seven ayes and two excused, Ms. Cochran and Mr. Victorino.

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

**NOES:       None.**

**EXC.:       Councilmembers Cochran and Victorino.**

**ABSENT:    None.**

**ABSTAIN:   None.**

**MOTION CARRIED**

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

CHAIR HOKAMA: Thank you very much, Mr. Molina, for your assistance on this matter.

MR. MOLINA: Thank you, Mr. Chairman and Committee members.

**ITEM PIA-3(6):   HAWAII STATE ASSOCIATION OF COUNTIES ("HSAC") (2015 HSAC LEGISLATIVE PACKAGE) (CC 13-43, CC 14-176)**

CHAIR HOKAMA: May I direct you to Policy Item 3(6). This is under the heading of the Hawaii State Association of Counties, more specifically the 2015 Hawaii State Association of Counties or HSAC Legislative Package. We have two communications on this, County Communication 13-43 and 14-176. Okay. And on these...excuse me, I should say it's Communication 176, I don't know how I got 13-43. But in it, Members, we have proposals, I believe five proposals from sister counties. We do have one additional one, a proposal that is from Chair Baisa, so I'd like to start the discussion on these items. And I'll ask why don't we still work on the one from the State first, from our sister counties first, Members. Ms. Baisa, do you have any comments you wish to share at this time?

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COUNCILMEMBER BAISA: Not in particular.

CHAIR HOKAMA: Okay.

COUNCILMEMBER BAISA: But I am particularly interested in, what is it, 2-C.

CHAIR HOKAMA: Yes. Thank you.

COUNCILMEMBER BAISA: I believe that that is very, very important. We've read a letter, we received a communication just this morning from Deputy Prosecuting Attorney Minatoya who I believe is here.

CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: And, you know, I believe that is a very, very important issue. Chair, in light of the recent stuff that's been in the news, I think that, you know, we need to take a serious, serious look at domestic violence and abuse and how we can assist the victims and being more proactive rather than reactive. And I think this kind of legislation is critical because, you know, I hear the stories and they're sad stories about how people get into these situations. And because of laws that, you know, are not...I think outdated and maybe not complete enough, they put themselves right back into the situation and oftentimes we see the result and it's disastrous. So I am in strong support of this and I ask my colleagues to be, too. And I think Mr. Minatoya is here, he can probably explain it better than I can. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Before I ask Mr. Minatoya, who we appreciate making his time and presence with us this morning, is there any other Members that want to make a comment? And I would prefer at this time that if you do have a comment please direct it more specifically, I want to have a discussion on C which is the proposal A Bill for an Act Relating to Abuse of Family or Household Members. Anyone wants to chime in on this at this point? Having none, Mr. Minatoya, we thank you being here to help represent the Department of Prosecuting Attorney. And we'd appreciate your thoughts and comments that you could share with us at this time.

MR. MINATOYA: Thank you, Mr. Chair. Basically what this bill does...and it's actually the House version or House draft one of a bill we submitted last year. And what had happened was two years ago the Legislature increased the amount of time that a police officer can order a party in a domestic violence situation to stay away from the household and from the victim. And they increased it from 24 to 48 hours. What they forgot to do was to include the weekends and holidays. So basically if you, if it went from Monday through Friday you had two workdays, but if it went from Saturday, Sunday or a holiday the stay-away order expired the next day, well the first workday, at the end of the first workday. And it appears that the rationale on why that was done was that it's supposed to give the victim enough time to go and get a temporary restraining order. And without them having the Saturdays, Sundays, and holidays included, you know, we believe that there's a problem with getting a court to approve a TRO in time before the expiration



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of the stay-away order, especially for us here on Maui County because we do have Lanai and Molokai. You know basically the incident occurs so the next workday the victim has to find somebody or some agency to help them to get the restraining order petition prepared, submit it to the court, processed by the court, reviewed by the judge, signed by the judge, processed by the court after signing by the judge, returned to the petitioner, and then having it served on the other party. So that takes a considerable amount of time, especially with the neighbor islands having to submit their documents there and then transmit it here for approval by a judge here on Maui. So we think that it's important. You know we had an incident on Molokai not too long ago where the domestic violence situation that, you know, we had a homicide. You know and also nationwide that this issue has come to the forefront especially with the NFL, allegations about Honolulu police officers, that sort of thing. So domestic violence is, has really moved to the forefront as far as the community is concerned. You know last year we had hoped that our bill would have been included. They had another domestic violence bill. They had told us that they would include it but I guess they had forgot in the rush to finish the session. So hopefully this session this gets taken care of. We had Councilmember "Fresh" Onishi from the Big Island support it last year with testimony. I guess he believed it was important enough to include as a proposal for the Big Island pack, proposal for the package for HSAC.

CHAIR HOKAMA: Okay, thank you for that, Mr. Minatoya. As well, Members, you should have in your binder, it was received on Friday the 10<sup>th</sup>, we do have a communication from Mr. Minatoya on the Department's behalf which is in written form advocating exactly what he has just shared with us verbally this morning. Any questions for Mr. Minatoya, Members? Mr. Couch? Ms. Baisa?

COUNCILMEMBER BAISA: No.

CHAIR HOKAMA: Mr. White?

COUNCILMEMBER WHITE: No.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: So, Chair, may I ask the Deputy?

CHAIR HOKAMA: Yes.

COUNCILMEMBER GUZMAN: Mr. Minatoya, in regards to the TROs in conjunction with the stay-away order, when the officer arrives on the scene sometimes, usually is the case is that they cannot determine who is at fault, and it's usually a verbal, that's why they get a...there's no injury, there's no physical. So at that point the officer then makes a determination which one of the, you know, married couples or which one of the husband or the wife needs to leave. Do we have any stats as to from that cooling off period how many TROs then are generated from a cooling off period warning citation?

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MR. MINATOYA: No, we don't. But in the situation that you described that wouldn't fall under the stay-away order provisions 'cause the, HRS 709-906 requires the officer in the event of physical abuse that if the officer believes that further physical abuse is possible that the officer has to issue the order.

COUNCILMEMBER GUZMAN: But the...

MR. MINATOYA: So the determination is made at that time by the officer.

COUNCILMEMBER GUZMAN: Right, right, right. Once he's determined that which one of the two would possibly cause additional, oh, cause injury to the other in a future incident. Then from that point how many TROs do you have on record that would have generated from a cooling off period warning?

MR. MINATOYA: We don't have that because the TRO itself is not within our jurisdiction.

COUNCILMEMBER GUZMAN: Yeah, okay.

MR. MINATOYA: It's only if there's a violation of the TRO do we...well one would be if there's actual physical abuse, that would be prosecuted.

COUNCILMEMBER GUZMAN: Right. Then there...

MR. MINATOYA: Secondly, if there's a violation of the TRO. Otherwise we would never see any stats about TROs and stuff.

COUNCILMEMBER GUZMAN: Yeah, that's what I wanted to make clear, Chair, was that if there is physical violence involved, physical injury then immediately there would be an arrest so there would be a time period for, you know, the, I guess the victim to go out and get a TRO. But in this case when it's verbal or a determination that there could be possible injury, I'm trying to find the needs assessment here, I'm trying to figure out how many TROs are generated from a warning citation, a cooling off period. And if there is a need for...well obviously there's a need. And I will support this just because of the whole weekend thing, but that's just one of my questions, you know. I do believe that this is a good bill inclusive of the weekends, but I just wanted to see if there was any stats attached to it. So thank you, Chair.

CHAIR HOKAMA: Thank you. Mr. Carroll, any questions for Mr. Minatoya?

COUNCILMEMBER CARROLL: No questions.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No, thank you.

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CHAIR HOKAMA: Okay. Ms. Baisa, anything else you might...since I know you have a passion. Many of the Members here have a passion regarding this very serious subject.

COUNCILMEMBER BAISA: No, Chair, but again, I ask the Members to please support it. Because, you know, we can't take a chance. The problem here is that you can't take a chance. Maybe things appears to be fairly under control but you never know. Having been in this situation myself I'm very much aware of how intimidating it is, and I think that these victims need all the support that they can get. It's a scary thing. And even a TRO as we all know doesn't protect anybody because you can get a TRO but then you have to have somebody with you 24 hours a day to enforce it or the person will come back and hurt you anyway in spite of the paper. So this is scary, and I think prevention is worth a pound of cure in this case.

CHAIR HOKAMA: Okay, thank you. Any further discussion on this one, Members, for, with Mr. Minatoya? Since we do have...I'll ask Mr. Kushi if Corporation Counsel has anything they might want to add on this before we move on.

MR. KUSHI: Nothing further, Mr. Chair.

CHAIR HOKAMA: Okay, thank you. Since we do have Mr. Minatoya, I, he may not be prepared but I would be appreciative if you might want to give us comment also on the next bill, Mr. Minatoya. It's called A Bill for an Act Relating to Evidence. This is a Kauai County proposal, whereby Kauai County is asking us to support a bill for an act at the State to allow non-resident property felony crime victims to be able to participate in criminal proceedings by live two-way video connections. I don't know what the situation is with our County, so if you could maybe give us a verbal comment at this time if you're available to.

MR. MINATOYA: I believe it was the Kauai Visitors Association, I'm not quite sure who on Kauai had proposed a bill last year exactly like this, and what this bill does is the Hawaii Revised Statutes already allows victims of property crime, particularly visitors because it would be, it's set up so that the visitors can testify by video conference and not have to fly all the way back to Hawaii. And this bill would amend the Rules of Evidence to coincide with that statute. You know there's, you know, they've been raising concerns about the effect on the confrontation clause of the Constitution, that means the defendant has a right --

CHAIR HOKAMA: Right.

MR. MINATOYA: --to have face-to-face confrontation. I think the Legislature already addressed that when they passed the legislation years ago to allow for that in the first place. So this basically amends the Rules of Evidence to coincide with what's already in the HRS.

CHAIR HOKAMA: So is this bill really necessary then, Mr. Minatoya, since you said it's already in the law?

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MR. MINATOYA: I think this would clarify as far as the Rules of Evidence are concerned that such testimony can take place.

CHAIR HOKAMA: So you consider this an essential secondary component to make it very, more clear and better able to be implemented?

MR. MINATOYA: That's correct. We supported it and testified in favor last year.

CHAIR HOKAMA: Okay. Well that's what we would like to know, your Department's point of view. Members, any questions for Mr. Minatoya since we have him regarding that Bill for an Act Relating to Evidence which is the two-way video communication for victims of property crime? Any comments? Ms. Baisa.

COUNCILMEMBER BAISA: Chair, I'm in support of this. I think that the logistics of Hawaii make it very difficult and expensive, and I think this is a good use of technology. So I think it's smart. Thank you.

CHAIR HOKAMA: Okay. Anyone else? Is there anything else you'd like to share with us, Mr. Minatoya? I'm happy to allow you to give comment if there's any other area that you feel you'd like to give us comment this morning.

MR. MINATOYA: No, those are the two bills that we were looking at.

CHAIR HOKAMA: Okay. Well we thank you, Mr. Minatoya, for your presence. Is there any need for Mr. Minatoya to remain, Members? He has his regular responsibility and duties. Okay. If not, thank you for your time --

MR. MINATOYA: Thank you.

CHAIR HOKAMA: --Mr. Minatoya. If we can go back, Members, your Chair's position on A and B is that I don't see this from a...I take that back, A, I do not see A as being a Statewide issue for us. I think this is a very specific issue of Hawaii County. I wish them well but from an HSAC's point of view I don't see as being a part of the Statewide effort. I will ask us to please again to continue to support B which is relating to the Hawaii Health System's Primary Care Training program. I believe we supported it in the past. We are all aware of the crisis situation we have regarding family care physicians in this State and the need for us to assist as best as we can to make sure our residents have family care physicians available for healthcare benefits. Your Chair is in support of B...excuse me, C as to be part of the Statewide program, as well as D, a part of the Statewide which is relating to evidence that we just had discussions on. Regarding E, A Bill for an Act Relating to Zoning, I have some concerns with this and I'm happy we have Mr. Kushi this morning. I know what is in the State statute but zoning for me is a very, like property tax it's a County thing, it's a local governance issue, and I would be happy to challenge and take the State to court on the issue of governance and zoning, the zoning powers. So, Mr. Kushi, if maybe you can give us some comment as it regards to the proposal from Kauai County on this,

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distinguishing the difference between single-family resident and single-family vacation rental use, if possible. You need a few minutes --

MR. KUSHI: Yes.

CHAIR HOKAMA: --Counsel? Okay. To give Counsel, Mr. Kushi a few moments I'll entertain any discussions on the...any concerns with the Chair's comments on A, B, C, D? Ms. Baisa.

COUNCILMEMBER BAISA: Chair, I understand your recommendation on A, but I am wondering does this Pacific International Space Center, does it affect, does its operation affect all of us, do we all benefit from it, or is it just something that the Big Island gets? I just want to be sure that we don't take away something that is a benefit to us, you know, and not support it.

CHAIR HOKAMA: That's a very key question and that's why in my review of the bill...I mean when Maui County's visitor industry is pumping on 10,000 cylinders it benefits the whole State because of how we split the pot --

COUNCILMEMBER BAISA: Correct.

CHAIR HOKAMA: --well, on the TAT, so when we do good, to me the whole State benefits from Maui County. I read this and I really don't see it, the legislation. You know we don't ask for support for many of the things we do on Haleakala. It is because it's specific for Maui County's benefit. It draws attention to the State which is good but like, you know, I look at the Center, each county has its components and strengths and I see this as just the Big Island's component. But that's my point of view. You folks may see it differently and I'm happy to let you share your other perspectives. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And I too have a couple questions and maybe whoever might have been at the HSAC meetings can tell us a little bit about the Pacific International Space Center for Exploration Systems. It seems like in one of our other Committees, I think it's Mr. White's Committee we have an item where there is a company here on Maui that is doing stuff at the International Space Station. Would they be coordinating with this space center or this two separate entities?

COUNCILMEMBER WHITE: No.

CHAIR HOKAMA: Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. No, I don't believe this has anything to do with the space station that's in orbit now. I don't know whether...this is, this to me is a very long-range potential for the Big Island.

CHAIR HOKAMA: You know, Members, if you look at the bill, you look at the back, Section 2, this is about personnel costs, additional equipment, operational expenses. I don't see the benefit for the

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other three counties to be honest for the 1.7 million they're asking. This helps Big Island and I'm happy for them and I think this should be a very legitimate Big Island package consideration. You know and again, you know, I would support them in that manner. But if you look at Section 2 of the bill it's interesting what the money's for.

VICE-CHAIR COUCH: Yeah.

CHAIR HOKAMA: So that is one of the reasons my recommendation is such, Members. Ms. Baisa?

COUNCILMEMBER BAISA: Chair, I think I found what I was looking for and it's in Section 1 of the bill. Kind of in the middle of that on line six and seven. It says the center also aspires to serve as an economic driver for the island of Hawaii that will promote the establishment and growth of new sustainable and green industries, et cetera. So it does appear to be targeted to the island of Hawaii.

CHAIR HOKAMA: Yeah. And it's close to like the STEM program we support through MEDB.

COUNCILMEMBER BAISA: Yes. Yeah.

CHAIR HOKAMA: You know and so I've, you know...

COUNCILMEMBER BAISA: So it may be appropriate in their package --

CHAIR HOKAMA: Yeah.

COUNCILMEMBER BAISA: --but not necessarily in the Statewide package.

CHAIR HOKAMA: Yes.

COUNCILMEMBER BAISA: Okay, thank you. Thank you for answering the question. I just thought it was important.

CHAIR HOKAMA: No, no, it is important because it's important.

COUNCILMEMBER BAISA: 'Cause you know when we go to HSAC next week or this week or whenever we're going, I can't keep the dates straight, we're going to have to explain our --

CHAIR HOKAMA: That's right.

COUNCILMEMBER BAISA: --position and I want to --

CHAIR HOKAMA: That's right.

COUNCILMEMBER BAISA: --be able to explain it.

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CHAIR HOKAMA: Yeah. I mean I wish them well and I would be happy to advocate for them but not in the Statewide, something Statewide that if they told us pick this or that I really wouldn't want them to use that as a leverage item against the counties for a Statewide proposal.

COUNCILMEMBER BAISA: Thank you very much.

CHAIR HOKAMA: Mr. Kushi, are you able to maybe give us some verbal comments on E, A Bill for an Act Relating to Zoning?

MR. KUSHI: Yes, Mr. Chair. You know obviously I'm not prepared for this but --

CHAIR HOKAMA: Yeah, my apologies.

MR. KUSHI: --just --

CHAIR HOKAMA: My apologies.

MR. KUSHI: --glancing over the bill itself, it's a bill to amend Section 46 of the HRS which is, Section 46 is the general enabling statute that the State grants to all the counties as to what they can or cannot do. So this bill just amends in the zoning section, Section 46-4 that the inclusion of the term "single-family transient vacation rental units" or "nonconforming single-family transient vacation units" and allows the County or permits the County to distinguish these categories and phase it out during a term called amortization. Again, it's not mandatory, it's permissive, and it provides the County powers to regulate these types of uses and units or vacation rentals. So in my mind it expands the powers of the County. It doesn't say you have to but it allows you to treat them as you deem appropriate through your own County zoning ordinances. So from the general perspective I don't, it doesn't take away any powers that you have now, and in fact it expands your powers.

CHAIR HOKAMA: Okay. So it's a power that in your perspective we don't currently have, Mr. Kushi? Or if we did exercise it it could...or someone might challenge it?

MR. KUSHI: I'm not sure if that was ever brought up in a court case and the impetus for this legislation, but we would take the position that you can do it now because it involves zoning. I think this clarifies the situation that allows you to do it.

CHAIR HOKAMA: Okay.

MR. KUSHI: And not only zoning but taxing powers.

CHAIR HOKAMA: Yeah. I appreciate that comment 'cause I view our authority by Constitution and Charter to have given us that authority. Mr. Couch, since this is within your subject matter area

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of your Committee responsibility, I am hearing the verbal comment again, Mr. Kushi did not have time to do a thorough review, but any questions or comments you have for the proposed?

VICE-CHAIR COUCH: Thank you, Mr. Chair. My only comment is I tend to agree with Mr. Kushi that we can already do that. I don't know how that...although in their justification they do say that the current statute allows certain vacation rental properties to circumvent many regulatory controls and claim their use is Residential. I'm not sure, certainly not here on Maui County.

CHAIR HOKAMA: Well that's why that's, you know, the question...I think you hit a good point because is it in their zoning ordinances that creates --

VICE-CHAIR COUCH: It might be.

CHAIR HOKAMA: --that situation for them, because I don't believe it can happen in this County the way we've written and have Corporation Counsel sign off on form and legality regarding this issue --

VICE-CHAIR COUCH: Right.

CHAIR HOKAMA: --within our current zoning categories.

VICE-CHAIR COUCH: Yeah, and I agree with that assessment. I think we can do this already and it might be the fact that it's their zoning laws that may have the issue.

CHAIR HOKAMA: But there is one interesting component Mr. Kushi shared that of course as local government people we should listen is expansion of powers.

VICE-CHAIR COUCH: Yeah. And again, is it really an expansion of our powers? I'm not sure. 'Cause it's singling out a specific zone area. So...although, you know, looking at the existing law it does single out everything but Single Family. So I would be really curious to see what kind of in-depth analysis that Mr. Kushi could come up with.

CHAIR HOKAMA: Well, you know, there's a couple of ways. You know I want us to keep discussing this but I think some of the things that I wish the Members to keep within their thought is that I believe you have already posted a communication from Ms. Baisa on the subject, general subject matter. So there would be additional opportunities to --

VICE-CHAIR COUCH: Yes.

CHAIR HOKAMA: --maybe bring this discussion back, and something you've already posted on an open agenda. So you have a couple of more days --

VICE-CHAIR COUCH: Yeah.



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CHAIR HOKAMA: --to consider it. The Chair is open to, regarding timing to have things discharged for appropriate Council decision on the issues. The Chair is happy to work well with Chair Baisa and assist the Members in making their final decisions on it. But it doesn't need to be today is what I'm saying on this one. Yeah, if need be.

VICE-CHAIR COUCH: And, Mr. Chair, I'll be happy to do that and maybe we'll check with Corp....we'll give Corp. Counsel for my Committee a head's up and see if they can take a look at this and see if it --

CHAIR HOKAMA: Yeah.

VICE-CHAIR COUCH: --helps.

CHAIR HOKAMA: You know our only...it wasn't fair, you know, I gave Mr. Kushi five-minute notice.

VICE-CHAIR COUCH: Yeah, I know.

CHAIR HOKAMA: That's why I appreciate his, you know, short verbal, but, you know, I guess it doesn't hurt to double check. Ms. Baisa, any questions, thoughts?

COUNCILMEMBER BAISA: No, but I think it's a wonderful idea to take a look at it again, and we have a couple days, right?

VICE-CHAIR COUCH: Yes, Thursday.

COUNCILMEMBER BAISA: Yeah. So if he can do that in five minutes I can imagine what he can do in two days. Thank you.

CHAIR HOKAMA: Mr. White, any questions or comments on this one?

COUNCILMEMBER WHITE: No. Thank you, Chair.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Nothing further. Thank you.

CHAIR HOKAMA: Mr. Carroll? Ms. Crivello?

COUNCILMEMBER CRIVELLO: None for right now. Thank you.

CHAIR HOKAMA: Okay, thank you for that. Why don't we bring up the last one under this package, and since it's also part of the next one, the Maui County 4(1), the Chair will allow the discussion to be on 3(6)-3 and 4(1)-3 since it's a sister legislation proposals. Ms. Baisa, any, would you like to have any opening comments on this proposal for A Bill relating to Community Meetings?

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COUNCILMEMBER BAISA: Yes. Thank you, Chair. I guess everybody knows that this has been a passion of mine for a while and we tried getting the law amended last year and we did succeed a little bit in opening the door but still there's a big concern here about our ability to attend community meetings, more than a quorum of us. And it's very, very difficult. And we all had a first experience recently when we attended a forum and I think there were seven of us present and some of us had to leave. And I thought it was really sad because, you know, our intent was to go there and to listen and learn. And I think that the perception by the audience was that they wanted us there to listen and learn. And they too were impacted by us not being able to be there. So I think that this is very logical. And when the bill was amended I tried my best to explain to them that I didn't think that requiring us to post an agenda for a meeting that we're not calling, to tape a meeting that we're not calling, and, you know, to take minutes was impractical and really didn't apply 'cause it's not a meeting, we're attending somebody else's meeting. But we couldn't quite get that through, so I think we want to try again. And I really like the language that is in the proposed bill that is going to come up in the next item. And I think when we say we want to add members of a county council may jointly attend and speak at a community educational or information meeting or presentation of another entity, including a legislative hearing, convention, seminar, conference, forum, debate, or community association meeting, provided that there is no charge or membership requirement to attend the meeting or presentation. And our testifier did address that. And I still think this language is much better than what we have now. And I'm very much in support of it and hope the Members are, too. We tried last year to get this through HSAC and we couldn't. I don't know what the reasons were. Maybe they were uncomfortable with it, didn't understand the incidents that we've been through. Sometimes until something happens to you, you don't really get it, but when you have to leave a meeting and people are watching you and quite upset about the fact that you're leaving, it makes you see it very clearly. So anyway, I'd like to ask the Members to support it, and I'm very, very interested in any feedback that they have.

CHAIR HOKAMA: Okay. Would this impact the HSAC annual conference since we do have registration fees?

COUNCILMEMBER BAISA: I would imagine it...I don't know, I'm not a lawyer.

CHAIR HOKAMA: Well that would be my concern is that, you know, we allow people to participate with HSAC but there's a registration fee that all of us participate in, and so...

COUNCILMEMBER BAISA: Can we exempt ourselves from things that we do?

CHAIR HOKAMA: The State Legislature and Congress does it all the time.

COUNCILMEMBER BAISA: Okay. Well then --

CHAIR HOKAMA: So I...

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COUNCILMEMBER BAISA: --can we add that to the...

CHAIR HOKAMA: Well I would just bring that up that that might be some of the areas of potential revision we might want to look at since we do host and we do have registration fees for our own conference. That might be something. But I think, you know, I think we can take part of the hint also from that one comment we had from OIP which was obviously, in my reading of their response to us, is that they have no problems with members interacting with a forum person, an individual, and that the concern is in discussion amongst each other prior to a pending decision. And that's what I would say is the key focus point of the Sunshine Law is discussion among members prior to an open decision making session, the concern of already a predetermined call on that issue. But for seven of us here to be at let's say something that says do you like riding in a hot air balloon, hey, I wouldn't see why that would need to be under one Sunshine Law regulation. We, you know, unless they're going to say do you want to regulate hot air balloons? But I mean, you know, for the life of me I don't know why we lose our First Amendment rights and not have the ability to speak. Ms. Baisa.

COUNCILMEMBER BAISA: Chair, what I have a horrible time with and it really bothers me is that we have this restriction put on us, but yet the State Legislature doesn't have this restriction put on them, and they caucus with, whenever and whoever --

CHAIR HOKAMA: Congress has no problem with it either.

COUNCILMEMBER BAISA: --they want to. So what is this about? And why us?

CHAIR HOKAMA: Well because there's no one else for us to pass the buck to, that's why it's all on us. We're the final level of the pyramid structure, and that is why I've stated that, you know, what I've seen America through its counties across the country do is wanting leadership, the American public is going to force the potential inversion of the political power structure. Because it's not happening in the middle and top tier. So it's kind of interesting the dynamics. But, you know, even for us we're the most transparent branch of government because of requirements, and that supposedly be to help bring back integrity and confidence in your government. But LA County of 10 million people elected 5 supervisors to make a decision on \$10 billion budgets with 13 percent votes of their county. Thirteen percent of LA County elected their 5 supervisors to manage 10 million people and are...I take that back, and a \$21 billion budget.

COUNCILMEMBER BAISA: Goodness. Billion.

CHAIR HOKAMA: Billion.

COUNCILMEMBER BAISA: Chair?

CHAIR HOKAMA: Ms. Baisa.

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COUNCILMEMBER BAISA: You have a lot of knowledge about what's going on around the country because as NACo President, you know, you hear all this stuff. Do other county councils have this problem?

CHAIR HOKAMA: I would say...

COUNCILMEMBER BAISA: Or has anybody else figured out how to get out of this? I mean a better way.

CHAIR HOKAMA: Every state is structured little bit different with counties. I would say there are concerns in other areas but there's a lot of different boards and committees, our sister counties that only deal with a legislative group of three or five people. You know for us at nine it's something. You know most of the sister counties, rural America is three to five people is their legislative decision makers. That's it. And a lot of them are part-timers. The majority of rural America is part-time county people. So was interesting, I appreciate Mr. Smith and his passion, but, you know, right there you're dealing with legislators and part time that has a special interest, they have their own businesses to take care of and then make their political decisions on their whole community. But one thing I would half agree, disagree with Mr. Smith is even one single resident in my district or in our County to me is a special interest, and I don't think there's anything wrong with the term "special interest". I think our people are special and every single one who brings me a concern or...is a special interest, and I'm here to listen and to talk with them to learn about their issue of...and it's special to them. So what is special interest? You know we take phrases and make it so negative in a sense that I prefer not to view it that way, Members. You know so if I have a concern and it's a Lanai thing, yeah, it's a Lanai special interest. I bring it to you but it's a special interest because it's a Lanai thing. If Mr. White brings it to me it's a Makawao thing, but it's a special interest on Makawao 'cause it may not relate to Lanai at all. But what's wrong with that? We are at-large Councilors. So, you know, I just see it slightly differently, Members. I don't have a problem of moving this forward because I like the debate and I like the discussion, 'cause I think the State Legislature needs to come to terms with what is appropriate Sunshine for themselves, too. Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. I have a little concern about the section provided that there is no charge or membership requirement, because we just had the HCPO meeting at the Sheraton that many Members attended. We have NACo, we have HSAC, and all of those there has to be a charge to cover --

CHAIR HOKAMA: Expenses.

COUNCILMEMBER WHITE: --the costs. So, you know, once again I don't really see...I see HSAC and NACo having and HCPO having a potential to be discussing issues that might eventually come before us. But this is really focused on having us or giving us the ability to go to educational and informational meetings without having to come back and write reports every single time and, or not attend because there's too many others there. I don't think there should be a limit on the degree to which we can educate ourselves. I don't think there should be a limit

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on the degree to which we can go and participate in community meetings and community events. So I, you know, having been at the Legislature and seeing how easy it is to educate yourself and get an understanding of the historical perspective on issues and how a current bill addresses some of those issues. It's, they're light years ahead of us because you can go into anyone's office that's sponsoring a bill and sit down with two or three other members and get a really good education on what the issue is that they're trying to address with the current bill. As you know here I can come and talk to you about an issue but I can't then talk to anybody else, and that's just, it's, you know, that's enough of a, you know, a roadblock to us getting things accomplished here. But to extend that to community meetings and conventions and so forth just seems dumb, for lack of a more artful term. Thank you, Chair.

CHAIR HOKAMA: Thank you. You know on this matter, Members, I would I say I would ask for your consideration to defer this. I know Chair Baisa has agendized this, but I think, you know, it might give Committee Staff some time to maybe do another draft or revision for the Council to make a decision. 'Cause that component regarding the charge or membership requirement, I think we need to tweak it so that things like HSAC meetings, NACo meetings and other things, it makes, it's clearer and makes more sense. Any concerns, Ms. Baisa? And then I'll ask Mr. Couch for his comments.

COUNCILMEMBER BAISA: No. Thank you, Chair. I think that would be very good because it brings up a really good point and we do want to be able to attend those conferences as well as community meetings, and we do pay registrations fees. So I don't know why that was put in there in the first place. Apparently Staff did research and felt it was important, but maybe we can check that out and revise language for the next opportunity.

CHAIR HOKAMA: Okay.

COUNCILMEMBER BAISA: Thank you.

CHAIR HOKAMA: Mr. Couch.

VICE-CHAIR COUCH: Thank you, Mr. Chair. And to answer Ms. Baisa's question, I believe I've heard from either OIP or during testimony or whatnot the concerns about, the reason why there's that, there is no charge in there is concerns about somebody's, some "special interest" setting up a meeting that you have to charge to or you have to pay to get into, that way it would exclude members of the community potentially if they couldn't afford it. I remember hearing that discussion, so I'm sure that's why that went in there. But then it hurts us for our conferences and whatnot, so something to balance that out might be advisable to put in there. The other thing is Mr. Smith mentioned in the resolution itself where it says it's the job of Council members. Yeah, I mean this is our job, whatever, but I do like the fact that it might be better stated as duty, potentially. I mean I thought that was a good suggestion. In the actual resolution approving for inclusion of the 2015 Hawaii State Association of Counties Legislative Package, the second whereas, it says whereas, as elected officials it is the job of Council members to find out how

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people in their communities feel. You know I can agree with the testifier on that one to change it to duty, but that's totally up to the Members. But I thought that might make it more succinct.

CHAIR HOKAMA: Okay. Well again the Chair is going to recommend for the Committee to defer to allow it to be worked on, and then again the Council can make its decision on the matter. So on this matter 3(6), Members, what the Chair is proposing is that the Committee take a, can make a decision. I would ask for an affirmative decision to place in the State HSAC package the following: A Bill for an Act Relating to Hawaii Health Systems Corporation Primary Care Training Program which is 3(6)-B; 3(6)-C, A Bill for an Act Relating to Abuse of Family or Household Member; 3(6)-D, A Bill for an Act Relating to Evidence. I would ask that we defer A, A Bill for an Act Relating to the Pacific International Space Center for Exploration Studies, and E, A Bill for an Act Relating to Zoning. And regarding the Bill for an Act Relating to Zoning, which is a Kauai County request for consideration, I would ask that the Planning Committee at its agendized meeting on the vacation rental issue consider some of this discussion, and then at...allow the Council to make its final decision on it. And also I would ask that we defer 3(6)-3 which is the last bill, A Bill for an Act Relating to Community Meetings, that we defer that and allow Staff to see if they can work a revised proposal for Council consideration. Any questions to the Chair's proposal? If not, I am open for a motion to move forward the HSAC bills 3(6)-B, 3(6)-C, and 3(6)-D. Mr. Couch.

VICE-CHAIR COUCH: Thank you, Mr. Chair. I move to approve the proposed resolution entitled Approving Proposals for Inclusion in the 2015 Hawaii State Association of Counties Legislative Package by including B, A Bill for an Act Relating to the Hawaii Health Systems Corporation Primary Care Training Program; C, A Bill for an Act Relating to Abuse of Family or Household Member; and D, A Bill for an Act Relating to Evidence.

COUNCILMEMBER BAISA: Second.

CHAIR HOKAMA: I have a motion made by Mr. Couch, seconded by Ms. Baisa. We are under discussion. Any discussion, Members? Ms. Baisa.

COUNCILMEMBER BAISA: I am watching our Staff trying to tell us something.

CHAIR HOKAMA: And again the motion the Chair would ask with no objection, Members, is to allow Staff to make any nonsubstantive changes to the proposed resolution.

COUNCIL MEMBERS: No objections.

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

CHAIR HOKAMA: Okay, thank you. So ordered. Any further discussion on the motion before us, Members? If not, all in favor of the motion, please say "aye".

COUNCIL MEMBERS: Aye.

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CHAIR HOKAMA: Opposed, say “no”? Motion passes, seven, zero, with two excused.

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

**NOES:**        **None.**

**EXC.:**        **Councilmembers Cochran and Victorino.**

**ABSENT:**     **None.**

**ABSTAIN:**    **None.**

**MOTION CARRIED**

**ACTION:**     **Recommending ADOPTION of revised resolution approving the following proposed State bills for inclusion in the 2015 HSAC Legislative Package: (1) “A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION PRIMARY CARE TRAINING PROGRAM”; (2) “A BILL FOR AN ACT RELATING TO ABUSE OF FAMILY OR HOUSEHOLD MEMBER”; and (3) “A BILL FOR AN ACT RELATING TO EVIDENCE”.**

CHAIR HOKAMA: All items will be deferred. No objections?

COUNCIL MEMBERS: No objections.

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

CHAIR HOKAMA: Thank you.

**DEFER pending further discussion.**

**ITEM PIA-4(1): MAUI COUNTY LEGISLATIVE PACKAGE (2015 MAUI COUNTY LEGISLATIVE PACKAGE) (CC 13-44)**

CHAIR HOKAMA: 4(1). Okay. We already had discussion on 4(1)-3. We do have a communication from Ms. Baisa, this is 13-44, relating to matters pertaining to the Maui County Legislative Package. We have one additional item to have discussion on and that is from Mr. Guzman dated September 30<sup>th</sup>, where he’s asking for consideration in the Maui County package for a bill relating to industrial hemp. Mr. Guzman, if, we’d appreciate your thoughts, please.

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COUNCILMEMBER GUZMAN: Thank you, Chair. I know that in April 30 of 2014, Governor Abercrombie signed into law Act 56 which basically allowed the authorization of the Dean of the College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa to start conducting research testing on one site. And this bill that's currently in effect I would like to amend to allow it to be expanded in terms of research, having, authorizing the Dean to be able to have the research program in each County. And that being, Chair, each island is significantly different from one another. And I believe that if expanding the research program and finding where the industrial hemp can actually be grown at a viable place, I believe it should be expanded to each of the counties. And that would be under the discretion of the Dean. They do have University of Hawaii research agricultural lands in Maui, Big Island, in Kauai. I don't believe it should just stay in Honolulu. This is a, industrial hemp is one of the major imports that United States is, has products that has been imported into the United States, and it looks as though in speaking with several I guess people involved in the Federal level it could be legalized at some point in time in the future. And that's why President Obama back in I believe February 7<sup>th</sup> of 2014, signed into law the Agricultural Act of 2014 to allow research for study for institutions of higher learning. And so there is a push to see if this is a viable product. And this basically is an amendment to allow each County under the authorization of the Dean to conduct these researches, research programs. Thank you, Chair.

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

COUNCILMEMBER WHITE: I think moving in this direction is a reasonable step. I think it's always good to have additional options for our agricultural community. So I think this is a, it's a good move. Thank you.

CHAIR HOKAMA: Okay. Ms. Baisa?

COUNCILMEMBER BAISA: Thank you very much, Chair. I'd like to speak in support of this. I had the opportunity to attend the industrial hemp conference that was held recently and to listen and see the movies and, you know, talk with some of the people that are involved in this, and had some really good conversations with Kelly King of Pacific Biodiesel who we all know very well. And Ms. King is so, really wanting to see this happen. She thinks it's very important to economic development. And, you know, we had the opportunity to look at some of the materials that are produced and very impressive, you know, in the way of building materials. Very strong, very inexpensive, good way to use the leftover stuff, and I just think that it's okay to go ahead and do more testing because we may discover something that'll be very good for us.

CHAIR HOKAMA: Thank you. Mr. Couch?

VICE-CHAIR COUCH: Thank you, Mr. Chair. And I too attended that conference. We did have a report to this whole Council on it, and I think there were four of us there. And I want to thank Mr. Guzman for bringing this up and also saying you beat me to the punch 'cause we, you know, this is very interesting, it was a very interesting subject. And I understand the concerns of the law enforcement agencies about, you know, potential issues with the illegal version of marijuana



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actually. And there's a definition between hemp, there's a difference between hemp and marijuana so that helps. And, you know, we've been, there's been manufacture of things made out of hemp long before marijuana got moved to a Class 1 narcotic or whatever it's, whatever the term is, so it's not anything new. And it's something that as Ms. Baisa says can bring more economic diversity here provided it's controlled the proper way. And I think there are entities around the country and around the globe that have been able to do that, so, you know, it's time to step into the 21<sup>st</sup> Century and do what we can to help diversify our economy here. And, you know, they've talked about this helping to remediate the soils too. So I mean it's an agricultural product, let's embrace it. Thank you.

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

COUNCILMEMBER CRIVELLO: I too will, is in full support of this, including this in our Maui County legislative package. I see this as another opportunity for diversity in agriculture, and I think many of us especially with our rural landscape can try and make due for our economic balances. Thank you.

CHAIR HOKAMA: Thank you. Mr. Carroll?

COUNCILMEMBER CARROLL: Nothing to add.

CHAIR HOKAMA: Okay, thank you very much. Well I can tell you our sister counties on the 48s have pretty much same sentiment as you've shared this morning in your comments. So yep, it's been used a lot during pre-World War II into basically for anchor lines for naval ships. Yes, we understand their military uses in the past. Mr. Kushi, is there anything Corporation Counsel may need to share with us regarding the industrial hemp proposal?

MR. KUSHI: Not at this time. As long as you let me know where it is.

CHAIR HOKAMA: Yes, I will, Mr. Kushi. Okay. The Chair will recommend that we move forward the two proposals in the Maui County legislative package. So the Chair will have a, entertain a motion to recommend to the Council to support for the Maui County Legislative Package, 4(1)-2 which would be A Bill for an Act Relating to Industrial Hemp; and 4(1)-3 which would be A Bill for an Act Relating to Community Meetings. Mr. Couch.

VICE-CHAIR COUCH: Mr. Chair, before I make a motion can I ask you a question?

CHAIR HOKAMA: Sure.

VICE-CHAIR COUCH: I know we deferred for...

CHAIR HOKAMA: Oh, thank you.

VICE-CHAIR COUCH: Yeah.

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CHAIR HOKAMA: Correct, correct.

VICE-CHAIR COUCH: Number three.

CHAIR HOKAMA: Yeah, you're right. We'll, the Chair will make the same recommendation then.

VICE-CHAIR COUCH: Okay.

CHAIR HOKAMA: We'll just move out No. 2, A Bill for Act Relating to Industrial Hemp, and then the motion will also be to defer Ms. Baisa's proposal, A Bill for an Act Relating to Community Meetings.

VICE-CHAIR COUCH: Okay. Mr. Chair, I move to approve the resolution entitled Approving for Inclusion in the 2015 Maui County Legislative Package a State Bill Relating to Industrial Hemp and deferring the other resolution.

CHAIR HOKAMA: Okay.

COUNCILMEMBER BAISA: So moved.

CHAIR HOKAMA: I have a motion and a--

COUNCILMEMBER BAISA: Second.

CHAIR HOKAMA: --second made by Mr. Couch and Ms. Baisa. Members, further discussion on the matter?

MS. NAKATA: Mr. Chair?

CHAIR HOKAMA: Yes, Staff?

MS. NAKATA: Could Staff have leave to make nonsubstantive revisions?

CHAIR HOKAMA: Yes. Again, Members, with no objections, Staff will make those nonsubstantive changes for form and legality requirements.

COUNCIL MEMBERS: No objections.

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

CHAIR HOKAMA: Okay, thank you. All those in favor of the motion, please say "aye".

COUNCIL MEMBERS: Aye.

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CHAIR HOKAMA: Opposed, say “no”? Motion passes with seven ayes, two excused.

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

**NOES:**       **None.**

**EXC.:**       **Councilmembers Cochran and Victorino.**

**ABSENT:**   **None.**

**ABSTAIN:**   **None.**

**MOTION CARRIED**

**ACTION:**   **Recommending ADOPTION of resolution approving a proposed State bill relating to Industrial Hemp for inclusion in the 2015 Maui County Legislative Package.**

**ACTION:**   **DEFER pending further discussion.**

CHAIR HOKAMA: We’ll take a five-minute recess. We’ll get ready for the last two components since we have resource people. So we’ll be in recess. . . .(*gavel*). . .

**RECESS:**   **10:17 a.m.**

**RECONVENE:**   **10:28 a.m.**

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

**ITEM PIA-42:    CYBERSECURITY (CC 13-226)**

CHAIR HOKAMA: We are now on, Members, Item 42 under the heading of Cybersecurity. We do have a Communication 13-226, from your Committee Chairman, relating to cybersecurity, including the County’s role in cybersecurity. And what we can share again, Members, in open session, I’m going to keep this in open session regarding our practices in dealing with some of our cyber issues. So today we are fortunate and Staff will be handing out a component. This is what the FBI gave to Congress in front of Chairman Meehan and Ranking Member Clarke. This was before the House Homeland Security Committee on Cybersecurity, Infrastructure Protection, and Security Technologies. And he just presented this in April of this year. So you will have his written remarks. And in general the Chair would just share that regarding those comments from Mr. Quinn I would just note certain things. And for those that may understand the lingo better

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than some of us, you can ask the questions later, but, you know, nearly I would just say from the report we can take back that the impact of botnets, and that's something that we all going to learn about, has been significant. It has caused \$113 billion in losses globally with approximately 378 million computers infected each year equaling more than 1 million victims per day translating to 12 victims per second. And I can tell you that in my review two weeks ago of Homeland Security's operational center, was good to know I can get clearance, that made me happy. We do have our Federal agencies, and there's 19 and under this National Cyber Initiative Joint Taskforce that it also includes people like the NSA, DHS, CIA, Secret Service, US Cyber Command that will be working with our own local enforcement people as well as our own...and as well as the government's security and cyber technology people. So I can share that with you in a general comment at this time. I will also say that while we do have lots of external threats and some people think there's only about 100 top super czar villains out there, I can tell you that we also have threats within the domestic borders and we need to be prepared also for that, those situations. So this morning I don't know who wants to start. First we'll start with our Police Department. We have Captain John Jakubczak with us and joining us with two sergeants, Sergeant Kaupalolo and Sergeant Callinan. And so I'll ask the Captain if he would mind sharing some comments to the Committee at this time, please.

MR. JAKUBCZAK: Good morning, Chair Hokama and Council members. My name is Captain John Jakubczak. I'm the Commander of the Criminal Investigation Division. And as far as this topic, cyber threats, this is something we see almost on a daily basis in the Criminal Investigation Division as far as complaints come from the public regarding anywhere from cyber bullying, harassment to fraud, credit card fraud, theft and that such. So we're able to do only so much investigation in this area because of our I want to say lack of either equipment or training or the complexity of this type of crime, especially coming from outside our realm. What I mean by realm is outside our County or outside our State. So we're doing the best we can. We work with our Federal partners, the FBI, CIA, and others to address some of the issues and complaints that we receive.

CHAIR HOKAMA: Okay. Sergeants, any additional things you can, you wish to add? We are open to your comments.

MR. CALLINAN: Good morning.

CHAIR HOKAMA: Good morning.

MR. CALLINAN: I'm Mike Callinan. Been my, one of my functions over the last ten years has been doing the computer forensics, that includes cell phones. Initially when it started, most of the crimes we saw were on the PC were for people who accumulated pictures of child abuse. It has changed drastically over the last ten years, and we're now seeing a lot more on cell phones. People's computers have been hacked into where they're forced to pay money to get an encryption key to unlock their computer. They're extremely difficult investigations to do. We don't really have the equipment necessary or the training necessary. A lot of what I went to was

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years ago. I kept up with a lot of it on my own, but we're talking, we need really advanced computer people to investigate this kind of crime. That's about all I have.

CHAIR HOKAMA: Thank you. Sergeant Kaupalolo, anything you can add?

MR. KAUPALOLO: Good morning, Council and Chair, Members. My name is Lance Kaupalolo, I'm the sergeant for the Technical Support Unit at the Maui Police Department. Currently I work along with Mr. Verkerke and his staff to look at new equipment, new software, new applications, as well as protect the integrity of the data systems at the Department. Our integrity is very well intact. We're pretty safe, secure with the information that we store, that we collect. Unfortunately with these crimes, these cybercrimes, they change pretty much daily. We do need to kind of catch up with the rest of the country as far as how we're going to investigate. Some of these crimes extend beyond our jurisdiction, our borders, so we have the mutual aid that we need to seek. Internally we would probably be looking at newer equipment and applications, how to read the phones, how to read these tablets, how to read their computers so we can get our local criminals under control. That's about it for me.

CHAIR HOKAMA: Okay. How has your relationship, have you utilized...because I've been told by FBI and Secret Service that the regional offices are happy to assist our local jurisdiction so like the Maui Police Department. Have you had the opportunity to utilize their assistance and resources to assist you in your cases or your investigations?

MR. CALLINAN: We do utilize them. There are a lot of computers we cannot really look into, especially Apple products. It's an entirely different type of investigation, methods, software, and machines and equipment you need to investigate that kind of computer crime. They are more than happy to help us with that type of a system. The turnaround time is usually pretty good, but it depends too on how much work they have at the time. So and that's what it comes down to, it's whether they can do it and how long it's going to take 'em to get to it, but they're always willing to help us.

CHAIR HOKAMA: Okay. I know Mr. Couch is a cyber person so you can start off your questions and...your questions.

VICE-CHAIR COUCH: IT person. Thank you, Chair. Thank you, Mr. Chair. And thank you guys for being here. This is pretty important. You know and because all these crimes, they may originate here potentially but they're nationwide and worldwide outreach. Is there any kind of...I know, I can see in the FBI's report that they have a national taskforce, but is there any kind of entity or mutual agreement with other municipalities and other localities with and you guys besides the FBI to kind of get a handle on this? Because, you know, it may be that it originates here. I mean we had some spammers in my district, some, one of the top five spammers was operating out of a house or two in Kihei. So that would be something you guys would investigate with the assistance of another organization, maybe the FBI and other things, or how would that work?

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MR. JAKUBCZAK: We assist...we ask for assistance with the FBI but also with the State Attorney General Office, so a State entity. We also have great working relationships with our county partners. So if there's anything that is related to the case we're currently working, we can reach out to those people and, for assistance. And like you said earlier a lot of these crimes it's not just local, it's not just national, it's global in effect, so we definitely need from our focus or our point of view more assistance from the outside agencies to help us.

VICE-CHAIR COUCH: Okay. And how is that handled in other municipalities? Do they have...I mean it looks like we have the two of you are kind of our cybersecurity taskforce, maybe if you have some people underneath you, I'm not sure. How is it handled in our jurisdiction as well as other jurisdiction? Do you guys get together and chat and figure out how to do it? Because you're going to have to work together, I think.

MR. CALLINAN: A lot of it is just my personally calling, you know, whoever on a different island or the military NCIS just because we've been to training together and we know each other. The Attorney General's Office used to run a monthly meeting. It's been a while since we've had one 'cause they've kind of had a change of leadership over there. It's definitely something they need to get back to. It's difficult for us to keep up on current trends without the communication between each other, 'cause these guys who are doing the hacks and the spamming that's all they have to do all day long, whereas we have to split duties amongst other things. And computers, everyone talks about how fast it advanced, advances, in one day they're coming up with tons of new things to mess with us about. So it's real hard to keep up. But yes, it would be nice to get back to having those meetings, 'cause as guys go out they need to be replaced and those connections need to be reestablished.

VICE-CHAIR COUCH: And thank you, Chair. Follow up if I may?

CHAIR HOKAMA: Yeah, and then we'll give others a chance.

VICE-CHAIR COUCH: Sure. The big thing is, you know, we could have 50 guys in our own Police Department just dedicated to that and it's still not going to...it might be a little bit more effective. I'm trying to figure out how our local, you know, Department, you two guys and whoever else is with you, even if we beefed you up to 50 more people, you still need the communication with the State and the Federal guys. So I'm not quite sure how it would work internally versus, you know, Statewide and nationwide.

MR. JAKUBCZAK: Well I think a good start is to have more people, and the reason why I say that, you see these two here, I think he has two other people under him. They're on a different task than Detective Callinan. Detective Callinan is the investigator who does crimes. Technically he's actually a person, crimes against person detective so he does the computer crimes part time. Sergeant Kaupalolo is in charge of the TSU Unit which more or less identifies and procures computer systems, products, and helps out our internal system to be safe and secure, so and they're not necessarily involved in the investigative area. So having a unit possibly in that realm of cybersecurity, cybercrimes would be a definite help, and what that leads to is like Detective

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Callinan said is making contacts with your Federal partners, with your local, State partners, people who can, you can reach out and contact if you have a question or you need some assistance that can either help you or lead you in the right direction. And a lot of times that's what is necessary to do not just computer crimes but a lot of other different types of cases that we're working on. We'll reach out to someone in the FBI, in the State Attorney General's Office or HPD or whoever, LAPD, anyone who we've had contact with before to help us with a question or something, assistance to contact someone else. So yeah, that's very important.

VICE-CHAIR COUCH: And don't forget to use your resource here too, the head of NACo at this point, the president. I mean that's their big thing is cybersecurity and we have a lot of resources through there. Thank you. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Ms. Crivello, any questions for our Police Department?

COUNCILMEMBER CRIVELLO: Yeah, yes, I do. In your opinion are we providing you with the most updated infrastructure and software for you to perform?

MR. KAUPALOLO: Currently we're looking at what the US mainland is running. I just came back from a conference in California. They're beefing up their tech. They have technical units that just specialize in cybercrimes, cyber defense. Just the way the country works, it starts with the East Coast with all the new stuff, progresses its way, reaches the West Coast. Hawaii's always playing catchup with the rest of the country. So we're looking at new software, new equipment because there's new stuff, there's new equipment coming out every day and we gotta prepare for that.

COUNCILMEMBER CRIVELLO: Thank you. Thank you, Chair.

CHAIR HOKAMA: Okay, thank you. Mr. Carroll, questions, sir? Mr. Guzman, questions for our Police Department at this time?

COUNCILMEMBER GUZMAN: Yeah, thank you, Chair. Can you run through...I just want to get a grasp of the process. So if someone complains they go and call MPD, they make a formal complaint, and the types of complaints that you receive are cyber bullying, harassment, credit card fraud, what else, misrepresentation. So out of those reports do you then determine which has priority that you can...

MR. JAKUBCZAK: Well what usually happens is someone will make a complaint on any of those types of crimes or any other crime and usually the Patrol Division is the first one to respond to initiate a report. From there the reports are, after they're approved are sent to my lieutenants in the Criminal Investigation Division, and in this case depending on if it's property or a person crime, and from there they'll assign, the Lieutenant will assign a detective to...depending on the fact, solvability factors to one of my detectives to follow up on and go from there.

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COUNCILMEMBER GUZMAN: How do you determine who's the defendant or who's the alleged criminal?

MR. JAKUBCZAK: Alleged perpetrator or suspect.

COUNCILMEMBER GUZMAN: The perpetrator.

MR. JAKUBCZAK: Yeah. A lot depends on the information that's recovered or given to us by the complainant or whatever documentation they have that they can submit, and some of the things we go on is I think IP addresses and whatnot. So there are some ways we can find information to lead us to a suspect or some of the information where it's sent to and vice versa. But yeah, it makes it difficult nowadays because of identity theft and what have you.

COUNCILMEMBER GUZMAN: Yeah, the identity theft. So how would a...okay, if there's certain I guess, I don't know, conditions or evidence that you would need to start the investigation, as a victim what would be helpful for you as a Department for the victim to come forward and supply?

MR. JAKUBCZAK: Well I think one of the first things for a victim is not to be a victim and that includes not giving out your, any account information or identity information when it's not, when you did not solicit it. In other words, someone's sending you something and they either want your account number or bank account number, identity, your social security number, what have you. So the first step would be not to be a victim. Unfortunately some things happen, people do give that up. It's important to keep whatever information they have, not to delete anything on their computer if they have something that was sent to them by someone. And that's...we can only go by what we're given as far as from a complainant initially. So hopefully that they have all the information that was given to them by the person soliciting their information.

COUNCILMEMBER GUZMAN: So if the alleged perpetrator is from the County of Maui then you could, that's within your jurisdiction, but then once you find out that it crosses into State commerce lines then you communicate with the Feds? Or do you just at that point just go you know what, it's out of our control.

MR. JAKUBCZAK: Yeah. Usually when we have from an international source we'll go through the Secret Service to inform them of what we have. Some of 'em they're already aware of happening. As an example, the Nigerian schemes, they're aware of those. So we'll call over there and say, you know, we have another case involving the Nigerian scheme so they'll look into it.

COUNCILMEMBER GUZMAN: It just seems real difficult.

MR. JAKUBCZAK: It is difficult. They have so many. I didn't realize how many they had until I talked to someone from the Secret Service of how many of these they have on a daily basis. Just...and I'm not sure what they do with that information or how far they go or if they're...it



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sounded like they were on investigating something from the Nigerian schemes. But again there's so many people involved that they just keep adding it to their investigation.

COUNCILMEMBER GUZMAN: How many...can I ask one more question, Chair? How many I guess charged perpetrators have you charged and how many were convicted?

MR. JAKUBCZAK: Off the top of my head I can't even think, fathom that. But remember now, cybercrime involves a whole lot, it's not just the Nigerian scams or international type of cases, it's also cases locally where you have fraudulent use of credit cards, identity theft, the bullying. So we have had, been successful here most of the time because the complainants kind of knew who was on the other end of this. Rarely do you have on a local level someone who's doing this who is not known to the complainant, in other words. So at least that's what we find here.

COUNCILMEMBER GUZMAN: Okay. Thanks, Chair.

CHAIR HOKAMA: Mr. White?

COUNCILMEMBER WHITE: Thank you, Chair. At what point does the FBI get involved?

MR. JAKUBCZAK: Anytime . . . (*clears throat*) . . . excuse me. FBI will get involved once we contact them and we say we have this case that's outside our jurisdiction, in other words originating from somewhere in the mainland and we have an IP address or an address or a name that connects to someone in the mainland. So they'll get involved when it's, again, outside of the State.

COUNCILMEMBER WHITE: Okay. Thank you. Thank you, Chair.

CHAIR HOKAMA: Thank you. Ms. Baisa?

COUNCILMEMBER WHITE: Mr. Guzman asked all the questions I was...

COUNCILMEMBER BAISA: Yeah. This is really interesting, and, you know, it's becoming very personal. I think every single one of us has been hacked at some point, particularly if you're a Facebook person like I am, it's really common that people post all kind of things that you never said and steal your pictures and identity and do all kinds of things. The complaints that you get are more or less in what area? What's the biggest area kind of complaint you get? Are they somebody stole my bank account number and is in there or somebody used my credit card or what do you see?

MR. CALLINAN: That's a difficult one to answer because we get the investigations at a certain level. If you have two kids in school and they're doing that Facebook thing and they start creating websites and, you know, doing the cyber bullying, it's basically just harassment. So usually we don't get too many of those, but I can tell you I get asked daily what the officer needs to look at, what can we do. We won't go too deep into doing a full forensics on that kind of a situation. That happens almost daily, the cyber bullying, and especially in the schools. Child abuse

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pictures, they're still out there unfortunately, and that's the nastiest thing we deal with and we get quite a few of those. The hacking into someone's computer we'll get those once in a while. But the biggest thing I see is that the child abuse, but that's not...the biggest problem we have is the bullying which is not really a new problem, it's just the technology creates a new way for them to do it. I mean in the Captain's day he used to beat us up in the school ground for our lunch money. Nah, just joking. But, you know, it's just a different way for them to do it. And the biggest thing to me is just through, you know, personal security. I don't allow my daughter on Facebook and these are just precautions you gotta take, it just extended into the cyber world to help it.

**COUNCILMEMBER BAISA:** Thank you. I see a lot of parents have put their foot down on that and don't allow their kids on Facebook. The friends that I have will let them do Instagram so that they can send pictures, but no more than that because they don't want all this communication. But even that I think is scary nowadays because you don't know what kind of pictures they're going to send. But this is a major problem, and, Chair, I think that probably the tip of the iceberg at this point. And I'm excited about the idea of the insurance we're talking about. Thank you.

**CHAIR HOKAMA:** Thank you. You know we...I also want you guys to hear from Mr. Verkerke and Ms. Sherman because they'll give us a different perspective. Of course they work for the County. But I wanted them to also share comments with you folks as well as with the Police Department still here. I think one of the things we've learned though is that we need to help educate our people on some of the protocols that help the enforcement side catch the bad guys, and one of the keys, do not destroy the forensic evidence that helps them go back through the pipelines and eventually find out where it's coming from. So procedures, safety, and the most easiest one that I get asked at every single cyber event is how many people have just secured and locked their phones and you would be amazed how many hands do not go up. Just the simple protection of your phone, because this is a great conduit for information to other things, and they can connect...they're going to connect this County through my phone 'cause I have County addresses in here. So, you know, the simplest of things may not be your computer in your office, might be your own personal phone is the conduit to break into the County's system. So it's knowledge, it's security practices, and how to maintain the forensic evidence. Ms. Baisa.

**COUNCILMEMBER BAISA:** I just wanted to share one incident and I'm sure that you're going to relate to this, and that is somebody sending me an e-mail...well actually a text and saying congratulations, this is your friend, I won't say the lady's name but anyway, I know her very well and she said I just won \$25,000 and your name is on the list, have they called you yet? And she said I saw the list when they delivered the money, have you, you know, have you seen the list? And I said no and nobody's called me. And fortunately I knew the lady so I said...I didn't reply but I e-mailed the lady and I said this is Gladys, is it true that you just won \$25,000 and you saw the list with my name on it? Found out that she was on a trip out of the country, her husband answered the phone and he said she's not here, she's on a trip out of the country, so I knew right away that it was one of those phishing things. But, you know, I think a lot of us when we hear something like you won or, you know, send money 'cause you won a trip or whatever, we're all tempted to want it and to reply. And I think that's a really good warning while we have people

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on TV that they should not respond just in sending their names and their deposits and whatever information that these people want without checking. But that was done to me so I know it can happen.

CHAIR HOKAMA: Mr. Couch.

VICE-CHAIR COUCH: Thank you, Mr. Chair. And along the lines that you were discussing as far as education and whatnot, two things. One, Microsoft will never call you and tell you your computer's broken. I've had people in my other office have said oh yeah, I got that call and I gave 'em access to my computers. That will not happen. You guys get that very often? I mean people calling and saying Microsoft called me and said my computer is broken and...

MR. JAKUBCZAK: Similar ones, yes.

VICE-CHAIR COUCH: Yeah, that's the latest thing going around. And as you mentioned, Mr. Chair, these things, you know, when you're on the cloud and you put your personal information on the cloud so you can have it everywhere, if you don't lock your phone or your tablet when the power goes off people have access to that. I had that discussion with my wife last night, you know, she wants to put personal information up on the cloud, she thinks it's safe. It is, it's very safe from people coming in to other directions, but if they get ahold of your phone or your tablet and you don't have a passcode on it, it's wide open. And it's designed that way because you want access, quick access to your stuff. So please, everybody, lock your phone. I know it's a pain when you try and want to get in and do it. You can answer phone calls when your phone is locked. You can make emergency calls when your phone is locked. But that, if we're trying to give education to the folks out there watching, lock your phone, and Microsoft will not call you and say your computer is broken.

CHAIR HOKAMA: We'll ask Mr. Verkerke and Ms. Sherman to help come up and also give their comments. But I get that. That is one of the reasons why in discussion with the Verizons, the AT&Ts and whatnot, there is a discussion going on to maintain a level of analog capability.

...*(a phone makes noise)*...

CHAIR HOKAMA: See, someone just broke into that phone.

COUNCILMEMBER WHITE: I'm looking up locking.

UNIDENTIFIED SPEAKER: He's trying to lock it.

CHAIR HOKAMA: Well but that's one of the discussions going on, Members, from the big communication giants is the ability of do we need to maintain a level of analog communications, 'cause it's not the easiest thing to penetrate and do the things they can do on the digital level. Mr. Verkerke, if you and Ms. Sherman would share some, the comments you can in open session with us, please.

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MR. VERKERKE: Good morning, Chair. Good morning, Members of the Committee. It's my pleasure to be here. It's, the timing is very good because it happens that October is Cyber Security Month, so we're waiting for materials that will help us kick off an educational campaign to let everybody know exactly the things that you were just talking about. I'm very pleased to have Karen Sherman with me here. She's our new Information, Security, and Privacy Officer. We tried very hard and succeeded in finding somebody who can really help us improve our awareness and response position for cybersecurity in general. We attended a conference recently from MS-ISAC. MS-ISAC stands for Multi-State Information Sharing and Analysis Center. It's specifically focused on states and local governments. It's part of the Center for Internet Security which is largely funded by the Department of Homeland Security. And we learned that we're not alone in being nervous about this whole thing or more than just nervous I would think. Lots of states, lots of local governments are struggling with this effort. MS-ISAC offers a very good opportunity to broaden the pool of talent and the resources available to the County of Maui. The conference kicked off with a shared session with NASCIO, the National Association of State CIOs to kick off Cyber Security Month. This year also for the first time and this kind of addresses Member Couch's question, they have invited and are very determined to include from now on the various state fusion centers so that law enforcement intelligence is also aware of what's being discovered and analyzed at the Federal level in the area of cyber security. They have a number of tools that we plan to use to assess where we are to improve our ability to respond to threats out there. They have a number of products that they've developed over the years that we are now with Ms. Sherman's presence here are able to deploy. We've upgraded our firewall capabilities over the last few years. You've heard me talk about that during budget sessions. Some of the items that are listed in the report from the FBI such as like 168,000 IP addresses, we get every week a report on new IP addresses that have been found to be involved in some type of cybersecurity activity, so we are able to upload that into our firewalls and block any attempts to connect to our environment from those. It mentions a number of information centers in the FBI article. Through MS-ISAC we are able to tap into various cybersecurity organizations that are focused on the financial sector, on the industrial sector with industrial control systems, and the health sector. So it provides an opportunity for a small county like the County of Maui to be aware of what's being done and to share the information and be advised of what's going on. They also offer forensic services, so if we are a victim of a cybercrime or malware, what have you, we can tap into their resources to analyze what is the source, what is the impact, what is the risk, and help us mitigate that much faster than if we were left to our own devices. Ms. Sherman can add to that if you wish --

CHAIR HOKAMA: Sure, please.

MR. VERKERKE: --Council.

CHAIR HOKAMA: Please. Thank you.

MS. SHERMAN: Hi. Thank you very much for allowing me to be here today and to speak to you all. To tap into what Jacob just said, we do get thousands of IP addresses and URLs that are threats

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on a weekly basis from MS-ISAC, and it just, it shows you how rampant it is out there. And I want to give a quick example that they talked about, and I don't know if you all heard about Shellshock which was a vulnerability to many of the servers on a Unix/Linux basis that came out a couple weeks ago. And one of the stats that they gave at the conference was that within 36 hours of that threat being identified or vulnerability being announced there were malicious actors already taking advantage of that. And that's just how quickly these things happen. The malicious actors find out about these things and they just immediately try to use it and access systems and go out there and just start doing these horrible things. And so, you know, it being Cyber Awareness Month it's critical that not only we protect our environment here but we protect our constituents, you know, all the people that live here in Maui County, in Hawaii. And there are kits out there to help educate. And I picked up one at the conference that was put out by the Department of Homeland Security and it's very informational. There's actually videos that can be utilized for public announcements. There's posters, there's educational things not only for seniors but for children, for bullying. There's all that type of stuff that it would be great if we had a mechanism for distributing that to our citizens here so that we can start to educate everybody. Because it is critically important as you all know because this is happening on a daily basis, on a moment by moment basis. The threats are out there and they are very real. And as far as what we're going to be doing here within the County, what I'm going to start working on with Jacob is there is a Presidential directive that came out, an Executive Order that came out last year that where the President asked that the Department of Homeland Security and National Institute of Standards and Technologies work with stakeholders in the private realm to come up with a cybersecurity framework for all organizations to use. So not something that was specific to the government, not something that was specific to private industry but it was actually a very mature framework that they developed. It was released this past February, and within that framework there's a lot of areas where we can start protecting ourselves, you know, going above and beyond what we're already doing and becoming a very, more regimented about how we go about our security and how we protect our environments. And there's...so we're going to start working on that. Over the next month or so we're going to do our own internal assessment where we can get a baseline of how mature we are. You know they've got different maturity indicators that you can utilize so we can find out exactly how mature we are within our own environment and then start working out from there to really, really be able to secure ourselves. And one of the other interesting things that I really enjoyed participating in at the conference, the MS-ISAC conference was what they did was a, it was like a tabletop exercise where you would, you go through a scenario where you determine or they kind of spell out different areas like, you know, there's a threat coming in and there's these different indicators, how would you react to that. So you're not doing the live penetration testing, you're doing more scenario-based testing. So you're sitting around a table with other members of your team or the Police Department, the State, whomever, the fusion centers, and you're sitting there saying okay, if this starts happening how would we react? And it's actually it's something free that I've requested that they send us where we can sit there and kind of drill down so that the first time you have a threat that comes in the door, it's not the first time you're seeing it, it's not the first time you're having that conversation with the Water Department or, you know, whomever you may be having to communicate with. The first time you're not picking up the phone and reaching out isn't when you're in the middle of a situation where . . .(clears throat) . . . excuse me, where there's a true

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threat on your door. And that's, those were some of the exercises that we were able to go through that I found extremely beneficial that I believe we can start implementing here so that we have this, again, it's not the first time you're seeing, going through the exercise, you know, when you have a threat on your door. So those are the few things that I wanted to say. Thank you very much.

CHAIR HOKAMA: Okay, thank you. You know, Members, I'd like you to ask your questions with Mr. Verkerke and Ms. Sherman here, and also, you know, we also still have the police with us. So ask your questions. If you want to get into the insurance side, please wait for the next item that we'll do after this agenda item. Mr. Couch, questions?

VICE-CHAIR COUCH: Thank you, Mr. Chair. Actually I don't have any questions. I have confidence in Mr. Verkerke's very...has always been aware of attacks on our system for as long as I've known him. So he's up on the latest as usual. So thank you.

CHAIR HOKAMA: Okay. Ms. Crivello, questions?

COUNCILMEMBER CRIVELLO: Not at this time.

CHAIR HOKAMA: Mr. Carroll? Ms. Baisa?

COUNCILMEMBER BAISA: No, thank you.

CHAIR HOKAMA: Mr. White?

COUNCILMEMBER WHITE: Thanks, Chair. No.

CHAIR HOKAMA: Mr. Guzman?

COUNCILMEMBER GUZMAN: Sure. I think the Department mentioned that you were going to formulate or an infrastructure that you just mentioned. Is there a specific name to it?

MS. SHERMAN: The cybersecurity framework?

COUNCILMEMBER GUZMAN: Yeah, the framework.

MS. SHERMAN: It's, what it is, it's not, it's basically a set of...you think of it as if you're familiar with any of the auditing standards like COBIT or something like that. So it's a framework that was developed that is specific to how to manage and maintain and protect your systems. So it spells out different policies, different best practices and so forth that allows you to...instead of, you know, we're all doing great right now, but this allows you to go that step farther and have a more regimented framework to work to. So it's certain things that you may be doing in practice but maybe you haven't formulated certain things around it, it allows you to plug in those holes and gaps.

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COUNCILMEMBER GUZMAN: And you're saying you're still in the draft of that?

MS. SHERMAN: No, we have the framework.

COUNCILMEMBER GUZMAN: Okay.

MS. SHERMAN: What we're drafting right now is the audit. We're going to do an internal audit.

COUNCILMEMBER GUZMAN: Okay.

MS. SHERMAN: And then from that audit we're going to kind of have a baseline of where we are. And then we'll be able to determine the gaps that we may need to fill based upon that and based upon our needs.

COUNCILMEMBER GUZMAN: Okay.

MS. SHERMAN: So the framework is developed very...it's, you know, it's hundreds of pages but the framework is developed very, so that you can implement it in any environment. So if that makes sense to you, it spells out very specific standards and protocols, and it gives you like ideas of thought to say, you know, there's certain things here. Your environment may not need to go to, you know, a certain level, you may be happy at this level, and it kind of gives you that gage to be able to determine what maturity level is right for your environment in what specific area in the framework.

COUNCILMEMBER GUZMAN: Chair, would that be adopted by the Department or is that something that's...

CHAIR HOKAMA: We're going to have another, you know, we can't...there's only so much we can do in this meeting.

COUNCILMEMBER GUZMAN: Oh, okay.

CHAIR HOKAMA: But there's recommendations on structure on what the Council can do to legislate to support the efforts of what the Division needs to do. And there's also from the Administration there will be, there are opportunities to propose to us a structure regarding type of positions and skill levels needed to make it work for a County of our size. And that's why she brought it up. But and we are...it's in transit, I wish it was here, but we do have this thing and that's from what they just mentioned, the multi-State thing. So we have the cybersecurity handbooks that we are bringing, and also NACo put out *Cyber for Counties*. This is the work we've been doing through the Kiewit Center in the, at the University of Nebraska where, they're all the, Secret Service, the FBI is there, you got the big communications people, the AT&Ts are there, the Verizons are there, even some of the financial institutions because of the amount of critical information that the banking, the financial sector has regarding privileged information. But any information is

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considered like money now, it has value to somebody. There's always somebody that wants something that has dollar values. So I can tell you without...well, what I can say because I was told I only could say certain things in my visit to the Ops Center, you know, I got a briefing of a global status and you see green which it means good and then the yellow, it means it's either contained or they're already having it dealt with, and then you see the red which is we're in bad situations. And so you see the lights on the globe, on the big screens called Einstein I think. And then you move to the screens called Alberts which is the more domestic ones which is the US. And I can tell you even in Hawaii there were red lights flashing. Okay. This is domestic threats. Okay. But Homeland Security, I gotta tell you, when I was there I'll tell you they had more, I won't tell you the numbers but more than 70 people behind computers all assigned to specific tasks and agencies, NSA, Secret Service, you name it, Scotland Yard. We have people protecting this country 24/7-365. I can tell you that much. And there are threats like I said. You know we hear in media reports a lot of the external. My concern is the domestic threats within America's borders, including within this State, so all I can say is we need to support enforcement, we need to support people internally like Jacob and Karen. And so from your perspective we are the legislators, we will help you with the policy, we'll help you with the funding, but is there things we need to help you regarding the ordinances or the State laws regarding either helping you get the perpetrator or to make the penalties so draconically bad people are really going to think do I really want to do this? Because I'm not, I want to get off the stick, I ready to give you the hatchet, I want you guys to go really after these guys and make it really harsh if you're convicted of these kinds of crimes.

MR. JAKUBCZAK: I think...

CHAIR HOKAMA: Captain, I need you on the mic, please.

MR. JAKUBCZAK: I think when you get to something that's so new in the world today as far as crime, it's like a new, it's a new category. New penalties often help to dissuade some people from this. Obviously they won't stop right away. Those who are really good at it will continue. But as I look at it as State, local, State, and Federal partners get together and help each other and assist each other in addressing this crimes, we'll find more people responsible and hold them accountable for their actions. And again, yes, penalties will play a part because the people who are really good at it tend to have big target, value targets, banks, not just the small, you know, the smaller people, they'll go after the big institutions for more money gains. So yeah, penalties definitely will help in that area.

CHAIR HOKAMA: Mr. Verkerke, your thoughts?

MR. VERKERKE: Mr. Chair, there's a number of ways that you could help this effort, and the legislative regulatory side is probably something that the framework and the assessment that we'll go through will help point out where there are weaknesses in the regulatory environment that we're operating under. You mentioned Albert, we are actively engaged with MS-ISAC to bring Albert here so that we have the ability to monitor more actively what is trying to get into our environment or what may have gotten into our environment. So that will help that national



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effort of raising our borders a little bit to cybersecurity. And the third way I think that you may very well be able to help us, MS-ISAC used to be able to combine its annual meeting with a conference called GFIRST which was a Federal cybersecurity conference put on by DHS. That hasn't taken place for a couple years as a result of the sequester that happened at the Federal level. But perhaps some pressure from NACo to reinstate that because that's an opportunity for law enforcement and others in cybercrime as well as technical people like ourselves in IT deal with cybersecurity issues to get together with vendors to see what products are out there, what threats are being addressed in the commercial sector, so it's a very valuable platform for the exchange of information. And I'm hoping that some pressure from the counties can help bring that back.

CHAIR HOKAMA: I appreciate that, Mr. Verkerke, 'cause the counties have been pushing this issue from our past president Chris Rodgers of Nebraska. So we've been on this very focused thing for about five years now, and we still believe it's critical for the nation's counties to be prepared because we have information that we definitely know others want. Questions for either Mr. Verkerke or the Captain on this subject area, Members? I want to hit the insurance component for a moment also 'cause it's part of this whole issue. But one thing I guess for Mr. Verkerke and the Captain since Mr. Couch brought it up. I understand comments about the cloud, and, you know, for me but I'm still one of those old touchy, feely guys. I like a hardware, I can touch that computer and say okay, I saw the Captain maintain this, must be working good. Cloud is like it's up there somewhere. Okay. But I still do know that you gotta maintain the cloud, but I cannot see it and but I'm going to depend that it's being maintained and it's secured. So from a level of your expertise, Mr. Verkerke, is there confidence to go 100 percent on cloud reliability or is there backups and contingencies that for this County we should be made aware and it may have some cost impacts, but for our needs at this time that might be the way to go then, go 100 percent head into diving into that pond of one cloud.

MR. VERKERKE: Mr. Chair, 100 percent, I don't see it to be honest with you, and not just because of that unknown aspect of the cloud or poorly understood aspect. What the challenge for us on the County of Maui is the connectivity to the cloud. The infrastructure of fiber optic connections between the islands and from the islands to Asia or the mainland is aging, and at this point I don't think we can be confident that that connection will always be available to it, especially at times when we may need it the most. So within the IT Services Division our approach has been to look at particular information needs, storage needs, application needs, how mission critical is it. If we decide we can live without it and if the departments actually decide they can live without it for a certain period of time, then it may be a candidate for moving into the cloud. But if something bad happens and we need to be able to function, we need to have access to that, and so that is always part of the decision. Security I think is being addressed, but there is a whole legal and regulatory framework around the security and around access to the information that I think will need more time in the courts to sort itself out through case law. So we've kind of taken a wait-and-see approach on most of them.

CHAIR HOKAMA: Okay. And then the last one since we got the Captain here, since the Captain works with interagency levels, the State, a lot of Federal, and then at times international

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enforcement, for me the integrity of their system has got to be one of our highest priorities, because if they can get into their system, my goodness, how strong is our protection? So are there things we need to, that you can say in open session that we need to make sure that resources or policies or positions, staffing to maintain the integrity of the enforcement side because of the critical access information and vital information they have? Is that something we need to be aware of in addition to support your efforts?

MR. JAKUBCZAK: I'll let Sergeant Kaupalolo answer this question.

CHAIR HOKAMA: Okay, great. Okay, again sorry. We're understanding that it's open...if it's critical, confidential we understand and, you know, we prefer you not to share it in an open meeting.

MR. KAUPALOLO: For our Departmental integrity, our system is very secure. You have to pass through a lot of firewalls that Jacob and his folks have set for us, a lot of security. You can't get in from an outside source. You'd have to be at an MPD facility or using a police device to access the information.

CHAIR HOKAMA: Okay, okay. So if anything it would be an internal penetration concern if anything at all at this time?

MR. KAUPALOLO: Yes.

CHAIR HOKAMA: Okay. I appreciate that. Any other questions, Members, for either Mr. Verkerke or the Police Department on this subject? If not, I'm going to ask to defer this item, Members, with no objections?

COUNCIL MEMBERS: No objections.

**COUNCIL MEMBERS VOICED NO OBJECTIONS** (excused: EC, GCB, MPV).

**ACTION: DEFER pending further discussion.**

**ITEM PIA-72: CYBER BREACH INSURANCE** (MISC)

CHAIR HOKAMA: And we'll move into our last item which is Cyber Breach Insurance. And, Mr. Verkerke, I would ask if you would stay and maybe if you have comments you wish to share, we'd be happy to. But I will ask Ms. Toda if she would also come and join us please. Ms. Toda for many of you, you know is our Risk Management Officer. We'll be talking about Item 72, Members, at this time under the heading of Cyber Breach Insurance. This is part of an assignment through the Budget and Finance Committee through its referral. I can just tell you I just came back from a meeting last week whereby entities such as RedEye...I don't know, I'm sure Mr. Verkerke has heard of this new company RedEye that is into protection and cyber breach programs...has given me a new update. While cyber breach insurance that's provided to

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the commercial sector, it has not really moved into the government sector, although local governments have secured some cyber breach insurance policies. And for those that have worked with it, basically have...like Ms. Toda have worked with Lloyd's of London. And I can tell you from a County perspective part of the insurance premiums and it goes big ranges and again, depending on size of counties. It's also dependent upon the assessment of where that county is regarding their cyber programs. And so what NACo is doing because the board already has authorized and NACo has already secured cyber insurance for NACo itself, the big counties, LA, they got the money, they got the manpower, definitely they're insured. But the majority of America's counties are small, 150,000 less, small budgets, I mean they pay their minimum dues to NACo at \$400 a year and many of them couldn't afford the insurance. So NACo is looking at potentially a group insurance for NACo members regarding cyber breach concerns. And we are going to work with Lloyd's of London. And the key is how to come up with a fair and accurate assessment for the, of the County to be placed in the appropriate premium categories. But like I said, Members, the counties have valuable information that somebody out there wants or to impact and hurt the County and its residents. So, Mr. Verkerke, I'll ask you first if you have any general comments you can share in open session, and then I'll ask Ms. Toda for her comments and we have some questions for her.

MR. VERKERKE: Thank you, Mr. Chair. I attended a couple of workshops at the conference that I mentioned earlier specifically on cyber breach insurance. You're absolutely right in your assessment of the challenges that the counties face. In the workshop there were a couple of case studies discussed. West Virginia, the State of West Virginia executed policy with Lloyd's of London for \$25 million for 1 year of coverage, and that cost them half a million dollars in premiums. So that illustrates the size of the problem. The State of Montana suffered a breach and found that the insurance they had with a different carrier, Beazley, the value there was not so much in the protection coverage of the insurance but in the embedded services, both forensic and informative in the sense of informing the people that may have been victims of that breach. The people of Montana reported that they couldn't have responded as well as they did without the help of a team of experts, both legal and technical and communications, to deal with that breach, and they were able to get things under control in a relatively short time. All of that is predicated on the assumption that we can successfully complete an assessment of our maturity like Ms. Sherman talked about before an insurance company would even consider underwriting some coverage. So a group policy may indeed be a very good solution, but I would expect that there's still going to be the requirement in order to be a member of that group that you demonstrate a certain capability in that area. So what we hope to do in the context of the cybersecurity framework and the assessment tools that are part of that is to establish a baseline and then have a starting point from which to be able to reach that level of maturity that will make us eligible for coverage. Another interesting statistics that I learned in the conference was that I mean the first thing we hear and, you know, it's in the news all the time, Kmart and, you know, so many different companies, they all offer up for people to sign up for credit protection, credit monitoring. It turns out that somewhere between 5 and 20 percent of people actually do. So I was very surprised to learn how little people take up on these offers to have that monitored. UH Manoa has been in the news over the last few years and they had a reaction where they signed up for coverage for everybody that was potentially affected by a breach, I think something like

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90,000 people. And they learned to their chagrin that they pay way more than they needed to because again only that, you know, around 10-15 percent of people took 'em up on it, so they paid for everybody. Then so the practice now seems to be structure your policy such that you pay a negotiated fee only for those people that really registered to get that protection.

CHAIR HOKAMA: Thank you. Before I ask for Ms. Toda's comments, I would just say that we have...and I'm glad Mr. Verkerke is up on it, we do have states, associations of counties that have their own insurance pool. And so like Montana, Texas, they cover their counties and offer cyber breach insurance through their state association financial services programs. Hawaii, we don't have that. We're not at that level yet so we don't have that ability. But we're looking at how they're doing it, we're working with Lloyd's of London and to see if we can make something that if not all, many of our counties can participate in the future at a reasonable premium fee. Ms. Toda, your, you have comments you can share with us, please?

MS. TODA: Thank you, Mr. Chair. Good morning, Council members.

CHAIR HOKAMA: Good morning.

MS. TODA: So as of...and thank you for having me here today, I really appreciate the opportunity. With respect to cyber liability insurance, of course the County does not currently carry it, but we did submit an application for a quote last November, and we did yield the following quote that you have in front of you from Lloyd's of London. So we're looking at...at this point what I'm trying to do is take a second look at the exposure, and the session that we had prior to this one was very helpful for me. Because what we need to do is really evaluate what our exposure is before we even go out and buy insurance. Because insurance is a very, it's the most expensive option that we have in terms of preventing loss, so you want to be able to do everything that you can pre-loss like what Jacob and Karen were talking about as far as protecting our systems, protecting all of the information that we have under our care and control. And from what I've identified so far for the County anyway is that our largest exposure has to do with personally identifiable information or PII. And that is because we have a control over a lot of personal information for retirees, for employees, and, you know, we are interfacing with, for example, the ERS and ADP where we share that information. And so I know that in speaking with Jacob that we do have a pretty secure environment in terms of how we transfer that information going forward. Now I know that the recent data breaches at, you know, J.P. Morgan and Home Depot and Target, that has really changed the cyber landscape dramatically I think, and so...and that's why this had warranted a second look at the quote that we actually got last year. So we're into our renewal period now. Our insurance portfolio renews every December 1. So again, we are considering cyber liability insurance. It is very expensive. At this point I'm not convinced that we need it, but I will continue to evaluate it and we'll be making a decision prior to our December 1 renewal.

CHAIR HOKAMA: Okay. Mr. Couch, questions or comments with Mr. Verkerke and Ms. Toda's comments? And I thought she brought up a good point because we do have interface with other government agencies. And people like to touch people's...go after those people's pensions.

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VICE-CHAIR COUCH: No comment. Thank you.

CHAIR HOKAMA: Ms. Crivello?

COUNCILMEMBER CRIVELLO: No comment at this time. Thank you.

CHAIR HOKAMA: Mr. Carroll? Mr. Guzman? Mr. White?

COUNCILMEMBER WHITE: Mr. Verkerke's comment was that we have to get to a certain point of security before we can even apply for the insurance. Is that correct?

MR. VERKERKE: Yes, Mr. White. For an insurance company to be willing to accept the risk they need to have a pretty good idea and they want us to have a pretty good idea of where things are at. So we'll go through that assessment and see where we line up. One point in our favor I believe is that as a County we do not collect or store any credit card information. To the degree that we have the ability for people to use credit cards to pay some of their bills, that's handled through a third party that handles all the payments and then just sends us a transaction file. So that's a very large component of the concern that insurance companies would have. As Ms. Toda said, it's personal identifiable information that we need to be concerned with and how well we protect that, and it will be very informative to see where we're at on the maturity scale when we do the assessment.

COUNCILMEMBER WHITE: Yeah. 'Cause, Chair, we've been going through the PCI compliance process and it's a monster, so but I'm assuming the assessment you're talking about is very similar to that.

MR. VERKERKE: Exactly.

COUNCILMEMBER WHITE: And it's, it involves testing, it involves all kinds of changes in the way you do business, the way you set up your computer, so it's a...and we've been at it for I think two years and I'm not sure we're yet at a point where we can get an insurance policy on our concerns. So it's something we've gotta do, and yet it's a real daunting task.

CHAIR HOKAMA: I appreciate that. And I will tell you that...and I appreciate, you know, the responses from Mr. Verkerke and Ms. Toda, but I bring this up because there's many things that I won't say in this meeting because it's open that I would tell you in executive session why it may come to, maybe during budget where I might ask the body, the Council to make a policy decision. Just like NACo, they ran it by audit committee, they ran it through our IT committee and it was directed after the review and assessment that we shall purchase. It is not a discretion, and so we repurchased cyber breach insurance because of...there's a lot of things besides what they shared in open that I have issues with that impacts this County and our residents on a very personal level that I rather have an insurance carrier pay because we're not going to be sued for

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little money. I mean that's why we have access carriers, we, you guys know what we deal in litigation in this Committee. This is potentially a ball buster.

COUNCILMEMBER WHITE: And if I understood Mr. Verkerke's comment correctly, the presence of an insurance policy would mean that if there is a breach that we have a bunch of additional experts on top of our own that would be getting involved in evaluating how the breach occurred and who the perpetrators might be. Was I correct in that?

MR. VERKERKE: To the degree for each instance that can be established, yes. There are different ways of structuring an insurance policy, and I think a great value from my perspective would be to have access to that kind of expertise to help us like you said identify where it came from, what the extent is, and measures we can take to prevent it from reoccurring. 'Cause that would be an insurance company's interest of course also so everybody's working, you know, towards the same goal. And...

CHAIR HOKAMA: I mean, you know, the insurance company doesn't want to pay out a claim and that's why the premiums are such. But I would say as I think Jacob stated earlier, Police Department, I mean a cyber thing happens in minutes and hours. I mean we do know for a fact that there's two periods a year or two weeks a year where cyber activity and breaches go way down. One is the week for DEF CON where they all go to Las Vegas, the world's best hackers go to share their secrets and that's where we send NSA/CIA to go and recruit the best hackers. And Chinese New Year's week, globally there's a big reduction in intrusions and hacking activity. Interesting. But it's all being monitored, it's all being tracked, and I can tell you this because it's information we've shared in open meetings and whatnot. But yeah, for me it's I don't want this County to end up having to pay something that we could have been covered through an insurance because it's unbelievable what people hack for. I mean just, that's what I'll say. It just surprises me what they go after, and a lot of it is not what we normally think of. Okay. So, you know, from my perspective the County...I think this is a healthy discussion, and that's why I'm happy Jacob is going to do the audit because that's a good assessment of current time, a picture of current time. I'm glad that Ms. Toda is continuing to review the need for the insurance, because there will come a time it's not going to be an option, it's just going to be a requirement that we have to do as part of our overall insurance coverage and access cost, policy that we get and pay for. And it'll all end up in your current Committee assignment, Mr. White. Are there things you need to ask of us that we can assist you, Ms. Toda or Mr. Verkerke?

MR. VERKERKE: Mr. Chair, if you don't mind I'd like to defer answering that question until after we do the assessment, and I'd be happy to come back and perhaps in closed session share with you what the results are.

CHAIR HOKAMA: Okay.

MR. VERKERKE: And I think that'd be a much better time.

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CHAIR HOKAMA: No, we would appreciate that. We would appreciate it. And I want to thank you in advance for taking the initiative to get this assessment done, Jacob, 'cause I think it's critical for the County's behalf. Ms. Toda?

MS. TODA: Thank you, Chair. Yes, I did want to explain exactly that, you know, what it is that you're looking at right now, our quote, and what the type of insurance that is available out there right now. You are correct, Chair, that, you know, there is no specific, industry specific insurance designed for the public sector, it's mostly for the private sector. And so with that, this Lloyd's of London quote that we got last year...and it was based on an application that we filled out, in fact Jacob's Division filled it out for us because he had all of that information. What this would cover is credit monitoring, and basically what it does is it would bring any person who has been harmed by a breach in our system, it would bring them back to whole. In other words we would provide credit monitoring for them. That's one of the things that we would provide for the individual. We would also provide for cleanup of their credit. You know for some people it wouldn't make a difference, but for others if you're trying to, you know, if you're out there trying to get a mortgage, your credit rating is very important. I guess for most of us it would be. But that's the type of coverage that we're looking at here for this Lloyd's of London policy. Now the state of the industry is still evolving and so there might be a better product out there come December 1, I just don't know.

CHAIR HOKAMA: Okay. We would ask that you request and we'll be happy to give you opportunities to give us updates, Ms. Toda, as the environment changes. And of course Mr. Verkerke knows that, you know, if he needs we'll give him always time to come before Committee, 'cause the Committee takes this subject matter very seriously, so we are happy to work with both of you. Anything else you guys might want to ask our resource people, Members? Okay. With having none, with no objections, we'll defer this item.

COUNCIL MEMBERS: No objections.

**COUNCIL MEMBERS VOICED NO OBJECTIONS** (excused: EC, GCB, MPV).

**ACTION: DEFER pending further discussion.**

CHAIR HOKAMA: Okay, thank you. And since there being no further business before the body, this meeting is adjourned. . . .(gavel). . .

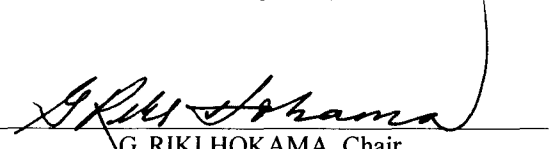
**ADJOURN:** 11:45 a.m.

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APPROVED:

A handwritten signature in black ink, appearing to read "G. Riki Hokama", is written over a horizontal line. The signature is fluid and cursive.

G. RIKI HOKAMA, Chair  
Policy and Intergovernmental Affairs Committee

pia:min:141013:ds

Transcribed by: Daniel Schoenbeck



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

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CERTIFICATE

I, Daniel Schoenbeck, 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 the 28<sup>th</sup> day of November, 2014, in Kula, Hawaii

  
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Daniel Schoenbeck