

**COST OF GOVERNMENT COMMISSION
MINUTES
Kalana O Maui Building, 9th Floor, Mayor's Conference Room
Thursday, August 27, 2015**

PRESENT: Tina Gomes, Chair
Garrett Evans, Vice-Chair
Bradley Bunn, Member (arrived at 10:11)
Gabriel Hoeffken, Member
Paul Kailiponi, Member
Gayle Long, Member (left at 12:21 p.m.)
Dale Thompson, Member

EXCUSED: John Watling, Member
Stanford Lantias, Member

STAFF: Edward Kushi, Jr., First Deputy Corporation Counsel
Linden Joesting, Deputy Corporation Counsel
Gina Gormley, Technical Writer for the Commission

OTHER: John Buck, Executive Assistant, Office of the Mayor
Lance Taguchi, County Auditor
Camille Sakamoto, Administrative Officer, Office of the County Auditor
Jordan Molina, Office of Council Services
Troy Hashimoto, Office of Council Services

HANDOUTS DISTRIBUTED:

1. **Copy of June 4, 2015 Meeting Minutes**
2. **Copy of July 9, 2015 Meeting Minutes**
3. **Copy of Checklist for a Temporary Investigate Group**
4. **Copy of Sunshine Law Quiz #2**
5. **Copy of County of Maui Mayor's Community Budget Meetings for FY 2017**
6. **Copy of FISCAL YEAR 2016 Budget Results**
7. **Copy of Budget Committee Calendar**
8. **Copy of Article 9, Revised Charter of the County of Maui (1983)**
9. **Copy of County of Maui Budget Guidelines and Financial Policies**

I. CALL MEETING TO ORDER

Chair Gomes called the meeting to order at 10:07 a.m.

II. PUBLIC TESTIMONY

There being no one signed up to provide public testimony, public testimony was closed.

III. REVIEW AND APPROVE JUNE 4, 2015 AND JULY 9, 2015 MEETING MINUTES

Commissioner Long moved that the June 4, 2015 and July 9, 2015 minutes be approved, and Vice-Chair Evans seconded the motion. Commissioners Bunn, Lantias, and Watling were excused. The motion passed without objection.

IV. REVIEW AND DISCUSS CORRESPONDENCE RECEIVED

There was no correspondence received.

V. COUNTY AUDITOR'S UPDATE

- A. Discussion of Correspondence dated June 15, 2015 from the Office of the County Auditor regarding possible subject areas they will be investigating.

County Auditor Taguchi informed the Commission of the Office of County Auditor's ("OCA") plan of audits to be conducted during the Fiscal Year 2016 to Mayor Arakawa and the Maui County Council. Pursuant to Section 3-9.2(1)(c) of the Revised Charter of the County of Maui (1983), as revised, the OCA is mandated to conduct an "Independent annual financial audit of the County of Maui" which includes the following: 1) Audit of the basic financial statements contained within the County's Comprehensive Annual Financial Report, 2) Audit of the financial statements of the Department of Water Supply, and 3) Single Audit Reports of Federal financial assistance programs.

The OCA's self-initiated projects are 1) Audit of County procurements, and 2) Audit of the cash receipts of the Department of Parks and Recreation.

The OCA's ongoing projects are 1) Audit of the County's use of Premium Pay/Overtime, 2) Audit of the County's road resurfacing, improvement, and maintenance practices, and 3) Audit of expenditures from the FY 2012 Budget appropriation for the Old Wailuku Post Office Rehabilitation Project.

VI. 2014 – 2015 Annual Report

- A. Distribution of the 2014-2015 COGC Annual Report

The 2014-2015 COGC Annual Report was distributed to the Commission. The Annual Report will be hand-delivered by Chair Gomes to the Maui County Council, Mayor Alan Arakawa and staff, and all who participated and assisted in providing information in the fact finding(s) of each TIG subject matter. Chair Gomes stated that the public may also request a copy of the Annual Report through the Office of the County Auditor.

VII. DISCUSSION WITH LINDEN JOESTING, DEPUTY CORPORATION COUNSEL, REGARDING THE SUNSHINE LAW

Deputy Corporation Counsel Joesting informed the Commission that government is meant to be open to the public so that the public can know what is going on. Board members cannot email each other about board business. However, two members of a board may discuss between themselves matters relating to official board business to enable them to perform their duties faithfully, as long as no commitment to vote is made or sought and the two members do not constitute a quorum of their board. A board must mail its notice and agenda at least six days ahead of every meeting to any individual members of the public who have asked to be notified by mail.

The Temporary Investigative Group (“TIG”) process requires three meetings. At the first meeting, the Board designates members and a Chair of the TIG, determines the scope of the TIG, and identifies the scope and authority of each member of the TIG. At the second meeting, the TIG reports its findings and recommendations. At the third meeting, the Board discusses and deliberates the TIG’s findings and recommendations.

A TIG is not required to hold public meetings. A TIG can include members that are not members of the Board. A TIG can change the scope of the investigation by creating a new TIG or by amending the initial scope.

Given the potential scope of the upcoming 2015-2016 COGC Annual Report, Commissioners inquired about different ways in which to gather information, communicate, and collaborate without violating the Sunshine Law. The concept of a “standing committee” was also discussed. According to Deputy Corporation Counsel Joesting, a standing committee is permitted provided the Sunshine Law is complied with. A standing committee will report an individual update at every meeting and therefore, would have to be agendaized as well. She cautioned the Commissioners that a standing committee should not be a continuous agenda item. She further emphasized that Commissioners will still need to adhere to the Sunshine Law.

The Commission decided to defer this matter to decide whether they will establish TIGs or a standing committee.

Chair Gomes recessed the meeting at 11:16 a.m. and reconvened the meeting at 11:29 a.m.

VIII. DISCUSSION OF POTENTIAL SUBJECT MATTERS FOR 2015 – 2016 COGC ANNUAL REPORT

A. The County of Maui Budget Process and Practice

Chair Gomes recommended the County of Maui Budget Process and Practice as a potential subject matter for the 2015 -2016 annual report. She suggested looking at the Executive Branch budget process and practice, Legislative Branch

budget process and practice, other counties process, and department heads involvement in the budget process and practice.

Vice-Chair Evans expressed concern over whether the budget process is maximizing efficiency and effectiveness for Maui County.

Executive Assistant Buck suggested looking at the timeframe in which it takes to complete the budget process compared to other larger municipalities. Maui County's budget session runs approximately three months long compared to City and County of Honolulu's budget session that runs for approximately three weeks.

First Deputy Corporation Counsel Kushi informed the Commission that any change from annual to biennial budgeting or to shorten the budget process would have to be done by way of a charter amendment. This issue has been before the Charter Commission in the past and suggested looking at the minutes to learn why the change was not made.

Chair Gomes suggested looking at Government Finance Officers Association Best Practices and Effective Budget Presentation.

Troy Hashimoto, Executive Assistant to Council Chair Mike White, offered to speak as a resource on behalf of the Maui County Council. He informed the Commission that Maui County's budgeting process is one of the most transparent out there. He clarified that one month of the budget process is spent on district meetings and not on committee deliberations.

Mr. Hashimoto further explained that the current budget process is the shortest that it can be in terms of going through each department and drafting the Council's version of the budget. He welcomed any suggestions to streamline the process but explained that every meeting is televised and transparent. Mr. Hashimoto explained that half of the time is spent on public testimony whereas the Administration does not have any public input. Mr. Hashimoto explained that eliminating public testimony is the only way to shorten the budget process.

Mr. Hashimoto informed the Commission that Maui County issues the most grants in the State; therefore, most of the time is spent on testimony from the non-profit organizations.

Mr. Hashimoto explained that all nine members of the Maui County Council are members of the Budget Committee whereas in the City and County of Honolulu, only certain members of their Council are members of their Budget Committee.

Mr. Hashimoto informed the Commission that seventy-five to eighty percent of the testimony is by non-profit organizations. Fifty million of Maui County's budget is spent on non-profit organizations.

Mr. Hashimoto explained that the Maui County budget is not a line-item budget and rather, it is a program budget. A, B, C accounts do not restrict the departments to a line-item budget. It directs the departments to spend their funds on salary, operations, and equipment. Budget and Finance Committee Chair Riki Hokama has set up a process to move money from one account to another by introducing a resolution. Despite Mr. Hashimoto's explanation, Chair Gomes disagreed and stated that "it is ultimately a line-item process."

Mr. Hashimoto explained that Council Chair Mike White has looked at ways in which to shorten the budget process; however, without reducing public input by way of eliminating or reducing testimony, it is not logistically possible. Mr. Hashimoto also explained that reducing the number of council members involved in the budget process is not realistic since all council members want to be involved in the process.

The Commission deferred this item to its September 10, 2015 meeting.

IX. MATTERS RELATED TO COGC STRATEGIC PLAN

A. Consideration of a GOOGLE Account for COGC Documents

Chair Gomes informed the Commission that the strategic plan is a living document that changes over time. Chair Gomes recommended this to be a standing agenda item in the future. Chair Gomes stated the strategic plan was a three-year plan (2014 – 2017) that should have been on the agenda since it was initially drafted in the COGC 2013 – 2014 COGC Annual Report. It was inadvertently overlooked due to the high turnover with commissioners and the work in progress for the 2014 – 2015 COGC Annual Report.

If a Google Account is established, Commissioners would be able to access all documents that were presented at a meeting.

There were questions and concerns as to whom would be setting up and managing the account - the Mayor's Office, Office of the County Auditor's Office, or the COGC technical writer.

The Commission discussed uploading all documents distributed at the meetings including minutes to the County of Maui's Boards & Commissions website. Executive Assistant Buck stated that may be a possibility.

First Deputy Corporation Counsel Kushi expressed his concern over whether the Google Account will be open to the public and accessible by the public. He recommended uploading the documents to the website rather than creating a Google Account.

The Commission deferred this item to its September 10, 2015 meeting.

X. TRANSITIONAL LEADERSHIP PLANNING DUE TO UPCOMING RESIGNATION OF CHAIR GOMES

- A. Discussion and Possible Action regarding Election of COGC Chair and Vice-Chair

Chair Gomes informed the Commission that she will be resigning from the Commission. She provided a brief and heartfelt speech to the Commissioners and all parties involved about her time spent with them.

First Deputy Corporation Counsel Kushi advised the Commission that Vice-Chair Evans will serve as interim Chair. Once a new Commissioner is appointed, the Commission will nominate and vote for a new Chair.

XI. DETERMINE NEXT MEETING DATE, TIME, PLACE, AND AGENDA

The next meeting is scheduled for September 10, 2015, in the Mayor's Office Conference Room, 10:00 a.m. – 12:00 p.m.

XII. ADJOURNMENT

Vice-Chair Evans moved and Commissioner Kailiponi seconded the motion to adjourn. The motion passed unanimously. Commissioners Lantias, Long, and Watling were excused.

The meeting adjourned at 1:03 p.m.