

**COST OF GOVERNMENT COMMISSION  
MINUTES**

**Kalana O Maui Building, 9<sup>th</sup> Floor, Mayor's Conference Room, Waihe'e Side  
Thursday, April 14, 2016**

**PRESENT:** Paul Kailiponi, Chair  
Annie Alvarado, Vice Chair  
Bradley Bunn, Member (arrived at 10:12 a.m.)  
Garrett Evans, Member  
Dale Thompson, Member  
John Watling, Member

**EXCUSED:** Stanford Lantias, Member  
E. Gayle Long, Member

**STAFF:** Ed Kushi, First Deputy Corporation Counsel  
Shelley Pellegrino, Technical Writer for the Commission

**OTHER:** John Buck, Ex-Officio Member, Office of the Mayor  
Camille Sakamoto, Administrative Officer, Office of the County Auditor

**HANDOUTS DISTRIBUTED:**

1. March 10, 2016 Meeting Minutes
2. Draft (revised) of 2015 – 2016 Annual Report
3. Draft of Findings and Recommendations Section for 2015 – 2016 Annual Report

**I. CALL MEETING TO ORDER**

Chair Kailiponi called the meeting to order at 10:05 a.m.

**II. PUBLIC TESTIMONY**

There was no public testimony.

**III. MEETING MINUTES**

- A. Review and Approve March 10, 2016 Meeting Minutes

Vice-Chair Alvarado moved to approve the March 10, 2016 regular session meeting minutes. Commissioner Watling seconded the motion. The regular session minutes were approved unanimously.

Commissioner Evans moved to approve the March 10, 2016 executive session meeting minutes. Commissioner Thompson seconded the motion. The executive session minutes were approved unanimously.

**IV. REVIEW AND DISCUSS CORRESPONDENCE RECEIVED**

There was no correspondence received.

**V. COUNTY AUDITOR'S UPDATE**

Camille Sakamoto, Administrative Officer for the Office of the County Auditor, stated that the Charter-mandated financial audit reports for Fiscal Year 2015 had been received and uploaded to the County Auditor's website.

**VI. 2015 – 2016 COGC ANNUAL REPORT REGARDING COUNTY MANAGER SYSTEM OF GOVERNMENT**

**A. Review and Approve Annual Report**

Chair Kailiponi stated that the report had gone through a number of revisions. He added that he hoped the report could be approved by the end of the meeting after the Commission had an opportunity to complete its review of the substance of the report, including the findings and recommendations.

Chair Kailiponi first shared some of the substantive changes that had been made to the report since the Commission's March meeting. In the "Professional Qualifications" section, Chair Kailiponi stated that some of the language was softened to ensure that what the Commission is saying is supported by the evidence presented.

The Commission also discussed whether it wanted to address written and oral testimony that had been presented to the Commission (e.g., lack of professionalism in the current administration because of the failure to update community plans, creation of a Metropolitan Planning Organization, and performance measurements). Chair Kailiponi stated that he was not completely comfortable refuting the testimony presented and asked the commissioners for their thoughts. Vice-Chair Alvarado indicated that she listened to and reviewed the testimony presented and that she felt comfortable with the language of the report. Commissioners Evans, Watling, and Thompson agreed. Technical Writer Shelley Pellegrino cautioned the Commission about using the phrase "no evidence" if the Commission had not actively sought to find evidence refuting the testimony presented. The Commission decided to change part of second sentence of the paragraph at issue to delete "no evidence was provided" and insert "the Commission found no indication."

In the "Executive-Level Turnover" section, Chair Kailiponi stated that he added a new table summarizing the tenure of city/county managers. He also completed research on Maui County Managing Director tenures, which he used to create Table 5. Chair Kailiponi also added Table 7, which summarized the salaries for all city managers in the State of California based on population. He stated that he used the information from the table of California municipal salaries to extrapolate that there could be as much as an 83% increase in salary costs for the Department of Management under a Council-Manager system. Chair Kailiponi noted that such an increase would be contingent on the Salary Commission, which determines department head salaries, but the Salary Commission Chair indicated an increase of this magnitude would be highly

unlikely. Chair Kailiponi stated that he thought the Mayor and Managing Director are currently underpaid, and Vice-Chair Alvarado agreed. The Commission agreed to state in its findings that a change to a Council-Manager form of government will not necessarily result in lower executive costs.

In the "Recommendations" section, Chair Kailiponi explained that he added Recommendation #4, which provided that a Charter amendment to move toward a Council-Mayor form of government be proposed by the Charter Commission, and not by the County Council. He asserted that he wants to ensure that there is due process involved in a decision of this magnitude.

Vice-Chair Alvarado moved to include Recommendation #4 in the Annual Report. Commissioner Thompson seconded the motion. The Commission voted unanimously to pass the motion.

Chair Kailiponi asked Technical Writer Pellegrino for additional comments regarding the draft report. Ms. Pellegrino noted that the commissioners should take the time to read the latest draft because some revisions were more substantive than others. She also stated that the "findings" needed to be consistent between sections. She also noted that she had reviewed the exhibits provided to her to date, but that some of them are not publicly available or have limits on distribution. First Deputy Corporation Counsel Kushi requested that the Commission go into Executive Session to discuss the issue further.

Commissioner Bunn moved that the Commission go into Executive Session, and Vice-Chair Alvarado seconded the motion.

**The Commission recessed its Regular Meeting at 11:05 a.m. Following the Executive Session, Chair Kailiponi called the regular meeting back to order at 11:25 a.m.**

The Commission turned its discussion to the five "Findings" in its report. Chair Kailiponi stated that the language of Finding 1 was changed from "economy and efficiency" to "lower expenditures" because the literature referred to spending per capita. The Commission agreed to retain the language of the Findings 2 – 4. For Finding 5, the Commission inserted "likely" before "have no effect on the acquisition of advantageous terms . . . ."

Technical Writer Pellegrino noted that in the third section regarding turnover costs, there is a discussion about lost productivity that is not reflected in the Commission's third finding. Chair Kailiponi acknowledged that there would be lost productivity under either form of government, but stated that because department head tenure could not be determined under a Council-Manager form of government, the Commission could not determine the amount of lost productivity that would ensue. Commissioner Evans noted that his research found that lost productivity does not necessarily result in lost momentum within a department. Commissioner Alvarado added that employees adjust for department head turnover. The Commission decided to retain the language as written.

The Commission then returned to its "Recommendations" section. During the discussion regarding Recommendation 3, which proposes a Charter amendment granting the County Council the right to vet mayoral appointments, Commissioner

Bunn raised his concern about the recommendation and moved that the recommendation be stricken. Vice-Chair Alvarado seconded the motion for discussion purposes. Vice-Chair Alvarado then stated that she wanted to retain the recommendation, but not as a Charter amendment because she thought it weakened the Charter. Commissioner Bunn was concerned about whether an amendment would improve the process at all. Commissioner Watling stated that if a right of refusal is incorporated into the process, then he supported a Charter amendment. Commissioner Evans stated that he liked the language of the recommendation as written. Commissioner Bunn also questioned whether the problem is systemic or simply an issue under the current Mayor. Chair Kailiponi stated that the public should have access to the qualifications of appointed officials.

Commissioners Bunn and Evans, and Vice-Chair Alvarado voted to remove Recommendation 3. Chair Kailiponi and Commissioners Thompson and Watling voted to retain the recommendation. The motion failed.

Vice-Chair Alvarado then moved to strike the first four words of Recommendation 3 (“Propose a Charter amendment”) and change the sentence to “Grant the Maui County Council the right to vet mayoral appointments either by letter or in a formal hearing.” Commissioner Thompson seconded the motion. First Deputy Corporation Counsel Kushi explained that such a change would actually necessitate a Charter amendment. The Commission nonetheless stated that its recommendation was simply that, and any future decision on the issue could include a discussion on whether and how to amend the Charter. The motion passed unanimously.

B. Discuss Timeline to Finalize and Distribute Annual Report

Chair Kailiponi stated that he hoped to approve the report at the meeting, but Commissioner Watling stated that he preferred to have an additional meeting to review and approve a final version of the report. The Commission voted to meet on April 28, 2016.

C. Discuss Communications Plan for Sharing the Annual Report Findings and Recommendations with the Maui County Council and Special Committee on County Governance

Commissioner Watling moved to authorize Chair Kailiponi to draft a letter to Mike White, Chair of the County Council, and Anthony Takitani, Chair of the Special Committee on County Governance, informing them that the Commission’s Annual Report was being finalized and that the Commission would be available to present its findings in the near future. Vice-Chair Alvarado seconded the motion. The motion was approved unanimously.

D. Discuss Other Communications Options for Annual Report

There was no discussion on this item.

**VII. CONSIDER POTENTIAL TOPICS FOR 2016 – 2017 ANNUAL REPORT**

There was no discussion on this item.

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

The next meeting is scheduled for Thursday, April 28, 2016, in the Mayor's Conference Room, Waihe'e side, at 10:00 a.m.

**IX. ADJOURNMENT**

The meeting adjourned at 12:07 p.m.