

**COST OF GOVERNMENT COMMISSION
MINUTES**

**Kalana O Maui Building, 9th Floor, Mayor's Conference Room, Waihe'e Side
Thursday, December 12, 2019**

PRESENT: Michael Williams, Chair
Sarah Simmons, Vice Chair
Michelle Del Rosario, Member
Paula Heiskell, Member
Barbara Mattson, Member
Patrick O'Neil, Member
Hannah Werth, Member

EXCUSED: Noemi Barbadillo, Member

STAFF: Jerrie Sheppard Deputy Corporation Counsel
Stephanie Chen, Deputy Corporation Counsel
Shelley Pellegrino, Technical Writer for the Commission (via teleconference)

OTHER: Gladys Baisa, Ex Officio Member, Office of the Mayor
Darlene Endrina, Community Liaison, Office of the Mayor
Camille Sakamoto, Administrative Officer, Office of the County Auditor

DOCUMENTS RECEIVED:

1. Cost of Government Commission Budget, Fiscal Year 2021 (distributed by Camille Sakamoto)

I. CALL MEETING TO ORDER

Vice-Chair Heiskell called the meeting to order at 10:15 a.m. She explained that she would be chairing the meeting. Chair Courter had resigned.

II. ROLL CALL

Vice-Chair Heiskell took roll. Commissioner Barbadillo was excused.

III. PUBLIC TESTIMONY

There was no public testimony.

V. DISCUSS COMMISSION LEADERSHIP FOR REMAINDER OF 2019 – 2020 COMMISSION TERM

(NOTE: Discussion taken out of order)

Vice-Chair Heiskell explained that Chair Courter had resigned and that the next election for chair and vice chair would be in March 2020. She added that she could chair the Commission meetings until that time, or there could be an election for chair and she would remain vice chair, or there could be an additional election for vice chair.

Commissioner Del Rosario moved for the election of a new chair and vice chair for the remainder of the Commission's 2019 – 2020 term. Commissioner Simmons seconded the motion.

During discussion, Commissioner Del Rosario stated that she thought the Commission needed new leadership.

The motion was approved unanimously.

Commissioner Del Rosario nominated Michael Williams for Commission Chair, and Commissioner Simmons seconded the motion.

Commissioner Mattson asked Commissioner Williams about his background. Commissioner Williams explained that he is a retired attorney and has lived on Maui for six years. He is currently the president of the Maui Tomorrow Foundation and on the boards of the Kula Community Association and Stand Up Maui (housing advocacy group).

The motion to elect Commissioner Williams as Chair was approved unanimously.

Newly-elected Chair Michael Williams chaired the remainder of the meeting.

Chair Williams then nominated Vice-Chair Heiskell to remain as Commission vice chair. Commissioner Mattson seconded the motion.

During discussion, Commissioner Del Rosario stated that she would support Vice-Chair Heiskell's nomination if she would undertake Robert's Rules of Order training and learn how to run a meeting. Vice-Chair Heiskell withdrew her name from consideration, and Chair Williams withdrew his motion.

Commissioner Del Rosario nominated Commissioner Simmons for the position of Vice Chair, and Vice-Chair Heiskell seconded the motion.

The motion to elect Commissioner Simmons as Vice-Chair was approved unanimously.

IV. REVIEW AND APPROVE OCTOBER 10, 2019 MEETING MINUTES

(NOTE: Discussion taken out of order)

Commissioner Heiskell moved to approve the October 10, 2019 meeting minutes, and Commissioner Mattson seconded the motion. The motion was approved unanimously.

VI. REVIEW AND DISCUSS CORRESPONDENCE RECEIVED

A. Correspondence Deferred from September and October Meetings

1. August 23, 2019 letter from Kay S. Fukumoto, Economic Development Director, County of Maui, to Sharron Courter and Commissioners, Cost of Government Commission, regarding "Request for Information from Cost of Government Commission"
2. September 4, 2019 letter from Sherry Duong, Executive Director, Maui Visitors Bureau, to Sharron Courter, Chair, Cost of Government Commission, regarding

“Minutes of June 13, 2019 — Maui Visitors Bureau,” and the following attached documents:

- a. Hawai'i Tourism Authority: A New Vision for Hawai'i Tourism Authority
- b. Advertisement entitled, “Four Perfect Pins: Maui with Chef Sheldon Simeon

Chair Williams asked Commissioner Mattson to provide some background regarding the letters that were received, and to address the draft letter that was to be reviewed by the Commission (in Section IX below). Commissioner Mattson explained that Sherry Duong, Executive Director of the Maui Visitors Bureau (MVB), transmitted a letter to the Commission taking issue with some of the information that Commissioner Mattson had presented at the June Commission meeting. In response, Commissioner Mattson drafted a letter to Ms. Duong asking for further clarification. That letter had been revised by Technical Writer Pellegrino and reviewed by former Chair Courter, and was being presented to the Commission for approval to transmit.

Chair Williams asked when the Commission's annual report is due. Ms. Pellegrino responded that it is due at the end of the Commission's term, which is March 31, 2020. Chair Williams then asked Commissioner Mattson if her investigation would be completed by then. Commissioner Mattson stated that she would like to be, but that she will need the additional information from MVB. She added that with the help of Commissioner Del Rosario, who had volunteered to assist her, she hoped to be finished.

Commissioner Mattson asked why the letter needed to be approved by the Commission prior to being transmitted. Ms. Pellegrino responded that on most occasions, a letter would be reviewed by the Technical Writer, signed by the Commission Chair, and transmitted. Ms. Pellegrino added that this process had been developed to address prior communication issues between the Commission, the Office of Economic Development (OED), and MVB. Ms. Pellegrino had discussed how to proceed with Deputy Corporation Counsel Sheppard, who recommended that the letter be reviewed and approved at a Commission meeting. Ms. Sheppard added that the issue has been a sensitive one and previous correspondence had been signed by the Chair.

Chair Williams added that he has the same concern with respect to who can send inquiries on behalf of the Commission. He stated that he and Commissioner Barbadillo are interested in sending a letter to the State Department of Taxation requesting that a representative appear before the Commission, but it was not clear to him whether he could send the letter directly or whether he needed to get permission to send the letter.

Commissioner Del Rosario interjected that the current discussion falls under Item IX of the agenda. She then requested that Ms. Pellegrino's name be removed as the contact person. Commissioner Del Rosario stated that it is her understanding that the Technical Writer's role is to do the technical writing, but not do any investigations or Commission communications.

Commissioner Del Rosario moved that the letter be amended to remove Shelley Pellegrino as the contact person, and to replace it with Commissioner Barbara Mattson's name and contact information. Commissioner Mattson seconded the motion.

Commissioner Heiskell asked Ms. Pellegrino what the procedure had been in the past. Ms. Pellegrino stated that the contact person had usually been the Chair and/or her, but because of the acrimony and continuing communication challenges between the Commission, OED, and MVB, the decision was made to have the letter signed by the Chair and to have Ms. Pellegrino be the contact person. Ms. Mattson added that the prior OED director was contentious and not

forthcoming with information, so the communications were sent through the Technical Writer. Ms. Mattson stated that the current director (Kay Fukumoto) had been much more willing to provide information.

Ms. Pellegrino added that OED had asked that communications from the Commission be sent via a formal transmittal. She also explained that the Commission has been asked to transmit requests for information from MVB through OED. The draft letter under discussion was originally written to MVB, but Ms. Pellegrino revised the letter so that the request for information would be transmitted to OED (which would then communicate the Commission's request to MVB).

The Commission deferred the motion until discussion under Item IX on the agenda.

VII. COUNTY AUDITOR'S UPDATE

Ms. Sakamoto stated that there was no update.

VIII. DISCUSS FISCAL YEAR 2021 PROPOSED OPERATING BUDGET FOR COST OF GOVERNMENT COMMISSION

Ms. Sakamoto distributed a document entitled, "Cost of Government Commission Budget, Fiscal Year 2021." Ms. Sakamoto stated that the Budget Office provided the County Auditor with a proposed budget and asked that the Auditor respond by the end of December with any revisions. She explained that the Commission is asked to review its budget and propose changes as necessary along with a justification for its changes. The current budget proposal is \$30,000. Ms. Sakamoto noted that in addition to the technical writer, the Commission's budget includes funds for airfare transportation for the Lana'i commissioner, funds for a Moloka'i commissioner, per diem mileage, office supplies, and miscellaneous expenses.

Commissioner Mattson asked what types of miscellaneous expenses were included in the \$7,500 figure. Ms. Sakamoto responded that the figure is an estimate, and noted that for Fiscal Year 2019, of the \$30,000 budgeted, the Commission only expended \$17,000.

Commissioner Del Rosario inquired about whether the Commission had participated in any training or conferences in the past. She stated that she felt the commissioners would benefit from training, and that other Commissions travel either inter-island or to the Mainland for training. Commissioner Mattson responded that she had not attended any outside training. Gladys Baisa, Ex-Officio Member, stated that training is important. She added that she would be happy to work with the Chair to identify training opportunities.

Commissioner O'Neil asked whether the Commission travels to Moloka'i for meetings. Ms. Baisa responded that it is difficult to find representatives from Moloka'i and Lana'i, but she is doing her best. She stated that travelling to Moloka'i or Lana'i for meetings would be a good idea.

Vice-Chair Simmons stated that she is cautious about taking away from a budget because it is always difficult to put funds back.

Commissioner Del Rosario moved that \$5,000 be moved out of office supplies and put into airfare and transportation in anticipation of training opportunities. Vice-Chair Simmons seconded the motion. The airfare and transportation budget would then be \$8,000 and the office supply budget would be \$2,500. Chair Williams stated that Corporation Counsel recommended that the description be changed to airfare, transportation, and training.

The Commission approved the motion unanimously.

IX. DISCUSS COST OF GOVERNMENT COMMISSION COMMUNICATION PROCEDURES

Chair Williams returned to discussion of the draft letter to MVB and reiterated that he was unclear about how to send a letter to the State Department of Taxation.

Commissioner Del Rosario moved that individual commissioners be permitted to send letters to public and private entities as long as it falls within the scope of their authorized temporary investigative group or individual investigation. Commissioner O'Neil seconded the motion.

Ms. Sheppard noted that when the Commission communicates to a non-governmental entity, that entity has no obligation to respond.

Commissioner Del Rosario stated that she would like the Commission to be able to contact nonprofit and for-profit organizations or entities. She asked that Ms. Pellegrino provide a Commission letterhead template, and that if a Commission member signs a letter, he or she could provide Ms. Pellegrino with a copy of that letter.

Chair Williams confirmed Commissioner Del Rosario's motion as one where a commissioner is permitted to send a letter as part of an authorized investigation, and if there is no response, then the Commission could send a letter under the Chair's signature.

Ms. Sheppard suggested that the Commission better define the capacity in which people sign a letter — i.e., as a temporary investigative group (TIG) chair, as a member of a TIG, or as an individual member.

Commissioner Del Rosario stated that an entity that receives a letter from the Commission should receive it just as it does from a department because the Commission is part of the County of Maui and can impact their funding as much as a department can.

Ms. Pellegrino noted that her role is to serve as a resource, and that when it comes to drafting letters, the commissioners are all volunteers and have different skill sets, which includes writing skills. Ms. Pellegrino expressed that she would like to assist the Commission by providing continuity and ensuring that the writing is consistent, even if individual commissioners sign the letters.

Commissioner Del Rosario asked for a copy of the Technical Writer's job description. Chair Williams asked Ms. Sakamoto to provide the Commission with a copy of the job description before the next meeting.

Vice-Chair Simmons stated that she thought Ms. Pellegrino's idea was good, noting that everyone has different writing styles, and there is value to having continuity. She stated that she thought commissioners should have Ms. Pellegrino review their drafts before the letters are sent.

Chair Williams expressed concern about Ms. Pellegrino having to review his regular email communications with various department representatives.

Ms. Pellegrino clarified that her comments were geared more toward formal letters on Commission letterhead, as opposed to emails and other less formal communications. She explained that she does not want to hamper communication and actually prefers that things move

more quickly, but thinks that she could facilitate communication by assisting with drafts and getting letters sent out faster.

Commissioner Del Rosario disagreed with filtering communication through the technical writer. She stated that there should be a template and the chair or vice chair should be copied.

Commissioner Heiskell stated that the technical writer does not come up with the ideas, but serves as the editor because everyone has a different writing skill sets. She stated Ms. Pellegrino's work has been invaluable over the years.

Commissioner Werth stated that the Commission seemed to be discussing a variety of types of communications, including sending formal letters and informal communications such as emails. She wondered whether the Commission could set up some type of communications plan, where the initial inquiry is a formal letter, with follow up communications being done more informally. Alternatively, the communications could begin on an informal level, and later a more formal letter could be transmitted summarizing what was discussed, setting out questions, and requesting a response.

Vice-Chair Simmons stated that she thinks the process would depend on the topic.

Chair Williams remarked that written guidelines would be helpful and asked for volunteers to draft guidelines for the Commission's review at its next meeting. Commissioner Werth and Vice-Chair Simmons volunteered to draft communications guidelines.

Commissioner Del Rosario withdrew her motion.

With respect to the letter from the Commission to OED, the Commission voted to approve the letter with the Chair's signature.

X. DISCUSSION OF OFFICE OF ECONOMIC DEVELOPMENT GRANT TO MAUI VISITORS BUREAU (COMMISSIONER MATTSON)

- A. Review and Approve Draft Letter from Cost of Government Commission to Kay S. Fukumoto, Director, Office of Economic Development, Regarding Request for Additional Information from Maui Visitors Bureau

See discussions under Items VI and IX above.

XI. UPDATE BY ENFORCEMENT OF SHORT-TERM RENTAL LAWS TIG (COMMISSIONERS WILLIAMS AND BARBADILLO)

Chair Williams stated that the investigation is moving along, and has expanded into collection of taxes on legal short-term rentals.

XII. DISCUSSION OF PARAMETERS AND SCOPE OF INVESTIGATION OF TEMPORARY INVESTIGATIVE GROUPS (TIGS)

- a. Department of Water Supply Appropriations and Expenditures for Capital Improvement Projects TIG (Commissioners Del Rosario and Williams)

Commissioner Del Rosario stated that she is considering expanding the scope to include other departments in addition to the Department of Water Supply, and that she will have something drafted for presentation to the Commission at its January meeting.

- b. Wildfire Costs and Responsibility of Private Landowners TIG (Vice-Chair Heiskell)

The Commission deferred discussion of this item.

XIII. DISCUSSION OF TOPICS TO REVIEW AND ESTABLISHMENT OF TEMPORARY INVESTIGATIVE GROUPS (TIGS)

Discussion and possible action regarding the establishment of Temporary Investigative Groups (TIGs) to review and investigate the below listed subjects, appointment of members, and setting of the parameters and scope of the investigation and review.

- a. Information Technology (Vice-Chair Simmons)

Vice-Chair Simmons stated that she has spoken with Jacob Verkerke, who explained that the Information Technology (IT) Division is considering changing from a technology management to a service management system, which would be more cloud-based. She noted that Mr. Verkerke would be interested in speaking with the Commission early next year. She also stated that Mr. Verkerke has had difficulty filling positions because of pay disparities with similar private sector or Mainland jobs. Vice-Chair Simmons added that one idea she has is to have IT liaisons in each department.

- b. Other Potential Topics

The Commission deferred discussion of this item.

XIV. DETERMINE NEXT MEETING DATE AND AGENDA

The next meeting is scheduled for January 9, 2020. The agenda will include communication guidelines, reports from ongoing investigations, and receipt of the Technical Writer's job description.

XV. ADJOURNMENT

The meeting adjourned at 11:28 a.m.