Page 1		Page
1 COUNTY OF MAUI, STATE OF HAWAII	1	_
2	1 2	(Monday, January 9, 2012, 6:30 p.m.) ***
3 0 /0 = /0	3	CHAIR STONE: Hello, everyone. I want to
APPROVED 2/27/2012	4	thank everybody for attending this public meeting of the
5	5	Charter Commission. My name is Josh Stone, and I'm the
6 CHARTER COMMISSION	6	Chairman of the Commission.
7 PUBLIC HEARING	7	If you need, there are copies of the Maui
8	8	County Charter and amendments available here with Lisa
9	9	Kahuhu, as well as copies of this evening's agenda.
0	_	Lisa? Thank you.
1	11	As per our rules, discussions tonight will be
2	12	pertaining to Maui County Charter.
3 Held at the Paia Community Center, Hana Highway,	13	And before beginning public testimony, we have
	14	a few items of business to address.
4 Paia, Maui, Hawaii, commencing at 6:30 p.m., on Monday,	15	First, I'd like to call this meeting to order
5 January 9, 2012.	16	as of 6:30 p.m., and introduce our Commissioners that
5	17	are present. Let's quickly go down the table, and just
7	18	state your name and where you're from, please.
3	19	COMMISSIONER MOIKEHA: Susan Moikeha, from
Reported by: Tonya McDade, CSR, CRR	_	Kula.
O Certified Shorthand Reporters Maui Wells Street Professional Center	21	COMMISSIONER CRIVELLO: Stacy Crivello, from
l 2145 Wells Street, Suite 302 Wailuku, Hawaii 96793	22	Molokai.
2 (808)244-3376 reporters@csrmaui.com	23	COMMISSIONER OKAMOTO: Kay Okamoto, from
3		Lanai.
4	25	VICE-CHAIR HEDANI: Wayne Hedani, from
.5		
Page 2		Page
1 ATTENDANCE 2 BOARD MEMBERS PRESENT:		Wailuku.
Joshua A. Stone, Chair	2	CHAIR STONE: Josh Stone, from Paia.
3 Wayne N. Hedani, Vice-Chair	3	COMMISSIONER HASHIMOTO: Clifford Hashimoto,
Stephanie S. Crivello, Member 4 David P. DeLeon, Member		Hana.
Frank R. DeRego, Jr., Member		
	5	COMMISSIONER DELEON: Dave DeLeon, Haiku.
5 Clifford P. Hashimoto, Member	5 6	COMMISSIONER DE REGO: Frank De Rego, Kahului.
5 Clifford P. Hashimoto, Member Wayne N. Hedani, Member	6 7	
 Clifford P. Hashimoto, Member Wayne N. Hedani, Member Susan A. Moikeha, Member Linda Kay Okamoto, Member 	6	COMMISSIONER DE REGO: Frank De Rego, Kahului.
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Page 5 1 Draft Proposals. 1 they had to define the limits of executive functions and I would like to begin with oral testimony. activities. Those all were removed from that, see. 3 And before we begin, I would like to go over our oral So now, in 2012, you're looking at setting up 4 testimony rules. We'll call up each public testifier in a sacrosanct position when that's not at all what we 5 the order that they registered to testify. Each person need. We need to really come to grips with what 6 will have five minutes to testify on items concerning executive management of power is about and what our Maui County Charter. We may suspend the rules, legislative function is in establishing policies. considering that we have a fairly small turnout tonight, So we go to civil service. And the Fire and allow testifiers a little bit more time than five Department came to you with a number of provisions 10 minutes. regarding a declaration of policy. We have two Also, I would like to take this time to 11 declarations of policy in our Charter, one is the 12 recognize Councilman Mike White. 12 ethics, it has to do with the public good. Public, 13 COUNCILMEMBER WHITE: Aloha. public; not personal. And then the Cost of Government CHAIR STONE: Thanks so much for attending 14 Commission, that has to do with all of it. Not a 15 tonight. Thank you. declaration of policy for a Fire Department Commission 16 With that said, Lisa, please introduce our which, in effect, sets up a civil service commission. 17 first testifier. So you're going to have four civil services commissions 18 MS. KAHUHU: Jim Smith. when, in fact, the law, HRS 76, is to unify. And so you CHAIR STONE: Mr. Smith, thank you very much 19 have personnel matters being considered by an 20 for being here. I say that sincerely. independent body. Of what? That doesn't make sense in 21 MR. SMITH: You didn't have to qualify. our political system. The executive, the legislative, 22 (Laughter.) the judicial. Okay. The State, the County. Well, this 23 MR. SMITH: Members of the Charter Commission, 23 screws all of that up inside and out. my name is Jim Smith and I'm a resident of Haiku. And I 24 So I'd ask you -- there's only one provision think that, when you look around, the newspaper, you see 25 here that I think is very significant in terms of Page 6 Page 8 1 how people deal with political questions, all over, and 1 meaningful. And that has to do with the Charter 2 how we're dealing with these. And they're no less Commission and the Council, when they move to amend the serious than right here. Charter the same time you are doing it. And I am And if you'll look at your proposed suggesting that you simply limit them to one time prior amendments, there are 21, 21 proposed amendments. And to you guys. Okay. If you limit them, it gives them 6 if you look at those, you'll find that 10 of those have one term of a Mayor, to see if anything happens, and 7 to do with executive power, okay, and two have to do they can do what they want, then, it gives them time to 8 with legislative, and not even with power, okay, and build this, not change it every two years upon a whim. 9 then there are four general. So we have to look at this Okay. That's just -- you know, that's the kind of 10 and say, what is it that's happening with our Executive 10 thinking, I think, is missing from this type of --Term limits, it's been there. This is Branch that causes such indifference to many things. 11 What is it that's wrong? Okay. And the answer is not 12 irrelevant. You got to trust people. They serve, they in the amendments that I'm seeing here. Okay. 13 learn with time. Two years is fine. 14 If you look, for example, at the auditor. The 14 A budget, one year. It stimulates activity at 15 County Auditor was established, it wasn't elected, it 15 the end of the year. And the second year, you come 16 was established, as part of the Finance Department. In forward, you're running for office and you stimulate 17 the Charter of 1997, there was a provision on the 17 more activity. Budget, one year. No problem. 18 Finance to manage. Okay. It was to manage the --18 If you look at how it's run, you'll find that responsible for management of County funds. So they 19 there are supplementary budget amendments and

22

23

24

amendments. Even during the budget process, it goes on.

When you have 49 percent of 80,000 eligible to

21 So it's like, really, an annual budget? We're doing

this -- the whole thing -- so I don't think that --

don't even -- that's not even significant. Okay.

25 vote voting, and then, those not voting, many of

took the auditor and they took the treasurer. So it

remained an executive function. It wasn't a third

And you look at the Charter Commission -- I

don't mean -- I mean Cost of Government Commission,

well, they had a real power. In that '77 amendment,

independent duck; it was a part of that.

21

22

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Page 9

- 1 those -- what is that saying? That's saying that the 2 judgment of political elected officials is not including
- them and they don't see it as good.
- 4 We die or we live on the perception of good
- 5 judgment; not the indifference of those with the power.
- And this Charter is what sets that.
- Now, if you take, for example, the Mayor's
- 8 Office, and you put, in the Mayor's Office, assure that
- personnel will be treated fairly and equally, as a duty,
- 10 well, then they're going to have to look. But if you
- 11 set up a commission that hires them, and they say then
- 12 you're going to take up personal service -- personnel
- 13 complaints and such like that, you've changed the nature
- 14 of that whole shabang. You've turned inside out this
- 15 relation of quasi-judicial and administrative power, and
- 16 all that type of stuff is inside out if you go down that
- road. You got to keep the executive responsible. Okay.
- 18 The Cost of -- the Cost of Government
- Commission has been responsible, and they failed. Why
- did they fail? That's the question. They started off
- with a duty, in '77, that said they're going to be
- limiting excess. Okay. That changed in '82. What
- happened? Now what do they do?
- 24 If you gave them the authority to reprimand a
- 25 director for failing to be efficient, to reprimand,

- 1 money in that? Well, there's only six (sic)
- 2 administrators, and they get \$1.2 million. 16
- administrators. So you can figure there are 99
- financial service people, and they get \$5 million. So
- 99 get five, and 16 get one-and-a-half. Well, we know
- where the -- we know where it's going. Okay.
- And if you look at the Management
- 8 Department -- now you talk about management. Okay. We
- have a management department, and they had 19 employees
- in 2001, and their budget was \$2,700,000. In 2011, they
- had 46, and their budget was \$4,100,000. That's a nice
- 12 growth. That is a -- and that's strategy. That's doing
- 13 what you want the auditor to do. Okay.
- 14 And the cost of services commission, you want
- 15 them to do that, too, but they're not doing it. And
- 16 they'll say, "We can't, we just go with advice." No,
- 17 no, no. You make it happen. You don't create an
- auditor and hire him to make that happen, that's 18
- 19
- 20 If you're going to have an auditor, it should
- 21 be with the Legislative Branch because they spend the
- money. Okay. And if you want to hold a director
- accountable and he's hired by a commission, well, then,
- 24 you make, okay, that commission hold him to his mission,
- 25 which is an executive statement of what he's supposed to

Page 10

- 1 do. So it's got to stay executive and it's got to stay
- 2 legislative and it's got to stay strong.
- And they want to -- and there's a tremendous
- 4 voice creating confusion, breaking these things down,
- but it's not that difficult. We don't want
- commissioners to have the power elected representatives
- do. And so everyone, then, is a ceremonial head. We'll
- have a ceremonial mayor and we're going to have rows of
- commissioners who are appointed with great power, okay,
- and a ceremonial councilmember. Okay. Because they got
- 11 to rely on the commissions. So then we can have
- 12 relatives being appointed to commissions and then we
- 13 have aristocracy, and then we're back to the cave.
 - (Laughter.)
- 15 MR. SMITH: Anyhow, thank you for your time.
- 16 I appreciate it.

14

- CHAIR STONE: Mr. Smith, I'm very happy that 17
- 18 we allowed you the time to just go all the way through.
- 19 MR. SMITH: That's the first time it's
- 20 happened in my life.
- 21 (Laughter.)
- 22 MR. SMITH: I think it might be an age thing.
- 23 CHAIR STONE: Remember me well.
- 24 MR. SMITH: I'm going to remember you, but not
- 25 for this.

1 okay, a director for failing to comply with their

- 2 mission statement -- it's been so screwed up. What they
- 3 did was they brought in this program budgeting episode.
- 4 And what that meant was the departments were programs.
- 5 And they had to define mission and they had to define
- 6 all these type of things as they went forward for their
- 7 money. Well, that's good. They defined their mission.
- 8 And the more detail, the better it is. We're going to 9 do this, we're going to do that, we're going -- Fire
- 10 Department, we're going to make it safe and learn, we're
- 11 going to treat our people good, fine, that's your
- 12 mission statement. Cost of Government Commission reads
- 13 that. And fire control commission says, okay, we're
- holding you accountable for your mission statement. And
- 15 that's in the executive power. So take the mission
- statement, have them spell out how they're going to
- treat their people, have the Mayor make that happen,
- because he is the manager, and then send it on.

- If you look at the finances, this is amazing. 20 In 2000, the Finance Department, budget with 141 -- with
- 21 104 equivalent personnel, whatever that is, okay, their
- 22 budget was \$4,855,000. In 2011, with 141 personnel,
- 23 their budget was eight thousand -- \$8,674,000. So they
- 24 doubled their budget in 10 years. They got more people.
- 25 So where is the efficiency? Who is getting the most

Page 15 Page 13

1 (Laughter.)

CHAIR STONE: Okay. Commissioners, any 3 clarification on the eloquent testimony of Mr. Smith?

4 (No Response.)

5 CHAIR STONE: No. It was very good testimony.

6 Thank you, Jim.

7 MR. SMITH: Thank you.

8 CHAIR STONE: Thanks very much.

9 Lisa, next testifier, please.

10 MS. KAHUHU: Lloyd Fischel.

11 CHAIR STONE: Lloyd, thank you for being here.

12 MR. FISCHEL: Thank you for being here. I

don't think that our population understands just how

14 important this gathering is and what your work is that

you're doing. I wish that The Maui News and other

16 leaders in our society really discussed the fact that

this Charter that we're reviewing, that you've been

18 laboring over for many, many months, and will continue

to labor over, is the basis of our constitutional

20 rights. They are actually what give our society the

21 rights that we have. And because of this, under the

direction of Mr. Stone, all of you have come together to

unite together, to try to improve what needs to be

24 improved, if anything, in our Charter. 25

Because we came from a history of very wise

1 General of the State.

A few weeks ago, the United States Congress and Senate, Senate and the President, signed an action

which will allow any American anywhere in the world to

be picked up, incarcerated, without any due process of

law. The cornerstone of the revolution of the United

States, the cornerstone of our freedoms, was signed away

with one document. If we put to the public, and they

might approve of this 3(b), we have now given the laws

of the State to the authority of the Attorney General in

Honolulu. Any one of us could be picked up with one

phone call, one text message, one email, from Honolulu,

without any charge, and it would be okay under this law.

We have to be very, very careful about this particular provision. There is no place for this

provision. Why can't we prosecute our own laws

correctly? These people are being paid enough up on the

Hill. We have enough policemen. We have enough

judiciary. We don't need somebody in Honolulu -- who

knows who that person is, how that person got there --

to be able to enlist police powers and force them upon

our people in Maui County.

The second provision I'd like to mention is 24 Number 19, the Charter shall be amended to add the

25 following to the powers, duties and functions to the

14

15

23

Page 14

1 Director of the Department of Environmental Management.

Page 16

2 Now, we all know that the current Mayor set up this

position, Environmental Manager. And I see that he's

with us today, joined our meeting.

And thank you for attending.

6 This idea of setting up an Office of the

7 Director of Management under the Mayor's Office, I

believe, is, again, making mush out of the separation of

powers between the Executive and the Legislative Branch.

If the Office of Management comes up with a scheme to

use methane gas from the dumps to create energy, if the

12 Office of Management comes up with some other kind of

13 way of processing metals, you know, destroyed

automobiles, other kinds of metals and so forth, if that

15 office comes up with a way to produce a better way of

creating energy, that should go before the people,

17 because it's the people's taxes that are going to help

pay for that. This should not be designed in a way that

19 the Mayor's Office can stipulate these kind of very,

very important issues. We are facing a future of

uncertain energy. And every one of us and all of our

22 families and our children, and our children's children,

23 all the way down the road, should have a right to say in

24 our energy.

I think it's unbelievably crazy that we have

1 people that created the separation of powers, over the 2 years, charters have been amended very little, one or

3 two changes to a charter, because we recognize that it

4 isn't like a baseball game or a football game where

5 players come in and out to see who does the best. As

6 the last testifier said, it's not about setting up

commissions to see if government can be run better. We

8 have our government in place, and we have the separation

of powers; the executive, the judicial and the

10 Legislative Branch. And as was pointed out, these

11 separations of powers must be maintained in order for us

12 to really continue to have a democratic society.

13

We see changes all over the world, especially

14 in economics, around the world, that lead people to have

15 fear. And when people have fear, there's always an attempt to tinker with maybe everything, even that which

17 is going well.

18 And in this regard, I'd like to draw attention

19 to two of the Proposed Charter Amendments. The first 20 one is Number 3. Number 3 is something that's come up

21 in the past, where the Charter be amended to authorize

the prosecuting attorney to appoint investigators who 23 shall have the powers and privileges of a police officer

24 of the County; and, B, prosecute offenses against the 25 laws of the State under the authority of the Attorney

Page 17

- 1 wind up on a hill that was paid for, in part, by County,
- 2 in terms of administration and hours spent to maintain,
- 3 blah, blah, blah, blah, part by the government and
- 4 bonds. And our County, contrary to what the Mayor had
- 5 said when it was first put up there, under the prior
- 6 Arakawa Administration, that it would provide 13 percent
- 7 of Maui's energy needs. And we all know that not one of
- us have had a reduction in the cost of our energy. We
- all know that that company has made a lot of money.
- 10 We're talking about tens of thousands, if not hundreds
- of thousands, a day when the wind is blowing, but we get
- no benefit as a society. And that is our hill. That is
- 13 Maui County.
- 14 I'm pointing this out to you because it's an
- 15 example of how things go awry when a Mayor or a
- particular individual has authority over our energy
- needs. This position and the idea to guide efforts to
- maximize opportunities for natural resource protection,
- conservation, restoration, to coordinate and develop
- 20 policies and initiatives that integrate sustainable
- 21 resource development, and so forth and so on, this
- 22 belongs to our elected representatives because they
- represent us; not some executive who might have some
- 24 kind of ties to special companies, including wind
- 25 companies.

1 preconceived notion that I'd be speaking to you, but I

- want to make myself available to you for any
- clarifications you might feel are necessary in regards
- to the previous testimony from my friend Lloyd Fischel.
- 5
 - I will briefly state that I think he made some
- good points, but that they were convoluted, because I
- think this proposal actually provides the opposite of
- what he represented as the situation. By putting -- by
- assigning additional duties and responsibilities to the
- 10 Department of Environmental Management, this would have
- 11 public oversight.
- 12 Additional positions, as perhaps conceived by
- 13 this Charter proposal, couldn't happen without a budget
- amendment, without the County Council reviewing should
- there be people assigned, in addition to a couple of
- appointed people who are directly under the Mayor's
- watch right now; myself, Doug McLeod, our Energy
- 18 Commissioner, who I think has done great work.
- 19 The idea of this proposal is twofold. And I
- 20 think you've heard from the Mayor that he doesn't feel
- there are assurances that we can count on continued
- State funding, with the State fiscal situation, to
- 23 support the things that we are currently supporting
- 24 through grants through Department of Water Supply,
- 25 through Office of Economic Development, and other ways

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Page 20

- So I ask you, please, to not include this.
- Let it be gone and not include it in any further
- discussion. Thank you.
- CHAIR STONE: Thank you very much, Lloyd, for 5 your testimony.
- 6 MR. FISCHEL: Thank you.
- 7 CHAIR STONE: Commissioners, clarification on
- 8 the testimony? Questions?
- 9 (No Response.)
- 10 CHAIR STONE: Okay. No. Thanks so much for 11 being here.
- 12 MR. FISCHEL: Thank you. And thank you guys 13 for coming.
- 14 CHAIR STONE: Lisa, next testifier, please.
- 15 MS. KAHUHU: Chair, no one else is signed up.
- 16 CHAIR STONE: I'd like to open the floor to
- 17 any member of the public who would wish to testify this
- evening before I close oral testimony. Going once --
- okay, we have another testifier. Thank you for being
- 20 here this evening. Please state your name for the
- 21 record.
- 22 MR. PARSONS: Good evening, Chair Stone and
- 23 Commissioners. My name is Rob Parsons. I am an
- 24 Executive Assistant to Mayor Arakawa. And I came to
- 25 listen to the discussion tonight, and certainly had no

- 1 that we support environmental and conservation efforts.
- And we are recognized as a leader.
- Invasive species efforts: Tomorrow, I will be
- 4 attending the Hawaii Invasive Species Council meeting to
- try to bring additional State support to the
- ever-growing axis deer situation, which is impacting our
- ranchers and our Upcountry farmers and adding expenses
- and safety concerns to -- what's, you know, important to
- all of us is the ability to grow our own food here on
- 10 Maui.
- So that's just one example of something that's 11
- taking place that could be addressed if we structure
- this department, which is currently just looking after
- two things, solid waste and wastewater reclamation. And
- add some additional responsibilities so that they more
- broadly encompass environmental protection and
- sustainability. 17
- 18 So I won't -- I mean, you know, I've spoken to
- you in the past. I think you understand where the 19
- Mayor's at and that I support him in this proposal. I
- think it will have a lot of benefit for the people of
- Maui. I told you at my last -- my last meeting that --
- that we were at, in the Planning Conference Room, that
- there are nationwide studies that indicate that the
- greatest benefit of having dedicated positions

Page 21 Page 23 1 addressing sustainability is reduced Cost of Government. 1 conversation will continue through the next several 2 I think there's great benefit to this. 2 months, you know, leading up to voting in November. And And thank you very much for the chance to 3 I hope this, you know, winds up on the ballot. Because share with you this evening. Thank you for all your I strongly believe that people will support the idea of 5 good work. 5 a little more environmental protection, a little more 6 CHAIR STONE: Thank you, Mr. Parsons. sustainability. 7 Commissioners, clarification? Commissioner And, you know, we don't take these giant 8 DeLeon, thank you. 8 steps; we take baby steps and gradual steps. And I'm okay with that. I understand that that's the way it COMMISSIONER DELEON: Rob, could you help me works in government and bureaucracy. So --10 clarify a point that was made earlier? To your 11 CHAIR STONE: Thank you. 11 knowledge, did Maui County have anything to do with the 12 12 wind farm over at Maalaea? Commissioners, any further clarification? 13 Vice-Chair. 13 MR. PARSONS: Well, it's on State property, VICE-CHAIR HEDANI: Rob, can you clarify for 14 it's on State conservation land. Let me think what 14 State permits would have been -- what County permits 15 me tonight your testimony? Are you speaking as 16 Executive Assistant to the Mayor or as Rob Parsons, the would have been necessary. 17 COMMISSIONER DELEON: No. I mean in terms of 17 individual? 18 MR. PARSONS: I hadn't thought about that 18 money in or manpower in or functionality in? 19 MR. PARSONS: State and private is my 19 before I came before you. Truly, I'm both. And I hope that what I'm expressing is very congruent with the 20 understanding. Mayor's previous comments to you. So, you know, if you 21 COMMISSIONER DELEON: Thank you. need to record that I'm here as Executive Assistant -- I 22 CHAIR STONE: Thank you. Commissioners, any 23 further clarification for Mr. Parsons? No. Rob, thank was here because I live in the community, because I'm a 24 Haiku resident, and, when something happens in Paia, you very much for being here. 25 that's something that, you know, is of interest to me. 25 COMMISSIONER DE REGO: One. Page 22 Page 24 CHAIR STONE: Oh, Commissioner De Rego. 1 Executive Assistants to the Mayor also have regional 2 assignments, so -- I'm dancing around your question, but COMMISSIONER DE REGO: On these added functions, would you see any of these things happening I'm going to say both. 4 CHAIR STONE: Thank you. Commissioners? outside of legislative authority to fund any initiatives 5 5 that come from these functions? (No Response.) MR. PARSONS: Well, I think if they wouldn't 6 CHAIR STONE: No further questions. have legislative authority, there would be some measure 7 Mr. Parsons, thank you very much for your testimony. 8 MR. PARSONS: Thank you. of public oversight, whether be through the permit process --9 CHAIR STONE: Lisa, any other testifiers this 10 MEMBER DE REGO: I'm saying especially in 10 evening? 11 terms of funding. I mean, any initiatives that come 11 MS. KAHUHU: Councilmember Mike White. 12 out --12 CHAIR STONE: Very good. Councilmember White, MR. PARSONS: I think --13 13 thank you very much for being here. 14 MEMBER DE REGO: -- of this? 14 COUNCILMEMBER WHITE: Well, like Rob, I didn't 15 MR. PARSONS: I think the real sense in 15 have an intention of testifying this evening, but since 16 putting this forward is you would be asking our voting 16 all of you have come a long distance to get here, and I population, our community, for a mandate, thumbs up or 17 know the commitment of time is a considerable one, thank 18 thumbs down, is this something they want to support. 18 you for that. 19 And, hopefully, in the process of going through all the 19 You've got some great proposals and some not 20 Charter Amendments, there are talking points, pros and 20 so great proposals.

21

22

(Laughter.)

COUNCILMEMBER WHITE: And I've spoken to the

23 Kula Community Association regarding the question of the

25 I think that's a really good proposal. It's gone down

change of councilmembers' terms from two to four years.

21 cons. I've always seen these in the paper in the past.

24 of what they're voting on.

25

22 You know, it's not your intention or anyone's intention

23 that people walk into the voting booth without any idea

So I hope that this -- you know, this

1 to defeat in previous Charter recommendations. And that 2 may be because there's no ease with which we can recall 3 a councilperson. So I would suggest that you might want to balance that proposal.

And I know, at some point, you're going to 6 have to add some clarification as to what happens to people like myself who have been in for two years. Will we be eligible for two four-year terms or three? If somebody's been in for four, how are they dealt with? Which districts are going to be the ones that are the first ones to go for a four-year and which are held off 12 and can only go for two, so you establish a staggering?

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The other question that comes to mind is that when -- well, one of the benefits I see in going to four years is that I feel that too often decisions at the Council level are sometimes more difficult because we're in another election season. And by going to four years, there's a lot more comfort that our elected officials will always have a little more strength to make the call that is a tough one, but the right one.

21 So I think this is a really good proposal, but 22 I would just suggest that you might want to add something to make recall easier in case one of us goes absolutely nuts and is doing coocoo stuff. 24

And I have to say, I just love Jim Smith's

1 ability to amend, then all you're doing is creating a

situation where we will likely, because we -- we have our revenue certified once a year -- maybe that can

change -- but if we are going to stay on a schedule of

certifying revenues just once a year, then you're asking

the Council to make a budget for two years with one year

of knowledge. And if you don't give them the ability to

go back and amend the budget with the new projections

for the second year, then you're going to force the

Council to send a very conservative budget to the Mayor.

And that will likely result in the Mayor having to send

12 budget amendment after budget amendment after budget

amendment back to the Council during the second year.

And I can tell you that will completely bring the

Council to a halt. So if you're going to a biennial

budget, you need to provide the Council the ability to 16

17 amend.

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18 And as most of you know, the State has a 19 biennial budget, and that's great, but they amend it every year. They have to because they get projections

of the Council on revenues. Once just before budget --

or just before session, once two-thirds of the way

through. And so a biennial budget only works if the

legislative body has the ability to amend.

Currently, and rightfully, with the one-year

Page 26

Page 28

1 testimony because he can be so passionate and he does his research. I agree with him on just about every point that he brought up.

I think the Civil Service Commission, or changing the Charter in Number 2, probably not a good idea. There's enough -- there's enough civil service protections now that we have both civil service and union contracts on top of each other.

With respect to nonpartisan elections, I think those serve the County very well. And if you want a good example of what happens in partisan surroundings, 12 just look at our Congress. And if that's what you want to come to Maui, then maybe that's a good idea, but I disagree. I think that we are well served by having nonpartisan elections.

16 And there's no lines drawn on issues in the Council. We have many votes that are five and four, you know, five to four. And it's not always the same five. It's not always the same four. I think that's really, really healthy and a sign that this move to 21 nonpartisanship has really helped us look at issues, not

23 The issue of the biennial budget: That sounds 24 like a really good idea, but, in reality, if you change 25 it to a biennial budget, without changing the Council's

parties. So I would be against that provision.

1 budget, once we make the budget, we can't amend it. And

I think that's appropriate. It's not appropriate if

you're asking us to do a budget that's two years long

with only one year's knowledge.

5 Even two years, I don't do that for the hotel. 6 I do a one-year budget. And that's hard enough to 7 project.

And Number 8, with regards to the County Auditor, if you look at the -- at the Constitutional Convention of 1978, that document details how -- you know, who should be responsible for preaudit and who should be responsible for post-audit. And there's quite a long dissertation on why each one goes through. And I can provide that for you. But it points out that the auditing function should be with the legislative branch.

And I understand the direction that you're going with the Cost -- with assigning the responsibility to the Cost of Government Commission; however, from a 18 technical standpoint, the Cost of Government Commission is appointed by the Mayor and is, basically, answerable to the Mayor. The responsibility of an auditor is to audit the Administration. So if it's going to go to the Cost of Government Commission, then my belief is that

either the Cost of Government Commission should be

working side by side with the auditor, or the Cost of --

Page 29

1 if it's going to remain under the Mayor, or maybe what

- 2 should happen is the Cost of Government Commission
- answers to the legislative body.
- And as Mr. Smith mentioned, we are the ones
- 5 that are accountable. The Cost of Government Commission
- 6 is not accountable.
- And I think they're doing a good job. They've
- 8 come to us with a couple of things that we have taken
- and applied. One really crisp and clear one is the
- audit of the automobile fleet for the County.
- 11 When we all learned that there was one vehicle
- 12 for every two County employees, I think we were all
- 13 shocked. And I've asked for a report on that from the
- 14 Administration because I think that's one of the things
- 15 that they did that was -- that provided us some really
- good insight and a direction to move in.
- 17 I think I'll stop there. If you have any
- 18 questions, I would be happy to answer them.
- 19 CHAIR STONE: Councilman White, thank you very
- 20 much for your testimony.
- 21 Commissioners, any clarification?
- 22 Commissioner De Rego.
- 23 COMMISSIONER DE REGO: Thank you, Councilman
- 24 White. Very, very good testimony.
- 25 Let me ask you a question about -- I had a

- 1 repealed, the auditor's function would be -- not a
- 2 department, but it would actually show up somewhere in
- 3 Article 3, within sort of the powers of the Executive
- and the Legislative Branch. And the Cost of Government
- 5 would be sort of the -- appointed by the Mayor, but
- approved by the Council. So it doesn't mean the Council
- wouldn't have its say. But the Cost of Government
- Commission would then act like the Police or Fire, that
- would hire and fire the auditor, would, you know, keep
- 10 tabs on the department, et cetera. So it would actually
- 11 be pulled out from the departments per se and added as a
- 12 separate article for -- included in the different
- 13 article within the County Charter.
- 14 I know it's a long question, it's kind of
- 15 complicated, but --
- 16 COUNCILMEMBER WHITE: As long as the effect is
- 17 that the auditor acts independently, I think that's
- great. The reality, though, is that we are elected
- 19 officials.
- 20 COMMISSIONER DE REGO: Uh-huh.
- 21 COUNCILMEMBER WHITE: And we are responsible
- 22 and accountable for the budget, for the investigative
- 23 responsibilities on behalf of the people. We have the
- 24 audit function now because we're accountable to the
- 25 people to make sure that the Administration is spending

Page 30

2.

Page 32

- 1 question here -- where did I put it -- about the audit
- 2 function. This is something that actually came out of a
- 3 suggestion from the Charter Commission itself. And we
- 4 went back to the Cost of Government Commission to see
- what they thought about it.
- The original proposal was a legislative
- auditor that would do performance audits. In fact, we
- 8 used your resolution as a model, actually, off of which
- 9 that would happen. But then there was a concern that,
- 10 like Fire, like Police, like, you know, other issues,
- 11 which tend to be very important in the County, that it
- 12 might be wise to take the politics -- which can never
- 13 always happen -- out of the auditing function and
- 14 putting it through a commission that would actually be
- 15 pulled out of the Mayor's function. So we're in the
- 16 process of this.
- 17 I just want some reaction to that, that if the
- 18 separate article was created outside of the departments
- for an auditing function like this, what would you think
- 21 COUNCILMEMBER WHITE: If you could explain to
- 22 me a little more what you mean by creating it outside
- 23 of --
- 24 COMMISSIONER DE REGO: Well, the article right
- 25 now for the Cost of Government Commission would be

- 1 the money the right way.
 - I love Jim's explanation of the original
- intent of the Cost of Government Commission. And I
- think it would be wonderful if they could work alongside
- with the auditor. And I'm not sure that it's
- appropriate to have them answering to the Cost of
- Government Commission that's appointed by the Mayor.
- 8 COMMISSIONER DE REGO: Uh-huh.
- COUNCILMEMBER WHITE: If it's appointed by the
- 10 Council, maybe that makes it a little bit --
- 11 COMMISSIONER DE REGO: More sense.
- 12 COUNCILMEMBER WHITE: A little bit more
- 13 appropriate.

14

- COMMISSIONER DE REGO: Okay.
- COUNCILMEMBER WHITE: But, again, the way that 15
- 16 we crafted the auditor's position was that the
- legislative body can't tell them what to audit because
- the independence of the auditor is critical to me
- 19 because of the political influence that you mentioned.
- 20 And I think the thing that we all need to
- realize, when we're looking at creating new departments,
- when we're looking at creating new positions, if those
- are created in a way that the Council, in the end, feels is effective and appropriate, then they'll be funded.
- 25 You know, when you talk about the

Page 33 Page 35 1 which I think takes up a lot of time. The length of 1 environmental -- or the Department of Sustainability or 2 the sustainability position, if that can be presented in 2 time that the budget occurs every year, you know, from 3 a way that's crisp and clear and effective, it's going 3 the time the Mayor's Office does it until the time that to get funded. it's actually looked at, it almost seems like government comes to a dead halt for any other kind of business that 5 I would say the same thing about the auditor's occurs. So -position. If we feel that it's going to be valuable to 7 COUNCILMEMBER WHITE: I don't disagree with have an auditor operating that way, it will get funded. We all want -- we all want an auditor. I 8 you. 9 COMMISSIONER DE REGO: If you have any other think everybody in the County wants the feel that the 10 suggestions -auditing function is happening, not just by adding up 11 COUNCILMEMBER WHITE: I think the process is the dollars and cents at the end of the year by a 12 financial audit, but, also, doing performance audits 12 something that should be looked at, but not the -- it 13 that help us understand the levels of efficiency that should -- we shouldn't feel like we're going to fix the we're -- that we're -- that we're enjoying or not problem by going to a two-year budget. 15 15 enjoying. COMMISSIONER DE REGO: Okay. 16 COUNCILMEMBER WHITE: Because I think it's 16 And as I said, the Cost of Government 17 Commission has done some good work. Do they need to be 17 going to create just as many problems. 18 I don't know that there's a way that you can, in charge of the auditor or should the Legislative Branch be in charge? 19 through a Charter amendment, trim down or back the 20 budgeting process. And I'm not sure we should because And so there's several ways that you can do 21 it. And I'm okay with anything that gives us an it is an inclusive process. 22 22 effective auditing function. COMMISSIONER DE REGO: Uh-huh. 23 COMMISSIONER DE REGO: Thank you. Can I 23 COUNCILMEMBER WHITE: When the Mayor takes it 24 out on the road for hearings, that's one level of 24 follow up on something else? 25 CHAIR STONE: Please, go ahead. 25 exposure. When we go out again to do our hearings, Page 34 Page 36 COMMISSIONER DE REGO: On the biennial budget, 1 that's another level of education and exposure. 2 I think the intent was to give the Council the 2 And, you know, as you can see with the 3 flexibility to amend and do supplementals in the second attendance tonight, it's tough to get people excited 4 year. I guess it doesn't come out clearly in sort of about what is going on in the public arena. So the more 5 the -- what's here. we can do to share and get people involved is to our 6 COUNCILMEMBER WHITE: Well, actually -- I'm benefit. And if the process becomes long, maybe that's 7 sorry. okay. 7 8 COMMISSIONER DE REGO: No. Go ahead. That's 8 COMMISSIONER DE REGO: Do you have any the intent or at least that's what I would like to -- so suggestions, then, on how public business can continue 10 I'm glad you brought that up. 10 to be done during the time of the budget while it's --11 COUNCILMEMBER WHITE: But it clearly says no while that's occurring? I think that's the main 12 budgeting in election years. And I realize the -observation of a lot of people, that the departments, 13 basically, shut down, they say, you know, we can't do COMMISSIONER DE REGO: Oh. 14 COUNCILMEMBER WHITE: -- process -this, we can't do that, we're in budget, or the Council, 15 COMMISSIONER DE REGO: I see what you're -basically, you know. Do you have any suggestions in

COUNCILMEMBER WHITE: The purpose is probably

to keep the politics out of the budget. But the reality

COMMISSIONER DE REGO: Well, thanks for

is that's kind of hard to do under any circumstances

21 pointing that out, because I don't think that was the

22 intent of what we were trying to do. What we were

24 think we should be getting away from is sort of this dog 25 and pony show that happens every year during the budget

23 trying to get away from, I think -- not we. What I

16

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when you -- if you --

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terms of process that would improve so the County government isn't, basically, shut down for four to five

COUNCILMEMBER WHITE: There again, I'm not

sure there's an easy way to accomplish that because, you know, unless you were to do different budgets every

people who say having government shut down for a little

months that -- just focusing on the budget?

22 other year and just supplementals in the -- the off

24 I think the participation is good. There are some

year. But, again, it's a matter of participation. And

1

1 while is okay because they're not causing any more 2 problems for people. So there's no -- there's no

3 perfect as far as I can see.

4 CHAIR STONE: Thank you.

Commissioners, any further clarification?

6 Commissioner DeLeon.

5

7 COMMISSIONER DELEON: So let's cut to the

8 chase. Are you for or against the biennial budget?

9 COUNCILMEMBER WHITE: I'm for it as long as --

10 as long as the Council has the ability to amend.

11 COMMISSIONER DELEON: All right. The other --

12 the second question I would like to ask is in reference

13 to the auditing authority, I think the concern, and what

14 we were reaching -- this is my translation of what we

15 were reaching for, but I think what we're trying to do

16 is insulate the auditor's position from politics. And

17 not this Council, but in previous councils, some have

18 experienced a highly political atmosphere where the

19 County's -- Council's authority was used for political

20 motivations, take out the other guy or whatever. And

21 it's less likely to happen in a nonpartisan situation,

22 but, in the partisan days, that happened all the time.

23 How do you do that with -- within the Legislative Branch

24 appointing the auditor, how do you make sure that we get

25 the right person, not a political person, and that we

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CHAIR STONE: Thank you.

2 Commissioners, any further clarification?

3 Commissioner Moikeha.

4 COMMISSIONER MOIKEHA: Thank you for your

5 testimony and things you've shared. I think that's the

6 same thing that we've been struggling with, is who is

7 the person to, or entity to hire the auditor so that you

8 preserve the integrity of the independence of that

9 office. And, again, the Cost of Government came up as a

10 solution, as I recall, because, yes, the Mayor does

11 appoint those commissioners, like any board or

12 commission, but the Legislative Branch, your department,

would approve that. So it's almost a dual thing. They

14 don't get -- Commissioners don't get -- if they don't

15 get approved, they go back and try to find somebody

16 else. So it's almost two -- both branches'

17 participation in allowing the Cost of Government members

18 to be that independent person or entity that hires this

19 auditor. So I guess that's what I'm struggling with,

20 too. And you've brought a different perspective of the

21 legislative.

22 Is there any other way to do it, other than --

23 I mean, because the Cost of Government Commission

24 sounded like a -- kind of almost like a, you know,

25 compromise. You have the Executive Branch participating

Page 40

Page 38

1 get -- we get a positive effect in the end as opposed to2 a political effect?

COUNCILMEMBER WHITE: I think the reality is

4 you're never going to take -- you're never going to be

5 able to hire somebody who is going to be completely6 independent, because they're funded by the Legislative

7 Branch. So there's a certain level that you're not

8 going to be able to remove. To me, it's -- it is in the

9 hiring. And if I were you -- you know, I guess one of

10 the things that is a little bit troubling to me is that

11 in some of these proposals, I sense somewhat of a

12 distrust of the Council. And I think, in some cases

13 maybe that's -- that's been appropriate; in some cases,

14 I think it's not correct. But that bothers me, because

15 I would like to think that the elected officials will do

16 the right thing, especially with respect to coming up

17 with an auditor. At the same time, I can see some

18 reasons from the past when -- that would give you pause

19 to leave it in the -- in the Council's hands.

But, again, the auditors in other counties

21 answer directly to the Legislative Branch. And I think

22 -- I don't think anyone can question Marion Higa's

23 dogged determination. I would love it if we could find

24 somebody like Marion Higa, you know, to look over the

25 County's books and performance audits.

1 and you have the Legislative on who would sit on that

2 commission. So I don't know.

COUNCILMEMBER WHITE: There's no -- no easy

solution. And you may have come up with a good way to

5 do it. I'm just uncomfortable with the Cost of

6 Government Commission remaining on the Executive side

7 because we have -- the Council is responsible for

8 investigations, audits, and being the check and balance

9 on the Administration. So as long as we were

10 comfortable with the choices of the Cost of Government

11 Commission that the Mayor makes, maybe that's just fine.

12 Maybe we should be the ones that -- that make the

13 initial appointments and the Mayor is the one that

14 provides his approval. I don't know that --

15 COMMISSIONER MOIKEHA: Yeah.

16 COUNCILMEMBER WHITE: I don't know if that's a

17 solution.

18

CHAIR STONE: Commissioner Okamoto.

19 COMMISSIONER OKAMOTO: Mine is a completely

20 different subject.

21 Back on the terms, the four-year terms, what

22 is your feeling on the staggered terms? I know we have

23 it written they be staggered, but we heard that that

24 could create some problems in the -- I mean, still,

25 every two years, change is going on in the Council. So

Page 41 Page 43 1 what is your feeling on doing staggered or not having 1 And, you know, this applies for me, most 2 staggered terms? 2 easily, at the State level, where you're dealing with 3 COUNCILMEMBER WHITE: I'm comfortable with 3 health insurance, auto insurance, some really complex staggered terms because I think there is a -- there is a issues that are very tough for laymen to get their arms 5 benefit to having old hands around. And that doesn't around. And, yet, as a layperson, chairing the Commerce and Consumer Affairs Committee, you are going up against 6 mean that that won't happen with four-year terms that 7 are not staggered. So that's a good question. I hadn't these guys that are in the insurance business, they're thought of it because I was so comfortable with in -- or, you know, in our case, in the development business, they know what they're doing. You know, staggered. 10 they've been at it a long time. So the challenge that I 10 CHAIR STONE: Very good. 11 see with term limits in that situation is that there is Commissioner De Rego. 12 a great benefit to having historical perspectives, 12 COMMISSIONER DE REGO: It's a very simple 13 having recall of why certain things were done, so that question. Who audits the Legislative Branch? 14 COUNCILMEMBER WHITE: Well, in our proposal, 14 you can sit there and go toe to toe with these guys in 15 the industry that you're impacting with your 15 the auditor can audit the Legislative Branch as well. 16 legislation. It's not as easy to come up with those And they should be able to, because the last thing we 17 want is a legislative body that feels they're 17 kinds of comparables when you're looking at the County 18 issues, but the same thing applies to a significant 18 impenetrable. 19 CHAIR STONE: Commissioner DeLeon. 19 degree. 20 You know, I'm okay with term limits, but when 20 COMMISSIONER DELEON: I mean, I got to follow 21 I looked at the average length of time anyone served in 21 on that. So the guy's -- the auditor's going to audit 22 the House -- this is not currently, this is going 22 the folks that hire him? 23 COUNCILMEMBER WHITE: If you hire the right 23 back -- I looked at it when I was -- I think just after 24 I left -- the average length of time that anyone spent 24 person, he'll be -- you know, he'll be able to do that. 25 there was eight years. So you've got the Joe Soukis, 25 COMMISSIONER DELEON: Okay. Page 42 Page 44 1 COUNCILMEMBER WHITE: I know it's a stretch, 1 the Calvin Says and the others that have been there a 2 but --2 long time, but you've also got a lot of people that come 3 CHAIR STONE: Commissioners, any further in and out because they don't cut the mustard. 4 clarification? Commissioner Moikeha. In a perfect world, term limits ought to be COMMISSIONER MOIKEHA: I guess that supports dealt with by the vote; not by dictating. That's the 6 even more the reason why, maybe, the Cost of Government way it should be. You should be voting people out that 7 aren't doing a good job and leaving people in that are should do it. 8 But I would like to go back to the terms, the doing a good one. But people don't follow what is going 9 two to four, that you spoke of, and the importance of, on closely enough to make those determinations without being influenced by the media or by special interest 10 if we are going to go to a four, increasing -- having 11 balance there through recall. Do you think -- and I 11 groups. 12 12 don't recall in the past why this may have failed or So I'm not sure if that fully answers your 13 what other parts were to it. Don't you think it's more 13 question. of an issue of -- I think people could go either two or 14 CHAIR STONE: Thank you. Commissioner Hedani. 15 15 four as long as they knew there was a maximum term and VICE-CHAIR HEDANI: The more I listen to 16 that these people could not come back to -- whether 16 17 testimony, the more confused I get. 17 it's, you know, the way it is now or going to a 18 (Laughter.) 18 four-year term with maximum of 12. Don't you think 19 VICE-CHAIR HEDANI: Jim brought up a bunch of 19 that's really the issue, is the maximum term never to be 20 good items for consideration tonight. 20 able to come back again? 21 In regards to the County Auditor's position, 21 COUNCILMEMBER WHITE: Well, I can speak very

22 freely on this because I don't intend to be around 12

24 always have that question of, okay, what if you get

25 somebody that's really good at what he does.

23 years from now, but, in any term limit discussion, you

when I was researching some of the past Charter changes

that were made, I noticed that, at one time, the County

Auditor was an elected position. They were actually

25 elected by the voting public. It seems to me that it's

	Page 45		Page 47
1	in the Office of the Mayor now, in the Department of	1	Commissioners, are there any discussion on the
2	Finance. Where exactly is the or is there a County	2	testimony this evening?
3	Auditor in place?	3	(No Response.)
4	COUNCILMEMBER WHITE: I can't really answer	4	CHAIR STONE: No. Very good. Without
5	that question for you, but it's an internal auditor.	5	objection, I will adjourn this meeting as of 7:38 p.m.
6	And not and I don't believe they do any performance	6	Thank you very much, everybody, for being here. Aloha.
7	auditing. To me, the performance audit is way more	7	(Meeting adjourned, 7:38 p.m.)
8	well, not way more. It's just as important or way more	8	
9	important than the financial audit.	9	
10	CHAIR STONE: Thank you.	10	
11	We're going to take a 10-minute five-minute	11	
12	recess. We have to reload the tape and stretch here, so	12	
13	we will resume our meeting at 7:35.	13	
14	(Recess, 7:30 p.m. to 7:35 p.m.)	14	
15	CHAIR STONE: We're on the record. I would	15	
16	like to call this meeting back to order as of 7:35. And	16	
17	we will continue with Commissioners' clarifications of	17	
18	Councilman White's testimony. Is there any further	18	
19	clarification for Councilman White?	19	
20	(No Response.)	20	
21	CHAIR STONE: No. Thank you very much.	21	
22	COUNCILMEMBER WHITE: If I may just clarify	22	
23	one a couple of things?	23	
24	One of the reasons why there is some	24	
25	independence in the proposal is that you're appointing	25	
	Page 46		Page 48
1	the auditor for a term of six years. So they're going	1	CERTIFICATE
2	to bridge a good part of the Mayor's and well,	2	CERTIFICATE
3	depending on what you do with the with the terms of	3	
4	the Council people, you'll be bridging at least a couple	4	I, TONYA MCDADE, Certified Court Reporter of
5	of elections. The more of a term you provide, the	5	the State of Hawaii, do hereby certify that the
6	greater the independence. So that's another	6	proceedings contained herein were taken by me in machine
7	consideration.	7	shorthand and thereafter was reduced to print by means
8	The other thing with respect to the question	8	of computer-aided transcription; and that the foregoing
	of auditing the Council, my provision allows it. At the	9 10	represents, to the best of my ability, a true and accurate transcript of the proceedings had in the
	same time, do you want to spend auditor time auditing	11	foregoing matter.
10		12	I further certify that I am not an attorney
11		13	nor an employee of any of the parties hereto, nor in any
12	-	14	way concerned with the cause.
13	want to go for the go where the bigger fish swim?	15	DATED this 3rd day of February, 2012.
14	So those are just a couple of other	16	
15	perspectives.	17	1 -1/1
16	CHAIR STONE: Very good. Well, your input has	18	Tonya Merale
17	been very useful for us tonight. Thanks so much for	10	Tonya McDade Certified Shorthand Reporter #447
18	coming down and helping us out.	19	Registered Professional Reporter
19	COUNCILMEMBER WHITE: Thank you.	20	Certified Realtime Reporter
	L'HAIP STUNE: Lies, did anybody also sign up		
20	CHAIR STONE: Lisa, did anybody else sign up		Certified Broadcast Reporter
20 21	to testify?	21	Certified Broadcast Reporter
20 21 22	to testify? MS. KAHUHU: No, Chair.	21 22	Certified Broadcast Reporter
20 21 22 23	to testify? MS. KAHUHU: No, Chair. CHAIR STONE: Very good. At this time I would	22 23	Certified Broadcast Reporter
20 21 22 23 24	to testify? MS. KAHUHU: No, Chair.	22	Certified Broadcast Reporter