

Approved

OPEN SESSION MEETING MINUTES

Board/Commission		Cost Control Commission	Meeting Date	April 4, 2024
Location	Piikoi Building, Boards and Commissions Conference Room 4444 Rice Street, Suite 300 Līhu‘e, Hawai‘i 96766 URL Link: https://bit.ly/3VsEoQr Meeting ID: 275 490 408 610 Passcode: gjeAsr Phone: 1 469-848-0234; Conference ID: 195 847 475#		Start of Meeting: 9:04 a.m.	End of Meeting: 10:19 a.m.
Present	Chair Andre Lister; Vice Chair Alice Luck; Commissioners: Paul Pancho, Tyler Rodighireo, and Stacy Waikoloa. Also, present Board & Commissions Office Staff: Administrative Specialist Anela Davis filling in for Support Clerk Mercedes Omo; Administrator Ellen Ching; Office of the County Attorney: Deputy County Attorney Chris Donahoe.			
Excused				
Absent				



SUBJECT	DISCUSSION	ACTION
Meeting Called To Order/Roll Call to ascertain quorum	At 9:04 a.m., Chair Lister called the April 4, 2024, Cost Control Commission meeting to order. A roll ensued to ascertain quorum. All five (5) Commissioners were present to conduct business.	
Approval of Agenda	Chair Lister called for a motion to approve the agenda.	A motion was made by Commissioner Rodighireo to approve the agenda as circulated. Vice Chair Luck seconded the motion. Hearing no objections, the agenda was approved as circulated.

SUBJECT	DISCUSSION	ACTION
Chair's Announcements	<p>The next monthly meeting will be on Thursday, May 2, 204 at 9:00 a.m. in Suite 300 of the Office of Boards and Commissions Conference Room.</p> <p>Deputy County Attorney Chris Donahoe announced that he will be on O'ahu from May 2 through May 4 2024, attending a Shoreline Seminar with the Planning Department and is unable to attend the May 2, 2024, meeting. Deputy County Attorney Charley Foster will be covering the meeting in his absence.</p>	
Public Testimony	<p>Chair Lister noted that there was no registered testifiers in-person or virtually.</p>	
Approval of Minutes March 7, 2024, Meeting	<p>Chair Lister called for a motion to defer the approval of the minutes due to the unavailability of the March 7 Commission meeting minutes.</p>	<p>A motion was made by Commissioner Pancho to defer the approval of the Open Session Minutes of the March 7, 2024, meeting. Commissioner Waikoloa seconded the motion. Hearing no objections, the motion was carried unanimously 5:0.</p>
CCC 2024-1	<p><u>Discussion and possible decision-making on recommendations to reduce the cost of county government while maintaining a reasonable level of public service under Section 28.02 of the Kaua'i County Charter Article XXVIII Cost Control Commission.</u></p> <p>Chair Lister stated that Budget Administrator Ken Shimonishi was tasked with addressing the travel budgets for the past six fiscal years, namely FY 16-17, FY 18-19, FY 19-20, FY 20-21, FY 21-22, and FY 23-24. Additionally, recommendations on cost reductions, containment, or measures to make operations more efficient should be considered.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>The Boards and Commissions Administrator, Ellen Ching, informed the Commissioners that Mr. Shimonishi was unable to attend today's meeting due to a budgetary meeting with the County Council. He asked if the Commission could defer his presentation to the May 2, 2024, meeting. In response, Chair Lister acknowledged the request and called for a motion to defer the item to the Commission's meeting in May.</p> <p>Ms. Ching referred to a handout reflecting a monthly timeline of the departmental presentations that have been completed for a specific month, along with the planned presentations for the upcoming months.</p> <p>It also includes a timeline for the Annual Cost Control Commission to be reviewed for any modifications and finalized for submission in December to the County Council for them to review and consider any recommendations by the Commission that could affect the county's upcoming fiscal year budget.</p> <p>Ms. Ching pointed out that the county council normally holds their departmental budgetary meetings at the beginning of March for the upcoming fiscal year. So, in essence, the Commission has five months from May through September to look at travel budgets, and contract procedures being that it had already covered real property taxes, procurement processes, and abandoned vehicle contract procedures just a few months ago. The aim is to eliminate programs and services available or more efficiently supplied by other governments or organizations; to eliminate or consolidate overlapping or duplicate programs and services, and to scrutinize for reduction in any county operation.</p>	<p>A motion was made by Vice Chair Luck to defer the presentation by Budget Administrator Ken Shimonishi. Commissioner Rodighireo seconded the motion. Hearing no objections, the motion to defer the item to the May 2, 2024, meeting was carried unanimously at 5:0.</p>

SUBJECT	DISCUSSION	ACTION
	<p>Ms. Ching noted that because the Commission was inundated with a lot of information in a short time moving forward today would be a good opportunity for the Commission to discuss a timeline and what areas it wants to review according to the charter. The county has thirteen departments and if the Commission wanted to double the number of departments it wants to interview the meetings would run longer, or the Commission could concentrate on a certain subject matter such as travel costs or personnel costs.</p> <p>Ms. Ching referred to a memo from Council Chair Rapozo asking for future annual reports to include analyses and consideration of the Capital Improvement Projects (CIP) budget which is an exception to what the charter says. As far as what the charter requires, specifically the travel budget, the Commission already got a glimpse of it during a previous presentation.</p> <p>With no further comments, Ms. Ching opened the floor for the commissioners to provide input on mapping things out for the remainder of the 2024 year.</p> <p>Chair Lister suggested that the Commission review all of the county department's travel budgets in May touching on Council Chair Rapozo's suggestion that the Commission review the Capital Improvement Projects (CIP) budget.</p> <p>Ms. Ching stated that it would take the Commission three months to review the CIP budget because of its size, and asking each department head to come to a meeting to answer questions from the Commissioners would take a lot of coordination on her side.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chair Lister stated that because the CIP Projects budget will be a huge undertaking for the Commission, he asked Ms. Ching if the Commission could review the travel budgets in one meeting and perhaps double up on the CIP Projects at another meeting.</p> <p>Ms. Ching responded that she thinks that the Commission can review the travel budgets in one meeting, but as for the CIP Projects budget, if the Commission is going to take a deep dive it will take the Commission several meetings.</p> <p>Vice Chair Luck mentioned that she would like to look at the public works CIP Projects budget.</p> <p>Vice Chair Luck stated that she also wanted to look more at the contracting procedures because the Commission had a conversation but no documents were provided.</p> <p>Commissioner Waikoloa proposed that the Commission spend the first half of the meeting on other subjects, and then review the CIPs in the second half of the meeting for the remainder of the year.</p> <p>Commissioner Rodighireo commented that what Commissioner Waikoloa had just proposed made sense.</p> <p>Chair Lister stated that in May the Commission could review the travel budgets and finish up contract procedures, then from June through August review the CIP Projects Budget.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Ms. Ching stated that because the Department of Public Works has a large number of CIP Projects it will take a substantial amount of the Commission's time, what she could do is look at the departments that have minimal CIP Projects and bunch them all together.</p> <p>Chair Lister stated that because the Commission would not be reviewing the CIPs until June can the Commission discuss how it is going to break down the CIP Projects in addition to the travel budgets at the May meeting?</p> <p>Ms. Ching stated that the Commission could certainly talk about it but the Commission should keep in mind that the council meets in to middle of the month and the Commission meets at the beginning of the month which is before the council finalizes the budget.</p> <p>Chair Lister stated that the Commission needs to come up with a plan on how it's going to review the massive CIP Projects budget.</p> <p>Chair Lister commented that he is going to rely on Ms. Ching's expertise to help guide the Commission on this path.</p> <p>Ms. Ching stated that her main task is to ensure that the Commission fulfills its duties according to the charter, which is why the topics were placed on the agendas. She noted that once the Commission is done with the travel budget at the May meeting and given Council Chair Rapozo's feedback, today would be a good time to discuss a timeline to ensure that the 2024 Annual Report is on track and completed promptly.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Deputy County Attorney Donahoe stated that for the categories related to personnel costs and real property tax if the Commission is satisfied with what it touched upon that's fine, but in his mind, the Commission needs to review personnel costs a little further. He also stated that he was happy to see the Commission taking on the CIP Projects budget, because many times things would get deferred, and what he doesn't want to see happening is having a meeting that goes into the wee hours.</p> <p>Ms. Ching stated that for the Commission's edification, personnel costs will involve inviting the Department Heads to be present at the Cost Control Commission meeting.</p> <p>Vice Chair Luck stated that it is like what Councilmember Kīpū Kai does in the council meetings; he looks at every position. She asked if a certain protocol was in place to interview a current council member.</p> <p>Ms. Ching confirmed that she would have to email a request to invite a particular council member to a Cost Control Commission meeting to address questions posed by the Commissioners to the Office of the Mayor, who will then transmit the request to Council Services on behalf of the Office of Boards and Commissions for the Cost Control Commission.</p> <p>She added that like all organizations outside of the county, 80% of the county's budget goes to cover personnel costs and 20% goes to cover operational costs. All county personnel costs are governed by union contracts; if the Commission wanted to review the appointed positions or grant-funded positions they could review those as well; however, the Commission has a timeline that will determine the subject areas the Cost</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Control Commission covered in its annual report.</p> <p>Commissioner Rodighireo stated that all county employees are represented by a specific union, like HGEA (Hawai'i Government Employees Association Union) or SHOPO. The contracts are negotiated and go through arbitration, which means that the Cost Control Commission has no say.</p> <p>Vice Chair Luck expressed her understanding of the renegotiation process and suggested having the information ready, even though it may be outside the Commission's purview.</p> <p>Ms. Ching stated that she could invite HR (Human Resources) to discuss the process with the Commission, but as she understands it, the counties do not negotiate every single contract with each union. The counties will get together and decide which county is going to represent the whole state before what union.</p> <p>Deputy County Attorney Chris Donahoe stated that when bargaining unit 15 came up (ocean safety employees) each county collectively assigned a deputy county attorney or corporate counsel in other counties to handle all of the witnesses' arguments.</p> <p>Vice Chair Luck commented that Kaua'i had the opportunity to take the lead for that particular bargaining unit so there is an opportunity. Deputy County Attorney Donahoe replied not necessarily because it's an arbitration process and the union reps have the final decision based on the arguments.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Ms. Ching added that the process itself is difficult because each county has to approve things once a preliminary settlement is reached; it would be very difficult for any county to disagree.</p> <p>Vice Chair Luck commented that all the counties would have to be in unison, to which Ms. Ching replied yes.</p> <p>Chair Lister stated that in essence personnel costs are a contract negotiation issue and the Commission does not have any control over it.</p> <p>Vice Chair Luck commented that it's a political issue.</p> <p>Ms. Ching stated that when speaking to different members of different departments. When it comes to this administration, it's the luck of the draw. Right now, the county revenue forecast is pretty favorable. But there was a time with the previous administration when it wasn't favorable so much so that there was a discussion on what departments should be eliminated – should they get of housing or get rid of the Office of Elderly Affairs because that's how tight the budget was. According to the charter, the Commission must review how to eliminate programs and services. Ms. Ching pointed out that in itself poses a big question; what services does the Commission feel that the county should provide; health and safety and what is the Commission's definition of health and safety does it include housing; does it include the elderly?</p> <p>Historically, counties have interpreted it as fire and police, but if the Commission interprets it as economic development and housing that's the icing on the cake.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Ms. Ching stated that it is great that the county is not in a dire financial situation like it was back then, if the Commission wants to take it up it is within the Commission's ability to do that.</p> <p>Vice Chair Luck commented that the county will be confronted with those times again, inevitability.</p> <p>Mr. Donahoe pointed out that the charter states that the Commission shall review personnel costs and real property taxes. He then referred to the Leslie case which defines the word shall as mandatory non-discretionary. He thinks that even when faced with a lack of information in the contracts there needs to be analyses included in the annual report. Even if the report says the Commission based it on limited information it had or did not have it needs to be part of the analyses that go into the report for personnel costs, real property taxes, travel budgets, and contract procedures.</p> <p>Vice Chair Luck stated that if the Commission finds something it is important that the report says that although the Commission found something it couldn't do anything about it.</p> <p>Ms. Ching asked Mr. Donahoe his thoughts about the Commission, reviewing those items again so they can say that they've looked at it but now the Commission is going to focus on the CIP budgets, contracting, and travel budgets. Mr. Donahoe replied that yes, and if the Commission does it early enough, for instance reviewing the CIP budget and personnel costs in June and then calling in certain departments and agencies to ask specific questions, the Commission should have enough time to put it on the agenda.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Ms. Ching stated that being that the fiscal year ends June 30th there will be another 30 days before the county can close out the fiscal year, which means either in August or September the Commission could look at the fiscal year information of this past year.</p> <p>Mr. Donahoe recommended August in case the Commission has any follow-ups. As for real property taxes, because the Commission had already reviewed it if there is any new information it wants to review to add it to the agenda.</p> <p>Chair Lister stated that based on the charter it is mandatory, so does that mean the information the Commission had already reviewed last year, would be better for the Commission to review it again?</p> <p>Ms. Ching replied yes and stated that because the previous spreadsheet covered the areas the Commission wanted to look at, it should make things less cumbersome for the Commission this time around.</p> <p>To ensure that everyone was on the same page, Chair Lister announced the monthly schedule from May to December as follows: May: address the travel budgets. June: Review the CIP project budgets. July: Review the CIP project budgets. August: Review the CIP project budgets and overall budget which will include personnel costs and travel budget. September: Review real property taxes. October: Write the 2024 Annual Draft Report. November: Finalize and approve the 2024 Annual Report. December: Submit the 2024 Annual Report to the Office of the Mayor</p>	

SUBJECT	DISCUSSION	ACTION
	<p>for transmittal to the County Council.</p> <p>Commissioner Rodighireo commented that the Commission talked about doubling up in case a department head can't make it to the meeting due to another obligation. Chair Lister noted that can be determined at the time of the meeting.</p> <p>With no further discussion, Chair Lister moved on to item CCC 2024-2.</p>	
<p>CCC 2024-2</p>	<p><u>Discussion and possible decision-making on a memorandum dated March 19, 2024, from Mel Rapozo, Council Chair to Boards and Commissions Administrator Ellen Ching regarding inclusion and analyses for future Cost Control Commission annual reports:</u></p> <p>1) Whether the Commission has comments on reducing real property tax rates when property assessment increases occur, to prevent increases for taxpayers rather than increasing County revenue.</p> <p>Vice Chair Luck stated that because the county reviews and passes the property tax rates every year from what the memo says, Chair Rapozo is asking the Commission to come up with a system that can do it automatically.</p> <p>Commissioner Rodighiero stated that it sounds like Chair Rapozo is looking for an opinion on when the real property rates go up the county should prevent increases for taxpayers rather than increase County revenue.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Chair Lister stated that as it stands right now, the Cost Control Commission is restricted to cost-cutting measures so increasing county revenue is outside of the Commission's purview according to the charter.</p> <p>Mr. Donahoe stated that reduction is the keyword.</p> <p>Vice Chair Luck stated that if she's correct, even if the Cost Control Commission gets permission from the Charter Review Commission to amend the charter it still wouldn't apply.</p> <p>Mr. Donahoe replied that if the request to amend the charter passes, the Cost Control Commission could answer the question, but as it falls right now, it is outside of the Cost Control Commission's purview.</p> <p>Ms. Ching stated that she could communicate with Chair Rapozo, but there needs to be a response from the Commission.</p> <p>Chair Lister stated that overall, any relation to including the Commission's future annual reports would include some type of commentary.</p> <p>Ms. Ching reiterated that she would communicate with Chair Rapozo because if the Commission sends out a formal response it could go on the council's agenda, she's not sure, but a response informally or formally is warranted. It goes for question #2 that the Commission will place the item as a future agenda item.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>2) Consideration of the Capital Improvements Projects (CIP) budget.</p> <p>Mr. Donahoe noted that CIP is not mandatory but it covers some of the Cost Control Commission’s mandatory categories. But if you were to take each subject after each semi-column it does cover any county operation.</p> <p>During the council meeting, Ms. Ching shared a detailed account of an issue where the internet connection was lost, forcing her to use her cellphone and hold it to the microphone for an extended period of 2 hours. It's important to note that the Sunshine Law requires meetings to be canceled if the internet connection is lost for more than 30 minutes. This same issue arose during the council meeting, leading to a discussion on the allocation of funds to address this county-wide problem. Additionally, a proposal for a new rodeo facility was raised in the new fiscal year budget, sparking a debate on the difference between wants and needs, sparking a debate on the difference between wants and needs.</p> <p>Chair Lister stated that he doesn't recall having a single person online.</p> <p>Vice Chair Luck stated that the Commission was out for many years so it will take some time to build (inaudible).</p> <p>Chair Lister asked if an analysis was done on the overall use of people attending a meeting remotely.</p> <p>Vice Chair Luck stated that testimony is important.</p> <p>Chair Lister stated that testimony is important but remote is the</p>	

SUBJECT	DISCUSSION	ACTION
	<p>question.</p> <p>Vice Chair Luck stated that people may have challenges with transportation, the communities are siloed, so it is important.</p> <p>Chair Lister stated that the question is whether people are using it. Vice Chair Luck replied they should be using it, we have to maintain the ability to have it remote so people can use it, and the Commission should do its part to encourage people to use it.</p> <p>Commissioner Rodighireo agreed and stated that (inaudible).</p> <p>Vice Chair Luck commented that Starlink is now available on airplanes.</p> <p>Chair Lister stated that the question is whether people are using it; why provide services that people are not using (at this time)? He then referred to massive cities in China that were built and still are vacant, it costs a lot of money to maintain those buildings and is a waste of money. To be clear, he is not refuting Vice Chair Luck's concerns, but if the system the county has in place right now isn't working then something needs to be done.</p> <p>Ms. Ching stated that because of problems with the internet connection being sketchy, the majority of the Boards and Commissions have elected to have in-person meetings. Because starting a meeting all over on another day will be very hard, a good example is the Planning Commission, the Commission had to redo a 6-hour meeting all over again.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Vice Chair Luck asked if the county was proposing an upgrade to its internet system, to which Ms. Ching replied that she didn't know, in the past before COVID-19, all meetings were held in person. Vice Chair Luck noted that online meetings are here to stay. She asked relative to the broadband system, if the county cannot foot the bill, if can they look at opportunities for federal funding to which Ms. Ching replied she's sure that people are already looking into it. Vice Chair Luck stated that any costly internet contract package, the Commission should look at.</p> <p>3) Regarding the list of "The Commission reviewed and discussed the following matters." (page 4 of 5 of the 2023 Annual Report) or similar future categories, please provide details about each bullet point, including what the Commission considered and evaluated, and summary data for each item and why the items did not result in a recommendation.</p> <p>Ms. Ching stated that what the memo is referring to on Pages 4 and 5 is the listing of all the information that the Commission received within the year. What the council is asking for is for every packet of information the Commission receives council wants a summary and a bullet point of what the Commission considered, an evaluation of the data for each item, and why the item did not result in a recommendation. She noted that once a presentation is completed, she will be asking the Commissioners what the recommendation is and if there is no recommendation, she is going to ask the Commissioners why.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>Mr. Donahoe referred to Section 28.05 Reports, which states the Commission shall prepare and advertise a written annual report summarizing its recommendations prior to the end of each calendar year. The Commission can set the parameters of the detail it wants to go into.</p> <p>Chair Lister noted that Chair Rapozo's request is reasonable. Vice Chair Luck stated that it's fair.</p> <p>Mr. Donahoe stated that based on their comments, the response would be that the Commission has considered that under Section 28.05 and will be given the weight afforded.</p> <p>Ms. Ching stated that when she first received the memo, she knew what to do, which was to make sure that the annual reports would reflect a summary of all of the information the Commission received along with the recommendation. Additionally, she is going to add an appendix listing every single item and reports that were received by the Commission.</p> <p>Mr. Donahoe stated that if the Commission wanted to soften the language it could say the Commission afforded to try to incorporate the request.</p> <p>There being no further discussion, Chair Lister moved on to number 4.</p>	

SUBJECT	DISCUSSION	ACTION
	<p>4) Information only, a copy of a memorandum dated March 19, 2024, from Mel Rapozo, Council Chair to Michelle Lizama, Director of Finance requesting information from the Department of Finance regarding the cost of the automated clearing house (ACH) payments, including the percentages charged and the potential cost to the County if waiving the ACH charge.</p> <p>Chair Lister stated that number 4 was for information only, and no response was needed.</p> <p>Mr. Donahoe requested a motion to receive for the record, and then move to submit a written response from the Chair by a certain date.</p>	<p><u>Motion No. 1</u> A motion was made by Vice Chair Luck to receive the memo dated March 19, 2024, from Council Chair Mel Rapozo to Boards and Commissions Administrator Ellen Ching. Commissioner Rodighireo seconded the motion. Hearing no objections, the motion was carried unanimously 5:0.</p> <p><u>Motion No. 2</u> A motion was made by Vice Chair Luck to receive for the record memo dated March 19, 2024, from Council Chair Mel Rapozo to the Director of Finance. Commissioner Rodighireo seconded the motion. Hearing no objections, the motion was carried unanimously 5:0.</p>

SUBJECT	DISCUSSION	ACTION
		<p><u>Motion No. 3</u> A motion was made by Vice Chair Luck to have Boards and Commissions Administrator Ellen Ching respond on behalf of the Cost Control Commission formally or informally to Council related to a memo dated March 19, 2024, from Council Chair Mel Rapozo to Ellen Ching, Boards and Commissions Administrator. Commissioner Waikoloa seconded the motion. Hearing no objections, the motion was carried unanimously 5:0.</p>
<p>Executive Session</p>	<p>Under HRS§ 92-7(a), the Commission may, when deemed necessary, hold an executive session on any agenda item without written public notice if the executive session was not anticipated in advance. Any such executive session shall be held under HRS § 92-4 and shall be limited to those items described in HRS §92-5(a).</p>	<p>None</p>
<p>Adjournment</p>	<p>There being no further business, Chair Lister called for a motion to adjourn the meeting.</p>	<p>A motion was made by Vice Chair Luck to adjourn the meeting. Commissioner Rodighireo seconded the motion. Hearing no objections, the motion carried 5:0. At 10:19 a.m., the meeting was adjourned.</p>

Submitted by: _____
 Mercedes Omo, Staff Support Clerk

Reviewed and Approved by: _____
 Andre Lister, Chair

Approved as circulated on May 2, 2024.

Approved as amended. See minutes of _____ meeting.