

Charter Commission

CITY AND COUNTY OF HONOLULU

Honolulu Hale • 530 South King Street • Honolulu, Hawaii 96813



THURSDAY SEPTEMBER 3, 2015
4:00 P.M.
COMMITTEE MEETING ROOM
HONOLULU HALE

MINUTES

Charter Commission Members Present:

Jesse K. Souki, Chair
Judge Michael F. Broderick (Ret.)
Guy K. Fujimura
Kevin Mulligan

Nathan T. Okubo
Cheryl D. Soon
Edlyn S. Taniguchi

Charter Commission Members Absent/Excused:

David W. Rae, Vice Chair
Reginald V. Castanares, Jr.
Donna Ikeda

Paul T. Oshiro
R. Brian Tsujimura
Governor John D. Waihee III

Others Present:

Ernest Martin, City Council Chair
Edwin Young, City Auditor
Charmaine Doran, Chief Executive Director of the Office of Council Services
Jim Williston, Assistant Director of the Office of Council Services
Kimberly Ribellia, Deputy Clerk
Laura Figueira, City Council Chair's Chief of Staff
Dawn Spurlin, Deputy Corporation Counsel
Linda Luli Nakasone Oamilda, Executive Administrator, Honolulu Charter Commission
Mary James, Research Analyst, Honolulu Charter Commission

I. CALL TO ORDER

Roll Call

With a quorum present, Chair Souki convened the meeting at 4:20 p.m.

II. FOR APPROVAL

Chair Souki asked the Commissioners if there were any corrections to or comments on the minutes for the meeting of July 27, 2015. Commissioner Soon asked if it were presumed that all of the handouts are attachments to this and how they get reported into the record. Chair Souki responded that his understanding is that all of the documents that are passed around prior to the meeting are documents for the Commissioners, documents that become part of the record that staff is keeping. Commissioners can get copies of them and they are available to the public and listed on the agenda when possible. Chair Souki asked for a motion to approve the minutes and the motion was made and seconded. The motion passed.

III. EXECUTIVE ADMINISTRATOR'S REPORT

The Executive Administrator explained that the handouts will be put onto the website once it is up and running well so all handouts passed out at the meetings will be available on the website. Chair Souki requested that a list of all handouts be kept and for each new agenda list them under Communications or similarly so that the public knows what's available. The Executive Administrator said that all handouts will be listed on the agendas for the meetings.

The Executive Administrator noted that Chair Souki has been invited to speak on September 15, 2015, on Jay Fidell's ThinkTech Hawaii show from 3 p.m. to 3:45 p.m. She noted that Chair Souki would like to have another Commissioner join him at which point Chair Souki invited the Commissioners to volunteer and let him know. He explained that ThinkTech is a television recording that Mr. Fidell does periodically that has a good following of concerned citizens. Mr. Fidell presents interesting topics such as a panel on the development and growth of Waikiki that will be on an upcoming show. The show for the Charter Commission will be a laid-back conversation about the Charter and what the Commission is doing and, time permitting, some of the issues that will be coming up. The Executive Administrator noted that the handouts for today's meeting include some items that were previously emailed to the Commissioners, especially one item which is an archival document that fortunately was found by Chief Planner, Kathy Sokugawa, for the Commission. It is correspondence from Mayor Harris to the City Council regarding the 1998 reorganization. Chair Souki attached a news article from the

Honolulu Star Bulletin from March 2, 1998, which includes a brief description of the 1998 reorganization. There are also some working documents to look at and discuss perhaps at another time. These include the topics and possible dates for upcoming meetings. She noted that the staff worked closely with some of the Commissioners. For example, Commissioner Soon and Chair Souki because of their planning backgrounds have assisted staff in finding experts to help with the planning portion and discussion for the September 10th meeting. This is a working document listing some of the individuals contacted or who have agreed to work with the Commission. There is also a worksheet for future meetings on various topics, organized based on discussions from previous Commission meetings for ease of discussion in planning for future meetings. Finally, there is a response sheet listing items that the Commissioners have asked the Deputies, Directors, and staffers from the various departments to provide the Commission with responses. The sheet lists the requests and the responses received so far. Chair Souki interjected that Commissioners who know people in the various areas who might be helpful to the Commission should let the staff know so they can reach out and try to secure them for these informational briefings. In addition, he pointed out that the APA (the American Planning Association) has been helping the Commission with the planning meeting that is scheduled for the tenth. He noted that there were others that would be helpful for the Commission meetings, such as experienced planners, but they can't make it for the tenth but perhaps they can come for the meeting on September eighteenth. He said that he would poll the Commissioners to see if they can schedule a meeting for the eighteenth – the Executive Administrator will send an email. Commissioner Soon asked if that was in addition to the meeting on the tenth. Chair Souki confirmed that.

Seeing no questions for the Executive Administrator, Chair Souki thanked her for her presentation. Chair Souki then asked the Executive Administrator about the follow-up responses that staff prepared and asked if the Commissioners could ask questions and if staff could then do additional research if necessary. The Executive Administrator agreed to that.

IV. INFORMATIONAL BRIEFINGS

Chair Souki said that today's informational briefing relates to the deadline for Charter amendment proposal submissions, which is October 31, 2015. After that, the Commission will begin reviewing the proposals that were received. The process for this can be found on the Commission's website. Before the deadline, the Commission is trying to lay a foundation of knowledge about how the City is working, why the changes happened, when they happened in 1998, and understand better why things are the way they are. The Charter specifies that the duty of the Commission is to investigate how government is working under the current Charter and propose amendments as necessary for the public to vote on in the general election. With that in mind, the Commission invited people to this meeting from two different areas of interest: the 1998 City and County government

reorganization pursuant to the 1998 Charter Commission, and information about audit funds and other matters from the Auditor of the City and County of Honolulu.

Chair Souki introduced Malcolm Tom and Ben Lee to provide the Government Reorganization presentation following a background presentation provided by Deputy Corporation Counsel, Dawn Spurlin.

The Deputy Corporation Counsel commented on the Commission's follow-up responses, noting that if Corporation Counsel opinions are included in the document, it is an inadvertent waiver of the attorney-client privilege, making it a public document. She suggested that the Corporation Counsel opinions either be cleared by the Commission for disclosure or not be included.

- **1998 City and County Government Reorganization Pursuant to the 1998 Charter Commission.**

The Deputy Corporation Counsel noted that at the last Commission meeting, the Commission asked her to review the 1998 Reorganization Plan based on the 1998 Charter Commission Report. She said that she reviewed the report and prepared a summary of the history and attached Mayor Harris's Reorganization Plan and his proposed revisions to the Reorganization Plan. She found it interesting that the Reorganization Plan was based on the authority in Charter §4-202 which authorizes the Mayor to propose a reorganization plan. She explained that what had happened was that the Mayor proposed his reorganization plan but that his reorganization plan required some Charter amendments. She then went over her handout, leaving discussion of her explanation for later.

She detailed some of the inconsistencies for which no paperwork could be found such as the replacement of the Department of Data Systems and the original goal of creating a Department of Budget, Fiscal and Technology Services which actually became the Department of Budget and Fiscal Services. These are also noted in her handout. She offered to answer questions later after the Commissioners had a chance to review her handout.

Chair Souki noted that the 1998 reorganization was so massive that it must have begun earlier. The Deputy Corporation Counsel said he could ask two of the Commissioners when they started but the Charter Commission met quite a bit, focused on the reorganization plan. Corporation Counsel assisted the Charter Commission and worked on all the lawsuits filed at the same time. Chair Souki asked her to summarize the concerns in the lawsuits. The Deputy Corporation Counsel offered to provide a written summary and proceeded to explain that the League of Women Voters didn't think the Charter Commission was legally formed. The Charter Commission is supposed to convene every so many years. The question was whether the Mayor could convene a Charter Commission in 1998, prior to the designated Charter time period. The League

of Women Voters filed different writs of mandamus, all types of legal pleadings to get to court but they were dismissed or the League of Women Voters withdrew two of its actions and subsequently didn't pursue the action. The end product was that they were assessed attorneys' fees and costs and the City won \$11,000, she thought, but the City never collected the money. Chair Souki asked about the underlying concern. The Deputy Corporation Counsel answered that the Charter Commission wasn't legally formed, based on the Charter. They said there was no authority for the Charter Commission to convene. One of the Commissioners asked if the Charter Commission could only be convened during the Charter period. The Deputy Corporation Counsel affirmed this. She continued that, because of the multiple lawsuits and the withdrawing and the motions, it delayed the whole process so the 1998 Charter Commission was not able to address all the remaining proposals and were only able to get the reorganization proposals onto the 1998 general election ballot.

Commissioner Broderick thanked the Deputy Corporation Counsel for doing a lot of work in a relatively short period of time. Commissioner Soon echoed that statement, saying the handout was very impressive and helpful. The Deputy Corporation Counsel appreciated their comments and said it was helpful for her to see where things were and where they went. Commissioner Soon asked about Item 5 on page 3 under "Selected Proposals" which read "Allow the Corporation Counsel to revise the Charter for purposes of reorganization," saying that part was confusing. The Deputy Corporation Counsel explained that it was a provision to update the Charter to reflect the reorganization changes. Commissioner Mulligan noted that it passed, confirmed by the Deputy Corporation Counsel. Commissioner Soon asked if that was a ministerial function, allowing the document to be printed once the changes have been decided. She noted that, taken literally, it looks as if the Corporation Counsel could do a reorganization. The Deputy Corporation Counsel strongly disagreed saying that the proposal was only to allow the Charter to be updated. Commissioner Mulligan noted that it was in the actual report. The Deputy Corporation Counsel confirmed that the actual concern was in the report. She told Commissioner Soon that she could pull it and provide it to her after the meeting. Commissioner Soon agreed to that.

Commissioner Soon pointed out that she has sometimes struggled to understand the various authorities regarding the reorganization – when it has to be in the Charter, when the Mayor can make a change, etc., noting that it can be confusing. Commissioner Mulligan said that it was on page 17 of the 1998 Charter Commission Report. It was proposed amendment number five. He read, "Should the Charter be amended to name the Corporation Counsel as Revisor to prepare language to reflect city reorganizations proposed by the Mayor and approved by the Council, followed by a digest." The Deputy Corporation Counsel stated that the analysis was "reorganizations proposed by the Mayor and approved by the Council are not published in the Charter because there is no procedure in the Charter authorizing publication of a Charter reflecting such legal reorganizations. This inconsistency may create public confusion because the existing

descriptions in the Charter will not accurately reflect the current city organization and structure.” So, she said, they specifically gave the Corporation Counsel that authority.

Commissioner Soon continued to question the interpretation of the provision and mentioned that it might be a segue to an issue already expressed by several of the Commissioners – that the current Charter is very very difficult to read. The Deputy Corporation Counsel agreed. Commissioner Soon continued, saying that it labors along with decades of amendments and it would be nice to clean it up. Her impression was that the Commission had been seeking to understand how confusing the organization of the Charter is. She guessed that there’s probably a reason that for decades people have just amended, amended, amended. The Deputy Corporation Counsel explained that Diane Kawauchi, who retired in December, was the person who handled all the Charter revisions. Upon Ms. Kawauchi’s retirement the Deputy Corporation Counsel was assigned some of her work. She noted that she provided the consolidated version of the Charter to all of the Commissioners but that version isn’t for public dissemination because it’s not the legally adopted Charter. She continued that she mentioned that she anticipates that there will be Charter amendments in the 2016 election, and therefore Corporation Counsel will consider doing a compilation after that election. She noted that if one is done now, it’ll just have to be redone after the 2016 election and that would be costly. Commissioner Soon agreed but pointed out that the Commission wants to look at the time after the Commission’s work is done and has been voted upon, that it’s just not the fourth set of amendments. The Deputy Corporation Counsel assured her it will be a new Charter because she thinks the amendments go up to 2012 in the supplement. She knows that the Commissioner’s recommendation is to provide a new hardbound book. Commissioner Soon assured the Deputy Corporation Counsel that it’s more than that. She asked what the title of the current Charter is and the Deputy Corporation Counsel replied: “It’s the 1973 Revised Charter 2000 edition”. Commissioner Soon explained that the Commission was wondering if it could become the 2016 Charter instead of the 1973 Charter, as amended. She said they wanted to know when they could get a clean one. Commissioner Mulligan explained that it would include all the amendments, similar to how amendments to the Hawaii Revised Statutes are incorporated. Deputy Corporation Counsel explained that she thought Commissioner Soon wants this to be the 2016 revised Charter. But what had happened was that this Charter is the 1973 Charter but includes all of the past amendments to date. Commissioner Soon said she understood that but several of the Commissioners agree that it’s a very user-unfriendly document to follow and there may be some point in time, maybe now, that it becomes the 2016 revised Charter.

Chair Souki spoke up saying it’s an issue of nomenclature. In the legal community, it’s ’73 as amended. He explained that the problem is not the nomenclature, it’s that the document hasn’t been revised in a long time and it’s not one compendium. He thought what the Deputy Corporation Counsel was saying is that it’s going to be. The Deputy Corporation Counsel finished his sentence, saying it’s going to be all combined but noted that there was a 1983 version and then there was a 1991 version and then a

Commission convened again in 1998 and 2006, and she didn't know why the Charter wasn't changed each time unless everyone worked off of the 1973 revision and just added supplements. In 1973, they totally redid the Charter from the 1959 version. Chair Souki said it was revised or restated or whatever but said he thought it wouldn't be resolved here but that it is important that the public needs one document that they can refer to and know that it is the fully amended document. The Deputy Corporation Counsel said she understood.

Commissioner Broderick asked if the 48 recommendations that didn't get put onto the ballot in 1998 were considered by the 2005 Charter Commission. The Deputy Corporation Counsel answered that she didn't think so. She explained that they started by soliciting all new proposals and didn't use what was there previously. Commissioner Broderick restated that as far as the Deputy Corporation Counsel knows, the 48 recommendations were never taken up again by any entity. The Deputy Corporation Counsel explained that the specific 48 were not considered but some of the proposals are duplicative of proposals that come up consistently with every Charter Commission. Similar proposals of getting rid of departments, getting rid of duplicative services, merging, etc., some of the questions this Charter Commission is raising have been raised over the past three Charters. Chair Souki added that the 2005-2006 Final Report mentioned that but they did start from scratch in the Report but the issues did reoccur. The Deputy Corporation Counsel offered to work on any follow up request. Chair Souki thanked the Deputy Corporation Counsel.

Chair Souki introduced Malcolm Tom and Ben Lee who were involved in the reorganization and might be able to shed some light on the various issues. Ben Lee said he left office in 2005, ten years ago, and the Charter amendment was in 1998, so it's been a long time. He complimented the Deputy Corporation Counsel's presentation as very complete with little to add other than "some color" and perhaps to explain some of the reasons behind the decisions in 1998. One reason for the reorganization was that real property tax revenues were down in 1997-1998 and in 1998, the assessments were down as well. So there was a major drop in tax revenues and there were fixed costs such as salary increases by collective bargaining as well as Employee Retirement System funds that had to be paid. Every city or municipality is faced with very, very difficult budget challenges. There were also increases in utility charges and at that time the operating budget was a little over \$1,000,000,000. He thinks the 2014 operating budget is now twice that.

The purpose of the reorganization was to eliminate duplication, increase efficiency, be more effective, and focus toward customer service, Mayor Jeremy Harris' mantra. They had a great team, an incredible team of directors and deputies and they were energized at that time. They wanted to reduce twenty-five departments to fourteen. They wanted to realign many of the functions, renaming some of them, such as putting Environmental Services and Wastewater Management in one department. There was a building department that took care of facility maintenance; Facility Maintenance that took care of

facility maintenance; and a Transportation Department that took care of some of the facility maintenance as well. There was design and construction in all of the departments – Parks, Transportation, Housing- so that was grouped into one Department of Design and Construction. Planning and Land Use was two separate agencies. He served in both. They wanted to coordinate and integrate those two departments so that they could collaborate and work together. The Building Department had building permits intertwined with land use, zoning, and planning so all three of those departments became one large department. He noted that the Mayor proposed a second deputy for those larger departments but that never happened, unfortunately, because it is a huge, huge group. But he said he thinks it seems to have worked well. As far as efficiency and effectiveness go, many of the agencies are doing really, really well. He attributed a lot of it to the renaming. Such as, “Data Systems” that is such an antiquated, 1960’s term. It was well-suited that the Mayor renamed it to the Department of Information Technology.

Malcolm Tom added that the proposed reorganization was submitted as part of the budget at the end of February, as required. That was a proposal that encompassed the whole City. Between that time and when the Charter Commission actually acted, there were a lot of negotiations and lobbying and influences so what was initially proposed did not end up being approved by the City Council and then going on to the Charter Commission. He explained that the initial budget correspondence was the initial proposal but what ended up was significantly different due to various influences and rationales, and the Council had a major input in approving the reorganization because the Mayor only has the right to reorganize the City but the Council has to approve that reorganization. He continued that the reason they took the Charter Commission route was because, under the City Charter, the Mayor cannot reorganize any departments that report to the Office of the Mayor. At that time there were three such departments: Civil Defense, Planning, and Budget. Therefore, they wanted to consolidate Planning with Land Use; Budget with Finance and those things couldn’t be done without having the Charter Commission pass the initiatives and then have it passed by the electorate. He explained that therefor today, the City is organized so that all the departments report to the Managing Director (MD) and none of the Departments report to the Mayor. This enabled the Mayor to reorganize the City, since nothing reports to him, by simply proposing it to the Council and the Council approving it. There are many other reasons the reorganization took effect. One was the MD’s office. The goal was to have the MD become the Chief Operating Officer of the City. Before the reorganization, two very important departments, Planning and Budget, did not report to him, resulting in fragmented citywide policies. He explained that he was a former Budget Director and said that at times there were two different messages being sent about the financial policy of the City, and in other areas. There was also a lack of accountability because basically, as Budget Director, he did not report to the Managing Director but reported to the Mayor. After the reorganization, everyone now reports to the Managing Director who has full control and is fully accountable for all the actions of the directors. The other aspect was that, before 1998, the organization was basically a stovepipe

organization where each department had all the services it wanted and everyone competed to get as much of these services as possible within their department. This resulted in at least half a dozen departments having designing and building facilities. No one was really doing a good job and everyone was complaining that there was a lack of resources. The reorganization attempted to bring those resources together so they could have a critical mass and undertake the design and construction of facilities.

Malcolm Tom continued that the reorganization also served another purpose. Under the old organization, because the City operated on a low-cost basis, a contractor could submit a bid for a project, do many change orders, delay completion of the project, and then be selected by another department to do their contracting work. The City had to select them because of the low price method. Now, the contractors all report to one department and can be evaluated based on their performance and can't rotate from one department to the next.

The reorganization also provided more accountability. Because the departments all report to the Managing Director, they have to be directly responsible for one area, particularly in financial management. He brought up the Ewa Villages scandal where a person went to jail for misusing about \$6,000,000 for the relocation of tenants in Ewa Villages. He said that occurred because the Department of Finance at that time, Fiscal Services, had no oversight over the spending of the money and was just told to cut the checks with no role in approving the invoices. By bringing those functions back into one department, the reorganization provided more oversight into the financial management of the City.

Malcolm Tom concluded that those are some of the things that the reorganization, that occurred seventeen years ago, did. He explained that things have had to be tweaked, but it's pretty much stood the test of time and there have been three Mayors since. Any of the Mayors can undertake a reorganization of the City now that none of the departments report to him. He ended by saying that summarized the history of what happened with the reorganization, and admitted it was an enormous undertaking, involving numerous people and done over a period of years to get consensus on how the City should move forward.

Ben Lee explained that collective bargaining with HGEA (Hawaii Government Employees Association) was a major effort in itself. Anytime people are moved from one position to another it requires a major effort just to coordinate collective bargaining, making sure they support any kind of reorganization. Fortunately, there was no reduction in force since the number of employees was lowered by attrition instead. In addition, moving some of the departments out to Kapolei Hale was a major effort. There was a lot of coordination and work behind the reorganization. He also added that the design of the City is now more cohesive. The Mayor and he used to talk about a bus shelter that Transportation used and that the Parks Department would pick the seat and Public Works would pick the refuse container next to the bus shelter and they never

matched. Now they have one cohesive effort with one department in charge instead of the services of the Parks Department, the Transportation Department, and the Police Department. Now there's more unification in how the City looks in terms of planning and design, all the way down to the refuse containers.

Malcolm Tom spoke about the functions mentioned by the Deputy Corporation Counsel that were moved and the rationale for moving some of those functions. One of the reasons was that some of the departments were getting too large and there was an imbalance of management span. Some departments were very, very large and some were very small and basically the Director had nothing to do with the smaller departments. So they tried to balance the size and management oversight of these departments. For example, Parks was very large at one time and included Ocean Safety, the golf courses and the zoo. H explained that the Directors (and there were several) spent most of their time on things other than park maintenance and the Mayor wanted parks maintenance to be a primary focus of the department. That's why the golf courses and the zoo were moved into what was then the Department of Auditoriums so they could run it, because they generate fees and expenses. Ocean safety, because it's life saving, was moved over to what became Emergency Services to work with emergency management services. Those are some of the reasons why the departments were trying to balance the span of management in each of the departments. Chair Souki asked if there was an overarching concept behind the design of the government. He said he was curious if it was based on some other model they looked at or was there any overarching thought at the time about how government should be run to be more efficient. Ben Lee responded that just by the names themselves such as "Customer Service" and "Enterprise Services" he thought they were focused on customer service for residents and visitors alike. Maybe that was the overall umbrella. It wasn't only customer service to residents but customer service among each department. He thought it most important not to create a stovepipe organization but rather to work as a team. He said believed that they did that effectively for ten years when Jeremy Harris was Mayor. He said they worked well together and even though there were differences at times, it was a pretty efficient operation and much improved. He admitted that some of the larger departments were stressed with the new organization, pointing out that Planning and Permitting continues to be stressed and it's now a huge department with a lot of work. He concluded that right now the economy is good, projects are going on in Waikiki and Kakaako, and housing is picking up again. But in 1997 and 1998, the economy wasn't doing that well. He concluded by saying, "It's a whole different game now."

Chair Souki said he had lots of questions but called on the other Commissioners first. He recognized Commissioner Broderick who thanked both Malcolm Tom and Ben Lee for being there on such short notice. He noted that they both seem to feel that the 1998 reorganization achieved its intended purposes. He asked them if there was anything they would not have proposed as they look back on how the reorganization has evolved, anything that did not work as intended. Ben Lee said they've been disappointed that the Housing Department was dismantled. Just recently Mayor Caldwell announced that the

City is back in the housing business again, yet homelessness was an issue when he was Managing Director and is now a much greater issue. He said he thinks the City now has a part in providing good quality affordable housing. The showcase under Mayor Fasi with Jeremy Harris as Managing Director was the West Loch project. Housing strategy was always 60 percent affordable and 40 percent market so all the affordable housing was not concentrated in one location. Otherwise, the project would become like Kuhio Park Terrace. The City learned that there needs to be a sense of ownership and a pride of ownership. The City spends a lot of time designing housing facilities, many of which were award-winning designs, such as West Loch, Chinatown Gateway, Marin Tower, and several in the downtown areas. Chair Souki asked what the difference was between delivering housing before the change and now. He asked if it was more efficient before the change. Ben Lee responded that at the time the focus was on providing housing and affordable housing. He isn't sure if any affordable housing has been provided in the last ten years or so. He said he feels there's a need for affordable housing. In the past some of the housing was pretty utilitarian, back in the 60s, perhaps, and it was part of the Chinatown urban renewal project which included many blocks. He concluded that they didn't turn out as well as they wanted and wouldn't until the focus is on good quality urban design and planning. He noted that the other consideration is that affordable housing can only be accomplished if it's heavily subsidized. City and State agencies have land or can use eminent domain, as in West Loch. That was a friendly condemnation and the 40 percent market housing along the golf course basically subsidized the affordable housing. It was a pretty creative way to get affordable housing. It was \$129,000 fee simple for a three bedroom, two bath house. He called that incredible. He pointed out that they had developers like Castle and Cooke, Jim Schuler, and Horton asking why the City was competing with them. At the time Mayor Fasi told them the City needed to show them how the City can provide affordable housing. Right now the housing market is whatever the market can bear. Now the going rate is \$400,000 per home. He explained that back then, the City said they could do it for much, much less and have all the resources so if the City couldn't do it, nobody else could and they wanted to show the developers this as well. Right after that, Governor Waihee, worked on the Kapolei Villages project encouraging provisions of affordable housing as a good option. But, Ben Lee concluded, it won't come from the private sector unless there is some strategy that the City has such as tax revenue bonds or some kind of bonding effort or eminent domain. Chair Souki asked if Ben Lee thought having a Housing Department would create a functional capacity that's lacking and would help. He answered that he believes so, saying that there's always a need for affordable housing and this has been discussed since he joined the City back in 1985.

Chair Souki recognized Commissioner Mulligan. Commissioner Mulligan continued on the housing issue noting the March 2, 1998, letter that outlined the initial proposal. There was a comment, he thought from the Mayor, that he was proposing to eliminate the City's Department of Housing and Community Development. He said there's a premise to conform to the City Council's policy and the ability of the private sector to provide affordable housing and there's a lot in the reorganization that worked well but

this is an area that he personally questions because of what Ben Lee said and the history before them, that the private sector has not been able to provide affordable housing. He said he thinks that there was a premise that, unfortunately, while well intended has not proven to be true over the last fifteen years.

Malcolm Tom expanded on the issue saying that the intent was not to get out of the housing assistance business, the intent was to get out of building housing. The City Council passed the policy that the City should no longer build housing projects. That was one reason why the Housing Department was abolished. He continued that the intent was to continue housing functions to assist developers to provide affordable housing, to provide tax exempt funds or tax incentives or any other federal funds that are available for developers coordinated and funneled through the Department of Community Services. He summarized that the Department of Community Services picked up the community development aspect of the Department of Housing but did not pick up the role of building housing itself. The City, at that time, was heavily criticized by developers for competing with them on a very uneven plain because the City did not need to make any money and had access to very low cost debt as well as other advantages. Therefore, he believed that the City Council passed the resolution that the City should not be in the housing business. That doesn't mean the City should get out of all housing aspects many of which were transferred to the Department of Community Services that receives all federal HUD (Housing and Urban Development) funding and allocating it to the various people who could use the funds to build affordable housing and provide homeless services and other similar functions. Commissioner Mulligan said he thinks what Ben Lee said is true, that the market will not provide that type of housing. He opined that the developers are going to build the \$700,000, \$600,000 and up housing which few can afford, making some of that a policy issue. Malcolm Tom mentioned the affordable housing mandate that's 80-120 percent of median income which is not truly affordable housing and noted that there are other policy issues that need to be considered to create more affordable housing.

Chair Souki said that when they disbanded the Department of Housing and transferred the assistance for development of affordable housing to the Department of Community Services that department had access to low-cost debt and more of the HUD and CDBG (Community Development Block Grant). However, he noted the reduction of the amount of CDBG funding and asked if there have been other changes. Malcolm Tom said he didn't know if they had reduced the funding but said that the administration of all HUD financing and CDBG funds was transferred to the Department of Community Services providing important funding. Community Services at that time was responsible for selecting non-profit organizations to use those funds to provide community services. Chair Souki asked if there was more of that happening at that time than is happening today. Malcolm Tom said he couldn't speak to that. Chair Souki asked the Commissioners if they had any other questions.

Commissioner Mulligan noted that the purpose of reorganization was to centralize and coordinate CIP (Capital Improvement Project) planning functions from the various departments. He noted that some of the departments have brought this up in previous meetings, telling the Commissioners that their planning and design facilities are one step removed and they really don't have much of a say in what's going on. He pointed to the Park's Department as an example. Ben Lee answered that he thought, depending on the Park's Director and also depending on the Director of Design and Construction, it's a huge undertaking to have all the CIP projects under one Director. But, he said, at the same time it's worked well because it was so fractured in the past that each department was doing their own designing and there was no accountability. Some parks didn't seem to have any consistency in design with other parks. Transportation and Parks used to be in the Building Department and there was little quality in procurement. He said he thought that quality was very important to the administration and that's what was driving it. He said he hopes it has worked well since he and Malcolm Tom left. He again pointed to some of the projects that they accomplished: Waikiki beach improvements, Kapiolani Park, Kuhio Avenue, stating that a number of them were under Design and Construction versus several different agencies stating that street paving would have been public works, beach improvements would have been with the Parks Department, Kapiolani Park would have been with Parks or the Building Department. He felt that the results justify a single department for design and construction. He thinks if anything, Design and Construction probably needs to work with the other departments much more to ensure that they're at the table when they talk about a design program and talking with consultants or whoever they select as consultants because each department knows their own functions much better in terms of the program. The appearance and the architecture would probably be better if there was a group and he pointed out that there was a group of architects in the cabinet not just one department, but several departments so it was a very cohesive approach to the design of the City.

Malcolm Tom noted that Parks is a very interesting situation. He remembers at that time the Parks Director coming to him requesting money to renovate facilities and he was not a student of the budget document with the ordinance so Malcolm Tom went through it with him telling him at that time they had something like \$25,000,000,000 set aside for improvements. He related that the person didn't realize that so he asked the construction person in Parks why they weren't spending the money to renovate their facilities. He said the person told him they just didn't have the time to do it, that they were still working on two projects from five years ago. That was the problem throughout the whole City. There weren't enough resources in all the departments for them to do a good job and stay on top of everything and they were also doing procurement on a "one-off" basis as Ben Lee mentioned. Everyone had to learn the procurement code. Everyone had to write a contract, everyone had to negotiate with the contractors. The purpose of Design and Construction was to have a group of experienced seasoned professionals who do those functions day in and day out. The identification of the priority of the projects, though, is up to the departments. They are the ones who submit the proposals to Design and Construction and then that goes to the Mayor and Managing

Director for the final selection of the projects to be funded by the capital budget. But, he concluded, Parks is a very interesting situation.

Ben Lee added that the Parks Department had millions of dollars in CIP funds that could lapse. To prevent this from happening, they would award the contract which would be ongoing for four or five years. He said when he checked with their landscape architect, asking about the situation, he was told that the projects were so far behind because they just didn't have all the resources that were needed. They had the CIP money but just didn't have the time or had too many other projects. He then said that Jeremy Harris' method was basically "ready, fire, aim," and with that attitude they were able to move the City forward in a short amount of time. He concluded that it was good that Jeremy Harris was Managing Director for eight and a half or nine years. So, when he became Mayor, he knew exactly how the City was run and he had an incredible memory and he knew every department and the budget very well.

Chair Souki recognized Commissioner Soon. Commissioner Soon brought up the subject of the Royal Hawaiian Band. Budget and planning were taken out of the Mayor's Office and the Royal Hawaiian Band was moved into the Mayor's Office. She asked if Ben Lee recalled the logic of that move. He said he didn't. She continued that currently the Royal Hawaiian Band is a department which she found ludicrous and noted it might be better under Enterprise Services. He said he didn't know the reasoning but pointed out that there was a movement to abolish the Royal Hawaiian Band. Commissioner Soon noted that it couldn't be abolished without a Charter change. Ben Lee noted also that Honolulu is the only municipality that has a band.

Commissioner Soon asked when the reorganization plan was submitted to the Council in three groups of departments: the Facility Development and Maintenance Group containing the departments of Planning and Permitting, Design and Construction, and Facility Maintenance; Public Services and Safety Group; and an Administrative and Fiscal Services Group. Aside from their creation there was never anything that used those groupings in any way, yet it occurred to her that there are natural groupings of departments and wondered if the Charter could assist with that. The groupings were never carried forward in the reorganization proposals. She wondered if the grouping could have been done by the Managing Director and a couple of Deputies so that each group was assigned in some way. Ben Lee said that was a very good point. That was the initial intent but it didn't develop any support so it was dropped. Commissioner Soon pointed out that there are government entities that are organized under a secretariat format. Ben Lee said that was a good idea but there was little support for it. Commissioner Soon said that 24 or 14 departments was a lot for the Managing Director to manage. She thought that the relationship between the Managing Director and the departments can vary depending on personalities which could determine how directive the office becomes or how coordinated it becomes according to their emphasis but it seems that something at the top level begs to be at least looked at. Lee agreed, saying that if there were 30 hours in a day the Managing Director's Office would still be

overwhelmed. Most people don't realize how much is going on every day and the department heads are difficult to get together for various meetings. He said that maybe at the top level if they have some coordination, it's worthwhile to do. Commissioner Soon said that maybe it's best to leave it informally to the style of the Mayor. She knows the current administration doesn't have cabinet meetings, and every other cabinet meeting they break up into subgroups. So, if that's what a good manager is naturally doing, she asked if there were any efficiency to take place in structuring the government accordingly.

Chair Souki asked if there were any further questions. Seeing none, he thanked Ben Lee and Malcolm Tom.

- **Information from the Auditor of the City and County of Honolulu including the:**
 - **Audit of the Funds Appropriated for Bicycle Projects;**
 - **Audit of the City's Road Maintenance Practices.**

Chair Souki introduced the City Auditor, Edward Young, who, along with the Deputy City Auditor, Van Lee, was there to give the Auditor's presentation.

Chair Souki noted that the Commission wanted to focus on the 1998 reorganization at this meeting, asking them to provide any information they had on that in the context of developing their reports. He said that someone mentioned that a recent report may have talked about the reorganization and would like any information they might have to share with the Commission. He also requested that the Commissioners be able to question the presenters about their function and how the Auditor works with the Charter.

The City Auditor noted that they made a recommendation that there should be a Charter amendment to give the DTS (Department of Transportation Services) Director more authority to implement the City's program for bikes. He also said that the Audit mentioned that the DTS Director didn't have complete authority to complete the streets in conformance with the bike plan, much less with the City Ordinance on Complete Streets because the authority to complete the streets was divided among the Transportation Department, DFM (Department of Facility Management), DDC (Department of Design and Construction), and DPP (Department of Planning and Permitting) so there are four departments involved with the streets that are responsible for implementing the bike program but without proper authority and a mandate to coordinate and communicate and share the initiatives in the projects, each department is basically doing their own thing and not communicating with each other. Hence there have been problems with Waiālae Avenue, for example, not being completed in an efficient way or streets not being paved or only half a street being paved, or waiting for DFM, in Mililani for example, to come and complete the far right lane so that DTS can go in and complete the bike lanes. This type of disparity, on which the Deputy Auditor can probably elaborate a bit further since he's been with the office longer, shows up in their audit reports repeatedly, whether it's cyber security, vehicle management, electric

consumption, or bike projects. While departments may be given the responsibility, for example implementing cyber security, the authority to do so is not in that department but shared and dispersed among many departments. For example, DIT (Department of Information Technology) is responsible for maintaining the Internet but it cannot protect the City from hackers or breaches of data because the data is controlled by the individual departments. So, if BFS has allowed a person access to their database which contains all of their accounting and financial information, DIT does not have the authority to cut the person off, even though they left the City several years ago or were a contract employee who no longer works with the City or they've retired. As a result, financial audits include cyber security as an analysis and they report repeatedly that there are many individuals who are no longer with the City who can access databases but DIT cannot cut them off because they do not have the authority to do so. So responsibility versus authorization exists throughout the City in many of the Audit Reports that have been issued over the last few years. He asked if the Deputy Auditor wanted to comment on the issue. The Deputy Auditor added that they are not looking at amendments to the Charter generally, they are looking at performance and what they would find, as referred to by Malcolm Tom, what areas need tweaking because some of the duties that were reassigned during the reorganization ended up being split into different departments. He explained that these problems are not necessarily bad, it's that there's no initiative taken between the departments to resolve these problems when they come up. Each one of them will say they have an issue that they can't resolve with the other department and the other department doesn't take any initiative to resolve it and in fact none of the departments take the initiative to resolve these issues between each of them so it's not necessarily saying the organization is bad but rather that there should be some initiative to resolve these issues which are management issues. He noted that they found this in a number of the audits and will note that in some cases they were unified prior to the reorganization, but then as part of the reorganization some of the duties got split up between departments rather than being consolidated. There's been no attempt to resolve the management issues and to jointly resolve these issues when different duties are split up between departments.

The Auditor noted that in that context, using real property assessment as an example, during the audit, they found that during an inspection, BFS found a property classified as a residence but it was actually a commercial property. When the Auditor traced it through and noticed the real property assessment, they approached DPP asking if they could clarify the status of the property, where it is, how it should be classified, how it matches with the zoning and the planning for the department and they got no response. He explained that DPP is not required to respond to the property assessment people or managers to ensure that the property is properly zoned and properly assessed. Then, he said, the question becomes, who has that responsibility. Yet no one accepts the responsibility for ensuring that the commercial property is properly assessed and properly classified and properly taxed. The Auditor said they find this occurs continuously. For example, in the Bike Audit, there is great disparity about who is responsible for ensuring that the street has a bike path that is required by the federal

grants and the federal funding. DTS said they took the initiative to coordinate with DFM, DPP and DDC but when they talked to the other departments, the other departments said it was not their responsibility and they didn't communicate with DTS. The attitude was that it wasn't their problem, it was DTS' problem. Consequently, there's a lack of coordination to ensure that the streets are done efficiently and at the lowest cost to the City.

Chair Souki commented that the Auditor is looking at the business processes to see if it's working, it's efficient, what's the line of sight, etc. Take for example, Complete Streets. That's an initiative that came about over time and noted that every eventuality can't be covered in the Charter and maybe sometimes these initiatives ripen and become important enough, like bike lanes, for example. Maybe that's something the Commission wants to put specific responsibility for into the Charter. He asked if perhaps such general functions can be put into the Charter to make sure when initiatives come up, there is a framework for collaboration. The Auditor answered, yes and no. Right now the Charter basically says that DTS is responsible for making the City a more bike-friendly area. There is a 25-year strategy and plan for implementing the bike plan. He continued that no one is required to comply with the strategy or the plan. Therefore, while DTS knows it has the responsibility per the Charter, they don't have the authorization. So informally they've worked with the other departments but they don't have the authority, for example, to force DFM to let DTS know when they intend to repave the road so DTS can paint in the bike lane to ensure that the City complies not only with the Bike Plan but also with the terms of the federal grant that funds the repaving of the street.

Souki asked if there were any questions, recognizing Commissioner Mulligan and then Commissioner Soon.

Commissioner Mulligan asked the Auditor about the issue of real property taxation, a serious matter with direct impact on the finances of the City. He stated that BFS has the real property function and DPP has the zoning and planning functions. He asked if real property goes out to look at zoning maps and if they find discrepancies between the map and what's physically there. The Auditor answered that the departments don't go out to inspect, but rather the Auditor went out to inspect and found discrepancies and informed the Real Property Assessment Division of the discrepancies. They indicated that they'd send a note to DPP and have them clarify it. But the Auditor said they noticed that there's a lack of communication and response from DPP. As a result, there was no correction on the property to assure it is properly assessed and properly taxed. It's a similar process with historical properties. Commissioner Mulligan asked if in the Auditor's opinion a Charter amendment could help. He asked if there were something missing in terms of the responsibilities that DPP or BFS has or both? The Auditor answered that that was a tricky question because it can be a management function to the extent the Charter can give individual departments the responsibility and the authority to do it. He thinks that inserting the words "has the responsibility and the authority" is

including subpoena power. For example, DIT has no authorization to force any department to shut off an individual because they're no longer with the department, telling them they can no longer allow them access to the City's financial systems because they are no longer with the department. Rather it's up to the department to do that. If the Charter amendment were to say that DIT has the authority and responsibility to implement all cyber security within the City, that might answer the question. Leading to that, the financial audits could include an analysis of the City's cyber security and their compliance with standard protocols. The Auditor continues to find that they are not complying with the best requirements, not only at the FIS (Federal Information Security Management Act) level, not only at the PCIDSS (Payment Card Industry Data Security Standard) level, or any of the other levels, they are basically doing whatever they want to do. The Auditor has been telling them that there's a financial consequence to it. He pointed to the data breach at the Office of Personnel Management. He also noted that the latest news says the federal government has set aside \$135,000,000 to provide three years of credit report and identity theft protection. The revisions in the PCIDSS standards state, "If the City conducts transactions electronically or over-the-counter with a credit card and it fails to take protective action, the City is liable, not only for the breach and the investigations but any losses that the banks or any financial institutions may suffer." Based on that, the Auditor has been telling DIT they have to protect the City and DIT responds they can only go so far, and cannot go the extra step. If the Charter were to give the additional authority to do that and go the extra step, then the Charter would serve them better. Chair Souki asked if the Auditor has the authority to require compliance with their recommendations or some kind of remedial plan to address them. He explained he asked because when he has managed federal funds for public agencies, if they weren't spending the funding correctly, the responsible federal agency would require them do it correctly or they would get their funds withdrawn. The Auditor said they can recommend actions but can't do the management job of implementing the recommendations. They can do a follow-up to put pressure on them to implement the recommendations but it's ultimately a management responsibility to say, "Yes we will do it and we'll take the corrective actions." If, for example, management said "No, we're not going to do it" then all the Auditor can do is report to the City Council that the recommendations were not implemented and then the City Council has to decide if they want to withhold funds and budgetary approval for it. However, from the federal administrator's viewpoint, if the funds have lapsed or the City is in non-compliance, the Federal government or the State government could withdraw the funds back and de-obligate the funds. For political reasons, that hasn't been done but when it is done, it's done very reluctantly. Chair Souki agreed that almost never happens but the threat of it causes compliance.

Commissioner Soon continued with the subject of bicycles and being a bike-friendly city, saying that she didn't think the Charter was the right place for that policy. She explained that the Charter can't have endless amounts of policy in it, even though currently it does. The policy of assigning it to multiple departments has a certain amount of merit to it instead of saying, "Everything is siloed and it's their job and

nobody else has to think about it.” The policy essentially says, “We want a lot of people thinking about that, incorporating it into their work and making it happen” and not just saying “I can wash my hands of it.” She concluded that the thought of making a finding on them for not acting in a siloed way would be counter intuitive. If there were failures or lack of the ideal coordination between the departments, it strikes her that the Managing Director has the responsibility because all the departments report to the MD. Therefore, if DTS finds they’re having difficulty getting attention or whatever from DDC and DFM, then it would be incumbent on them to go to the MD and ask if the MD can assist then so they can get it on the right track. She wondered if there should be a Charter provision that such issues rest at the MD’s level to say specifically that the MD is responsible for the interagency matters when there are cross-jurisdictional issues. The third part of that is, if the audits are coming from a philosophy that things should be siloed, and if a department is siloed with a specific set of responsibilities the department somehow has a way of making someone take care of the issue. She expressed that she thought that pretty confusing and said that she didn’t know how it would be set up. She wondered what the penalty would be if a department didn’t do what was required. She thought it was an awkward approach of trying to get things done and wondered if the audits were done in that way, and asked the Auditor if he had seen other jurisdictions successfully do it that way. She asked how they could handle the issue that one department can’t discipline another and they have no power other than the belief that they all work for the public good and this is the right thing to do.

The Auditor answered that that’s a great conundrum. He said he didn’t think it would be resolved easily. He surmised that if the Charter Commission came up with an idea of how to resolve it, without some sort of action, whether it’s in the Charter or elsewhere, there will always be that disconnect where DFM will go so far, hand over a project to DDC, and DDC saying they are not going to address it or that they will do it their way as happened with the skateboard park. DDC basically redesigned the skateboard park, ignoring what DPR had requested. Following that, DPP was asked if they could clear the access so they could go in and build the park and DPP took at least two years to respond, if they responded at all. Meanwhile, many delays occurred. These problems will perpetuate unless something is done to resolve the issue of breaking down the silos and going cross-functional as the Mayor has been proposing.

The Auditor answered Commission Soon’s previous question by relating that Silicon Valley basically pancaked the organization with very successful results. One of the things the City perpetuates is the three to one ratio: three employees to one supervisor. That automatically results in an ossified hierarchy that is not flexible and adaptable to change. Silicon Valley has basically shown, as shown in its span of control audit report, that as many as eight employees per supervisor or even, depending on what the tasks are, as many as 15 to a supervisor, with email, text messages, telecommunications and all the new technologies, it’s possible to have a higher span of control. Assuming that that were broken down and human resources were to back off from their position of 3 to 1, by pancaking the organization and causing cross functional communications, much

more could be done with the same amount of resources. The Auditor said that's been demonstrated many times in their office. Silicon Valley has done it very successfully, adapting to almost any challenge in a situation that arises. He noted that was his personal opinion and not the official opinion of the City. He concluded by saying that the Deputy Auditor would add to this.

The Deputy Auditor said he would agree that the solution necessarily rises to an issue that can be resolved by a Charter amendment. The issue speaks to management and most audit recommendations are that, when these issues arise, it is up to the MD that needs to manage the relationships between agencies. It may be that an agency can be designated the lead agency and the MD can insure that they are in accordance with that lead director or lead agency.

Commissioner Soon said that the Deputy Auditor's concept of span of control was really similar to what she discussed with Malcolm Tom and Ben Lee earlier. They at one time thought of grouping the departments into a management structure that dealt with the infrastructure agencies or the public safety agencies. If that happened, then that span of control would allow a person to give the right amount of attention to the function. She noted that presumably there's a lot of coordination that goes on between Fire, Police, and EMS people so it makes sense to group them in some way. She said she was personally just looking for ways that allow people to do their job without feeling at the end of the day they're exhausted because they've been doing 24 different types of jobs and every hour of the day their mind is wrapped around a different subject. The Auditor noted that if you went to work every day and knew you had the same form to fill out the same data entry, the same people to see, that individual would not be as excited to come to work everyday as a person who has to try 15 different things, learning and cross training, developing the skills to perform several different tasks. Under those circumstances, every day would be a challenge and the person would look forward to it. He said he thinks that if the Charter can somehow introduce an out-of-the-box concept that challenges the City "to reorganize to provide the stimulation that provides and incentive for the employees to want to come to work and that would be more productive." If that happened, he thought the Charter Commission would have accomplished something very unique for this City. If the Charter can somehow demonstrate, whether through the organizational setup or through some other methodology, that the City can be very functional and can be very productive with minimal change and minimal added resources, then the Commission will have done its job.

The Deputy Auditor agreed that the MD position has a lot of pressure on it. However, he thinks there are many tasks in the City that never have to rise to that level and can be accomplished within the divisions, within the sections. The Commission needs to look at the level of organization to ensure that those tasks don't need to go to the MD's office and can get done without having to be constantly elevated to force a decision to be made.

Chair Souki asked for further questions or comments for the Auditor. Seeing none, he thanked the Auditor and the Deputy Auditor.

Commissioner Soon asked where the Auditor's Office was situated – in the Council or in BFS. The Auditor answered that there are two City audit functions. The Auditor reports to the City Council. The office is therefore considered to provide external auditors to the executives requiring them to issue written reports. The internal audit is under BFS. They do not issue reports for these. Commissioner Soon continued, asking if the Auditor chooses the topics for audit or are they given to him by the City Council. He answered that it's both. He explained that the office does a priority risk assessment of the entire City. They have identified the top 100 issues in their work plan that need to be addressed at some point. In addition, the City Council passes resolutions that request the office to do specific audits. The resolutions are first priority for the Auditor and they are currently working on several of them. Then, as resources allow, they address the audits listed in their work plan. The Auditor issues an annual work plan with the first priority going to the Council resolutions and then the second priority going to those identified as high risk and vulnerable. Commissioner Soon asked if they ever get beyond the Council resolutions. He said they do. He noted that one of his staff never did IT (Information Technology) audits before and he's having a good time with it and is learning a great deal as well.

Chair Souki thanked the Auditor again and asked if there was any testimony. Seeing none, he asked if there was any further discussion.

Commissioner Broderick asked the Executive Administrator if she's received any additional proposals from the public. The Executive Administrator answered she has not. Commissioner Broderick continued, stating that when he was first asked to sit on the Charter Commission, he anticipated that most of the proposals would come from the public as opposed to coming from the City. He said he was surprised that up to this point they've only gotten two. He's surprised that no one from the public has testified, other than an elder gentleman who testified from the back one day who was the only member of the public who has come before the Commission and he admitted to being confused by that. He continued that he's uncertain whether there's additional outreach that should be done and stressed that he remains surprised. Chair Souki agreed that he was also surprised but noted that the Deputy Corporation Counsel might know but the Chair expects that more proposals will come up at the last minute as is the case with most public situations. He also noted that they've been doing a lot of outreach and encouraged the Commissioners to do it themselves if they know interested groups. He gave the example of his reaching out to people interested in environmental sustainability, telling them that if they can justify why something should be in the Charter, they should make a proposal, stressing that the Commission is having meetings to talk about the proposals and may come up with a suggested Charter amendment. Commissioner Broderick asked if a letter was written to the Neighborhood Boards.

Chair Souki said that they contacted the Neighborhood Boards. Commissioner Soon asked what “contacted” meant. The Executive Administrator explained that it was originally discussed that each Commissioner would attend a Neighborhood Board meeting but that was scrapped in favor of letting the Neighborhood Boards know about the work of the Charter Commission. Commissioner Soon asked for clarification on how they were told. The Executive Administrator said it was through a letter explaining the process that went to each of the Neighborhood Boards. Commissioner Soon suggested that perhaps a second letter would help, reminding them that the deadline is approaching and the Commission very much wanted to hear from them with any proposals. Chair Souki agreed that a status update would be good.

The Deputy Corporation Counsel asked if there had been anything published in the newspaper about submitting proposals. Chair Souki and Commissioner Soon noted the article that was printed in the newspaper. The Deputy Corporation Counsel wanted to know if there was anything other than the article, such as an announcement asking the public to submit proposals. Chair Souki said that the deadline was included in the article and said he’s not opposed to doing it again. He continued that what’s been done so far is the Neighborhood Board letter, the editorial, Commissioner Rae was going to do something with the network news, they have the Jay Fidell show which has an audience, and he’s been reaching out to various groups, offering, to go to their meetings and will be going to the Green Growth and Climate meetings and the Planning Association meeting and again the Commissioners can do the same on their own as well for interest groups. Commissioner Mulligan offered that public affairs groups such as public radio or television might be interested in the subject and they have programming that would fit quite well. Whether they would agree to it is another matter but to reach out to them might be worth the try. Chair Souki said he thought that they were looking at that. Executive Administrator explained that Vice Chair Rae was going to go onto one of the morning news shows. Commissioner Mulligan said he was thinking of programs such as Insight. Chair Souki said he’s been on a morning show. He said the Charter is not on the top of people’s minds this time around. Looking at the media and news around the 1998 and 2005 Commissions, there was a lot of interest. Commissioner Soon noted that was because it was proposed out of cycle by the Mayor and being fought by the Council and League of Women Voters which would gave it extra attention. The Deputy Corporation Counsel said the reason she asked the question is that she only remembers seeing the editorial. She hasn’t seen anything in the paper that is an open invitation to the public. Chair Souki asked if they factored in outreach into the budget. The Executive Administrator said there are some advertising costs that are in the budget and that she will look at that possibility. Chair Souki asked her to work on getting something out soon to spend that money. Commissioner Mulligan said he noticed something in the paper that would indicate the deadline. Chair Souki also suggested the Ka Leo at the University campus, where there are a lot of thoughtful people who might have ideas, and other newspapers. The Deputy Corporation Counsel said that all she remembered was that there were media advertisements before so that the public knew

that the Charter Commission existed and was soliciting proposals. Chair Souki assured her they would do that.

Commissioner Fujimura said maybe the public just isn't interested because, frankly, if he weren't on the Commission, he wouldn't come to the meetings. He thought this was because Honolulu is a non-initiative county. Public response here is similar to the response to the Legislature where people simply wait to see what the Legislature does and then they react. He agreed that he thought at first there would be many proposals but now he thinks that the public will wait until the Commission makes some proposals and then there will be more response. He said he thinks everybody will be telling the Commissioners how they should have done it, and Chair Souki agreed. Commissioner Fujimura continued that he's beginning to be concerned there might not be enough proposals, and he agrees they should try to get more proposals in, but in terms of the Commission's "clay" to build upon, there may not be enough issues. He reminded the Commissioners that the Governor said they took suggestions that came into the Constitutional Convention and then took those ideas and came up with what they thought would be best. He said he was worried now that they wouldn't get enough suggestions to be able to remold into a cohesive package. He thought that if they wanted to generate interest, they could consider a thoughtful round table interview and discussion such as has been done on PBN but was concerned there wasn't the budget for that. He explained that they could pick a topic and invite five opinion-makers to talk about it. If the public was given something they could get ahold of like people expressing their opinions about what could be put into the Charter, other people might be activated to start thinking about those topics and if they thought they should be put into the Charter or not. But the Commissioners should remain mindful of possible unintended consequences. But at this point there seems to be zero input. Chair Souki continued this discussion including what Commissioner Mulligan said about "Insights." He noted that he's been on that show a couple times and they could put in a call to ask about it. He said he wouldn't want to be on the panel. The public shouldn't just hear from the Commission but maybe they could float an idea and set up a panel with community people who have an opinion on and knowledge about the topic.

Commissioner Fujimura suggested they find people interested in a specific topic. They could ask specific people, for example a homeless person, what the City should do. Part of that would be the Charter Commission's meeting. He noted that when a business puts forward their position, it can be thought of as a subsidized unfair competition. But, he continued, housing is different. It's sort of like the fire department. If there were a person working for a private fire department, he would criticize the City for having fire departments because it takes away his business. It's just the nature of how business is. But he thought they should have someone take a look at all the different points of view on how to provide affordable housing. Because at one time there was an idea that the City should build housing. Ironically, the City itself that built the housing reversed the issue and put market-priced units into the public housing projects as a way to subsidize

the affordable housing rather than taking a commercial unit and requiring affordable units as part of public service to build the housing.

Commissioner Fujimura suggested that someone from the City should discuss that whole issue, noting the different kinds of approaches, current approaches, and whether the City needs a housing department to consolidate the efforts. He pointed out that neither the State nor the City has developed a solution so a discussion could be held on how this can be resolved. He expanded that nobody could know where the discussion would go but it could stimulate bright ideas in a different way than just saying at the Commission meeting, "Please put forward your suggestions." Commissioner Fujimura said he found it interesting the Auditor said he doesn't have a proposal to solve his issue. He said that the Auditor is the very person who should have a proposal because that agency must have an idea of how to make things work. When he said he doesn't have a proposal, Commissioner Fujimura said that could be interpreted that there's no solution. He continued lightheartedly, if the solution is what Commissioner Soon is saying, the Charter could say, "Everything in the City must have somebody in charge to make sure everything is done." If they actually did that, everyone would ask who is in charge to ensure that every project gets done. But, he asked, if no one comes in with a proposal to do something about the issue what can the Commission do. Commissioner Mulligan answered that if that happened, the Commissioners would try to figure it out.

Commissioner Soon said that everybody wants to react to each other. Chair Souki pointed out that they have a lot of work to do. The Executive Administrator said that in 2005 many of the proposals came in the last couple of weeks in October – they came in all at once. Also the 2005-2006 Commission had very active Commissioners who made their own proposals. For example, one Commissioner was very interested in environmental issues submitted a number of proposals. Chair Souki said that was Commissioner Jeffrey Mikulina.

Commissioner Fujimura said that he likes the way that themes develop during their discussions at the end of the meetings. One new consideration because of the expected large number of proposals to come in, is to use our discussion to encourage ideas along certain lines that the Commission is looking at. It seems that the Commission will consider every idea that comes in and will need to sort them all out. He suggested that perhaps, considering the way things are going now, there's an opportunity to actually guide that process. He said that may mean an interview with a Commissioner and some others talk about the testimony and what people have been saying. He pointed out that this might stimulate somebody to say, "That's the stupidest thing I've ever heard. I'm going to be proposing something else." The Commission could guide that discussion in terms of getting issues on the table. He assured the Commissioners that this was not a way to have the Commission pre-decide anything: it is just to stimulate the discussion of all viewpoints. Chair Souki added that the Commission isn't a quasi-judicial body so they can be very creative. He pointed out that the deadline of October 31 is also not for the Commission. The Commission may make proposals at any time. He described every Commissioner as an ambassador.

Chair Souki said that the Executive Administrator will get something out like a notice to the public telling them to submit proposals and he'll be on the Jay Fidell show if anyone wants to join him. He said he expects it to be fun with a good audience. He'll also reach out to "Insights" and see if they are interested in putting together a panel. Those in charge of that show are always looking for ideas.

Chair Souki asked if there were any other discussion items. Commissioner Soon reinforced that she thinks a second letter to the Neighborhood Boards would be helpful. She said she doesn't know what the first one looked like and didn't remember seeing it and didn't know who signed it or how dry it was but maybe a second letter could portray the Commission's work as important, something that will affect people, and encourage them to be good players in the system. She concluded that it should contain something that gets their attention a little bit more than just stating the facts. The Executive Administrator noted that the original plan was for the Commissioners to attend each of the Neighborhood Board meetings. Commissioner Soon said she didn't think there was time for that. Chair Souki agreed saying that was too challenging. He agreed they could do another letter to the Neighborhood Boards. Commissioner Soon asked where the letters go, saying that that could be part of the problem as well. The Executive Administrator explained that the letters went to each Neighborhood Board Chair. Commissioner Soon said she knew that but asked what box did it go in. The Executive Administrator explained that it was emailed to each Chair's official email addresses. Chair Souki explained that the Chairs provide their personal email address. He also noted that it was during the transition time so maybe many didn't get it, so a second letter is a good idea. The Executive Administrator agreed.

Chair Souki announced that the next meeting will be on September 10th at 4 p.m. in the same room and will focus on planning and climate.

V. ADJOURNMENT

The meeting was adjourned 6:18 p.m.