

# Charter Commission

CITY AND COUNTY OF HONOLULU

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



## MARCH 4, 2016 COUNCIL COMMITTEE MEETING ROOM HONOLULU HALE

### MINUTES

#### Charter Commission Members Present:

David W. Rae, Chair

Kevin Mulligan, Vice Chair

Guy K. Fujimura

Donna Ikeda

Nathan T. Okubo

Cheryl D. Soon

Edlyn S. Taniguchi

R. Brian Tsujimura

John D. Waihee III, Governor

Pamela Witty-Oakland

#### Charter Commission Members Excused/absent:

Judge Michael F. Broderick

Reginald V. Castanares, Jr.

Paul T. Oshiro

#### Others Present:

- Derek Mayeshiro, Deputy Corporation Counsel
- Dawn Spurlin, Deputy Corporation Counsel
- Dana Viola, Deputy Corporation Counsel
- Roy Amemiya, Managing Director
- Linda Luli Nakasone Oamilda, Executive Administrator, Honolulu Charter Commission
- Mary James, Research Analyst, Honolulu Charter Commission
- Norma Reyes, Secretary Honolulu Charter Commission

#### Testifiers:

- Natalie Iwasa
- Gary Okino
- Rose Po
- Maeda Timson
- Roy Nakamura
- Barbara Armentrout
- Arvid Youngquist
- Barbara Hudman
- Lane Kam

- Daniel Grabauskas, Executive Director,  
HART

#### I. CALL TO ORDER

##### Roll Call

With a quorum present, Chair Rae called the meeting to order at 4:32 p.m.

#### II. FOR APPROVAL

Minutes of the February 4, 2016 meeting

Commissioner Tsujimura moved to approve the minutes of February 4, 2016.  
Commissioner Ikeda seconded. Unanimous voice vote in support of the motion.

#### III. DISCUSSION AND ACTION

Deliberation and decision-making on possible amendment of Honolulu Charter  
Commission Rule 3A “Proposed amendments to the Charter; Timing of acceptance of  
proposals” to allow the submittal of further proposals.

Testimony: None.

Discussion: None.

Governor Waihee moved that Rule 3A be amended as circulated [See Agenda Attachment 1] to delete last sentence, “However, notwithstanding the foregoing, the Commission shall not consider any proposed amendments submitted within 30 days of the Commission’s first scheduled public hearing on the proposed Charter amendments or any other deadline which may be set by the Commission, whichever is earlier.” Commissioner Okubo seconded the motion. There was a unanimous voice vote in support of the motion

#### IV. DISCUSSION AND ACTION

Deliberation and decision-making on the proposed Fiscal Year 2017 Charter Commission budget.

Testimony: None.

Discussion: None.

Commissioner Tsujimura moved that the Commission approve the budget for Fiscal Year 2017. Commissioner Mulligan seconded the motion. There was a unanimous voice vote in support of the motion.

#### V. DISCUSSION AND ACTION

Deliberation and decision-making on submitted proposals relating to the Honolulu Authority for Rapid Transportation (HART). Proposals 10, 13, 14, 45, 47, 76, 92, 93, 94, 95, 140, and 147.

Chair Rae briefly described the focus of the meeting's agenda and summarized the proposals under consideration.

Testimony:

Natalie Iwasa testified in opposition to the Commission's decision to defer any proposals that would change or stop the rail project. She testified in support of the proposals combining the three modes of transportation: bus, rail and HandiVan. Ms. Iwasa also testified against the three HART initiated proposals, 93, 94 and 95. She testified in support of Proposal 140 but was not sure what the proper mechanism would be for that.

Gary Okino testified in support of the continued semi-autonomous nature of HART.

Rose Po testified in opposition to combining the HandiVan, TheBus and rail together.

Maeda Timson testified in support of the continued semi-autonomous nature of HART.

Roy Nakamura testified by asking three questions. Chair Rae invited him to write his questions to HART. Governor Waihee clarified that Mr. Nakamura would like the Commission to look into the HART budget process.

Barbara Armentrout testified about her concern for the HandiVan and how rail will affect it.

Arvid Youngquist testified that he is concerned about the date of the Charter amendment election and the oversight of rail.

Barbara Hudman testified regarding her concern for the environment.

Lane Kam testified to express her concerns about the financial aspects of the rail project.

Dan Grabauskas testified in response to Governor Waihee's question regarding possible political influence on the rail project as a justification for the semi-autonomous nature of HART. Mr. Grabauskas described various models of governance which depend on the circumstances for the best fit.

Governor Waihee then asked why the budget is submitted as a single number. Mr. Grabauskas explained the budget process and the detail and steps involved in that process, and the numerous meetings with the Council Budget Chair and the Mayor.

Commissioner Mulligan inquired about the rationale behind HART's Proposals 94 and 95. Mr. Grabauskas explained that Proposal 95 originated from the HART Board and was designed to give the Department of Budget and Fiscal Services (BFS) maximum flexibility to choose the bond method that would be the least expensive. As to Proposal 94, the goal was to clarify what was already in the Charter due to concerns of the Board regarding revenue and operating costs.

Commissioner Tsujimura returned to the issue of semi-autonomy and Mr. Grabauskas confirmed that it was somewhat similar to the Board of Water Supply (BWS) except that BWS controls its own funding source and HART does not. Commissioner Tsujimura inquired about the semi-autonomy of HART as compared to BWS if HART must apply to the City for funding of its operational costs since fares alone would not be sufficient to cover its operating costs. Don Horner, chairman of the HART Board, explained that there are two funding sources which are distinctly separate. One source is the funding for construction from federal funds and the state general excise tax, which can only be used for construction. The other source will cover operational costs which will be part of the political process as the operating agency will need to apply for an operating subsidy. Mr. Horner also testified that personally, he believes that the entire system of rail and busses should be operated under one system.

Commissioner Fujimura inquired whether or not the HandiVan system would be part of the overall transit system. Mr. Grabauskas responded that they have met with the disability community and are working with DTS and OTS to ensure multimodal accommodation including bus, HandiVan, bicycles, pedestrians and possibly car share. The Americans with Disabilities Act requires specific amenities at the train stations, so the system will be fully compatible with people with disabilities.

Commissioner Mulligan continued with the HandiVan issue but focused on the funding aspect as raised by some of the testifiers, trying to understand if HandiVan moneys would be somehow used for other purposes. Mr. Grabauskas explained his understanding of the history of the funds being referred to, which is called 5307 money, and totaled \$210 million. Prior to the creation of HART, the city put together a budget for the rail project which included this fund, it was subsequently removed and it is not included in the HART budget and HART does not anticipate using it for construction. The 5307 money has already been paid to the City and the City has used it for bus and HandiVan operations.

Commissioner Soon inquired about when revenue service would start. Mr. Horner confirmed that the decision to start revenue service is up to the City because once the system is operational, it involves City funds. The Council and the Mayor decided to start revenue service when the first segment is completed which will be in 2018-2019. However, the federal government does not require revenue service until the minimum operable segment (MOS) is completed which will be around 2021-2022.

Mike Formby testified in support of Proposal 76 which they submitted earlier and for which they submitted changes this week regarding the operation of the rail system under one system with the bus and HandiVan operations placed under the Department of Transit Services (DTS). Mr. Formby explained the many reasons why DTS and not HART or a HART-like board should operate the transit system, including setting fares through the political process, maintenance, customer relations, Federal Transit Administration (FTA) oversight, Equal Employment planning and other regulatory matters. Commissioner Mulligan requested clarification on the members of a public transit authority to which Mr. Formby responded that one of the reasons administration wants to preserve the process through administration and council is the significant amount of money to be involved.

Commissioner Soon requested an explanation of the Oahu Transit Services (OTS) contract process. Mr. Formby explained that the use of OTS (a nonprofit organization) is by ordinance. DTS and OTS negotiate a management agreement, OTS has its own board of directors, and they oversee their internal operations. DTS is currently negotiating a new agreement. The ordinance also specifies the split in responsibilities between OTS and DTS. DTS handles the budget-related items such as routes, times, and schedules. DTS approves the OTS budget and oversees operations via meetings and review and other committees, and provides metric performance reports which are posted online on the city website. Mr. Formby continued to emphasize DTS' resources -- skills and experience in dealing with a multimodal system. Commissioner Soon expressed concern regarding salaries for managers and directors of the operation, to which Mr. Formby responded that he is looking into it and will be working with the Department of Human Resources to explore various alternatives. Commissioner Soon then inquired about the anticipated start of this segment of the system and wanted to be sure that the process was not left hanging in between meetings of Charter Commissions. She expressed her fear regarding the timing for management agreements, staffing and organization. Mr. Formby feels that the city should start working on it as soon as possible. Commissioner Soon walked through the timing of the budget process and noted that the earliest funding would be July 2017. Mr. Formby noted that they already have an intermodal task force looking into the issue of routes.

Commissioner Fujimura was of the opinion that Proposal 76 deals with the urgency question and will enable the city to be ready for the comprehensive system whenever rail is ready. He questioned whether or not it is the intent of the city to have an integrated intermodal system. Mr. Formby responded that the administration's position is to give the voters a chance to agree to move the operation and maintenance of the rail over to the city so that all transit modes are incorporated into one intermodal system under DTS.

Commissioner Witty-Oakland explored the possibility of a "no" vote and wondered if it was something that the Mayor could do without it being a Charter question on the ballot. Mr. Formby deferred to the attorneys.

Chair Rae suggested that any further questions and proposals be held for discussion at the continuation of this meeting.

Commissioner Soon inquired about the process for the public to see DTS' red-lined version which Commissioners just received an hour ago. Deputy Corporation Counsel Krishna Jayaram opined that it is more a process question than a legal question and it could be handled a number of ways which he will discuss with staff. It will also be posted on the website. Commissioner Mulligan moved that Proposal 76A be adopted for consideration by the Commission. The motion was seconded by Commissioner Soon. There was a unanimous voice vote in support of the motion.

It was noted that any written statements should be sent to staff for circulation to Commissioners and posting on the website.

VI. ANNOUNCEMENTS

At 6:33 p.m. Chair Rae announced that the meeting is recessed until March 8, 2016, 3:30 p.m.