

Charter Commission

CITY AND COUNTY OF HONOLULU

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



STYLE COMMITTEE
COUNCIL COMMITTEE MEETING ROOM
HONOLULU HALE
July 13, 2016, 12:30 PM

MINUTES

Style Committee Members Present:

Donna Ikeda, Chair
Paul T. Oshiro, Vice Chair
Guy Fujimura
Nathan T. Okubo

Style Committee Member(s) Absent/Excused:

R. Brian Tsujimura

Style Committee Non-Voting Member(s) Present:

Kevin Mulligan
David W. Rae

Others Present:

Ernest Lau, Manager and Chief Engineer, Board of Water Supply
Ellen Kitamura, Deputy Manager and Chief Engineer, Board of Water Supply
Donna Leong, Corporation Counsel
Krishna Jayaram, Deputy Corporation Counsel
Dana Viola, Deputy Corporation Counsel
Kamilla Chan, Deputy Corporation Counsel
Linda Luli Nakasone Oamilda, Executive Administrator, Honolulu Charter Commission
Mary James, Research Analyst, Honolulu Charter Commission
Norma Reyes, Secretary, Honolulu Charter Commission

I. CALL TO ORDER

Roll Call

With a quorum present, Chair Ikeda called the meeting to order at 12:39 p.m.

II. DISCUSSION AND ACTION

Testimony:

Ernest Lau, Manager and Chief Engineer, Board of Water Supply (BWS), provided additional information to their testimony submitted last week. BWS requests that the Commission amend Proposal C-6 per their recommendation which is much simpler and will avoid potential conflicts by eliminating the word “encumbrances”. Mr. Lau stated that they have no problem with City Council approval of the sale, exchange or transfer of BWS property.

With regard to revenue bonds which are under the authority of the Board, BWS is concerned with the requirement of City Council approval and therefore BWS recommends that the language be amended to read: “notification to council of intent to issue revenue bonds”. Mr. Lau noted that water rate revenue is pledged to these bonds and there are already safeguards in the Charter. BWS is self-supporting with an additional safeguard of an independent financial audit by a certified public accountant. This report is provided to the Board, the City Council and the Mayor. He also noted that the chance of default is extremely remote, and that their financial ratings are comparable to the rest of the City; which provides a strong financial position. Mr. Lau cautioned that requiring City Council approval of revenue bonds would increase the City’s liability from none currently, and referred Commissioners to a 2007 Opinion of the Department of the Corporation Counsel and the subsequent Council Resolution in 2008.

Mr. Lau confirmed that they have no problems with the public hearings provision.

Ellen Kitamura, Deputy Manager and Chief Engineer, BWS, commented that Proposal C-5 may affect land under the jurisdiction of BWS and a possible exception may be needed. Commissioner Fujimura recommended that BWS consult with the Department of the Corporation Counsel regarding an exception.

The Committee discussed the necessity of an exception for BWS. Deputy Corporation Counsel (DCOR) Jayaram noted that the interpretation of the Department of the Corporation Counsel is that the proposal does not cover BWS and that the current language of C-5 excludes BWS.

Chair Ikeda shared her concern that BWS is not governed by the Public Utilities Commission and DCOR Jayaram will share a written opinion on this with her.

Discussion and action on the following proposals which were approved to move to the Style Committee by the Charter Commission at its meeting on July 7, 2016:

- *Proposal No. C-6 to require the Board of Water Supply to seek Council approval before issuing revenue bonds and to advise the Council if rates are being amended, and to hold public hearings before new rates are implemented or approved;*

Chair Ikeda noted that the preceding Style Committee discussion included this proposal, and therefore, further discussion was unnecessary. Commissioner Okubo shared that his concerns are substantive and he cannot support the proposal as currently drafted. He agreed with BWS' comment on the word "encumbrances". Commissioner Fujimura noted that the BWS amendment is substantive and therefore, is not a Style Committee issue and doesn't think it can be addressed by the Style Committee. Commissioner Okubo moved to approve the proposal for discussion with the reservations noted. Commissioner Fujimura seconded the motion. Hearing no objections, the motion passed.

- *Proposal No. C-8 to clarify the authority of Council and the Mayor;*

DCOR Krishna Jayaram noted that Proposal C-8 is part of Proposal 78 which is not on the agenda. Commissioner Mulligan confirmed that it was his understanding that C-8 was created in anticipation of Proposal 78 being broken into two separate parts, one dealing with special funds, and the other dealing with the creation of funds generally. DCOR Jayaram concluded that, therefore, C-8 in its current form does not exist as it was part of 78 that was dealt with yesterday and it will be taken up by the Commission as part of Proposal 78. Chair Ikeda deferred Proposal 78.

- *Proposal 77 to add planning, engineering, design, construction, and installation to the Departments of Design and Construction, Enterprise Services, Environmental Services, Facility maintenance, Transportation Services; Information Technology, and Parks and Recreation;*

DCOR Jayaram stated that Proposal 77 is a similar situation and will be discussed by the full Commission in combination with Proposal 84. He said he understands that Proposal 77 already passed through Style Committee, but asked that this be confirmed by staff.

DCOR Jayaram believes that the only two proposals that are properly in Style Committee currently are C-3 and C-7.

- *Proposal No. C-3 to establish a Honolulu Zoo Fund to consist of 0.5 percent of the estimated real property tax revenues and to designate how the Fund may be used;*

Chair Ikeda noted that the proposal included in the Committee binder does not reflect the correct version of the proposal which was amended by the Commission and referred to the Style Committee. Commissioner Okubo moved to approve this proposal subject to the notation that there be a sunset provision included as amended by the last Commission meeting. Commissioner Fujimura seconded the motion. Hearing no objections, the motion passed.

- *Proposal C-7 to delete the Grants in Aid Fund.*

Chair Ikeda noted that the copy of Proposal C-7 included in the Committee binder does not reflect the correct version of the proposal which was amended by the Commission and referred to the Style Committee. Commissioner Okubo moved that the proposal be approved as amended by the Commission at the last Commission meeting which added the term, “sole source of funds”. Commissioner Fujimura seconded the motion. Hearing no objections, the motion passed.

III. ANNOUNCEMENTS

Chair Ikeda announced that this is the last Style Committee meeting.

IV. ADJOURNMENT

With no further business, the meeting came to close at 1:13 p.m.