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**RON MENOR**  
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**MEMORANDUM**

To: Heather Murakami  
Administrative Services Officer

From: Ron Menor *R.M.*  
Council Chair and Presiding Officer

Date: August 16, 2017

Re: Travel Report on Attendance at HSAC Conference in Poipu, Kauai

**Introduction**

The following is a summary of activities at the 2017 Hawaii State Association of Counties (HSAC) Annual Conference that took place on June 19, 2017 and June 20, 2017. I attended this conference to represent the City and County of Honolulu as the Chair and Presiding Officer of the Honolulu City Council. The Chairs of all of the neighbor island county councils were also in attendance.

**June 19, 2017**

The opening day of the conference included registration, the HSAC Executive Committee Meeting and HSAC General Membership Meeting. I was pleased to attend the Welcome Reception which gave participants the opportunity to network and share perspectives on county issues.

**June 20, 2017**

Mayor Bernard Carvalho offered remarks to open the morning session. He shared his perspectives on how county governments need to be proactive in promoting safe and sustainable communities and in particular, in addressing affordable housing issues. He also acknowledged the importance of HSAC in fostering collaboration and cooperation among the various counties in Hawaii.

HSAC President Stacy Crivello also offered remarks in which she emphasized collaborative working relationships within HSAC using as an analogy the Hokule'a whose accomplishments resulted from unity and teamwork. President Crivello also commended HSAC for its lobbying efforts in the State Legislature on county issues and pointed out that the organization needs to begin working on its legislative package for the 2018 session.

Attendees at the conference also benefitted from several interesting and informative panel discussions. These included the following:

**“Food for Thought: Connecting Communities to Farming”**

During this panel discussion, representatives from Hawaii Agricultural Foundation (HAF) discussed exciting projects that HAF has been supporting to promote agriculture in Hawaii. The panel included a distinguished group of leaders and entrepreneurs within our community: Dean Okimoto, Chairman of HAF and President of Nalo Farms, Inc.; Denise Hayashi Yamaguchi, CEO and Founder of Hawaii Food and Wine Festival and Executive Director of HAF (she is also the spouse of Chef Roy Yamaguchi); and renowned Chef Alan Wong.

The mission of HAF is to support and sustain Hawaii’s agricultural industry by addressing critical needs and services of farmers and the agricultural industry in Hawaii. HAF

provides educational and outreach programs in the community as well as direct marketing, technical, educational and in-field support for farms. Outreach/public awareness programs have included Farm Fair, Farmers' Markets, and Hawaii Food and Wine Festival which showcase local farm products and highlight the importance of supporting agriculture and the goal of local food security and sustainability.

What is especially exciting is HAF's work in reaching out to Hawaii's youth in the classrooms. These include in-classroom learning sessions, farm excursions, and providing schools with educational materials. The educational programs that the panelists discussed include: "In the Fields"; "Keiki In The Kitchen" cookbook; "Localicious"; and "Hawaii Farm to School" program. Two schools in my Council district, Waipahu High School and August Ahrens Elementary School, have participated in these programs.

Finally, HAF has supported farmer assistance programs that provide direct, on-the-ground assistance to Hawaii's farmers. A prime example is the Kunia Ag Park which is located on 200 acres of former pineapple land in my Council district. The park has provided diversified agricultural opportunities for many of Hawaii's farmers. Through programs supported by HAF, farmers receive technical information and assistance, workshops/seminars on business matters, and market development and branding.

#### "The Future of Real Property Tax"

The participants on this panel included Scott Teruya, County of Maui Real Property Administrator; Lisa K.N. Miura, County of Hawaii Real Property Assistant Administrator; Steve Hunt, County of Kauai Real Property Tax Manager; and Gary Kurokawa, City and County of Honolulu Chief of Staff.

The panelists discussed several important Real Property Tax (RPT) issues. They presented an overview of the County percentages of revenue from real property taxes which demonstrated that the RPT remains a significant funding source for County programs and services. The percentage breakdown is as follows: City and County of Honolulu (71 percent); County of Kauai (83 percent); County of Maui (42 percent); and County of Hawaii (50 percent). The panelists also noted that while studies/rankings often cite Hawaii as having the lowest RPT rates in the nation, it also has among the highest real property values that are escalating every year. When Hawaii's high real property values are factored in, the State's ranking is 28 in terms of RPT rates

The panelists also discussed how the counties are addressing tax compliance issues. The actions that the counties have undertaken to strengthen enforcement/collection efforts include: beefing up staffing and resources in the compliance sections of their tax offices; using pictometry (aerial photos); continuing cooperative efforts between the county tax departments and State Department of Taxation to identify persons who are claiming residential exemptions for which they are not entitled; and taxing real property on the basis of "use" rather than the underlying zoning.

The panelists also shared that the problem of illegal transient vacation units (TVUs) is a statewide issue that is affecting every county. Lisa Miura of the County of Hawaii indicated that the counties may lack the incentive to undertake compliance/enforcement actions if they do not substantially benefit from TAT collections levied on TVUs. She also raised a concern that illegal operators of TVUs may not be willing to come forward voluntarily if high taxation rates are imposed on them.

Gary Kurokawa of the City and County of Honolulu noted that Honolulu has over 250,000 residential parcels in the county with around 800 non-conforming TVU use certificates issued. He believes that legalization is needed to locate, monitor, and tax these additional TVUs. Steve Hunt of the County of Kauai pointed out that there is a balancing act in attempting to collect taxes from TVU owners because if TVUs cease operations due to their inability to pay outstanding tax amounts, it ultimately results in reduced revenue for the county.

There were two other panel discussions which conferees attended. The topic of one of these panel discussions was “The Millennial Revolution: Creating Policy for the Generation Y” which focused on the opportunities and challenges facing millennials in Hawaii. Councilmember Brandon Elefante did a solid job in serving as one of the panelists. The other panel discussed “The Growing Business of Medical Marijuana” and the implementation of Act 241, which the Governor signed into law in July 2015, creating the launch of the State’s Medical Marijuana Dispensary Program. The panel discussion included representatives from the State Department of Health, medical cannabis license recipient Lau Ola, third party quality assurance laboratory Steep Hill and the Kauai Police Department.

The conference also featured several distinguished speakers who shared their perspectives on critical issues facing our state and counties. The luncheon speaker was Howard Dicus, a renowned and well-respected business reporter. He spoke on his analysis of the state of Hawaii’s economy. The economic outlook and forecasts that he offered were very upbeat and positive. According to Mr. Dicus, our state’s economy is strong and performing well, in large part because the tourism industry continues to thrive and prosper. We have a low unemployment rate that hovers around three percent which means Hawaii is as close as theoretically possible to full employment. Everyone who needs a job can find one in today’s job market. Mr. Dicus also

opined that the Trump administration's pro-business policies and support for increased defense spending will also benefit Hawaii's economy. For these reasons, he believes that it is a good time to do business in Hawaii.

Notwithstanding the positive economic news, Mr. Dicus pointed to several problem areas that should be cause for concern for policymakers. He noted that many companies in Hawaii are having a difficult time finding skilled labor to fill jobs in critical areas such as accounting, human resources, and other occupations. Moreover, Mr. Dicus expressed his viewpoint that more needs to be done to improve the quality of public education and to address the lack of affordable housing for our workforce.

In addition to Howard Dicus, the other speakers included Senate President Ron Kouchi and House Speaker Scott Saiki who provided a recap of the 2017 legislative session. Conference participants also heard from Deborah Cox, Legislative Director of the National Association of Counties (NACo), who outlined key issues affecting the counties that NACo has been monitoring in Congress. These include: clarifying federal and local jurisdiction over waterways; proposals to establish a Disaster Deductible Program under the Federal Emergency Management Agency (FEMA); proposed reductions in funding for the counties under the Trump administration's "skinny" budget; legislation to eliminate tax exempt status of municipal bonds and the deductibility of county taxes; assistance and support for the counties to address the growing problem of opioid addiction; and the Trump administration's proposed infrastructure package.

### **Conclusion**

HSAC continues to provide a needed and convenient platform for the counties of Hawaii to gather and exchange information, discuss solutions to shared concerns, and to hear from experts

on external developments that may have an impact on the Islands. In 2018, it will be the City and County of Honolulu that has the responsibility to plan and organize the HSAC annual meeting.

City Council  
City and County of Honolulu

# CLAIM FOR TRAVEL REIMBURSEMENT

Date: July 27, 2017

Traveler: Council Chair Ron Menor

Event: 2017 HSAC Annual Conference

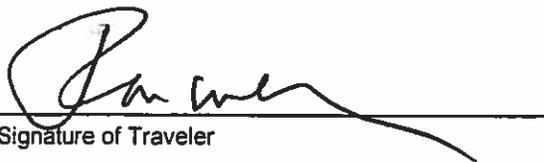
Location: Lihue, Hawaii

Dates From June 19, 2017

To June 20, 2017

Description	Amount	Notes:
1. Registration Fee	<del>250.00</del>	
2. Airfare	<del>144.00</del>	
3. Hotel	451.40	
4. Meals	<del>74.47</del> 71.97	
5. Ground Transportation	31.256	
6. Tips	<del>4.00</del> 14.70	
7. Other	37.00	Parking at Honolulu International Airport
Other	50.00	Checked Baggage Fee (25.00 + 25.00)
Other		
8. Adjustment		
TOTAL REIMBURSEMENT	<del>1042.12</del> 656.33	

This is to certify that the above data, based upon receipts submitted to Council Administrative Support Services via a CCLTRVL02 form, is accurate. Further, I am claiming reimbursement for expenses associated with a trip in which City business was conducted and personal funds were used to advance payment:

  
Signature of Traveler

JUL 28 2017  
Date