

Small Business Regulatory Review Board

MINUTES OF REGULAR MEETING

April 15, 2003

No. 1 CAPITOL DISTRICT BUILDING ROOM 436

CALL TO ORDER: Chair Katsumi Tanaka called the meeting to order at 11:10 a.m., with a quorum present.

MEMBERS PRESENT:

- Katsumi Tanaka
- Al Inoue
- Phyllis Shea
- Toni Davis
- Carolann Guy
- Denise Walker
- Robert Speers, Ph.D.

ABSENT MEMBERS:

- Warren Orikasa
- Dennis Okihara
- Nolan Ahn

STAFF: DBEDT:

Theodore E. Liu
Steve Bretschneider
Tom Smyth
Dennis Ling
Dori Palcovich
Eric Abdullateef
Shawn Pelley

Office of the Attorney General

John Chang

GUESTS: Ms. Karen Nakamura, Executive Vice President, Building Industry Association
Mr. Robin Matsunaga, Ombudsman, State of Hawaii

WORKING LUNCH AS THE MEETING PROGRESSED

APPROVAL OF MINUTES: Minutes of the February 11, 2003 and March 11, 2003 meetings were approved as presented.

PUBLIC COMMENTARY: Ms. Nakamura distributed a handout to everyone and discussed HRS Section 444-7, how the contractor and specialty subcontractor definitions affect construction contractors and their responsibilities, and explained the process once a bid is made, then having to meet special requirements using licensed subcontractors. She stated that they are currently working on revising the administrative rules by changing the definitions. She has a future meeting with the Department of Commerce and Consumer Affairs (DCCA) to present the proposed new wording, and will inform the Board of the outcome.

Mr. Matsunaga discussed the role of the Ombudsman. He explained that the Office of the Ombudsman serves as a third party for complaints from small businesses, consumers and individuals against state and county agencies, with the exception of elected officials. He stated the Office consists of eight investigators, which are funded in the legislative budget. He explained that a majority of the complaints are derived from prison inmates, as well as from individuals with child support, welfare and human service issues. Dr. Speers requested that Mr. Matsunaga in the next annual report, indicate the percentage of complaints pertaining to small businesses. Ms. Walker suggested that on the Ombudsman intake form that it list as an option either "small business" or "individual" complaint. In addition, could they obtain new statistical figures on all issues from DCCA. Ms. Walker informed Mr. Matsunaga that not one agency is abiding to Act 168 and requested an investigation of those agencies. Mr. Matsunaga requested that the Review Board submit a smaller breakdown of the request to seek out specific agencies not complying with Act 168.

Director Theodore Liu introduced himself and indicated that Governor Lingle invited the Review Board to the next Cabinet meeting in May to do a presentation to educate the Cabinet on the Board's view, expectations and interaction with all agencies. The Board was very open to this invitation and will begin to work on a strategic plan for the presentation.

OLD BUSINESS:

A. Update and Decision Regarding Maui County Requirements for a Letter of Good Standing for Kite Boarding Companies – Ms. Davis stated that the Department of Finance conducted a meeting with the Hawaii Kite-boarding Association. She also informed the Board that Mayor Arakawa of Maui met with Mr. Martin Kirk, President of Hawaii Kite-Boarding Association, and Mr. David Dorn, Owner of Actions Sports Maui. He requested that Mr. Kirk issue a Letter of Good Standing to Mr. Dorn. Ms. Davis asked that Mr. Tanaka and the Board send a letter to the Mayor asking that the waiver not come from an individual entity but from the county itself, in order for the Mayor to address the FAA regarding waiver rights being transferred. Ms. Davis will draft a letter from the Board to review, and Mr. Smyth suggested the letter, once approved, should be copied to Peter Young, Director, and Carol She', District Manager of the Maui District Branch, Small Boat Harbors, of the Department of Land and Natural Resources.

Board Action: Supported

B. Update and Discussion of Legislative Activity – Tracking and Monitoring of Bills – Mr. Smyth distributed a handout updating the members on related legislative activity. He stated that at the present time the legislature isn't moving any more bills and there has been difficulty from small businesses in supporting the Small Business Bill of Rights, but the related Resolutions are still alive. He explained that House Concurrent Resolution 57 and Senate Concurrent Resolution 76 have changed from an endorsement of the original Bill of Rights to request that the Board define and develop a more comprehensive Bill of Rights for the next session.

Board Action: None

C. Update from Board Members Regarding their Assigned Departments, Agencies and Acquaintance Meetings with Agency Heads– Ms. Guy gave an update on her recent meeting with Mr. Nelson Befitel, Director of Department of Labor & Industrial Relations. She stated Mr. Befitel would review administrative rules to determine which were affecting small business. She handed out a letter in draft form for the Board to review and approve before sending to Mr. Befitel.

Board Action: Supported

D. Review and Discussion on the following:

1. Functions of the Ombudsman for Hawaii's Small Business Community – Mr. Matsunaga, in his initial presentation, discussed the role and functions of the Ombudsman.

Board Action: None

2. Report from Deputy Attorney General Linden Joesting Regarding Possible Relevance and Assistance from the Ombudsman and Inclusion of County Issues.

Board Action: Deferred

3. U.S. Small Business Administration (SBA) "Office of Advocacy's Model Legislation for States" – Chair Tanaka stated the Legislative Subcommittee should research the advantages of using the SBA model. Dr Speers agreed to review the model legislation and offer recommendations.

Board Action: Supported

4. Update on Review Board's Marketing Publicity Committee and Marketing Plan - Ms. Davis distributed a "power point" handout for the Board's marketing plan. She requested input from the members on any new ideas once reviewed. She also suggested that the Board consider forming a public-relations committee. Mr. Tanaka inquired from Mr. Smyth about any future workshops with any State agencies. Mr. Smyth explained that the dates for the workshops should be announced in advance of the May Cabinet meeting, but will be conducted after the May Cabinet meeting. He also stated that there are normally a total of four workshops; three for the State

agencies and one for the Attorney General staff. He suggested that as soon as the Board organizes their presentation for the next Cabinet meeting and the workshops are scheduled, all members should try to be present.

Board Action: None

5. Update Topics and Issues to Address the Small Business Community by the Review Board -

Board Action: Deferred

6. Required Annual Reports from State Agencies

Board Action: Deferred

7. Proposed Draft Newsletter

Board Action: None

NEW BUSINESS:

- A. Review of March 24, 2003 Meeting with Maui Mayor Alan Arakawa and Department of Finance - Ms. Davis, in her initial comments on Agenda item A - Old Business, updated the Board on the meeting with Maui Mayor Arakawa and the Department of Finance.

Board Action: Supported

- B. Review of April 1, 2003 Meeting with Small Business Advisory Group – Director Liu, in his initial statement covered what was discussed in the meeting regarding the Review Board.

Board Action: None

- C. Review and Discussion on the following:

3. Upcoming Board Meetings using Video Conferencing

Board Action: Deferred

4. Implementing a Review Board Website – Ms. Davis informed the Review Board that she had created a new website for the Review Board at www.mauui.org/sbrrb. She suggested having a password protected by DBEDT and also posting the quarterly newsletter on the website.

Board Action: Supported

5. Sunshine Laws

Board Action: Deferred

REPORTS FROM COMMITTEES – There were no committee reports discussed.

Board Action: None

POLICIES AND PROCEDURES – Dr. Speers voiced concern about Ms. Davis's departure from the Review Board. Ms. Guy moved to add an item to the agenda regarding this matter so they could discuss the issue and Dr. Speers seconded the motion. All were in favor. After much discussion, Ms. Guy then moved to support the Governor's reconsideration of Ms. Davis nomination. Ms. Shea seconded the motion. All were in favor.

Board Action: Supported

ANNOUNCEMENTS

Ms. Palcovich introduced Mr. Dennis Ling as the Acting Administrator of the Strategic Marketing and Support Division. Going forward, she will report to Mr. Ling.

- Next Board Meeting – Tuesday, May 13, 2003, at 11:00 a.m. – No. 1 Capitol District Building, 250 South Hotel Street, 4th Floor, Conference Room 436

ADJOURNMENT: Chair Katsumi Tanaka adjourned the meeting at 2:30 p.m.