

Small Business Regulatory Review Board

MINUTES OF REGULAR MEETING

February 11, 2003

No. 1 CAPITOL DISTRICT BUILDING ROOM 436

CALL TO ORDER: Chair Katsumi Tanaka called the meeting to order at 11:07 a.m., with a quorum present.

MEMBERS PRESENT:

- Katsumi Tanaka
- Sidney Quintal
- Al Inoue
- Nolan Ahn
- Phyllis Shea
- Toni Davis
- Carolann Guy
- Dennis Okihara

ABSENT MEMBERS:

- Warren Orikasa
- Robert Speers, Ph.D.
- Denise Walker

STAFF: DBEDT:

Tom Smyth
Dori Palcovich
Shawn Pelley

Office of the Attorney General

Linden Joesting

GUESTS:

Theodore E. Liu, Director, DBEDT
Raymond Jefferson, Deputy Director, DBEDT
Steve Bretschneider, Chief Marketing Officer, DBEDT
Brad Coles, Owner of Sand Island Rhythm & Blues
Aaron Fujioka, Administrator, State of Hawaii Procurement Office (SPO)
Justin Fo, Purchasing Analyst, State of Hawaii Procurement Office (SPO)

WORKING LUNCH AS THE MEETING PROGRESSED

APPROVAL OF MINUTES: Minutes of the January 14, 2003 meeting were approved as amended.

PUBLIC COMMENTARY: Mr. Brad Coles spoke on his own behalf for possible nomination as a review board member.

Mr. Aaron Fujioka, SPO Administrator, distributed a handout and discussed administrative rules, related to Chapter 103D, HRS, Hawaii Public Procurement Code, applying to all procurements for the buying, purchasing, renting, leasing, or otherwise acquiring any good, services, or construction. Also discussed was Chapter 103F, HRS, Purchases of Health and Human Services, which applies to contracts for direct services to communities, families, or individuals, which are intended to maintain or improve health or social well being.

DBEDT Director Theodore Liu introduced himself to the board members. The members expressed their opinions about the Board, its function, its strengths and its weaknesses. After much discussion, Director Liu suggested that the members set up a meeting with him within a week to ten days to go over approximately six items of concern that may help to resolve some of the issues that exist with the board and its image.

DBEDT Deputy Director Raymond Jefferson introduced himself to the board members and offered his assistance to them if any future issues should arise. Mr. Jefferson expressed his gratitude toward Business Advocate, Dori Palcovich and Assistant, Shawn Pelley on their diligent work to assist the board by all possible means.

OLD BUSINESS:

- Discussion and Update of Legislative Activity – Mr. Smyth distributed a handout regarding all Senate Bills with potential small business impact. Ms. Davis expressed concern regarding SB 737 “Relating to Administrative Procedures” and would like to discuss this further at next board meeting. Mr. Smyth will have the House bills for the next meeting.
- Discussion of Internal SBRRB Procedures, etc. - Mr. Smyth announced that in the future, neighbor island board members will need to reserve flights in the “G” class; if not done properly, it could result in out-of-pocket payment of \$25. He also discussed the process of presenting testimony for neighbor island members. Instead of flying from neighbor islands, board members may either fax to DBEDT to submit, or an Oahu board member could attend hearing. The current budget for the board is approximately \$20,000 and funds are adequate to support all planned board activities.

NEW BUSINESS:

- Review and Discussion of State Motor Vehicle Franchise Protection Laws – Ms. Guy discussed the proposed legislation supporting the Hawaii Automobile Dealers Association in re-instating Chapter 437, HRS. The majority was not in agreement so the request could not pass. Mr. Tanaka made a motion to reconsider the request at the next meeting, it was seconded by Ms. Davis and the motion passed.

Board Action: Defer until next month

- Review and Discussion of the following:

1. **Small Claims Court** - Mr. Tanaka discussed and expressed the high volume of small businesses using small claims court. He suggested the board members discuss at the next meeting.

Board Action: Defer until next month

2. **New Board Members** – Mr. Inoue moved to nominate Ms. Davis, and recommend affirming appointment of Mr. Orikasa, Mr. Tanaka and Ms. Walker as board nominees; Ms. Guy seconded the motion, and the motion passed. Mr. Inoue made another motion to nominate Mr. Rietow as a board member, seconded by Ms. Guy. The motion passed with none opposed. The names of Ms. Davis, Mr. Orikasa, Ms. Walker, Mr. Tanaka and Mr. Rietow will be forwarded to Governor Lingle as board nominees.

Board Action: Passed

3. **Small Business Advocate (court advocate)** – Mr. Tanaka expressed concern about becoming more noticeable within the small business community with future advertising. He suggested the board members discuss the matter at the next meeting.

Board Action: Defer until next month

4. **State and County Procurement Code and Regulations and Rules** – Information was discussed during Mr. Aaron Fujioka’s presentation.

Board Action: None

5. **Senate Bill 735 “Relating to Administrative Rules”** – Mr. Smyth stated that SB735, which referred to the Board, has been deferred.

Board Action: None

6. **Senate Bill 1284 “Relating to the Small Business Regulatory Flexibility Act”** – Mr. Smyth indicated that this measure had been deleted from the hearing schedule of February 6, 2003, but may be rescheduled.

Board Action: None

7. **Functions of the Ombudsman for Hawaii's Small Business Community** - Mr. Tanaka discussed this information and suggested the board members discuss further at the next meeting.
Board Action: Defer until next month
8. **U.S. Small Business Administration Office of Advocacy's "Model Legislation for States"** – Mr. Tanaka handed out a booklet to all board members and asked them to review this information for further discussion at the next meeting.
Board Action: Defer until next month
9. **U.S. Small Business Administration Ombudsman Hearings** – Mr. Tanaka discussed this topic and suggested the board members discuss it further at the next meeting.
Board Action: Defer until next month
10. **Civil Rights Commission** - Ms. Joesting stated that she would bring information to discuss this topic at the March board meeting.
Board Action: Defer until next month

ANNOUNCEMENTS

Ms. Davis indicated that at the next board meeting she would discuss kite-boarding permits at Kanaha Beach Park in Maui.

- Next Board Meeting – Tuesday, March 11, 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 3:45 p.m.