

Small Business Regulatory Review Board

MINUTES OF REGULAR MEETING

February 14, 2006

No. 1 Capitol Building 250 South Hotel Street Room 410

I. **CALL TO ORDER:** Chair Woods called the meeting to order at 10:36 a.m., with a quorum present.

MEMBERS PRESENT:

- Lynne Woods
- Michael Yee
- Jeanette C. Otsuka
- Dorvin Leis
- Sharon L. Pang
- Charles Au

ABSENT MEMBERS:

- Ed MacDowell
- Donald Dymond
- George Handgis

STAFF: DBEDT Office of the Attorney General
 Dori Palcovich Margaret Ahn
 Joy Dawning

GUESTS: Daniel Dinell, Executive Director, Hawaii Community Development Authority (HCDA)
 Patrick Felling, Environmental Ombudsman, Department of Health (DOH)
 David Young, Communications Officer, Department of Business, Economic Development and Tourism (DBEDT)

WORKING LUNCH AS THE MEETING PROGRESSED

II. **APPROVAL OF MINUTES:** Minutes of the January 10, 2006 meeting were approved as presented.

III. **PUBLIC TESTIMONY:** Public testimony is included with each agenda topic discussed.

IV. **OLD BUSINESS**

- A. Update on Newsflash 2005-16, Ethics CPE Requirement – Mr. Au distributed updated information to the members from the Hawaii State Board of Accountancy regarding the Ethics CPE requirements. He indicated that overall the Board will allow accountants to use the four additional hours for ethics training. It is presumed that the amended rules outlining the proper process and requirements would be effective within the next year.
- B. Review of January 30, 2006 memorandum to Mr. Charles H. Morita regarding Measurement Standards Branch (DOA) - Chair Woods updated the members on Mr. Morita's concerns regarding regulating the taxicab and taximeter industry with consistent standards. She referenced correspondence to and from DOA, and indicated that they have taken into account Mr. Morita's issues, as they will be placing a document entitled "What to Expect at a Taxi Inspection," on the DOA website. Chair Woods recommended that the newly devised document also be distributed to each of the taxi drivers in addition to posting it on the website; the Board unanimously agreed. A letter will be mailed to Mr. Duane Okamoto, Deputy Director at DOA referencing this recommendation.
- C. Update and discussion of bills relating to Kaka'ako Makai, Oahu, Kaka'ako Community Development District, Lands Controlled by the State, Eminent Domain, etc. (DBEDT/HCDA) - Chair Woods explained that she requested the attendance of HCDA because there are a number of bills being heard at the legislature with opposing opinions of HCDA. Mr. Daniel Dinell, Executive Director at HCDA, presented an overview of the bills, which include amending HCDA's power as it relates to easements and the sale of Kaka'ako land, changing the HCDA Board's composition, requiring legislative approval of HCDA's master plans, and abolishing HCDA by returning jurisdiction of the land to the State and County of Honolulu. He discussed

each general area and answered questions from the members. It was indicated that some of these bills are more reactionary from the public rather than standard public policy.

Chair Woods told Mr. Dinell that if there are any significant issues of major concern relating to HCDA to let Ms. Palcovich know, as this Board occasionally offers testimony; that way, the Board will be able to discuss the issues and decide whether to support the bills or not. Ms. Chang mentioned that she was very impressed with the work that Mr. Dinell and HCDA have done.

- D. Update on Board members and nominations – Chair Woods informed the members that Mr. MacDowell has submitted his resignation as a Board member. She reiterated that Mr. Handgis will be away for another three to four months. She expressed that the Board is in need of a member from Kauai and the Big Island, as well as a member in the agricultural and medical industries. Ms. Pang will be nominating a highly qualified person from the medical field.

V. **NEW BUSINESS**

- A. Review small business concern, House Bill 2285 and Senate Bill 2248, “Relating to Solicitation of Funds for Charitable Purposes” – A small business owner approached Chair Woods with concerns regarding these two bills. One of the issues is that a sizeable fee is being imposed upon individuals who are grant writers; it was presumed to be a licensing fee which was unnecessary. It was noted that there are very few grant writers in Hawaii. Chair Woods recommended that the Board oppose these bills because they will impact many small businesses. If the bills are passed, they will eventually be presented to the Board as a set of rules; however, at that time, it may be too late to act on them. Mr. Yee recommended that the Board submit testimony in opposition of these two bills; the Board unanimously agreed. Chair Woods will research the origin of these bills and she and Ms. Palcovich will draft testimony on behalf of the Board; the draft will be submitted to the members for their review.

VI. **UPDATE AND OUTCOME OF STRATEGIC PLAN**

- A. Discuss strategy of outreach and marketing efforts – Mr. David Young, Communications Officer at DBEDT, explained how the Board can improve upon its marketing outreach efforts and communication strategies. He discussed various ideas for developing a strategy, which include establishing a goal, crafting a specific message statement, choosing a medium, locating a funding source, and finding a talent to market the Board. He noted that an effective communication program has more consistency, and emphasized that the members should be committed in their strategic plan. He mentioned that, generally speaking, investing time and energy into newsletters is only good for large organizations such as Walmart where, for example, an “employee of the year,” is recognized, or a new product is highlighted. Chair Woods indicated that she and Ms. Palcovich will put together a marketing strategy plan that covers a year, and upon completion, will present it to the members for review.
- B. Review existing SBRRB brochure – Chair Woods explained that the SBRRB brochure is mainly used by DBEDT’s Business Advocate when she distributes them at various small business functions. She asked that everyone review the brochure and let Ms. Palcovich know of any suggested changes. Mr. Young thought that the brochure should include success stories, or a space exhibiting “how can we help,” and Chair Woods recommended that the brochure include a picture of the Board members. Ms. Chang and Ms. Palcovich will update the brochure.

It was discussed whether Mr. Leis’ corporation could logistically and ethically inject funds into the SBRRB for marketing expenses. Ms. Ahn will look into these considerations.

- C. Discussion of the 201M-7 rule review process – Chair Woods discussed the process of reviewing the rules regarding the 201M-7 rule review process. Ms. Palcovich would like a response from the members to the agencies’ comments before December 2006 so that the report is prepared and completed for distribution to the legislature in a timely manner.

- VII. **REPORT FROM THE CHAIR** – Legislative up-date; including Senate Bill 2864, “Making an Appropriation for Regulatory Boards and Commissions,” SB 1380 SD2, HD 1, “Relating to the Small Business Bill of Rights,” the Board’s role on opinion of bills, approval for official delegation of non-board members, etc.

Chair Woods explained that Senate Bill 2864, "Making an Appropriation for Regulatory Boards and Commissions," was requested from the Legislature in order to have additional money set aside for an assistant for DBEDT's Business Advocate. The bill is currently moving through the legislature with no anticipated concerns to negate its approval. Regarding the Small Business Bill of Rights bill, Chair Woods noted that the Board did not ask the legislature to resurrect this bill and briefly discussed the bill's history. The Board's sentiments are that they are not interested in keeping this bill alive as presented but would continue to monitor it.

Chair Woods explained that Ms. Palcovich often gets calls asking the Board's opinion on existing bills, and noted that it is difficult for the members to convene to vote on a bill. She stated that if any of the members have an opinion on a specific bill, and on their own would like to submit testimony, they may do so individually or as an individual business owner, but may not represent the Board or testify on behalf of the Board. The Board, however, may establish an ad hoc committee to decide on certain legislation but a referral would have to be presented to the Board as a whole before the committee could act upon it.

Ms. Ahn indicated that when the legislature calls the Board and wants an opinion, and the Board has not met and a decision has not been made in an open meeting as to their decision, their opinion cannot be relayed. However, the sunshine law allows members to delegate a non-member to gather the opinion of each individual board member and to relay that information to the legislature. The delegatee however cannot discuss the opinions of the members with the other members as this would be viewed as communication between the members. Chair Woods recommended that when the Board's opinion is requested, DBEDT's Business Advocate will communicate by email to each member requesting their opinion, and based on a consensus of their opinion, will draft testimony on behalf of the Board; the Board unanimously agreed.

- VIII. REPORT FROM COMMITTEES** – Nothing was reported.
- IX. REPORT AND UPDATE FROM BOARD MEMBERS** – Nothing was reported.
- X. ANNOUNCEMENTS** – Chair Woods introduced and welcomed the Board's new assistant, Joy Dawning.
- XI. NEXT MEETING** - Tuesday, March 14, 2006, No. 1 Capitol Building, Room 410.
- XII. ADJOURNMENT** – Chair Woods adjourned the meeting at 1:12 p.m.