

COUNCIL ON REVENUES

Office on Aging Conference Room
No. 1 Capitol District Building
250 S. Hotel Street
Fourth Floor, Room 410
Honolulu, HI 96813

Thursday, January 7, 2016
10 a.m.

PRESENT:

Council Members:

Kurt Kawafuchi (Chair), Marilyn M. Niwao (Vice-Chair), Carl S. Bonham,
Christopher Grandy, Elizabeth P. Cambra, Jack P. Suyderhoud and Kristi L. Maynard

Staff Members:

Department of Taxation (DOTAX): Yvonne Chow, Tu Duc Pham, J. Guitguiten

Department of Budget and Finance (B&F): Terri Ohta, Gregg Hirohata-Goto and,
Donovan Chun

Others:

Paul Harleman, Senate Minority Office
Colleen Garrett, Senator Slom's Office
Elise Anderson, Senator Slom's Office
Maria Zielinski, Director of Taxation
Joseph Kim, Deputy Director of Taxation
Edwin Guzman, Budget & Finance
Louisa Lee, Budget & Finance
Titin Sakata, Department of Taxation

CALL TO ORDER:

Chair Kawafuchi called the meeting to order at 10am. A quorum was present.

COMMUNICATIONS TO THE COUNCIL AND PUBLIC COMMENT:

Chair Kawafuchi asked if there were any public comments or communications to the Council.
There were none.

MINUTES OF THE MEETING OF NOVEMBER 2, 2015:

Chair Kawafuchi called for a motion to approve the minutes for the meeting of November 2.
Ms. Maynard moved to approve the minutes. Ms. Cambra seconded the motion.

It was moved by Ms. Maynard and seconded by Ms. Cambra that the minutes of November 2nd meeting be approved. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Marilyn Niwao	Yes
Jack P. Suyderhoud	Yes
Carl S. Bonham	Yes
Christopher Grandy	Yes
Elizabeth P. Cambra	Yes
Kristi L. Maynard	Yes

GENERAL FUND REVENUE FORECAST FOR FISCAL YEAR 2016:

Chair Kawafuchi asked to discuss the recent settlement with the online travel companies (OTC). Chair Kawafuchi asked Dr. Pham or Ms. Chow to provide the Council with an update on the issue. Ms. Chow said that \$29 million was already collected from the online travel case and that another \$10 million was expected for this fiscal year. Dr. Suyderhoud asked if they were estimating \$10 or \$15 million on an ongoing basis. Ms. Chow said that another \$10 million would come for sure, although she was not sure when it would show up in collections. Ms. Maynard asked if the Department knew if it would come this fiscal year or next year. Director Zielinski said she believed that an additional \$10 million was expected from the Supreme Court ruling and that the Deputy Attorney General expected \$10 to \$15 million additional every year. She said that the Department expected to realize about \$35 or \$36 million for fiscal year 2016, net of payments to the outside attorneys. Dr. Bonham asked if this was all from the settlement. Director Zielinski said yes. Chair Kawafuchi asked if it was from a settlement or from the Supreme Court decision. Director Zielinski said that it's from the Supreme Court decision. She said when she asked for the bottom line, the Attorney General's Office said it was \$35 or \$36 million. Chair Kawafuchi asked if the \$35 million was a one-time infusion from the resolution of the Supreme Court decision plus the first year's additional revenue. Director Zielinski said the \$35 or \$36 million was just for the settlement, which she thought (she did not have her notes) went back to 2009 or 2011. Chair Kawafuchi said he thought it went back to 2002 or 2003. Dr. Pham said it went back to 2001. Dr. Pham said that the settlement was \$52.3 million, but after paying a contingency, the net was only \$39 million. Director Zielinski said that the total amount was about \$53 million, but there was a contingency fee for the outside attorney. Dr. Pham said it did not include rental cars. Chair Kawafuchi asked for the settlement amount for the period from 2001 to 2011. Ms. Niwao said it was \$39 million net of attorney's fees and that is the net that we received already for the current fiscal year. Director Zielinski said she believed it was \$53 million gross. Chair Kawafuchi asked if it was just for the Supreme Court settlement and did not include any additional amounts for current years. Director Zielinski said yes. She said field auditors are working on the additional years and as Dr. Pham said, they're also looking at rental cars and other things. Chair Kawafuchi asked if the figures included interest and penalties. Director Zielinski said yes.

Ms. Niwao said that the one-time infusion would be \$39 million plus an additional \$10 million, but the rest would be ongoing. Dr. Suyderhoud said yes. Chair Kawafuchi said if he understood

correctly, to date there was a partially favorable decision at the Hawaii Supreme Court that included interest and penalties on the favorable portion and what's been collected to date is for 2001 to 2011, the total amount of the tax, interests and penalties. He said we haven't collected the amount from the gap period and that he expected an additional revenue stream from the current year going forward of about \$10 to \$15 million. Director Zielinski said that's what she had been told and that they wouldn't need to retain the outside attorneys for that – that field auditors would do it.

Ms. Niwao asked if we had already received the \$10 to \$15 million, whether we had been collecting it for the past few months. Director Zielinski said no, because we've just collected from the Supreme Court decision, but that field auditors were working on the more current years, 2011 to 2013 or 2014. Dr. Suyderhoud said the question is whether, on an ongoing basis, they were paying. Director Zielinski said her understanding was yes. Chair Kawafuchi said he thought companies, once the decision came down and the period for reconsideration expired, would start paying, since the interest rate is 8% and there are potential penalties. Dr. Suyderhoud asked how the lump sum (the one-time payments to make up for the prior liabilities) was treated in the forecast, whether it was in the below-the-line adjustments. Dr. Pham said he thought Dr. Rousslang told him that when the Council met in September, it was below-the-line.

Chair Kawafuchi asked about the money that's being collected on a going forward basis. Dr. Bonham said they were discussing the lump sum. He said they discussed it at the last meeting and at the time they didn't know when the money was going to arrive. Ms. Niwao said yes. Dr. Bonham said that he thought it was not built in the forecast, that it was one of the things they thought made the forecast too low, because of the \$50 million that wouldn't go to the Hurricane Relief Fund this year and the potential for \$20, \$30 million (for the OTC settlement) that wasn't in the forecast.

Dr. Suyderhoud referred to table 6AA for the below-the-line adjustments and asked if there was an adjustment for the lump sum. Ms. Chow said no. Dr. Bonham said that it was in the general fund. Dr. Suyderhoud said he understood. Dr. Bonham asked if the estimate of \$10 million was for the 2001 – 2011 period. Dr. Pham said yes. Dr. Bonham asked about the period from 2011 – 2013 or 2014. Dr. Pham said that Director Zielinski said that they were working on that. Dr. Bonham asked if it was expected this fiscal year. Director Zielinski said yes, but that she would need to confirm. She said the monies are already in the litigation fund. Dr. Bonham said yes, but they have to find out how much they actually owe. Director Zielinski agreed. Chair Kawafuchi said usually it is pretty close. Dr. Bonham asked if there was another lump sum that was expected in addition to the \$10 million. Dr. Pham said yes. Dr. Bonham asked if we knew how much it would be. Dr. Pham said the \$10 million is part of the first \$39 million – we received only \$39 million. Dr. Bonham asked if there's a potential for another lump sum for the boom years from 2012 to 2014. Dr. Pham said yes, and that also the settlement for the 2001 to 2011 period did not include rental cars and that the Attorney General is going after the rental cars. Dr. Bonham said that was potentially a long-term thing. Chair Kawafuchi asked if the online rental cars did not pay general excise tax on the markup. Director Zielinski said yes.

Chair Kawafuchi said he was surprised that Hertz was not paying general excise tax. Director Zielinski said not Hertz, the Travelocity folks.

Dr. Bonham said that he understood that we have already received \$29 million and that an additional \$10 million was expected this fiscal year, and all of that was for the 2001 to 2011 period. He said there was another, as yet undetermined, amount of money for the 2012 to 2014 period. Chair Kawafuchi asked what part hasn't been determined. Dr. Suyderhoud asked why they were discussing the topic. Chair Kawafuchi said that he was just trying to understand what happened in the case. Ms. Niwao said if she were one of the companies, she would pay the amounts as soon as the Supreme Court decision was made, because there were penalties and interest. Chair Kawafuchi said a one-time infusion of \$50 million was less than 1 point for the first component and that represented perhaps 11 years, 2001 to 2011. He said they were still missing about 5 years and that it was correctly pointed out that the economy was stronger during that period. But even if it was roughly half, that was half of 1 point. Ms. Niwao said she thought it was 3 years worth, because they would pay currently in 2015. Chair Kawafuchi said he thought they'd pay as soon as the decision was made.

Ms. Niwao said she thought it was already included in the collections of this year. Chair Kawafuchi said it would be a big amount with penalties and 8% interest. Ms. Niwao said, yes, they would've have paid it correctly and that the penalties are 5% per month up to 25%. Chair Kawafuchi said that the Supreme Court said it was almost 50% between the 2 penalties plus the 8% interest. Ms. Niwao said she wanted to raise another issue. She provided the Council a letter regarding the computation of the Council mean forecast. She said it seemed to her that the mean forecast was high, so she calculated the mean for the individual COR member forecasts and it came out to 8.3% where it was showing up as 9.1% on the schedules. Ms. Niwao said that she asked about it and was told that the mean shown was not the mean of the individual forecasts of the Council members. Instead, she said they were computing an average of the economic indicators from all the Council members, then running it through the model to obtain the COR mean forecast. She said the effect of that is that all of the individual COR members' forecasts are not being considered. She said there was a lack of transparency in how the COR mean was derived, because they don't see how the mean is obtained. She said it also results in an over-weighting of particular input variables of certain COR members. She said she took as an example the current year (the COR's mean forecast for 2016) and compared it with the numbers that each of the individual COR members had forecast to be the growth rate. She said she wanted the Council to consider using 8.3% (the regular computation of the mean) when they considered the COR mean, rather than what is being done currently.

Dr. Bonham said that whatever the Council did, they should try to be as clear as possible as to what the calculations were. He said that wasn't the case right now if something was called a mean and was not the average of the member forecasts but instead was derived from the mean forecasts of the input variables. He said there was nothing statistically wrong with either approach and that the Council consensus forecast would be a valid term for the present method, since it was derived using consensus inputs in the tax model. He said he didn't see a problem either way, and that it didn't matter to him whether they used the current method or changed it. He said he thought it was an empirical question as to whether it makes a difference to the forecast accuracy. He said the key thing was that they label it accurately. He said they start with the "mean forecast" and then adjust it, so the end result could very well be the same. Ms. Niwao said she thought the current method tended to yield high forecasts. Dr. Suyderhoud said no. Dr.

Bonham said they cannot know that they have a systematic bias in either direction. He said they know only one data point. Ms. Niwao said she had asked the Tax Department to put together the growth rate using the actual mean. Dr. Bonham said they are doing the actual statistical calculation of a mean of our inputs and they are plugging that into a model. He said he would agree if Ms. Niwao wanted to re-label that calculation.

Ms. Niwao said that in the past, they presented the COR highest forecast and the lowest forecast and the mean rate. She said it implies that the Council mean is the mean of the member forecasts. Dr. Bonham and Dr. Suyderhoud agreed. Dr. Suyderhoud said he didn't have a problem changing that. Dr. Bonham said that they could have both numbers. Ms. Maynard said that the most common sense interpretation of the graphs (the material presented in the workbook) would be that the mean was the average of their individual forecasts. Dr. Bonham said they should drop the high and the low and take the average of what remained. He said if you want to worry about outliers, that was a useful approach. He agreed that graphs implied that the mean presented was the average of the individual forecasts, but said it doesn't mean that they shouldn't also take the averages of the inputs and run them through the model to see what they get. He said they could call that something like "mean model forecast."

Chair Kawafuchi asked Ms. Niwao what it does to the results if you use the actual mean versus the original method. Dr. Bonham said we don't know. Ms. Niwao said that we do. Dr. Bonham said you know for one period. Ms. Niwao said that they had the Tax Department compute the mean of the members' forecasts and compare it with the one they got with their original methodology. Dr. Grandy asked Ms. Niwao what she was referring to. Ms. Niwao directed him to look at the summary of members' forecasts for the meeting of January 7th. She said the mean forecast was 9.1% and the actual mean of the members' forecasts was 8.3%. Dr. Suyderhoud said that he understood.

Dr. Suyderhoud said Dr. Bonham's point is that if you were to replicate this experiment, going back to all the (model results) for forecasts that we've done, sometimes they would be higher and sometimes they would be lower relative to the average that you want to have clearly labeled. He said he agreed they should clearly label the mean forecast. Dr. Bonham said it was unclear what implications the relabeling had for the present forecast or for any past forecast. Ms. Niwao agreed, but said that when something is labeled as a mean, people would assume that it was the summation of the variables divided by the number of variables. Dr. Suyderhoud said that they all agreed with that and offered to make a motion to re-label the forecasts. Dr. Grandy asked if he could ask a question before the motion was made. Chair Kawafuchi said that he needed to understand and that he wanted to hear from everyone on the issue, because his reaction was "wow, this is producing a variation of 1 to 2 points in this one example and it could go either way." He said they were trying to reach the best estimate, but asked if he was hearing that the number is getting juiced up twice. Dr. Bonham asked where he got that conclusion. Chair Kawafuchi said it was not a true mean. He asked if it was run through once and then run through again. Several members said no, only once. Ms. Maynard offered an explanation that right now the mean that is shown was obtained by taking the average of each individual's inputs, like GDP, CPI, and then running the model with those input averages. Dr. Grandy said calling the output of those calculations the mean of the Council forecast made sense, because they took the mean of the inputs of each the member and ran it through the model and called the result the mean. He

said what was being suggested was an alternative way to do this by running the models for each of the members and then taking the average of the outputs. Dr. Suyderhoud said that they were already doing that, except that they did not calculate the average of the forecasts. Dr. Bonham said they haven't been taking each individual tax forecast from the Council members. He reminded the members that the numbers that came from the model that they have been calling the mean forecast are almost never the numbers that they end up reporting as the forecast. He said it was unclear whether they were discussing something that has any implication for the forecast they actually pick. He said they just needed to label it correctly. Ms. Niwao suggested 'the COR mean'. Dr. Bonham said there were two different COR means: the mean that comes from having the mean of their inputs run through the model and the mean of the individual forecasts. He said they should know what both of them are and pick their forecast. Dr. Grandy agreed both would be helpful.

Ms. Niwao asked why the model ended up with such a high average. She said looking at the numbers, it was always high. Dr. Suyderhoud said that was the result for the particular inputs for the present forecast. He said if you go back to all the prior forecasts that they have done, he was sure there would be occasions when the approach comes up with a higher average than the average of the inputs. Dr. Bonham, Dr. Suyderhoud and Dr. Grandy discussed why the two means gave different results. Dr. Suyderhoud pointed out that not everybody forecast all the variables. Dr. Bonham said that if one went back a number of years, they never reported the individual Council forecasts. He said he argued that they should report the individual Council forecasts and show the high and the low so they could get an idea of the dispersion. He said the current Council mean forecast is calculated the same way that they did it when Dr. Suyderhoud was on the Council for the first time. Dr. Grandy asked how to interpret (in Chart 2), the general fund high, low and mean forecasts. He asked if the high and the low forecasts were the highest forecast for each year regardless of who has made the forecast, or if they chose the forecast of a member that in general was higher than the others and put that into the model.

Dr. Pham said that when he was with the Tax Department they were instructed by the Council to get the highest and lowest input variables, but after he retired there was a change – the high and low are the highest member forecast and the lowest member forecast. Dr. Grandy said there were different members each year. Ms. Maynard said those would be interesting numbers too.

Dr. Suyderhoud asked if they could make a motion. Chair Kawafuchi said he wanted to make sure he understood. He said in making a change he was concerned they would be going apples to oranges from the earlier years. He said he preferred to keep the method consistent. He said another thing that had always concerned him is why the Council's forecast (when he was Director of Taxation) seemed to lag on the way up. Dr. Suyderhoud answered that that is the nature of forecasting. He said forecasters tend to miss peaks and valleys, or turning points. He said he has had 30 years experience with the issue and that every Council has tried to improve, because they didn't like to be wrong, but it was inevitable. He said he didn't know if we were at a turning point right now, but that we may well be. Chair Kawafuchi said that Ms. Niwao's example seemed to increase the volatility or the beta in terms of how variable the forecast is. Dr. Bonham said that conclusion could not be drawn from the numbers. Chair Kawafuchi said that he thought it seemed like the two methods made a 1 or 2 point difference. Dr. Suyderhoud said that was for the present input variables and forecast. He said the result might not hold for

another set of input variables. Dr. Bonham asked how they could know that the mean of the inputs wasn't the right forecast. He said they were looking at two forward-looking forecasts. He asked Ms. Niwao if she knew which one was right. Ms. Niwao said the way the Council mean was calculated seemed to be skewed by some variable in the model. Dr. Bonham said it was not skewed if it was right. He said that if it was right, then the other calculation was skewed downward. Ms. Niwao said when you say something is a mean of the variables, it is accepted the mean is calculated using the variables involved. Dr. Bonham said they had already agreed to that. Dr. Suyderhoud said he was trying to make a motion to that effect. Ms. Niwao said thank you. Ms. Maynard said she would second the motion. Dr. Suyderhoud said he wanted to make the motion first.

Chair Kawafuchi asked Dr. Suyderhoud for the motion. Dr. Suyderhoud said he wanted to add to the Council's summary statistics that they are provided on a regular basis the average of the Council members' individual forecasts. He said it could be called the Mean Forecast of the Council Members. He also said they should keep the other forecast and call it the Input Mean Forecast. Dr. Bonham said perfect and seconded the motion. Dr. Grandy also seconded the motion.

Chair Kawafuchi said he still didn't understand the motion. Dr. Suyderhoud explained that he said he would like to keep the method they had now, re-label it as the Input Mean Forecast and also add the mean of the Council member's individual forecasts. Chair Kawafuchi said, just so he understood, the historical method, the way it had always been done, and that they would also do the average another way (the second method). Dr. Suyderhoud said right, which would take the Department only 30 seconds to do. Ms. Niwao asked if the results included below-the-line adjustments and referred her question to Dr. Pham. Dr. Pham said yes, and more detail would give the staff more work. He said Ms. Chow had a staff of only one. Dr. Bonham asked what was meant by "more detail." Dr. Pham said such as table 6AA or 6BB. Ms. Niwao said that when staff did this, they would spend a lot of time extrapolating the numbers out. Dr. Bonham and Dr. Grandy disagreed. Ms. Maynard asked which forecast would be used to extrapolate the numbers? Dr. Pham said that now they present all the tables and all line items for the current forecast, and asked whether they wanted the same line items with every member's forecast. Dr. Bonham suggested adding to Charts 1 and 2. Ms. Maynard said no, that they would want to change the numbers. Dr. Grandy asked if they needed the implications for the individual components of the tax revenue. He asked if they cared about the separate implications for the individual or corporate income taxes. Dr. Bonham said they were considering changing all of the methodology that the Council has been using for the last 20 years. He said that meant that the numbers that are reported in table 6AA. Dr. Pham said it would take a lot of time to add another line item. Dr. Bonham said no, he was not talking about changing the numbers used in table 6AA or 6BB, which should still be based on the Council mean inputs. Dr. Suyderhoud said it was their model. Dr. Bonham said they should run each Council members' input through the model to get a tax forecast and then average those and provide the result, which may be called the Council mean tax forecast or something. Dr. Grandy asked if that was what was reported as the below-the-line number. Dr. Bonham said yes. Dr. Grandy said Dr. Pham was asking about whether they also wanted the detail on top and he said he thought they did. Dr. Bonham disagreed, because they could continue to use the mean Council input forecast for these tables, so nothing would change. Dr. Grandy and Ms. Maynard agreed. Dr. Pham said they handed out

tables A, B, C, D and F. Dr. Bonham said that for all of those tables, it should be made clear they are based on the Council's mean input forecasts, so that what is being done is clear. Chair Kawafuchi said that Dr. Pham was saying (if he understood correctly) that they used to have a staff of 7 or 8. Dr. Bonham said this has nothing to do with that. Chair Kawafuchi said and now it's just one person. Dr. Bonham said that what he was suggesting didn't increase the staff's workload. He said everything would be left the same, except that staff would calculate the true mean of the individual Council member forecasts, call it that, and show the Council that number. Ms. Maynard said but then they would not be using the numbers from that. Dr. Suyderhoud said they would continue to deliberate on the same things as before. Dr. Bonham said they would deliberate on them and make the final forecast. Then, staff would go back and distribute (to the individual tax types) in the tables. Chair Kawafuchi asked Dr. Pham what he was referring to. Dr. Pham says that Ms. Niwao requested that the new average be used to construct the detail in tables 6AA and 6BB. Dr. Bonham said the detail was not needed, because they were going to end up changing the forecast anyway and then they would have to go back and re-do the detail in the tables. Ms. Niwao said that implies that the members did not actually use the detailed numbers for their forecast. Dr. Bonham asked when is the last time that the members had discussed any of the detailed tax types at a meeting, other than the TAT (transient accommodations tax). He suggested they try that for the next meeting and then re-visit the question then. Ms. Niwao said she wanted to see what the below-the-line adjustments were. Dr. Bonham said none of those would change. Chair Kawafuchi summarized his understanding of what the Council was proposing. He asked if there would be another method that would be considered. Dr. Suyderhoud said no. Dr. Bonham said no, there would be one more general fund forecast than they presently see in the tables. He said, it would be the average of the individual forecasts. Chair Kawafuchi said he understood that, but said that they were asking for another method. Dr. Suyderhoud said no. Ms. Niwao said no, what was being requested was for staff to show the true mean of the individual Council members' forecasts. Dr. Bonham agreed. Ms. Maynard said they were not going to use that to come up with the dollar amounts. Dr. Suyderhoud said they never used the averages, they deliberate using all the information, including the results from the models and their own individual forecasts to come up with a decision.

Dr. Bonham said there was nothing new to run through the model. He said it was the average of the members' individual forecasts. Chair Kawafuchi said what he meant was that there would be another line with the true mean that wasn't historically listed. Ms. Niwao agreed. Chair Kawafuchi pointed it out, referring to Ms. Niwao's hand-out. He said Dr. Pham is asking whether he has to extend out these taxes for each year, and Chair Kawafuchi said probably not, because it has never been used. Dr. Suyderhoud said that was not what the motion was about. The motion was about the chart that they had (Summary of Member Forecast—meeting January 7, 2016). Chair Kawafuchi said it was very technical. He asked Dr. Suyderhoud to tell the Council what the motion was, in relation to the chart. Dr. Suyderhoud said take any one of the three tables on the chart and leave it exactly as it was, except to call the first line "Mean Input Forecast" (for each of the three models); and then call the average the "Mean of the Council Member's Forecasts," and to be sure to put the apostrophe in the right place. He asked if that made sense. Chair Kawafuchi said yes and asked Ms. Maynard if she had seconded the motion. Ms. Maynard said yes, she had at one point, but that others had also seconded. Chair Kawafuchi asked for a second and Dr. Suyderhoud said yes, there was a second. He asked if Dr. Bonham

had made the second. (Dr. Bonham said yes, he and Chris). Chair Kawafuchi asked for all in favor. The vote was unanimous.

Dr. Suyderhoud made a motion to add to the Council's summary statistics: 1) "The Mean Forecast of the Council Members"; and, 2) rename "Mean Forecast" to "Input Mean Forecast". Dr. Grandy and Dr. Bonham seconded. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Marilyn Niwao	Yes
Jack P. Suyderhoud	Yes
Carl S. Bonham	Yes
Christopher Grandy	Yes
Elizabeth P. Cambra	Yes
Kristi L. Maynard	Yes

Chair Kawafuchi referred to the forecast for the current fiscal year (2016). He asked Dr. Pham or Ms. Chow to provide an explanation of the COR's workbook. Dr. Suyderhoud said that the Council had been given tables A and B, which showed what the rest of the year had to look like in order to come up with the forecast. He said in order for fiscal year 2016 to end up at 6%, the December through June growth rates had to be 3.9%. He said he found both of the tables useful and thanked the Department for preparing them. He said the second table showed the result if one assumed other growth rates for the rest of fiscal year 2016. He asked if anybody was expecting revenue growth to slow down to 3.9% for the rest of the year. Ms. Niwao said maybe on Maui.

Dr. Bonham asked if anyone knew anything about December collections. Ms. Chow said not yet. Chair Kawafuchi asked for collections as of November. Ms. Chow said the cumulative as of the end of November was 9.2%. Chair Kawafuchi asked what it was for the previous month (October). Ms. Chow said she didn't have that information. Dr. Suyderhoud said that part of the growth of 9.2% came because they didn't have the \$55 million in draw down right (for the Hawaii Hurricane Relief Fund). Ms. Chow said yes. Dr. Suyderhoud asked if without the \$55 million draw down the growth rate would have been 6%. Ms. Chow said actually, without the \$55.5 million (draw down) and the \$29 million (from the OTC settlement), growth would have been 4.7%. Dr. Suyderhoud asked if that meant growth was at 4.7% without these (one-off) things. Ms. Chow said yes.

Chair Kawafuchi asked what the growth of 4.7% entailed. He asked when the draw down for the \$55.5 million happened, whether it was at the beginning of the year. Ms. Chow said in August. Chair Kawafuchi asked if that meant that the true growth rate went down. Ms. Chow said yes, to 4.7%. Ms. Niwao said that 4.7% is the underlying growth rate. Dr. Suyderhoud said that was for the first part of 2016, before considering the effect of the Hurricane Relief Fund and the online travel company settlement.

Dr. Bonham asked if taking out those two lump sums yielded 4.7% growth through the first 5 months of the fiscal year. Chair Kawafuchi asked if that was the number through the end of November. Ms. Chow and Ms. Niwao said yes.

Chair Kawafuchi said he understood that they were comparing 4.7% growth to what growth would be for the balance of the year. Dr. Suyderhoud asked Ms. Cambra what was happening in the visitors industry. Ms. Cambra said she didn't have any changes from the last meeting. Airlift and the price of air seats remained relatively steady. She said there was a fair bit of discounting in the air seats, which is common for the first quarter. She said everybody spent a lot of money during the holidays and needed an incentive to travel. She said there were no outliers at this point. Dr. Suyderhoud asked about markets that have been affected by exchange rates, such as Japan, Australia or Canada. Ms. Cambra said there is nothing significant at this time from any of those markets. Dr. Bonham said that Asia (non-Japan) and other markets are better, including Canada. Ms. Cambra said if there was something around the corner, they don't know it yet, but she didn't know why things would change. Ms. Maynard asked Ms. Cambra whether she'd expect growth of 2% or no growth. Ms. Cambra said they were anticipating positive growth, but that it would be lower compared to prior years. Chair Kawafuchi asked if Ms. Cambra meant growth in the number of rooms or in revenue. Ms. Cambra said hotel revenue. Ms. Maynard asked what Ms. Cambra meant by a low growth rate. Ms. Cambra said 1% to 5%. Dr. Suyderhoud said that his visitor assumptions were modest at 3% growth for 2016, and 2% for 2017. He said his numbers may be a bit high or a bit low.

Ms. Maynard asked Dr. Bonham what his estimates were. Dr. Bonham said for fiscal year 2016, growth in visitor arrivals at 3% and growth in expenditures at almost 2%. He said it was not very different from what he said in the last forecast. He said the following fiscal year was a fair amount weaker. Dr. Suyderhoud asked how much weaker. Dr. Bonham said 1% arrivals growth and about the same for spending growth. He said that was because they were forecasting fairly slow growth in non-US, non-Japanese visitors and they thought the exchange rate would begin to take effect. He also said some of the people in UHERO were afraid of additional appreciation of the dollar with the rise in interest rates. Chair Kawafuchi said (the dollar) went up quite a bit against the Chinese renminbi. Dr. Suyderhoud said that was a China story. Dr. Bonham said that the Canadian dollar was off this week, but the yen had appreciated some. He suggested not trying to forecast exchange rates. He said there were some things that could go wrong, but also some things that could go right. He said oil prices are in the low \$30s, which he said no one was expecting 6 months ago. He said that was benefitting travelers substantially.

Chair Kawafuchi asked Dr. Bonham if he expected more interest rate increases by the feds. Dr. Bonham said yes, unless the markets continue to be volatile and we see slower growth. He said inflation will not pick up if we don't see wage growth. He said he didn't expect to see interest rates increase nearly as fast as the fed said they were going to increase them. He said their forecast has been wrong every year for the last 5 years, that they've over-forecast growth. Chair Kawafuchi agreed. Dr. Bonham said that he takes their forecast with a grain of salt and that it wouldn't surprise him if we only get 2 or 3 interest rate increases. He also said he thought the construction sector was really contributing revenues again. He said he thought the general excise tax base on contracting was up by 15% or 16% on a calendar year basis and that the growth is expected to continue. Chair Kawafuchi asked for how long and said it was a very high rate of

growth. Dr. Bonham agreed and said that growth rates won't continue like that for much longer. He said they were forecasting double digit growth rates out for the next 3 fiscal years, counting this year, and that 2018 was the last year that they forecast a 10% growth rate in excise tax base. Chair Kawafuchi asked if that was for contracting revenue. Dr. Bonham said yes, but that it falls off fairly quickly and then turns negative in 2021 and 2022.

Chair Kawafuchi asked Dr. Grandy what he thought. Dr. Grandy said he thought that both Dr. Suyderhoud and Dr. Bonham were under-forecasting visitors. He said he has visitor arrival growth being higher, closer to 5%. He said he did not expect expenditure growth to be as high; expenditures had been growing at about 2% on year-to-date basis (the past 12 months). He said he expects growth to pick up for a couple of reasons, the main one being what Dr. Bonham mentioned about oil prices, where the drop was enough to depress the GDP (Gross Domestic Products) deflator. He said oil prices were dropping as fast as the contracting tax base was rising in Hawaii. He said he thought the drop in oil prices would cause real income to rise and would buoy arrivals from the mainland. Chair Kawafuchi asked if there was going to be significant additional hotel rooms coming from all the new construction. Dr. Grandy said he did not know that. Ms. Maynard said she was concerned whether we had hotel rooms to house 5% more. Dr. Bonham said that they had been making that argument for the last 3 years. He said increased lift pushed visitors out to the neighbor islands. He said visitor days on Oahu were actually down, but he didn't know if arrivals on Oahu were down this year – though they may have been down in 2015. He said the growth has been a neighbor island story and that there was room there for additional growth. He said a Ritz Carlton was coming in the middle of this year or late this year. Ms. Cambra said yes, the first tower. Dr. Bonham said the Ohana is probably coming back soon. Ms. Cambra said around April. She said Reef is still in permitting. Dr. Bonham said he thought that Ihilani would come back before summer and that there was some growth in accommodations. Chair Kawafuchi asked if there would it be 5% more rooms coming available. Ms. Cambra said that she had some information that she could bring to the next meeting or provide by email.

Dr. Bonham said that the forecast for transient accommodations is for the near-term and is based primarily on expected closures, openings, and so on. He said their estimates showed a decline in the first quarter of this year and growth of 1.5% in the second quarter, for a net for the first half of 2016 of about 1% growth. Chair Kawafuchi asked if growth was in available rooms or in capacity. Dr. Bonham said all available. Ms. Cambra asked about Kapolei. Dr. Bonham said he thought it was coming the first half of this year. Ms. Cambra said she thinks they just broke ground. Dr. Bonham said then maybe it's the first half of 2017. Ms. Niwao said the Lana'i hotels also are coming back on line. Dr. Bonham said that they gathered information on all the expected openings and closings and used that for a short-term estimate. He said the swing variables (the condos, B&B's) gave a lot of flexibility. But he said he agreed with Dr. Grandy that we wouldn't see 5% growth in the fiscal year. Chair Kawafuchi asked about the construction industry and the recent change in rules about Ohana housing. Dr. Bonham said that the big news in construction isn't Ohana housing right now, because to build Ohana housing, you had to have parking to meet the permit requirements. He said he didn't know of anyone who had the parking. He said that the big story right now is Ho'opili, which went through the courts. He said they will begin work this year and that in the long-term the fact that they didn't kill it was a really big deal. Chair Kawafuchi asked if there were any other industry sectors that may impact the revenue

stream going forward besides tourism and construction. Dr. Bonham said that the other thing that's happening (he thought since their last meeting) is that the federal government backed off from the sequestration for the current and the next fiscal year. He said that had been one of the main drags on the economy. He said about the only thing that's been falling has been federal government employment and sometimes state government employment when you have hospital layoffs or things like that. He said taking that drag away is important, at least near-term. He also said construction in retail (when the international marketplace opens, Ala Moana opening, the mall in Kapolei, work going on in Maui) was positive, although he noted there were new layoffs on Maui (Macy's, HC&S). Ms. Niwao said a problem she saw right now was China devaluing their currency, because they expected their economy to go down further. Dr. Bonham said 6.7% growth is the latest World Bank forecast. Ms. Niwao said to her that was still growth, but she said all the gains we had last year in the equity markets were lost in the last few days. Ms. Maynard said she was concerned how much the stock market was reacting to instability in China. She said people were seeking safety due to increased volatility.

Ms. Niwao said that was a problem, because the foreign currency factor can make it much more expensive for visitors to come here. Dr. Bonham said they (China) were not a big piece of our spending right now. Ms. Niwao agreed. She said oil was also a factor. Dr. Bonham said that in 2015 non-US, non-Japanese visitors grew at 5.1%, and those were the countries whose currencies were down 25% from the year before. He said he agreed it should make a difference, but that for some reason visitors were still coming from these countries. He said that further volatility won't necessarily lead to more depreciation of these currencies. He said that in fact it could work the other way around – enough weakness in China (and devaluation of the Chinese currency) could cause the fed to back off on its planned interest rate increases, which would prevent further depreciation in these currencies.

Ms. Niwao said that she didn't think we had seen the full effect of the foreign currency changes. Dr. Bonham agreed, but said that the fundamentals in the real economies throughout the world even in China, were much better than indicated by behavior of the stock market. He said some of what's going on in the stock market is related to the fact it had experienced a doubling or near tripling of valuations over the last couple of years and so was over-valued. Ms. Niwao said she wondered how accurate the numbers about China's growth were. Dr. Bonham said they were probably as accurate as they were three or four years ago. Ms. Maynard said she didn't know how to incorporate into the forecast the wealth effect from the drop in the stock market. She said we had many US visitors who weren't going to feel as flush as they felt three months ago. A few COR members agreed.

Dr. Suyderhoud asked if the members could return to the forecast. He asked if anyone thought the forecast of 6% should be raised or lowered.

Dr. Bonham said if growth was 6% for the rest of year, then our forecast for the whole year ends up at growth of 7.3%. Dr. Suyderhoud agreed. Dr. Bonham said he was comfortable with a number that high. Dr. Grandy said he would be comfortable with 8%. Ms. Niwao said 7.3% would include the extra money. Dr. Bonham said it won't take into account the fact that we were going to get more extra money—another \$10 million, \$20 million, \$30 million, from the 2012 to 2014 settlement. Dr. Suyderhoud said the current below-the-line forecast was 6%. Dr. Bonham

said if that economic growth rate were to continue, it would suggest that by the end of the year the growth rate for revenues would be higher.

Dr. Suyderhoud thought that part of the 6% is from one-time effects. He said if growth for the rest of the year is 5%, growth for the whole year would be 6.7%. Ms. Maynard said she would feel more comfortable with a number like that (6.7%).

Dr. Bonham asked if any of the equations for the UCLA model were used for quarterly forecasts. Dr. Pham said no. Dr. Bonham asked if any of the forecasts that are in the tables are quarterly. Dr. Pham said no, annual forecasts only. Dr. Bonham asked if this meant that none of the forecasts that came from the models contain information about the extra (\$30 million in OTC settlements or the \$55 million in allocations to the Hawaii Hurricane Relief Fund), because it wasn't included in the below-the-line adjustments. He said if a quarterly model was used, the effects would already be in the collections. But an annual model looks at growth rates from last fiscal year to this fiscal year and ignores the extra \$30-plus million and the \$55 million. Chair Kawafuchi asked Dr. Pham if that was accurate. Dr. Pham said he wasn't sure what Dr. Rousslang had included in the above-the-line estimates. He said the \$39 million may be included in the above-the-line figures according to what Dr. Rousslang told him. Dr. Pham said he would have put it in a below-the-line adjustment. He said Dr. Rousslang told him that he had already informed the Council and the Department that the OTC settlement moneys were not included in the below-the-line adjustments. Chair Kawafuchi said at best it was uncertain. Dr. Bonham agreed.

Ms. Niwao said if we're looking at a 4.7% underlying growth rate, rounding it up to 5% (growth for the rest of the year) would yield 6.7% growth (for the whole year) and if it was 4% (growth for the rest of the year) it would end up being 6.1% (growth for the whole year). Chair Kawafuchi said we have one-time effects that would affect growth in the current fiscal year. Ms. Niwao asked Dr. Pham about solar credits. Dr. Pham said he had emailed 3 factors to the members. He also said an extra \$10 million was expected from on-line travel settlements and they expected (according to Dr. Tian from DBEDT) about a \$25 million more in tax credits for the PV (photovoltaic) systems, offset by what he estimated would be about \$50 million less in high tech credits. He thought all three factors together were a wash.

Chair Kawafuchi said he understood there's quite of bit of auditing going on with the PV credits and asked Director Zielinski if any of the cases would reach court. Director Zielinski said she didn't have any information on that question right now and was not sure. Chair Kawafuchi said that from knowing people in the tax industries, he knew there were a lot of audits. Director Zielinski agreed that there were a lot of audits, but she said she doesn't have specific numbers. Chair Kawafuchi said when you have really generous credits, he has seen that some taxpayers are highly aggressive. Dr. Bonham asked how we were doing on fraud this year. Dr. Suyderhoud asked if the fraud story was over. Director Zielinski said it's not over. She said the tax season is not here yet, but her people told her that so far this year it was less than they had expected. She said that nevertheless they have stopped about \$11 million dollars since the last wrap up (the last one being \$21.5 million). She said they were watching out for the problem. She said sometimes in October there would be a bump, but this year it has not been as much as they thought. Dr. Bonham asked if the Department had enough staff to deal with the problem.

Director Zielinski said they had an *ad hoc* team of four people that were pulled from different areas, but that a budget request has been made for a dedicated team, an investigation branch.

Chair Kawafuchi said if he remembers correctly there was a discussion about how potentially fraudulent claims were affecting the processing of refunds, but that we were caught up by the end of last fiscal year. He asked what happened since last fiscal year. Director Zielinski said the Department was pretty much caught up, with the last report indicating that they were within a month of processing. She said there were big bumps where it had looked like tax revenues were over-stated, because refunds were delayed, but that they were now caught up and, in fact, were about a month or so ahead of schedule. Chair Kawafuchi asked if there were any other things happening at the Department that could affect the revenue stream, such as the new system modernization. Director Zielinski said the first roll-out was successful and was completed at the end of the calendar year (more equipment was brought on line and more e-filing portals were done). The next roll-out is GET, which will not be completed until August. She said that processing should be better, because we have newer equipment (faster, better resolution, etc.). Chair Kawafuchi asked if it would accelerate the cash flow. Director Zielinski said they hoped that it would. She also said they had implemented a lock box, so GET moneys would go directly to First Hawaiian Bank, and within 24 hours the moneys would be sent to the treasury. She said that before it sometimes took 2 months. She said the individual income tax will still be processed, but that (the lock box) should reduce backlogs and other delays. She said they chose the largest tax type (GET, which is almost 50% of the general fund) for the first roll-out. She also said they were preparing for the push on refunds, because they had had a big backlog last year. She said they made some modifications to smooth the process. She said they were still going to communicate a 16-week processing period for refunds, although they believed it would be a lot less. Chair Kawafuchi asked if there was still a dollar charge if the taxpayer pays electronically. Director Zielinski said yes, but that after all of the tax types have gone to the new system, there would be no cost. She said they hoped it would encourage people to use e-filing instead of paper. She said that right now, paper is 60% to 70% of the total. Chair Kawafuchi asked about payment by credit card. Director Zielinski said payment by credit card would have a cost, but that there was no cost if a debit card is used. She also said there was no charge for e-filing. Dr. Bonham asked if the Council would be able to get reports on GET collections month-to-date at their meetings. Director Zielinski said that was the expectation. She said the reports will also provide more detail. Chair Kawafuchi asked if he would be charged a dollar if he goes online and uses his bank account routing number to pay out of his checking account. Director Zielinski said there would be no charge. Chair Kawafuchi asked when that would happen for the GET. Director Zielinski said the roll-over of GET to the new system would be finished in August this year. She said it would create extra work, because they would be working on two systems for a time - the new system for GET as of August and the legacy system for everything else - until everything else is brought over to the new system. Ms. Cambra asked for the completion date. Director Zielinski said July of 2018. She said there would be 5 roll-outs, starting with the GET, then the TAT and the county surcharge, corporate and withholding, individual taxes, and finally the fifth one is the miscellaneous taxes (tobacco, fuel tax, etc).

Dr. Grandy asked to move the discussion back to the revenue forecast. Ms. Niwao asked if the Department would be able to capture the data on exemptions from the GET. Director Zielinski said yes. Ms. Niwao asked if, for example we would be able to say how much the subcontractor

deduction would cost. Director Zielinski said all of the changes were being examined and that although she had not seen the results yet, teams were working on the GET exemptions. Ms. Maynard asked if, when the GET was rolled out by August of this year, it would accelerate collections. Director Zielinski said that was the expected result. Dr. Suyderhoud asked if accelerating collections meant moving the collections from the 15th of the month to the 10th of the month. Director Zielinski said no. Ms. Maynard said Director Zielinski had said it was two months. Dr. Bonham asked if that meant that July collections are from (liabilities incurred) two months earlier, but that now we would get them in real time. Director Zielinski said the processing will definitely be faster. Chair Kawafuchi said that only part of the GE revenue base would be moved forward, just the part that comes from (for example) paper checks. He said that now they can e-pay and that there would be other accelerations. Director Zielinski said she thought the effect from timing of collections would not be significant, but that the new system would improve compliance, because we would be better able to determine who was paying and who was not. Ms. Maynard said thank you.

Chair Kawauchi asked Dr. Suyderhoud if he wanted to return to his discussion of the forecast. Dr. Bonham moved to adopt a below-the-line growth forecast for the current fiscal year of 7%. Dr. Grandy seconded the motion. Chair Kawafuchi said he thought the discussion up to then had implied a growth forecast of 5%. Dr. Suyderhoud said a motion had been made. Dr. Grandy said he had seconded it. Ms. Maynard said the forecast seemed high. Ms. Niwao and Chair Kawafuchi agreed. Chair Kawafuchi said the forecast (of 7%) was an abrupt change from previous discussion. Dr. Bonham disagreed. Dr. Suyderhoud said the previous discussion was at 6.7% and that Dr. Bonham made the motion for 7%. Chair Kawafuchi said he saw a 2 point jump, from 5% to 7%. Dr. Suyderhoud said that right now growth was more than 6% and the question was what the growth rate was going to be. Dr. Bonham said that to get to a 7% growth rate forecast that the growth rate for the period from December to June would need to be 5.5%. Chair Kawafuchi said he might have misunderstood and apologized. He asked Dr. Grandy if his figure of 7% was for nominal growth. Dr. Bonham said everything is in nominal terms. Chair Kawafuchi asked if 7% nominal growth required growth of 5% or 6% for the rest of the year. Dr. Suyderhoud said yes. Dr. Grandy said the motion was for the Council on Revenues forecast for fiscal year 2016. Dr. Suyderhoud said the below-the-line figure was to include \$26 million (from the OTC settlement). Dr. Grandy said the growth forecast is now 6% and the recommendation is to raise it to 7%. Ms. Maynard asked why the growth rate for the rest of year is expected to increase from where it is now. Dr. Bonham said that result was not expected. He said it was decreasing and that 9.2% was the actual growth rate so far this year. He said to get to 7% for the whole year, actual collections would need to grow at 5.5% for the rest of the year. He also said there are collections that were discussed that would come in. He said we don't know how big the collections from the OTC cases would be from the 2012 to 2014 period.

Chair Kawafuchi said he understood that the nominal growth rate was 9.2%. But carving out the \$55 million one-time infusion, the true growth rate of revenue was 4.7%. Ms. Niwao agreed. Chair Kawafuchi said he thought the current growth rate was magnified, because the effect of the additional \$55 million was spread out over only over 5 months, but that it would be a lot less diluted over 12 months. Dr. Suyderhoud agreed, but said that was already taken into consideration and wondered if Chair Kawafuchi's disagreement was with saying that the growth rate going forward would be more than 4.7%. Ms. Maynard asked why the growth rate was

expected to increase from 4.7% to 5.5% for the rest of the year. Dr. Bonham said the difference between 4.7% and 5.5% was small and asked if Ms. Maynard wanted a forecast of 6.7% instead of 7%. Ms. Niwao said she wanted a lower number than 7%. Ms. Maynard said she liked 6.7% better. Dr. Bonham withdrew his motion and Dr. Grandy withdrew his second. Ms. Maynard moved to change the growth rate forecast for 2016 from 6% to 6.7%. Ms. Niwao seconded the motion. Chair Kawafuchi asked for any further discussion. There was none. The vote was unanimous.

It was moved by Ms. Maynard to change the general fund tax revenues growth rate from 6% to 6.7% for FY 2016 (below-the-line). Ms. Niwao seconded. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Marilyn Niwao	Yes
Jack P. Suyderhoud	Yes
Carl S. Bonham	Yes
Christopher Grandy	Yes
Elizabeth P. Cambra	Yes
Kristi L. Maynard	Yes

GENERAL FUND REVENUE FORECAST FOR FISCAL YEARS 2017 THROUGH 2022:

Chair Kawafuchi said the growth rate forecast for the current fiscal year was increased from 6% to 6.7%. He asked about the forecast for the out years. Dr. Suyderhoud said the forecast for those years was 5.5%, which was an historic average. He asked if anyone saw a reason to change the forecast. Ms. Maynard said it looked good to her. Dr. Grandy agreed. Chair Kawafuchi asked Ms. Cambra if she had any comments. Ms. Cambra said she had no objections. Chair Kawafuchi asked for a motion. Ms. Cambra moved to keep the forecast unchanged for fiscal years 2017 through 2022. Dr. Grandy seconded the motion. Chair Kawafuchi asked if there was any discussion. There was none. The vote was unanimous.

It was moved by Ms. Cambra that the general fund revenue forecast remain the same for the remaining fiscal years: 5.50% (2017); 5.50% (2018); 5.0% (2019); 4.50% (2020); 4.50% (2021); 4.50% (2022). Dr. Grandy seconded. The Chair called for the vote, and the motion passed with the following votes:

Kurt Kawafuchi	Yes
Marilyn Niwao	Yes
Jack P. Suyderhoud	Yes
Carl S. Bonham	Yes
Christopher Grandy	Yes
Elizabeth P. Cambra	Yes
Kristi L. Maynard	Yes

Mr. Chun from Budget & Finance provided the Council with the following revenue updates.

REPORT BY THE DEPARTMENT OF BUDGET & FINANCE ON OTHER REVENUES:

Mr. Chun provided the Council with B&F's report of revised projections of general fund non-tax revenues and non-general fund tax and non-tax revenues since the September 2015 meeting. He said that although the report includes a brief summary of significant changes, there are several significant changes that he would like to highlight.

Significant Changes from September 2015 Report

General Fund Non-Tax Revenues

Charges for Current Services – the increase in FY 16 reflects increases for reimbursements from the federal government (Department of Human Services (DHS)) (primarily for MedQuest). \$170,500,000

Dr. Suyderhoud asked why is this the case and is it due to more families being covered? Is it the cost of coverage has gone up?

Mr. Chun said he does not have the information available but will get back to the Council with an answer.

Other than Special Fund Non-Tax Revenues

Charges for Current Services – The net increase in FY 16 includes rate credits and gains returned by insurance carriers to the Employees' Union Trust Fund (EUTF) (Department of Budget and Finance (B&F)). \$83,899,849

Dr. Suyderhoud said we recently heard the unemployment insurance fund (the tax rates) has been reduced and the fund balances have improved, does that show up in any of this anywhere?

Mr. Chun said he doesn't remember them reporting that and he could go back and check on it. He knows it was small.

Dr. Suyderhoud said they drew down the funds during the recession (in the red) built the funds backup again and now the fund balances are such that they can lower the rates. I'm wondering if that kind of stuff shows up in any of these tables. Mr. Chun said it should have but he will double check on it. Dr. Suyderhoud said he was just curious.

Dr. Grandy said on table 3, the unemployment compensation tax listed (and 3a). Dr. Suyderhoud said there's no change in that. Dr. Bonham said the change may have after these rates generated. Mr. Chun said it may have happened over a course of time so we're going to look at significant

items so that change may not have been significant enough. Chair Kawafuchi asked if it was the gross numbers coming in for the unemployment tax. Mr. Chun and Dr. Suyderhoud said yes. Chair Kawafuchi asked what builds up the funds. Is it the excess of the money going out (you bringing in more than you're paying out)? Dr. Suyderhoud said but they lowered the rate. In fact it might at a lower rate but the revenues might be higher because the base could be bigger. Dr. Bonham and Chair Kawafuchi agreed.

NEXT MEETING:

The Council tentatively agreed to meet on Thursday, March 10, 2016 at 1pm; however, the date and time will be confirmed by e-mail. The Council staff will attempt to secure the DLIR Conference Rooms 310-313.

The Chair adjourned the meeting.

ADJOURNMENT:

The meeting adjourned at 11:44 a.m.