

COUNCIL OF THE COUNTY OF MAUI

GOVERNMENT RELATIONS, ETHICS, AND TRANSPARENCY COMMITTEE

June 21, 2022

**Committee
Report No. _____**

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Government Relations, Ethics, and Transparency Committee, having met on May 31, 2022, makes reference to County Communication 21-46, from Council Chair Alice L. Lee, relating to litigation matters.

By correspondence dated August 25, 2021, the Department of the Corporation Counsel requested consideration of a proposed resolution entitled "AUTHORIZING SETTLEMENT OF CLAIM BY GULSONS, LLC."

The purpose of the proposed resolution is to authorize the Department to settle the claim under terms set forth in an executive meeting.

Your Committee further notes Section 3.16.020(B), Maui County Code, requires Council authorization for any settlement of claims or civil litigation in excess of \$7,500.

A Deputy Corporation Counsel provided a brief overview of the claim in regular session. The claim alleges the County of Maui improperly vacated premises identified as Suites 102 and 400 at 35 Lunalilo Street, Wailuku, Maui, Hawai'i, and is obligated to pay rent for the lease period that was scheduled to terminate on June 30, 2021.

The Deputy Corporation Counsel requested an executive meeting to discuss confidential information related to the claim.

Your Committee voted to convene an executive meeting, closed to the public, to consult with legal counsel in accordance with Section 92-5(a)(4), Hawaii Revised Statutes.

COUNCIL OF THE COUNTY OF MAUI

GOVERNMENT RELATIONS, ETHICS, AND TRANSPARENCY COMMITTEE

Page 2


**Committee
Report No.** _____

Following the executive meeting, your Committee reconvened in regular session.

Based on the information received in executive session and the recommendation of the Department, your Committee voted 8-0 to recommend adoption of the proposed resolution. Committee Chair Molina, Vice-Chair Rawlins-Fernandez, and members Kama, King, Lee, Paltin, Sinenci, and Sugimura voted “aye.” Committee member Johnson was excused.

Your Government Relations, Ethics, and Transparency Committee RECOMMENDS that Resolution _____, attached hereto, entitled “AUTHORIZING SETTLEMENT OF CLAIM BY GULSONS, LLC,” be ADOPTED.

This report is submitted in accordance with Rule 8 of the Rules of the Council.



MICHAEL J. MOLINA, Chair

great:cr:22011(9)aa:jbf

Resolution

No. _____

AUTHORIZING SETTLEMENT OF CLAIM BY GULSONS, LLC

WHEREAS, Gulsons, LLC, a limited liability company submitted a demand letter on May 11, 2021 the County of Maui for rent, alleged to be owed pursuant to the Lease for premises identified as Suites 102 and 400 at 35 Lunalilo Street, Wailuku, Maui, Hawaii (the "Premises") vacated by the County of Maui on, November 30, 2018; and

WHEREAS, the County of Maui vacated the Premises due to concerns over employee health and building maintenance issues; and

WHEREAS, the Lease between Gulsons, LLC, and the County of Maui was scheduled to terminate on June 30, 2021; and

WHEREAS, Gulsons, LLC, alleges that the County of Maui improperly vacated the Premises and is obligated to pay rent for the entire lease period; and

WHEREAS, the County of Maui, to avoid incurring additional expenses and the uncertainty of a judicial determination of the parties' respective rights and liabilities, will attempt to reach a resolution of this matter by way of a negotiated settlement; and

WHEREAS, the Department of the Corporation Counsel has requested authority to settle this case under the terms in an executive meeting before the Government Relations, Ethics, and Transparency Committee; and

WHEREAS, having reviewed the facts and circumstances regarding this case and being advised of attempts to reach resolution of this case by way of a negotiated settlement by the Department of the Corporation Counsel, the Council wishes to authorize the settlement; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That it approves settlement of this matter under the terms discussed in an executive meeting before its Government Relations, Ethics, and Transparency Committee;

2. That it authorizes the Mayor to execute a Release and Settlement Agreement on behalf of the County in this case, under terms and conditions as may be imposed by the Corporation Counsel consistent with the Council's settlement approval;

Resolution No. _____

3. That it authorizes the Director of Finance of the County of Maui to satisfy settlement of this case, under terms and conditions as may be imposed by the Corporation Counsel consistent with the Council's settlement approval; and

4. That certified copies of this Resolution be transmitted to the Mayor, the Director of Finance, and the Corporation Counsel.

APPROVED AS TO FORM AND
LEGALITY

A handwritten signature in black ink, appearing to read 'M. Lutey', is written over a horizontal line.

MOANA M. LUTEY
Corporation Counsel
Department of the Corporation Counsel
County of Maui

INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Sheri Lee". The signature is fluid and cursive, with the first name "Sheri" and last name "Lee" clearly distinguishable.

Upon the request of the Mayor.