

COUNCIL OF THE COUNTY OF MAUI
GOVERNANCE, ETHICS, AND
TRANSPARENCY COMMITTEE

February 15, 2019

Committee
Report No. _____

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

Chair and Members:

Your Governance, Ethics, and Transparency Committee, having met on January 29, 2019, and reconvened on February 1, 2019, February 5, 2019, and February 7, 2019, makes reference to County Communication 19-1, from Council Chair Mike White, relating to the appointment and removal of administrative heads of departments.

By correspondence dated January 2, 2019 (received on January 8, 2019), the Mayor notified the Council Chair of his appointments of the Managing Director, Corporation Counsel, Prosecuting Attorney, Director of Water Supply, Director of Finance, Director of Public Works, Director of Environmental Management, Planning Director, Director of Housing and Human Concerns, Director of Transportation, and Director of Parks and Recreation, pursuant to Section 6-2(5) of the Revised Charter of the County of Maui (1983), as amended ("Charter").

By correspondence dated January 14, 2019, the Mayor transmitted proposed resolutions for each administrative head to your Committee, including a proposed resolution entitled "APPROVING THE APPOINTMENT OF SCOTT K. TERUYA AS THE DIRECTOR OF THE DEPARTMENT OF FINANCE." The purpose of the proposed resolution is to approve the Mayor's appointment of Scott K. Teruya as Director of Finance, pursuant to Charter Sections 6-2(5) and 8-4.2.

Your Committee notes Charter Section 8-4.2 provides that the Director of Finance shall be appointed by the Mayor with the approval of the Council. In addition, Charter Section 6-2(5) provides that the Council shall confirm or deny the confirmation within 60 days after receiving notice of the appointment by the Mayor, or the appointment shall be deemed

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confirmed. Accordingly, the deadline for the Council to confirm or deny the appointment of Mr. Teruya as the Director of Finance is March 9, 2019.

By correspondence dated January 14, 2019, the Mayor transmitted the following: 1) County of Maui Job Description for the Director of Finance; 2) Ordinance 4847 (2018), relating to the minimum qualifications of the Director of Finance; and 3) Scott K. Teruya's resume.

At the request of the Chair of your Committee, the Department of the Corporation Counsel transmitted a revised proposed resolution, entitled "APPROVING THE MAYOR'S APPOINTMENT FOR DIRECTOR OF FINANCE," approved as to form and legality, incorporating the minimum qualifications for the position and nonsubstantive revisions. The Department also transmitted a proposed resolution entitled "DISAPPROVING THE MAYOR'S APPOINTMENT FOR DIRECTOR OF FINANCE." The purpose of the proposed resolution is to disapprove the appointment.

Your Committee notes by Resolution 16-96, the Council proposed an amendment to the Charter be placed on the General Election ballot to require Council approval of the Mayor's appointment of administrative heads of departments and allow additional qualifications for administrative heads appointed by the Mayor to be established by ordinance. The proposed Charter amendment was approved at the 2016 General Election.

Ordinances 4803, 4840, 4841, 4847, 4848, and 4864, respectively, established additional qualifications for administrative heads appointed by the Mayor in Chapter 2.14, Maui County Code. The effective date of the ordinances was January 2, 2019.

As noted in his resume, Mr. Teruya obtained a Bachelor's degree in Business Administration, with a major in real estate, from the University of Hawaii at Manoa. Mr. Teruya has been employed in the Department of Finance's ("Department") Real Property Assessment Division since

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September 1997. He began his employment as an Appraiser Assistant and in the past 22 years has been promoted to Appraiser, then Supervisor, and, most recently, Real Property Tax Administrator, a position he has held for over 10 years.

Your Committee met with Mr. Teruya. In his opening remarks, Mr. Teruya said his experience in real property taxation will be used to implement new procedures and processes within the Department.

Mr. Teruya told your Committee that, if confirmed as Director, he would prioritize addressing the amount of overtime costs currently being incurred in the Department, which have risen because of the demands of the HR/Workday payroll-processing project. He said he seeks to fill vacancies and will be cross-training employees from other divisions to assist with required system testing. He acknowledged the need to reduce or postpone other large projects and said he plans to defer the Integrated Financial Accounting System ("IFAS") upgrade until the HR/Workday project is online and self-sufficient. Mr. Teruya also said he intends to implement recommendations noted in the Auditor's report prepared by Moss Adams LLP.

Your Committee received numerous written testimonies in support of Mr. Teruya's appointment.

After reviewing Mr. Teruya's experience and capabilities and giving due consideration to public testimony, your Committee was satisfied Mr. Teruya met the minimum qualifications for the Director of Finance position and recommended his appointment be approved. Your Committee was particularly impressed with Mr. Teruya's financial acumen and by the County's national recognition for implementing best appraisal and assessment practices for government units under his leadership.

Your Committee voted 7-0 to recommend adoption of the revised proposed resolution to approve the appointment of Scott Teruya as Director of Finance and filing of the proposed resolution to disapprove the

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appointment. Committee Chair Molina and members Hokama, Kama, Lee, Paltin, Sinenci, and Sugimura voted "aye." Committee Vice-Chair Rawlins-Fernandez and member King were excused.

Your Governance, Ethics, and Transparency Committee
RECOMMENDS the following:

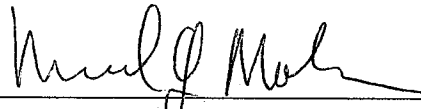
1. That Resolution _____, attached hereto, entitled "APPROVING THE MAYOR'S APPOINTMENT FOR DIRECTOR OF FINANCE," be ADOPTED; and
2. That the proposed resolution, attached hereto, entitled "DISAPPROVING THE MAYOR'S APPOINTMENT FOR DIRECTOR OF FINANCE," be FILED.

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



MICHAEL J. MOLINA, Chair

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Resolution

No. _____

APPROVING THE MAYOR'S APPOINTMENT FOR DIRECTOR OF FINANCE

WHEREAS, by letter dated January 2, 2019, received by the Council on January 8, 2019, Mayor Michael P. Victorino notified the Council he appointed Scott K. Teruya as the Director of Finance, pursuant to Sections 6-2(5) and 8-4.2 of the Revised Charter of the County of Maui (1983), as amended; and

WHEREAS, Charter Section 6-4 authorized the Council to establish specific qualifications for administrative heads appointed by the Mayor in addition to any set forth in the Charter; and

WHEREAS, Section 2.14.080, Maui County Code, attached hereto as Exhibit "A," establishes additional qualifications for the Director of Finance effective January 2, 2019; and

WHEREAS, Charter Section 6-2(5) requires the Council to confirm or deny the appointment within sixty days after receiving notice of the appointment by the Mayor; and

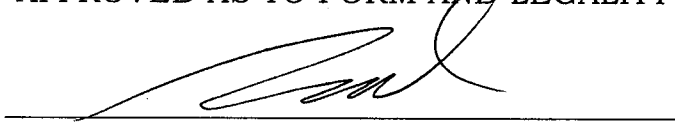
WHEREAS, Charter Section 8-4.2 states: "The director of finance shall be appointed by the mayor with the approval of the council"; now, therefore,

Resolution No. _____

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

1. That it deems Scott K. Teruya to have satisfied the minimum qualifications for the position of Director of Finance;
2. That it hereby approves the appointment of Scott K. Teruya as the Director of Finance; and
3. That a certified copy of this resolution be transmitted to the Mayor.

APPROVED AS TO FORM AND LEGALITY

A handwritten signature in black ink, appearing to be "Paul", is written over a horizontal line.

Department of the Corporation Counsel
County of Maui

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2.14.080 - Director of finance.

The director of finance shall have the following minimum qualifications:

1. As set forth in the charter, five years of experience in a public or private financial position, at least three of which shall have been in an administrative capacity.
2. As a part of or in addition to the five years of experience in a public or private financial position, three years of responsible managerial and budgetary experience.
3. As a part of or in addition to the five years of experience in a public or private financial position, three years of experience in one or more of the following functions:
 - a. Preparing bills for the collection of money due, or authorizing the preparation of such bills by others being supervised.
 - b. Collecting and receiving moneys due or receivable and issuing receipts therefor, or authorizing others to do so under prescribed conditions.
 - c. Keeping an accurate and complete account of receipts and disbursements.
 - d. Maintaining and managing a treasury and depositing moneys in depositories and instruments authorized by law.
 - e. Contracting for services of independent contractors and permitting disbursements to be made pursuant to established policies.
 - f. Bearing responsibility for issuing, selling, paying interest on, and redeeming bonds.
 - g. Preparing and issuing warrants and checks.
 - h. Preparing payrolls and pension rolls.
 - i. Selling real property upon which improvement assessments or real property taxes are not paid within the prescribed period, and disposing of real property or personal property not needed pursuant to established policies.
 - j. Renting or leasing property and awarding concessions.
 - k. Preparing and maintaining a perpetual inventory of all lands and equipment owned, leased, rented, or controlled.
 - l. Reviewing assessment rolls for assessable public improvements and issuing bills once approved.
 - m. Having custody of official's surety bonds.

- n. Submitting quarterly statements of revenue and expenditures for the preceding quarter and for the fiscal year up to and including the preceding quarter.
 - o. Administering the real property taxation function of a municipality or other governmental entity.
4. A bachelor's degree from an accredited college or university in finance, accounting, economics, business administration, public administration, or other relevant discipline, or a combination of education and work experience substantially equivalent to such a bachelor's degree.

Resolution

No. _____

DISAPPROVING THE MAYOR'S APPOINTMENT FOR DIRECTOR OF FINANCE

WHEREAS, by letter dated January 2, 2019, received by the Council on January 8, 2019, Mayor Michael P. Victorino notified the Council he appointed Scott K. Teruya as the Director of Finance, pursuant to Sections 6-2(5) and 8-4.2 of the Revised Charter of the County of Maui (1983), as amended; and

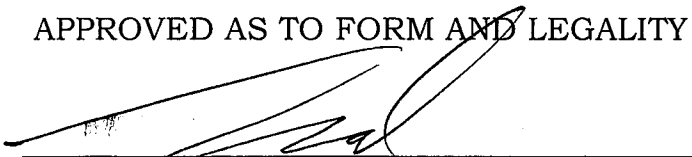
WHEREAS, Charter Section 6-2(5) requires the Council to confirm or deny the appointment within sixty days after receiving notice of the appointment by the Mayor; and

WHEREAS, Charter Section 8-4.2 states: "The director of finance shall be appointed by the mayor with the approval of the council"; now, therefore,

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

1. That it hereby disapproves the appointment of Scott K. Teruya as the Director of Finance; and
2. That a certified copy of this resolution be transmitted to the Mayor.

APPROVED AS TO FORM AND LEGALITY



Department of the Corporation Counsel
County of Maui