


April 20, 2016

MEMO TO: Members of the Special Committee on County Governance

F R O M: Kimo Haynes, Chair   
Temporary Investigative Group

SUBJECT: **TEMPORARY INVESTIGATIVE GROUP OF THE SPECIAL COMMITTEE ON COUNTY GOVERNANCE (FORMS OF COUNTY GOVERNANCE)** (CG-3)

The Temporary Investigative Group of the Special Committee on County Governance, having met on April 5, 2016, April 15, 2016, and April 18, 2016, makes its report as follows.

#### Purpose and Scope

The TIG was established on March 31, 2016, by the Special Committee pursuant to Section 92-2.5(b)(1), Hawaii Revised Statutes, to recommend three structures for a county manager form of government.

#### Membership

The group included Kimo Haynes, TIG Chair; Renee Kehau Filimoe`atu; Tamara Paltin; Ray Phillips; and Jonathan Starr.

#### Resources

The TIG consulted with Richard Wittenberg, former County Executive for Santa Clara, California, and Ventura County, California, and reviewed the following.

- International City/County Management Association materials:
  1. A blog post entitled "Reconsidering Best Practices in Local Government," dated October 22, 2013;
  2. A section on the ICMA website entitled "Recruitment Guidelines for Selecting a Local Government Administrator";

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3. A model employment agreement template for administrators of municipal governments, entitled “Model Employment Agreement”;
  4. A section on the ICMA website entitled “Voluntary Credentialing Program Overview”; and
  5. A summary of a survey entitled “Municipal Form of Government, 2011.”
- A University of Hawaii master’s thesis, entitled “Structural Change for Maui County Governance,” dated November 12, 2015;
  - Sample charter provisions from various cities and counties; and
  - Sample employment agreements.

### Findings and Recommendations

Voters approved the first Charter of the County of Maui in 1967, establishing a mayor-council form of government, which took effect January 2, 1969. Since then, the County’s population has increased dramatically, rising from 46,414 in 1969 to 163,108 in 2014.

The TIG found County governance must be capable of addressing the complexities of Maui County’s culturally and economically diverse community, as well as efficiently managing an annual budget exceeding \$600 million.

The TIG found there is a need for continuity of leadership, separate from election cycles, and an assurance that best management practices will be implemented across all County departments.

The TIG determined the “county manager” position can be referred to as “Managing Director.”

Having examined several forms of government widely used across the United States, the TIG suggests consideration of three options:

OPTION 1 - A Managing Director functions as the chief operating officer. An elected Mayor represents the County in other capacities, has veto power, and nominates members of boards, committees, and commissions, unless

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otherwise indicated by the Charter, the Maui County Code, or the Hawaii Revised Statutes.

OPTION 2 - A Managing Director functions as the chief operating officer. An elected Mayor represents the County in other capacities, serves as the 10<sup>th</sup> member of the Council, has two votes on the Council, has no veto power, and nominates members of boards, committees, and commissions, unless otherwise indicated by the Charter, the Maui County Code, or the Hawaii Revised Statutes.

OPTION 3 - A Managing Director functions as the chief operating officer and reports directly to the Council. There is no Mayor.

A matrix summarizing the features of the three options is attached.

In all options, the Managing Director carries out policies established by the Council and reports to the Council.

The TIG would suggest the Managing Director be selected by the Council from candidates vetted and proposed by an independent, professional recruiting firm with experience and expertise in these matters. The Council may form a citizens' advisory committee to assist in the final selection process. The Managing Director would be evaluated by the Council Chair at least annually.

The Managing Director would have the ability to hire and fire all department heads, except the Corporation Counsel, the Prosecuting Attorney, and the Director of Water Supply, whose employment or termination would be subject to the Council's concurrence.

The Managing Director would be responsible for preparation and submission of an annual budget to the Council for approval.

#### Preferred Option

The TIG recommends Option 1 because it would put the right person with the required skills and experience in the position to manage the County's operations, while retaining a Mayor with significant responsibilities and maintaining checks and balances between the legislative and executive branches.

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Also, Option 1 would serve to: (a) insulate County management from political influence; (b) encourage implementation of best management practices in all departments; (c) provide continuity of departmental leadership; and (d) ensure performance-based employment for key positions.

Finally, Option 1 would require fewer Charter changes.

cg:cr:TIGreport:kcw

Attachment

**Special Committee on County Governance**

- Options #1**                      **Council-Manager, elected Mayor separate from the Council**
- Options #2**                      **Council-Manager, elected Mayor who serves on the Council**
- Options #3**                      **Council-Manager, no elected Mayor**

<b>Issues</b>	<b>Option #1</b>	<b>Option #2</b>	<b>Option #3</b>
<b>Elected Mayor</b>	Yes	Yes	N/A
<b>Mayor's responsibilities</b>	Mayor is an official representative of Maui County whose responsibilities include: - Speaks for County government; - Face of Maui County's government; - Fulltime advocate for the people of Maui County; - Helps resolve issues between Maui County and external agencies and entities; -Performs intergovernmental and ceremonial duties on County's behalf; - Assists the Council and the Managing Director as they may request.	Mayor is an official representative of Maui County whose responsibilities include: - Speaks for County government; - Voice and face for Maui County's government; - Fulltime advocate for the people of Maui; - Helps resolve issues between Maui County and external agencies and entities; - Performs intergovernmental and ceremonial duties on County's behalf; - Assists the Council and the Managing Director as they may request.	N/A
<b>Mayor's veto power</b>	Yes	No	N/A
<b>Council voting by Mayor</b>	N/A	2 votes in Council	N/A
<b>Mayor's term</b>	4 years	4 years	N/A
<b>Councilmembers' terms</b>	2 years	2 years	2 years
<b>Councilmembers</b>	9	10 (including Mayor)	9
<b>Who holds title of Mayor</b>	Elected Mayor	Elected Mayor	N/A

## Special Committee on County Governance

- Options #1**                      **Council-Manager, elected Mayor separate from the Council**
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<b>Issues</b>	<b>Option #1</b>	<b>Option #2</b>	<b>Option #3</b>
<b>County budget responsibility</b>	Preparation - Managing Director Administration - Managing Director Approval - Council	Preparation - Managing Director Administration - Managing Director Approval - Council	Preparation - Managing Director Administration - Managing Director Approval - Council
<b>Managing Director's title</b>	Managing Director	Managing Director	Managing Director
<b>Managing Director's employment status</b>	Contracted employee by written employment agreement	Contracted employee by written employment agreement	Contracted employee by written employment agreement
<b>Managing Director hired by</b>	Selected by Council	Selected by Council	Selected by Council
<b>Appointment process for Managing Director</b>	Applicants vetted by professional, independent recruiting firm. Recruiting firm to narrow applicants to three final candidates, and submit candidates to the Council. Final selection by the Council, and may include citizens' advisory committee in final selection.	Applicants vetted by professional, independent recruiting firm. Recruiting firm to narrow applicants to three final candidates, and submit candidates to the Council. Final selection by the Council, and may include citizens' advisory committee in final selection.	Applicants vetted by professional, independent recruiting firm. Recruiting firm to narrow applicants to 3 final candidates, and submit candidates to the Council. Final selection by the Council, and may include citizens' advisory committee in final selection.
<b>Prepares job description and preferred qualifications</b>	Prepared by Department of Personnel Services with assistance from professional, independent recruiting firm.	Prepared by Department of Personnel Services with assistance from professional, independent recruiting firm.	Prepared by Department of Personnel Services with assistance from professional, independent recruiting firm.
<b>Managing Director's term</b>	No term limit.	No term limit.	No term limit.

## Special Committee on County Governance

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Issues	Option #1	Option #2	Option #3
<b>Managing Director's powers, duties, and functions (Section 8-1.3)</b>	The Managing Director performs highly responsible management, administrative, and professional duties as the chief operating officer of the County. Plans, directs, and controls the administrative processes necessary to carry out the effective operations of Maui County.	The Managing Director performs highly responsible management, administrative, and professional duties as the chief operating officer of the County. Plans, directs, and controls the administrative processes necessary to carry out the effective operations of Maui County.	The Managing Director performs highly responsible management, administrative, and professional duties as the chief executive officer of the County. Plans, directs, and controls the administrative processes necessary to carry out the effective operations of Maui County.
<b>Appointment and removal of board and commission members currently appointed by the Mayor</b>	Appointed and removed by the Mayor with the approval of the Council	Appointed and removed by the Mayor with the approval of the Council	Nominated by committee with the approval of the Council.
<b>Appointment and removal of the Corporation Counsel</b>	Hired and terminated by the Managing Director with the approval of the Council	Hired and terminated by the Managing Director with the approval of the Council	Hired and terminated by the Managing Director with the approval of the Council
<b>Appointment and removal of the Prosecuting Attorney</b>	Hired and terminated by the Managing Director with the approval of the Council	Hired and terminated by the Managing Director with the approval of the Council	Hired and terminated by the Managing Director with the approval of the Council
<b>Appointment and removal of the Director of Water Supply</b>	Hired and terminated by the Managing Director with the approval of the Council	Hired and terminated by the Managing Director with the approval of the Council	Hired and terminated by the Managing Director with the approval of the Council

## Special Committee on County Governance

**Options #1**                      **Council-Manager, elected Mayor separate from the Council**

**Options #2**                      **Council-Manager, elected Mayor who serves on the Council**

**Options #3**                      **Council-Manager, no elected Mayor**

Issues	Option #1	Option #2	Option #3
<b>Appointment and removal of department directors and deputy directors currently appointed by the Mayor</b>	Hired and terminated by the Managing Director	Hired and terminated by the Managing Director	Hired and terminated by the Managing Director
<b>Management of County operations by Managing Director</b>	Managing Director to utilize best practices including a strategic plan, specific goals, priorities, tactical plans, and benchmarks to implement policies in the Maui County Code and the Hawaii Revised Statutes.	Managing Director to utilize best practices including a strategic plan, specific goals, priorities, tactical plans, and benchmarks to implement policies in the Maui County Code and the Hawaii Revised Statutes.	Managing Director to utilize best practices including a strategic plan, specific goals, priorities, tactical plans, and benchmarks to implement policies in the Maui County Code and the Hawaii Revised Statutes.
<b>Performance evaluations for Managing Director</b>	Using best practices, at least annual written performance evaluation of the Managing Director to be performed by the Council Chair	Using best practices, at least annual written performance evaluation of the Managing Director to be performed by the Council Chair	Using best practices, at least annual written performance evaluation of the Managing Director to be performed by the Council Chair
<b>Performance evaluations for department directors and deputies</b>	Using best practices, at least annual written performance evaluation of department directors and deputy directors to be performed by the Managing Director	Using best practices, at least annual written performance evaluation of department directors and deputy directors to be performed by the Managing Director	Using best practices, at least annual written performance evaluation of department directors and deputy directors to be performed by the Managing Director
<b>Emergency response contact for the County</b>	Mayor	Mayor	Managing Director



**Special Committee on County Governance**

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<b>Issues</b>	<b>Option #1</b>	<b>Option #2</b>	<b>Option #3</b>