

LIQUOR COMMISSION
DEPARTMENT OF LIQUOR CONTROL
COUNTY OF MAUI, STATE OF HAWAII

TRANSCRIPT OF PROCEEDINGS
REGULAR MEETING

Held at the Department of Liquor Control Conference Room, David K. Trask, Jr. Office Building, 2145 Kaohu Street, Room 108, Wailuku, Maui, Hawaii, commencing at 9:06 a.m., on Wednesday, July 12, 2017.

Reported by: Tonya McDade, CSR, RPR, CRC
CSR Maui, Inc.
Wells Street Professional Center
2145 Wells Street, Suite 302
Wailuku, Hawaii 96793
(808)244-3376
reporters@csrmaui.com

APPEARANCES

1 Robert Tanaka, Chairperson

2 Darren Lopez, Vice-Chairperson

3 Nane Aluli, Commissioner

4 Dawn Bicoy, Commissioner

5 Leon Bolosan, Commissioner

6 Nicole DeRego, Commissioner

7 Brenda Lee, Commissioner

8 Dana Souza, Commissioner

9 STAFF PRESENT:

10 Edward Kushi, Jr., First Deputy Corporation Counsel

11 Glenn Mukai, Director

12 Mark Honda, Deputy Director

13 Kari Yoshizawa, Supervising Investigator

14 Sharon Ito, Private Secretary

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(Wednesday, July 12, 2017, 9:06 a.m.)

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CHAIR TANAKA: (Gavel.) Liquor Commission meeting called to order. Sharon, roll call.

MS. ITO: Sharon Ito, Liquor Control.

COMMISSIONER ALULI: Aloha. Nane Aluli.

COMMISSIONER LEE: Brenda Lee.

COMMISSIONER BICOY: Good morning. Dawn Bicoy.

MR. KUSHI: Ed Kushi.

CHAIR TANAKA: Good morning. Bob Tanaka.

VICE-CHAIR LOPEZ: Good morning. Darren Lopez.

COMMISSIONER SOUZA: Dana Souza.

COMMISSIONER DEREGO: Nicole Dereggo.

COMMISSIONER BOLOSAN: Aloha. Leon Bolosan.

DIRECTOR MUKAI: Glenn Mukai, Liquor Control.

DEPUTY DIRECTOR HONDA: Mark Honda, Liquor Control.

MS. YOSHIZAWA: Kari Yoshizawa, Liquor Control.

CHAIR TANAKA: Thank you. You have your agenda for July 12, 2017. If there's no questions or comments, may I have a motion for approval?

VICE-CHAIR LOPEZ: So moved.

COMMISSIONER SOUZA: Second.

CHAIR TANAKA: Moved and seconded. All in favor, say "aye."

1 (Response.)

2 CHAIR TANAKA: You also have your Liquor
3 Commission minutes of June 7, 2017. If there's no
4 questions or comments, may I have a motion for approval?

5 VICE-CHAIR LOPEZ: So moved.

6 COMMISSIONER SOUZA: Second.

7 CHAIR TANAKA: Moved and seconded. All in
8 favor, say "aye."

9 (Response.)

10 CHAIR TANAKA: Okay. We're gonna take public
11 testimony on each item as they come up. So I'll call for
12 public testimony on each item on the agenda -- as they
13 appear on our agenda.

14 Okay. Let's go on to General Licensing Matters,
15 Item A through HH. If there's no questions or comments,
16 may I have a motion for confirmation?

17 COMMISSIONER SOUZA: So moved.

18 COMMISSIONER ALULI: Second.

19 CHAIR TANAKA: Moved and seconded. All in
20 favor, say "aye."

21 (Response.)

22 CHAIR TANAKA: Okay. Let's go on to Licensing
23 matters. Application Number TA-01, public hearing item.

24 MR. ICHIKAWA: Good morning, Mr. Chairman,
25 Members of the Commission, Mr. Mukai. Robert Ichikawa for

1 Lahaina Beverage Management. To my right is Robin Truxal,
2 last name spelled T-R-U-X-A-L, he's the manager with
3 Safeway.

4 CHAIR TANAKA: Thank you. Kari.

5 MS. YOSHIKAWA: Application Number TA-01, the
6 applicant is Lahaina Beverage Management, Inc. doing
7 business as Safeway. The proposed premises is located at
8 277 Piikea Avenue, Kihei, Maui, Hawaii. This is a public
9 hearing for a transfer of a Retail General license.

10 The documents necessary for completing the
11 remaining application requirements for a liquor license
12 are listed in the summary report.

13 Notice of public hearing was published in "The
14 Maui News" on June 14, 2017. The Department did not
15 receive any protests.

16 CHAIR TANAKA: Thank you. Bobby, you get
17 anything else to add?

18 MR. ICHIKAWA: No, I have nothing to add. Thank
19 you.

20 CHAIR TANAKA: Since this is a public hearing,
21 I'm gonna open it to the public. Anybody for or against
22 this application? Okay. Seeing none, public hearing
23 closed for this item. Any questions by the Commissioners?
24 If there's no questions, may I have a motion?

25 COMMISSIONER SOUZA: I move to approve

1 Application Number TA-01 conditioned upon the applicant
2 completing the remaining application requirements to the
3 satisfaction of the Department of Liquor Control.

4 COMMISSIONER ALULI: Second.

5 CHAIR TANAKA: Moved and seconded. All in
6 favor, say "aye."

7 (Response.)

8 CHAIR TANAKA: Opposed, "no."

9 (No response.)

10 CHAIR TANAKA: Motion carried. Thank you.

11 MR. ICHIKAWA: Thank you.

12 MR. TRUXAL: Thank you.

13 CHAIR TANAKA: Okay, Application Number TA-02.

14 MR. ICHIKAWA: Yes, Robert Ichikawa representing
15 Lahaina Beverage Management, Inc. To my right is Robin
16 Truxal, Manager with Safeway.

17 CHAIR TANAKA: Thank you. Kari.

18 MS. YOSHIKAWA: Application Number TA-02, the
19 applicant is Lahaina Beverage Management, Inc. doing
20 business as Safeway. The proposed premises is located at
21 170 East Kamehameha Avenue, Kahului, Maui, Hawaii. This
22 is a public hearing for a transfer of a Retail General
23 license.

24 The documents necessary for completing the
25 remaining application requirements for a liquor license

1 are listed in the summary report.

2 Notice of public hearing was published in "The
3 Maui News" on June 14, 2017. The Department did not
4 receive any protests.

5 CHAIR TANAKA: Thank you. Anything else to add,
6 Bobby?

7 MR. ICHIKAWA: No, nothing to add. Thank you.

8 CHAIR TANAKA: Okay. Since this is a public
9 hearing item, I'm gonna open it to the public. Anybody
10 for or against this application? Okay. Seeing none,
11 public hearing closed for this item. Any questions by the
12 Commissioners? If not, may I have a motion?

13 COMMISSIONER SOUZA: I move to approve
14 Application Number TA-02 conditioned upon the applicant
15 completing the remaining application requirements to the
16 satisfaction of the Department of Liquor Control.

17 COMMISSIONER ALULI: Second.

18 CHAIR TANAKA: Moved and seconded. All in
19 favor, say "aye."

20 (Response.)

21 CHAIR TANAKA: Opposed, no.

22 (No response.)

23 CHAIR TANAKA: Motion carried. Thank you.

24 MR. ICHIKAWA: Thank you very much.

25 CHAIR TANAKA: Okay. Let's go on to Preliminary

1 Hearings.

2 MR. NAKAMURA: Good morning, Mr. Chair. Craig
3 Nakamura, attorney on behalf of the applicant. And to my
4 right is Mr. David Huang, who is the officer, director and
5 shareholder of the applicant. And, also, here is Mr. Greg
6 Peros, who is the General Manager of the Maui Beach Hotel.

7 CHAIR TANAKA: Okay. Craig, I'm gonna take
8 Application Number 25 and 26 since --

9 MR. NAKAMURA: Thank you.

10 CHAIR TANAKA: -- it's the same applicant and
11 same location, but, at the public hearing, we're gonna
12 take it separately.

13 MR. NAKAMURA: Thank you.

14 CHAIR TANAKA: Okay. Kari.

15 MS. YOSHIZAWA: Application Number 25: The
16 applicant is D.H. Investment, Inc., a Hawaii corporation,
17 doing business as Maui Beach Ballroom applying for a
18 Dispenser General License, Category C(ii). The officer,
19 director and stockholder of the corporation is listed in
20 the investigator's report.

21 Applicant has submitted a First Amendment of
22 Lease by and between Savio MBH Owner LLC, a Delaware
23 limited liability company, landlord, and D.H. Investment,
24 Inc., a Hawaii corporation, tenant, effective as of March
25 1st, 2017.

1 The proposed premises is a single-story
2 structure within the Maui Beach Hotel consisting of
3 approximately 6,905 square feet, located at 170 Kaahumanu
4 Avenue, Kahului, Maui, Hawaii.

5 There are no schools, churches or licensees of
6 the same class and kind located within a radius of 500
7 feet.

8 Fernando's Mexican Grill & Cantina and Rainbow
9 Dining Room is a license of the same class and kind
10 located within a radius of 500 feet. There are one
11 Restaurant General and three Retail General licensees
12 located within a radius of 500 feet. There are 120
13 licenses of this class and kind currently issued within
14 Maui County.

15 The applicant initially plans to be open seven
16 days a week from 6:00 a.m. to 1:00 a.m.

17 The Liquor Commission, at its March 8, 2017
18 meeting, approved the request made by attorney Craig
19 Nakamura on behalf of D.H. Investment, Inc. to allow for
20 the issuance of a temporary license to an applicant that
21 is not of the same class and kind pursuant to the
22 authority of Section 08-101-24 of the Rules of the Liquor
23 Commission, Subsection 1, and HRS 281-32A [sic] of the
24 State liquor laws, basically granting an exception.

25 D.H. Investment, Inc. has submitted a license

1 application which was accepted by the Department on April
2 12th, 2017, and a Temporary Dispenser General License,
3 Category C(ii), was issued on April 26, 2017, that will
4 expire on August 23rd, 2017.

5 Information contained within the DLC-008 Form
6 submitted by David LY Huang indicated that he has been
7 convicted for minor traffic violations. David LY Huang
8 has submitted a letter of explanation.

9 All documents necessary for the issuance of a
10 liquor license have not been submitted. Those items are
11 listed in the investigator's report.

12 Application Number 26: The applicant is D.H.
13 Investments, Inc., a Hawaii corporation, doing business as
14 Rainbow Dining Room applying for a Dispenser General
15 License, Category C(ii).

16 The officer, director and stockholder of the
17 corporation is listed in the investigator's report.

18 Applicant has submitted a First Amendment of
19 Lease by and between Savio MBH Owner LLC, a Delaware
20 limited liability company, landlord, and D.H. Investment,
21 Inc., a Hawaii corporation, tenant, effective as of March
22 1st, 2017.

23 The proposed premises is a single-story
24 structure located on the second floor of the Maui Beach
25 Hotel, consisting of approximately 4,016 square feet,

1 located at 170 Kaahumanu Avenue, Kahului, Maui, Hawaii.

2 There are no schools or churches located within
3 a radius of 500 feet.

4 Fernando's Mexico Grill & Cantina and Maui Beach
5 Ballroom is a license of the same class and kind located
6 within a radius of 500 feet. There are one Restaurant
7 General and three Retail General licensees located within
8 a radius of 500 feet. There are 120 licenses of this
9 class and kind currently issued within Maui County.

10 Applicant initially plans to be open seven days
11 a week from 6:00 a.m. to 10:00 p.m.

12 The Liquor Commission, at its March 8, 2017
13 meeting, approved the request made by attorney Craig
14 Nakamura on behalf of D.H. Investment, Inc. to allow for
15 the issuance of a temporary license to an applicant that
16 is not of the same class and kind pursuant to the
17 authority on Section 08-101-24 of the Rules of the Liquor
18 Commission, Subsection 1, and HRS 281-32A [sic] of the
19 State liquor laws, basically granting an exception.

20 D.H. Investment, Inc. has submitted a license
21 application which was accepted by the Department on April
22 12, 2017, and a Temporary Dispenser General License,
23 Category C(ii) was issued on April 26, 2017, that will
24 expire on August 23rd, 2017.

25 Information contained within the DLC-008 Form

1 submitted by David LY Huang indicated that he has been
2 convicted for minor traffic violations. David LY Huang
3 has submitted a letter of explanation.

4 All documents necessary for the issuance of a
5 liquor license have not been submitted. Those items are
6 listed in the investigator's report.

7 CHAIR TANAKA: Thank you. You got anything else
8 to add?

9 MR. NAKAMURA: Just very, very briefly. So this
10 is the application, finally, for the -- the two
11 restaurants at the Maui Beach Hotel so that the hotel can
12 get its liquor license. We've been working on this for
13 about a year. And we really want to thank the Commission
14 for its patience and the staff for all the hard work that
15 they put into -- into these two applications. We're
16 looking forward to reopening under our permanent liquor
17 licenses.

18 CHAIR TANAKA: Thank you.

19 MR. NAKAMURA: Thank you.

20 CHAIR TANAKA: I'm gonna open it to the public
21 for any public testimony on these items. Okay. Seeing
22 none, any questions by the Commissioners?

23 MR. KUSHI: Mr. Chair, if I may? Mr. Nakamura,
24 to be clear, D.H. Investment will operate the two
25 premises?

1 MR. NAKAMURA: Yes.

2 MR. KUSHI: What about room service for the
3 hotel?

4 MR. NAKAMURA: There is no room service at the
5 hotel.

6 MR. KUSHI: Okay.

7 CHAIR TANAKA: Okay. Any other questions by the
8 Commissioners? Okay. If there's no questions, may I have
9 a motion?

10 COMMISSIONER SOUZA: I move to approve
11 applications Number 25 and 26 for public hearing and to
12 process the application for publication.

13 COMMISSIONER ALULI: Second.

14 CHAIR TANAKA: Moved and seconded. All in
15 favor, say "aye."

16 (Response.)

17 CHAIR TANAKA: Opposed, no.

18 (No response.)

19 CHAIR TANAKA: Motion carried. Thank you.

20 MR. NAKAMURA: So this is for both applications,
21 right?

22 COMMISSIONER SOUZA: Correct.

23 CHAIR TANAKA: For both.

24 MR. NAKAMURA: Thank you. Thank you very much
25 for your help.

1 MR. HUANG: Thank you.

2 CHAIR TANAKA: Okay. Let's go on to Other
3 Licensing Matters. Wai Group LLC.

4 MR. JORGENSEN: Good morning, Chairman Tanaka,
5 Members of the Commission and staff. My name is Dave
6 Jorgensen. I'm appearing on behalf of Wai Group LLC dba
7 Wai Bar.

8 I apologize. A couple of my clients were going
9 to be here this morning, but they just texted me and
10 they -- because of the newspaper article, they thought it
11 started at 10:00, even though I had sent them this before.
12 Oh, there they are.

13 This is Amanda Wilson, one of the principals --

14 MS. WILSON: Hi there.

15 MR. JORGENSEN: -- and Michelle Halcomb. Thank
16 you. Timing is everything.

17 MS. HALCOMB: We just got in the door.

18 CHAIR TANAKA: Okay. Kari.

19 MS. YOSHIZAWA: Wai Group LLC doing business as
20 Wai Bar, Dispenser General, Category C(ii) License, at 45
21 North Market Street, Unit B, Wailuku, Maui, Hawaii,
22 requesting an extension to exercise the liquor license
23 pursuant to Section 08-101-34(c) of the Rules of the
24 Liquor Commission, County of Maui. License granted by the
25 Commission on August 10, 2016; to expire on August 10,

1 2017. The applicant is requesting a eight-month
2 extension.

3 CHAIR TANAKA: Okay. Dave.

4 MR. JORGENSEN: Yeah, the -- the premises are
5 actually coming along quite well on Market Street, in the
6 middle of the Market Street. But we are here to request
7 an extension just to -- out of an overabundance of
8 caution. You mentioned eight months and, normally, it was
9 six months?

10 MS. YOSHIZAWA: Your letter was eight months.

11 MR. JORGENSEN: Okay. Eight months is good. If
12 we can have eight-month extension, we should be fine. And
13 we're really hoping to be done and approved within the
14 next month, but we know how that is. So if we can have an
15 eight-month extension from August 10th, 2017, that would
16 be great.

17 CHAIR TANAKA: Okay. I'm gonna open it to the
18 public. Any public testimony on this item? Okay. Seeing
19 none, Dave, what's the problem, construction?

20 MR. JORGENSEN: There was a bit of a hiccup
21 in -- internally from our side that there was a
22 couple-month delay in being able to move forward and
23 dealing with the landlord of the property. But at this
24 point, it's -- it's a lot of finish work and then having
25 the County come in and approve it. And so the last couple

1 months have been construction, but it's been going along
2 quite well. So we're just trying to be cautious.

3 CHAIR TANAKA: So, hopefully, you can get County
4 approval, then.

5 MR. JORGENSEN: Yes, hopefully.

6 CHAIR TANAKA: Not -- not the landlord Aluli,
7 yeah? No.

8 MR. JORGENSEN: Other side of the street.

9 COMMISSIONER ALULI: Other side.

10 MR. JORGENSEN: The sub-landlord. Who we've
11 been dealing with.

12 CHAIR TANAKA: Oh, landlord. Huh-oh. Okay.
13 Any questions by the Commissioners? Okay. If not, may I
14 have a motion?

15 COMMISSIONER SOUZA: I move to approve the
16 eight-month extension.

17 COMMISSIONER ALULI: Second.

18 CHAIR TANAKA: Moved and seconded. All in
19 favor, say "aye."

20 (Response.)

21 CHAIR TANAKA: Opposed, "no."

22 (No response.)

23 CHAIR TANAKA: Motion carried. Thank you.

24 MR. JORGENSEN: Thank you very much.

25 MS. HALCOMB: Thank you.

1 MS. WILSON: Thank you.

2 CHAIR TANAKA: Paia Inn Cafe LLC.

3 MR. NAKAMURA: Mr. Chair, Craig Nakamura,
4 attorney on behalf of the licensee. This is Mr. Wilton
5 Leauanae.

6 MR. LEAUANAЕ: Leauanae.

7 MR. NAKAMURA: Leauanae. Sorry, I'm
8 mispronouncing again. He's representing the entity.

9 CHAIR TANAKA: Okay. Thank you. Kari.

10 MS. YOSHIZAWA: Paia Inn Cafe LLC doing business
11 as Paia Inn Cafe, Dispenser General, Category C(ii)
12 License, at 93 Hana Hawaii -- Highway, Unit Number 3,
13 Paia, Maui, Hawaii, requesting an extension to exercise
14 the liquor license pursuant to Section 08-101-34(c) of the
15 Rules of the Liquor Commission, County of Maui. License
16 granted by the Commission on February 8, 2012. Request
17 for extension approved by the Commission on July 11, 2012;
18 June 12, 2013; July 9, 2014; June 10, 2015; and July 13,
19 2016. Extension to expire on August 5th, 2017. The
20 applicant is requesting a one-year extension.

21 CHAIR TANAKA: Craig, what's happening?

22 MR. NAKAMURA: So, Mr. Chair, you know, you
23 probably been here the most through all of those
24 extensions, previously it's been construction and
25 permitting problems. We got those resolved. We got the

1 miscellaneous inspection reports done a couple of months
2 ago. And we requested that we be able to exercise the
3 license at that time. The Department asked that we update
4 the zoning clearance and the wastewater clearance, of
5 which we -- well, we got the wastewater now. We're
6 processing the zoning clearance. And the Department,
7 also, asked that we amend the lease because the lease had
8 expired. But it's between two related entities, so that's
9 not going to be a problem. So we hope to have this issue,
10 this final issue, resolved shortly, but we would like the
11 one year just in case.

12 CHAIR TANAKA: Why, you expect something?

13 MR. NAKAMURA: You can never tell.

14 CHAIR TANAKA: I'm gonna open it to the public.
15 Any public testimony on this item? Okay. Seeing none,
16 any questions by the Commissioners?

17 COMMISSIONER LEE: I have a question.

18 CHAIR TANAKA: Yeah, Mamo.

19 COMMISSIONER LEE: Kari, how long has this been
20 going on?

21 MS. YOSHIZAWA: The application is about five
22 years old now.

23 COMMISSIONER LEE: Should we ask them to
24 reapply?

25 MS. YOSHIZAWA: That would be up to the

1 Commission.

2 MR. KUSHI: What was the question? What is the
3 question?

4 COMMISSIONER LEE: Should we ask them to
5 reapply? It's five years. I don't know. I'm just
6 putting it out there.

7 CHAIR TANAKA: Nothing -- nothing has changed,
8 yeah?

9 MR. NAKAMURA: I think there might have been one
10 change in the member, but, other than that, the
11 premises -- you know, that -- that hotel has been --
12 basically, been in operation all this time. So that part
13 of it has not changed. All we're asking to do is to be
14 allowed to have liquor service. I don't know that that
15 much has changed over the past five years that would
16 require, you know, any additions or updates, but the
17 Department did ask that we update those two things. So
18 we -- we did -- we are in the process of doing so.

19 MS. YOSHIZAWA: The applicant did submit a
20 permit after it was approved by the Commission. It's not
21 yet been processed because the clearances aren't submitted
22 for an extension of premises and a modification of
23 premises. It's still pending in their file.

24 MR. NAKAMURA: So what -- what happens now is
25 that if there are minor adjustments in the floor plan that

1 was initially submitted, then we're requested to file a
2 permit application to -- for those minor adjustments. And
3 I'm not sure exactly what they were, but I don't think
4 they were like substantial. I think we're actually
5 deleting space. I take that back.

6 MS. YOSHIZAWA: Extension.

7 MR. NAKAMURA: Yeah, I think we're deleting the
8 two retail stores in the front of the premises on -- on --
9 on the highway, on Hana Highway, that are actually
10 being -- well, they were part of the licensed premises,
11 but now they're going to be left in retail. So we're
12 actually deleting space from the premises.

13 MS. YOSHIZAWA: No. Extension.

14 MR. NAKAMURA: Yeah. Extension?

15 MS. YOSHIZAWA: Yeah, extension.

16 CHAIR TANAKA: Any other questions?

17 COMMISSIONER SOUZA: So being that this is a --
18 an older application, if anything needs to be updated, you
19 guys are on them to update it?

20 MS. YOSHIZAWA: Yes. All their clearances that
21 they have been submitting is current as of 2017.

22 COMMISSIONER SOUZA: Thank you.

23 CHAIR TANAKA: Okay. Any other question? Okay.
24 May I have a motion?

25 COMMISSIONER SOUZA: I move to approve the

1 one-year extension.

2 VICE-CHAIR LOPEZ: Second.

3 CHAIR TANAKA: Moved and seconded. All in
4 favor, say "aye."

5 (Response.)

6 CHAIR TANAKA: Opposed, no.

7 (No response.)

8 CHAIR TANAKA: Motion carried. Thank you.

9 MR. NAKAMURA: Thank you. Thank you very much
10 for your help. Thank you. Thank you.

11 CHAIR TANAKA: Okay. Let's go into
12 Communication item. Before -- before we go into that
13 item, we have a public hearing at 10:00, so if this item
14 goes five minutes before 10:00, I'm going to stop this
15 item and continue after the public hearing. Okay? So
16 let's go on to Communication item. Kari.

17 MS. YOSHIZAWA: First item is a letter dated May
18 25th, 2017, from Richard Yust, Executive Director for Maui
19 Food Bank, regarding special liquor licenses for nonprofit
20 entities. A copy of the letter should be in your packets.

21 CHAIR TANAKA: Okay. We, also, have two other
22 letters, right?

23 MS. YOSHIZAWA: Yes. B. is a letter dated June
24 27, 2017, from Harlan Hughes regarding special liquor
25 licenses rules for nonprofit entities. And C. is letter

1 dated June 27, 2017, from Jay Slaughter regarding special
2 liquor licenses rules for nonprofit entities.

3 CHAIR TANAKA: And we also have a letter this
4 morning?

5 MS. YOSHIZAWA: And you should also have
6 additional letters, July 10th, submitted from Harlan
7 Hughes, in your packet as well.

8 CHAIR TANAKA: Okay. So let it be known that
9 the letter has been accepted by the Commission. At this
10 point, I'm gonna open it to the public for any public
11 testimony.

12 MS. YOSHIZAWA: The first person signed up to
13 testify is Debbie Cabebe.

14 CHAIR TANAKA: Okay. You have three minutes.
15 Please state your name, if you represent an organization,
16 please say so.

17 MS. CABEBE: Thank you. Good morning. My name
18 is Debbie Cabebe. I am the Chief Executive Officer for
19 Maui Economic Opportunity and the President of the Maui
20 Nonprofit Directors Association. I'm here to testify on
21 Item VIII, Communications, letter A., a letter from
22 Richard Yust.

23 I would like to thank Mr. Mukai and his staff
24 for coming to meet with me and some of the nonprofit
25 executives yesterday, expressing their desire to find a

1 win-win solution regarding the liquor license process for
2 nonprofits.

3 Mr. Mukai cited HRS 281-32.3, a provision
4 regarding one-day special licensings -- licenses for
5 fundraising events. Mr. Mukai says the statute was
6 repealed in 2008, and his Department was only recently
7 aware of the repeal. As such, he stated that the current
8 Class 10 provisions apply and, therefore, nonprofits must
9 comply with the law. He encouraged us to work with the
10 Hawaii State Legislature to reinstate HRAS [sic] 282-32.3.

11 We looked into this. And while it's possible
12 that it could be done, it cannot be accomplished quickly.
13 The Maui Nonprofit Director Association intends to pursue
14 this matter; however, in the meantime, we need immediate
15 relief.

16 Many nonprofits depend on revenue generated from
17 their fundraising events to cover operating expense. More
18 and more nonprofits are asked to be self-sustaining. And
19 fundraisers are an important aspect of that.

20 We propose that Mr. Mukai request a written
21 opinion from the Attorney General's Office regarding their
22 interpretation of the laws as they pertain to special
23 licenses and if they have any flexibility in their
24 interpretation of the statutes. In the meantime, we
25 request Mr. Mukai and his staff to work to ensure

1 consistency and transparency in the application process.

2 Lastly, until HRAS [sic] 281-32.3 can be
3 reinstated, I ask that Mr. Mukai and his staff con --
4 consider eliminating the need to fingerprint all board
5 members as it is burdensome and negatively impacts
6 nonprofits' ability to recruit and retain qualified
7 members.

8 Instead, a nonprofit executive can run an
9 in-state and out-of-state clearance on board members and
10 provide a certified copy of the results of the
11 application. This would provide more privacy for the
12 board member, but would still allow the Liquor Control the
13 information that they say they need in order to comply
14 with the law. This is not a desired long-term solution,
15 but it may help in the interim.

16 I thank you for listening.

17 CHAIR TANAKA: Thank you. Next.

18 MS. YOSHIZAWA: Next is Cassandra Abdul.

19 MS. ABDUL: Good morning. My name's Cassandra
20 Abdul. I am the Executive Director of Na Hale O Maui, an
21 affordable housing nonprofit, and I am a Director of the
22 Maui Nonprofit Directors Association. I am, also,
23 testifying on the same letter that Debbie Cabebe did, but
24 I just wanted to make some additional comments and share
25 with you how important nonprofits are to the fabric of our

1 community.

2 We provide so many services that government
3 cannot. And the people that we provide these services to
4 are greatly in need of them. Many of the nonprofits have
5 usually one or two events annually to help raise the
6 operational funding so that they can continue these
7 services.

8 The changes that we've recently seen in the
9 Liquor Control Commission's requirements for one-day
10 events is negatively affecting all nonprofits that utilize
11 these Class 10 permits. We've already seen instances
12 where events that have been going on for years, enjoyed by
13 the community and that fund nonprofits have been canceled.
14 And this is not going to be good for our community at all.

15 I think that this is an example of an unintended
16 consequence of making a change. And I ask that the
17 Commission consider returning to the way that these
18 previously were handled and the way they are handled on
19 all of the other islands, Oahu, Kauai and Hawaii.

20 The only other alternative that nonprofits will
21 have is to apply to the County for additional funding,
22 which is not easy to get since they would like us to be
23 self-sustaining, or we need to reduce or curtail the
24 services that we provide to people. And this, too, would
25 be very bad for our community. These are really -- do

1 provide needed services.

2 We would also like to point out that there's
3 really no nexus, no connection between the changes to your
4 requirements and any risk that may be there as far as what
5 happens with our directors who are being asked to provide
6 a lot of information as well as fingerprinting. I'm not
7 aware of any incidences where there have been a problem at
8 these events.

9 So I would like to ask you to reconsider how you
10 are handling these Class 10 licenses for nonprofits, and
11 I'll request that you return to the way they were
12 previously handled.

13 And I thank you very much for the opportunity to
14 share our feelings with you. Aloha.

15 CHAIR TANAKA: Okay. Next.

16 MS. YOSHIZAWA: Peter Horovitz.

17 MR. HOROVITZ: Morning, Mr. Chair, Members of
18 the Commission and Department. I'm just here on my own
19 this morning, I'm not representing any clients, although I
20 do sit currently on three different nonprofit boards and
21 have averaged about sitting on about three boards for the
22 past 15 years, many of which hold annual events that do
23 serve alcohol as part of the function. And these events
24 make up very significant portions of the funding of these
25 organizations.

1 I wanted to just address one thing that's been
2 in the newspaper a bunch and has seemed to come up a lot.
3 And that's the law changes in 2008 that seem to be talked
4 about a fair bit.

5 It is true that Act 168 of the State
6 Legislature, in 2008, did repeal 281-32.3. That was a
7 section that required departments to develop special
8 rules, special streamlined rules for nonprofits and these
9 -- these one-day events. That same act, though, took the
10 meat of 32.3 and put it into 281-33 -- or 31-J, which is
11 the Class 10 Special Licenses.

12 Interestingly, before -- before this change, a
13 special license under Class 10, there was no restriction
14 on it. You could have issued a special license for a
15 hotel or a restaurant. It didn't matter. It made that
16 section, the nonprofit and political campaign section.

17 Now, there's no requirement under State law that
18 you adopt special rules for nonprofits, streamlined rules.
19 There's also no prohibition about it. You are free to do
20 so.

21 I stand ready, and have stood ready for a long,
22 long time, to work with the Commission, work with the
23 Department to identify areas of the rules if -- if there
24 are concerns that the rules don't allow you to do -- I --
25 I personally think the rules allow -- allow these

1 streamline procedures already, but if there are concerns
2 that they don't, I am absolutely willing to sit down and
3 help red line some changes or even come up with some
4 overriding changes that would -- that would help the
5 Department and staff.

6 But, again, I just wanted to clear up -- and
7 lawyers can disagree, there's different interpretations.
8 I'm not gonna -- here to belabor that point. But you have
9 to recognize that that same act that deleted the mandate
10 that you had special rules took the meat of the nonprofit
11 stuff and put and reorganized it into -- frankly, which
12 was a more logical place.

13 I would urge the Commission to work quickly
14 to -- to address these issues so that these -- you know,
15 we can't wait a year or two years on these. These
16 organizations will go away. Services are lost if they --
17 if they -- you know, so this is something that does -- is
18 a pressing need of the community and is affecting our --
19 our community members.

20 So I'm happy to do whatever -- whatever I can do
21 to assist the Commission and the Department, if they'd
22 have it. So thank you.

23 CHAIR TANAKA: Okay. Next.

24 MS. YOSHIZAWA: Nancy La Joy.

25 MS. LA JOY: Sorry. I was waiting outside. I

1 thought it wasn't on 'til 10:00.

2 My name is Nancy La Joy. And I am with the
3 Pacific Cancer Foundation. I would like to pass along to
4 you a letter from many of Maui's nonprofit organizations
5 that have signed this.

6 Give that to you. Thank you.

7 So please accept these letters signed by the
8 nonprofit agencies. They include churches, schools,
9 health and human services organizations, the arts,
10 cultural organizations and many others here on Maui.

11 I know today that you're looking for input
12 specifically on the application process, so that's what I
13 was hoping to talk to you about. On the surface, it's a
14 pretty simple four-page application, but the only way to
15 obtain that is to make an appointment and have a meeting.
16 That took me an hour and-a-half to go through. So the
17 four pages compounded quickly.

18 I -- I understand that the rules are important
19 for for-profit organizations, but the way they are set up
20 really kind of adversely affects the nonprofits,
21 especially the smaller nonprofits. We don't have the
22 administrative staff to comply and -- and take the time to
23 do a lot of these things.

24 One of the real things that the changes in the
25 rules this year have affected the small nonprofits and our

1 board members -- because they all are volunteer members
2 from all kinds of aspects of the community who donate
3 their time and resources to help out organizations such as
4 mine. And what we do, so you know, is provide free
5 support services to Maui's cancer community. It's
6 challenging to ask all 14 of my board members to go
7 through the scrutiny of the detailed personal history
8 statements, the criminal record checks, the
9 fingerprinting, and the additional documents, and the cost
10 associated with all of that. It takes away from time that
11 they dedicate to helping us provide services for Maui's
12 cancer community.

13 Along with the hour and-a-half meeting that I
14 had to review that four-page application, there were a lot
15 of other requirements that were asked of us and for each
16 board member, such as listing every job they've ever had
17 since they were 18 years old and every ticket over \$25.
18 There was strong emphasis placed on not to miss a month.
19 So if a job ended in September of 1975, the next job
20 should start October 1975, and continue on from there.

21 There were other items discussed that were not
22 really listed in that four-page application as well, such
23 as list of our volunteers and our silent live auction,
24 right down to how people pay for their auction items,
25 which really seem to detract from the purpose of us

1 obtaining a liquor license for a five-hour one-day event.

2 I also wondered about the extra layers of things
3 that we're required to do this year such as the zoning
4 clearance, because I didn't understand that there were
5 specific zones that may not allow a dinner party or
6 special event.

7 Please keep in mind that every layer of all of
8 this -- although I understand for a for-profit
9 organization or a for-profit event, the need for that, it
10 greatly impacts us nonprofits because my -- the majority
11 of my budget really goes to the programs and serving the
12 community. And I don't really have the staff to -- to
13 keep continuing with all these extra layers.

14 And I understand, for every action, there's a
15 reaction. And -- and what's happened here this year is
16 that the reaction is, is that our budget will be greatly
17 impacted for 2017 and possibly 2018 as well. So --

18 CHAIR TANAKA: Please -- please finish up.

19 MS. LA JOY: I'm sorry?

20 CHAIR TANAKA: Please finish up.

21 MS. LA JOY: Okay.

22 CHAIR TANAKA: I'll give you time after
23 everybody testifies.

24 MS. LA JOY: Okay. I want you to know that
25 fundraising is over 50 percent of my budget. And not

1 being able to host our gala this year is going to really
2 result in lost jobs and possibly services being cut to the
3 people in Maui County that need it.

4 The big part of my job that I do is to make an
5 ask to all kinds of people in the community. I ask for
6 money, donations, I ask for donations of time, I ask for
7 donations of resources and knowledge and expertise.
8 Sometimes I'll ask someone to give a patient a ride to
9 treatment so they can get their chemotherapy. So, today,
10 I really want to ask all of you to help support our
11 nonprofits, and, for me, Maui's cancer community. And I
12 think I can do that in a couple of ways.

13 I would like to ask you all to review the
14 application process, possibly asking more than one legal
15 counsel to offer an opinion on the laws the way they are
16 written. I would like to ask you to appeal to the AG for
17 a written opinion on the nonprofit one-day special event
18 rule, specifically 281-32-3 provision. And I would also
19 like you to consider and help us with, really, the arduous
20 process that the small nonprofits have to go through to
21 obtain a liquor license knowing that we really don't have
22 the resources to put someone on this process full-time,
23 and how it's really detracting and impacting our programs.

24 CHAIR TANAKA: Please finish up.

25 MS. LA JOY: I'm -- I'm finished. So I -- I

1 just ask for your support and help. We're -- all the
2 nonprofits are willing to work with you and sit down and
3 anything we can do to help. And anything you can do to
4 help, I greatly appreciate it.

5 CHAIR TANAKA: Thank you

6 MS. LA JOY: Thank you.

7 CHAIR TANAKA: Next.

8 MS. YOSHIZAWA: Bevanne Bowers.

9 MS. BOWERS: Good morning, Mr. Chair and the
10 Commission. My name's Bevanne Bowers. And I'm the
11 Executive Director of Maui Mediation Services. I'm, also,
12 serving as Vice President of the Maui Nonprofit Directors
13 Association.

14 Maui Mediation Services has been in existence
15 for more than 30 years. And, currently, we have an admin
16 staff of just two. The lifeblood of our agency are
17 volunteers. There are mediators and they serve as members
18 of my board.

19 When we go out for funding, we're often asked
20 what type of fundraising activities are we participating
21 in, how are we seeking to financially sustain ourselves.
22 And this year, we are actually planning our very first
23 fundraiser in a very long time.

24 However, when I met with my board last week to
25 discuss the special event licensing and the Class 10

1 license, they unanimously said, in all good conscience,
2 many of us can't do this. And one said I won't do this.
3 Many of my board have a working history of more than 50
4 years. They already donate their time to my agency, they
5 donate their finances to help sustain us. And, quite
6 frankly, to meet these requirements would be an undue
7 hardship on these people that volunteer for their
8 community.

9 We have participated in some smaller
10 fundraisers. And during that time, we've learned that,
11 often, silent auction items, the list of the volunteers
12 are not complete until practically the day of the event.

13 So, therefore, we're asking that the personal
14 history and the background checks for the board, the
15 officers, the directors, and the employees of registered
16 nonprofits not be required. We're also asking that the
17 registration of the volunteers not be a requirement
18 beforehand. And that, also, the list of silent auction
19 items not be required.

20 I thank you for your time.

21 CHAIR TANAKA: Thank you. Next.

22 MS. YOSHIZAWA: Brooke Brown.

23 MS. BROWN: Good morning. I'm Brooke Brown.

24 I'm the Executive Director of Na Keiki O Emalia. We are
25 probably the youngest, newest kid on the block. So I

1 won't go over what everybody else has said, but we are --
2 we are dependent totally on private funding. We are not
3 going after County funds or State funds or Federal funds.
4 So fundraising is critically important.

5 I am the only paid person on staff. I have a
6 wonderful board, seven people, who didn't like the idea of
7 the changes that have been mentioned. Other than that, we
8 have facilitators.

9 And what our program is, it's a children's
10 bereavement program where we work with children three to
11 18 and their families who have had someone they love die.
12 And we are the only bereavement program for children on
13 Maui that's open to all ethnicities. If you're part
14 Hawaiian, you can go to Queen Liliuokalani; otherwise,
15 there's no one.

16 And so we really are dependent on getting funds.
17 We're looking at what we can do to raise funds,
18 fundraisers. And to go through the hoops, if anybody
19 would even do it, will really handicap us. We're only two
20 years old.

21 And we really need your help. And it seems to
22 me that we're all here to help the community, you know.
23 And just in -- in our little program, if we can help these
24 kids so that no child grieves alone and this child who
25 might be depressed doesn't grow into a depressed teen or a

1 depressed adult, the community is well served because we
2 have happy functioning people. So we really would
3 appreciate your help in making this work so that it works
4 for everybody.

5 And I thank you very much for your time.

6 CHAIR TANAKA: Thank you. Anybody else?

7 MS. YOSHIZAWA: Caroline Killhour.

8 MS. KILLHOUR: Good morning, Chair. Good
9 morning, everyone here. Thanks for the opportunity. I'm
10 here to request that you relook at the requirements --

11 CHAIR TANAKA: Please state your name.

12 MS. KILLHOUR: Oh. Sorry. Caroline Killhour,
13 Hui Noeau, Executive Director. I am also a board member
14 of the Maui Nonprofit Directors. I'm here to speak about
15 the new requirements, especially for board members. And I
16 just wanted to talk about the board members' role.

17 We have between 15 and 20 board members.
18 They're all volunteers. They -- some are full-time people
19 here on Maui and some -- some are visitors. They become
20 board members to serve this community, to be part of the
21 community. They -- they're -- you know, we have some
22 board members that could possibly be 80 years old.

23 These requirements, they ask for work history
24 back to 18 years old. So someone -- I'm gonna ask a board
25 member who is volunteering their time, who's giving me

1 great advice, helping tremendously, so that I don't have
2 to pay for that advice, to give -- to write -- sit down
3 and write down 62 years of work history as well as
4 fingerprinting them.

5 The part -- the part-time people that --
6 residents that live here, they have other charities on the
7 mainland and, you know, they could just give more money to
8 them.

9 And it's a fundraiser, it's for five hours. The
10 intent that people come to these fundraisers is to raise
11 money for the non -- for their nonprofit. We -- I can't
12 speak with all nonprofits, but all the money goes to
13 operations. So these are things like electricity, staff
14 salaries, things -- things like that. You know, it's like
15 our rock bottom needs of what this goes to.

16 Certainly services will have to be -- if we
17 don't have that money, if -- if we don't have the
18 volunteers in forms of board members, we might see
19 services -- and, certainly, we couldn't pay as many people
20 because that's where we get the money to pay people.

21 So, anyway, thank you for your time. And I hope
22 you can take a look at this so that we can all get back to
23 doing our jobs, which is to, you know, help people in our
24 community. So thank you.

25 CHAIR TANAKA: Thank you. Anybody else?

1 MS. YOSHIZAWA: Harlan Hughes.

2 MR. HUGHES: Good morning and thank you for
3 letting us be here to express ourselves regarding all of
4 these issues. I believe you all have my letter that I
5 sent in. And I think you got the corrected copy.

6 I'm Harlan Hughes, by the way. Supposed to say
7 that.

8 CHAIR TANAKA: Will you please state your name?

9 MR. HUGHES: Harlan Hughes. The cost for doing
10 all this fingerprinting and criminal background checks is
11 \$50.90 per person. So we're talking thousands of dollars
12 for the community that would not be going into the
13 nonprofits.

14 I have been working in the food and wine
15 industry on Maui since 1970. In over 30 years, I have
16 been working doing food and beverage -- food and wine and
17 food events for Maui's nonprofits. I have a list of them
18 here in the AARP newsletter article about what I do.

19 Women Helping Women; Malama Family Recovery Center;
20 Friends of the Children's Justice Center, Maui Youth and
21 Family Services, American Cancer Society, Maui Memorial
22 Medical Center Foundation and Maui Academy Performing
23 Arts.

24 These are organizations that I have developed
25 and directed food and wine events, fund-raising events for

1 over the last 31 years. There has never been an event
2 where we had a problem with somebody having consumed too
3 much alcohol.

4 Speaking of alcohol, wine, on your list of
5 things here, is alcohol, just like tequila, but there's a
6 big difference between wine and whiskey. And these food
7 and beverage events have beer or, mostly, wine.

8 And the thing about the chits, for example, if
9 you have -- taste more than two wines, you have to buy
10 chits, and they all have to be more than the expense of
11 the wine in wholesale. And all the wines are going to be
12 different prices so you have to make it one of the most
13 expensive one.

14 And it's very difficult for people to have to
15 pay to go to an event, then have to pay individually for
16 each wine they taste. If you get two glasses of wine in a
17 restaurant, you're talking about 10 ounces. If you have a
18 small taste of different wines in an event like the garden
19 party, for example, then you have to pay extra to taste
20 more than two of them, this is something that's really
21 going to turn people off big time.

22 I understand many of these things that -- in my
23 letter, for example, are supposedly to protect the public.
24 However, when this puts a damper on nonprofit fundraising
25 events, it does the opposite. It hurts the public that

1 the nonprofits are here to support.

2 So I hope you'll take all the things that people
3 have been saying here today into consideration and fix
4 this problem that's been developed with these changes in
5 the rules so the nonprofit events that we put together to
6 help our community can continue, so we can continue to
7 help our community.

8 This is my kuleana. It's my dharma. It's what
9 I do. I've been retired for 10 years. I'm no longer in
10 the food and wine business as a profession; I'm in it as a
11 nonprofit person, helping all the nonprofit organizations.

12 My mother worked helping Maui's nonprofits from
13 '65 until '85. And she's my -- you know, I'm following in
14 her footsteps. And I hate to have somebody put a damper
15 on what I do for our community. And I hope you folks will
16 see all this and fix these things so we can continue to
17 help our community as individuals and as organizations.

18 And thank you so much for taking this into
19 consideration.

20 CHAIR TANAKA: Okay. Next.

21 MS. YOSHIZAWA: Kimoqueo Kapahulehua.

22 UNIDENTIFIED SPEAKER: He just stepped out.

23 UNIDENTIFIED SPEAKER: Stepped outside.

24 CHAIR TANAKA: Kari, how many more?

25 MS. YOSHIZAWA: Five including this person.

1 MR. KAPAHULEHUA: Aloha, Commissioners. My name
2 is Kimokeo Kapahulehua. I'm specifically speaking for
3 Pacific Cancer Foundation and to support them on their
4 thing today with the other nonprofits. But, basically, to
5 let you know that Pacific Cancer Foundation depends on
6 these special events.

7 One of the events we do for them is Paddle for
8 Life. The second event is Aloha Kalikimaka. And both of
9 these events generate enough funds for their 50 percent of
10 their budget.

11 And so we ask you to support the nonprofits and
12 make it possible for us to continue what we been doing
13 with special events. Thank you very much. Mahalo.

14 CHAIR TANAKA: Thank you. Next.

15 MS. YOSHIZAWA: Kerith Harding.

16 MS. HARDING: My name is Kerith Harding. And
17 I'm the Director of St. John's Episcopal Church in Kula.
18 I'm here to implore you to reverse course on your decision
19 to enforce requirements for special licenses. This
20 requirement places an unfair burden on the small local
21 nonprofits who can't afford to go to places like the Four
22 Seasons or the other hotels in Wailea and out in Kaanapali
23 to have our special events.

24 Maui's small nonprofits work hard to provide
25 assistance to the folks who Jesus called the least of

1 these. So those in prison, children, widows, orphaned,
2 those who have no place to live. We know that the County
3 counts on our small nonprofits for help with this. And we
4 count on you to help us help them.

5 As a result of this decision, St. John's Kula
6 has had to cancel our September event, Starry Night. This
7 event brings in about \$12,000. There's a silent auction
8 that goes along with the Kula Festival and a live auction
9 and such. And we share part of our proceeds with other
10 nonprofits.

11 I notice Na Keiki o Emalia is well represented
12 here. And they were one of the nonprofits who benefited
13 from our festival last year.

14 So while the festival goes on, and we've had to
15 cancel our special evening event. And \$12,000 is a lot of
16 money to a small nonprofit. That is, for example, our
17 music budget. That is what it would cost us to replace
18 the ancient floor in our parish hall, a floor that has
19 been trod upon by probably thousands of AA groups,
20 Al-Anon, local community associations.

21 So while it's too late for us to revive our 2017
22 September evening fundraiser, I just really want to
23 implore you, because it's not too late, to make it so that
24 some of these other nonprofits can go ahead and have their
25 fall fundraisers.

1 Thank you very much.

2 CHAIR TANAKA: Thank you. Next.

3 MS. YOSHIZAWA: Richard Moss.

4 MR. MOSS: Good morning, Commissioners. My name
5 is Richard Moss. I'm the quartermaster for Veterans of
6 Foreign Wars, Post 3850, here on Maui.

7 We've been operating three fundraising events
8 every year for many, many years now. We have two luaus
9 and a steak fry. And we do serve alcohol at those events.
10 It's one of the things that, I think, attracts certain
11 people to attend the events. We don't make a lot of money
12 on the alcohol sales. We probably make maybe \$1,000,
13 \$1,200 in the sale of the alcohol at each of those events.
14 But the events themselves are a very important part of our
15 fundraising every year to support the operations of our
16 post.

17 It's been a very straightforward and simple
18 process in the past to obtain a liquor license. The new
19 process that's being proposed, I think, is a little bit
20 over the top and would be very difficult for us to comply
21 with not as well as costly. So I would encourage you to
22 reconsider any decisions that you make to implement these
23 new rules.

24 And I think the old rules -- I don't know what
25 problem is trying to be solved. We've had very -- you

1 know, our events have been inspected by your Liquor
2 Control inspectors. We've had no incidents. We've never
3 had the police called to any of our events.

4 We operate a very family friendly event. And
5 it's important to our fundraising. So I would encourage
6 you to maybe back off on these new proposed requirements.

7 Thank you very much.

8 CHAIR TANAKA: Thank you. Next.

9 MS. YOSHIZAWA: Danny Kanahale.

10 MR. KANAHELE: I'm -- I'm good. (Inaudible)
11 come out with the same thing.

12 MS. YOSHIZAWA: Oh, okay. Mahina Martin.

13 MS. MARTIN: Good morning, Commissioners. I'm
14 Mahina Martin speaking on the nonprofit issue.

15 You know me as -- with all the concerns I have
16 on the other issues. And this came later, came to light.
17 I have an extensive background of supporting nonprofits,
18 both as a staff person, a board member and a volunteer.
19 Everything from domestic violence to Friends of Moku`ula
20 on the cultural side to our own Hawaiian Canoe Club and
21 MIL Paddling as well. So I have a wide variety. But,
22 gosh, I don't know where to start with this one.

23 I know that you know there are some severe
24 results of the new procedures. I find it astounding that
25 a decision has caused the end of fundraising for some

1 organizations. And I find it very sad that our Maui
2 nonprofits who do the work that we need them to do must
3 come before the Commission to ask, to beg, to plead that
4 these procedures be removed and changed.

5 And like the other speaker, I just don't really
6 understand what problem it's addressing, but quick action
7 on this would help many of them pay their staff, deliver
8 the services and support board members who really
9 volunteer.

10 And I'm sure all of you have done it at one
11 point. If you were asked to be fingerprinted and turn in
12 your speeding tickets from when you were 18 or -- or some,
13 you know, long-term history, it -- it would confuse you
14 and it would also scare off some other board members as
15 well.

16 So I am asking, like all of them have had, but,
17 also, for quick action. If there's a way you can deal
18 with it immediately, it can save some of the events, and,
19 in that way, save many of their services as well.

20 So thank you again.

21 CHAIR TANAKA: Thank you. Anybody else?

22 MS. YOSHIKAWA: No one else has signed up to
23 testify.

24 CHAIR TANAKA: Okay. Fine. Thank you. Before
25 I close -- close this item, the Commission will take your

1 concerns under consideration and we will work with the
2 staff to try to reduce some of these requirements. And if
3 we gotta change our rules as necessary, we will look into
4 it. Thank you.

5 Okay. Let's have a five-minute break before we
6 go into our public hearing item.

7 (Recess, 10:02 a.m. to 10:16 a.m.)

8 CHAIR TANAKA: Okay. Liquor Commission meeting
9 called back to order. Okay. Let's go on to public
10 hearing on the proposed rule amendments. Kari.

11 MS. YOSHIKAWA: Summary of the proposed rule
12 amendments:

13 Number 1, Amendment to Section 08-101-22(f) of
14 the Rules: Establishes a maximum number or cap on the
15 number of Class 5(2)(D), "hostess", licenses to 12 that
16 can be issued in the County.

17 2, Amendments to Section 08-101-25 of the Rules:
18 Amends the hours of operation and transaction of business
19 for the following licensees: Dispensers, restaurants,
20 clubs, transient vessels, tour or cruise vessels, and
21 specials; cabarets; hotels and condominium hotels;
22 retailers; manufacturers and wholesalers; brewpubs; small
23 craft producer pubs; caterers; and wineries.

24 3, Amendment to Section 08-101-28(d) of the
25 Rules: Prohibits the sale and delivery of the liquor to

1 private residences or businesses.

2 CHAIR TANAKA: Okay. Before I call for the
3 public testimony, I just want to reiterate that the
4 proposed rule amendments basically repeals three of the
5 sections the public were concerned about. So when you
6 make your testimony, can you please state whether you in
7 favor of these proposed rule amendments or against the
8 rule amendments. Okay?

9 MR. KUSHI: Mr. Chair, for the record, before
10 you proceed. Staff just read the summary of the proposed
11 rule amendments. The actual rules and the amendments, in
12 Ramseyer format, is listed on the agenda that was posted.
13 So that's just for the record.

14 CHAIR TANAKA: Okay. First -- first
15 testimony -- first person to testify.

16 MS. YOSHIZAWA: Eric Correa.

17 CHAIR TANAKA: Please state your name. You have
18 three minutes.

19 MR. CORREA: Eric Correa with the State of
20 Hawaii Organization of Police Officers, Maui Chapter. I'm
21 here to testify in favor of the rule amendments today,
22 just to reinforce that from the last testimony that I
23 gave, all those reasons.

24 I appreciate the opportunity this morning that
25 you're giving us to come and express that, and to consider

1 what was already, previously said regarding the impacts
2 that we as law enforcement officers experience from
3 dealing with alcohol-related incidents.

4 And just to keep it short, that's all I have to
5 say. Thank you very much.

6 CHAIR TANAKA: Thank you. Next.

7 MS. YOSHIZAWA: Ashlee Chapman.

8 MS. CHAPMAN: Good morning, Liquor
9 Commissioners. My name is Ashlee Chapman. I'm a resident
10 of Kihei. And I am here to testify in favor of the
11 proposed amendments today.

12 First, I would like to thank you all for hearing
13 this issue today and for the respect that has been shown
14 to the community throughout this entire process.

15 I am a mother and work in the substance abuse
16 prevention field. And I've seen the devastation alcohol
17 creates for so many here on Maui. Yet, as a prevention
18 worker and community member, I have hope for those who
19 struggle with addiction and who are impacted by substance
20 use in that they could have a healthier environment to
21 thrive in.

22 It gives me hope to know that all of you are
23 willing to listen to us as a community, which is evident
24 by your unanimous vote that you passed back in May to
25 proceed with these repeal efforts.

1 I have hope that you will, also, show that you
2 are willing to listen to us again today. And I thank you
3 for considering each of our voices.

4 You have heard from -- or you will hear from
5 voices today that continue to share that these
6 amendments -- or that the changes proposed previously were
7 harmful to us. So we thank you so much for considering
8 these amendments and hope that you pass -- you pass them
9 today.

10 Thank you.

11 CHAIR TANAKA: Thank you. Next.

12 MS. YOSHIZAWA: Brenda Fernandez.

13 MS. FERNANDEZ: Hello. My name is Brenda
14 Fernandez. And I'm in -- in favor of the rule amendment
15 today, like, basically, against the 24-hour liquor sale
16 law.

17 I come representing my drive school, All-Star
18 Driving School. And I have, sharing with you folks,
19 letters from the students. The students' age range from
20 15 to 22. Basically, I just told them what these laws
21 were and asked them what they felt about it. And I will
22 be giving you folks the letters on their views on being,
23 of course, against it.

24 And -- and they were specific as to the 24-hour
25 liquor sale, the home delivery and the hostess bars. So

1 it's kind of interesting. I didn't go into much detail, I
2 did mention it, and they took it and kind of ran with it.

3 But, once again, I do make the statement, as I
4 did last time, I am against the 24-hour liquor sale law.
5 I'm, also, against the home delivery and, also, against
6 the increase of the hostess bars.

7 And I thank you folks for giving us the
8 opportunity to come here and speak our minds. Thank you.

9 CHAIR TANAKA: Next.

10 MS. YOSHIZAWA: Charles Silva.

11 MR. SILVA: Howzit? I'm Charlie Silva,
12 alcoholic, local boy. Grew up -- grew up right down the
13 street. I rarely give an introduction as I just did in my
14 personal life because it's nobody's business but mine.
15 I'm a chronic drunk driver, I got nine DUIs from 1970 to
16 1984. My last drunk was 1984. Okay. This is personal
17 stuff, so keep it to yourselves.

18 Whose idea was to sell alcohol 24 hours? What
19 one of you guys? Raise your hand. Whose idea was that?
20 Somebody had an idea. Whose idea? You guys nuts or what?
21 It's a nice small little community. Why you going sell
22 beer 24 hours a day? Only the chronic pipe guys gonna be
23 buying beer.

24 Beer causes drunk driving. I wanna -- I wanna
25 commend the Police Department for reducing the number of

1 drunk drivers on the road.

2 You know, this is my own personal trip. I don't
3 give a -- I don't care what you guys think, what you guys'
4 own personal life is. None of my business. I no care who
5 drink, who no drink, I no care, it's none of my business.
6 But selling alcohol 24 hours, where in the nation do they
7 sell alcohol 24 hours? What, Maui gotta be the first?

8 I suppose none of your family members ever
9 suffered from any sort of alcohol -- addictive
10 personality, alcohol, drugs, any of that, yeah. Think
11 about it.

12 You know, I a little bit nervous. My leg
13 shaking 'cause I had one head injury when I was young,
14 motorcycle wreck, because, you know, the consumption,
15 yeah.

16 I had stated what I stated in the beginning so I
17 can classify myself that I know what I talking about.
18 Okay? There's no need to have 24-hour liquor sales on
19 Maui. It's one small community. What you guys doing?
20 You guys mostly local guys. What's the matter? You gotta
21 drink beer 3:00 in the morning? Or you gotta buy your
22 beer for go work the next day? Come on. Grow up. Be
23 real.

24 It's just my own personal opinion. You know,
25 I'm sorry if I offend any of you guys, any of you guys'

1 integrity or brains or anything, but I just one basic kind
2 of growing up local boy who had the experience with all
3 that stuff.

4 And you guys give some serious thought to this
5 24-hour thing. I'm on the verge of saying you guys are a
6 bunch of idiots if you guys approve it, but it's not my
7 opinion, either, you know. You guys all educated people,
8 you guys know what you guys doing. Think about this
9 decision. It's all I asking you guys.

10 My own personal opinion. I'm sorry if I
11 offended anybody here or in the room, but it's just me.
12 (Inaudible) you guys have a good day. Thank you for
13 letting me share. Aloha.

14 CHAIR TANAKA: Next.

15 MS. YOSHIZAWA: Jhorden Shimabuku.

16 MS. SHIMABUKU: Hi. So I -- I was supposed to
17 testify, but I'm gonna call one of our -- or I cannot do
18 that?

19 CHAIR TANAKA: Can you state your name?

20 MS. SHIMABUKU: Jhorden Shimabuku. So I was
21 going to call one of my other peers. She's -- she's a
22 youth child, she's gonna go into eighth grade, I think.
23 So, Caelyn, I would like you to come up and testify.

24 MS. TABEMAL: Hi. My name's Caelyn Tabemal.
25 I'm going to eighth grade at Maui Waena. And I'm here

1 'cause I'm against the law. So --

2 And so, for MEO, we've been doing a ton of stuff
3 over the summer. And I think that if us kids can do a lot
4 of things in a month, then adults can do a lot of more
5 things than drinking alcohol in 24 hours. Over the
6 summer, we've been doing community service, we've been
7 going to different farms, kalo patches, we've been going
8 to beaches, we've been helping the community. And I think
9 adults can do way more than that 'cause we're just kids.
10 We don't have -- we have limits. Adults don't have that
11 much.

12 And I -- I think like -- like we shouldn't have
13 the law because then, us kids, we won't be safe if there's
14 a ton of drunk people walking around. Like they could
15 hurt children at like 3:00 in the morning going to buy
16 more beer. They could give it to minors. They can do
17 whatever they want with it and they won't probably -- and
18 it might not be according to the law.

19 Thank you for your attention.

20 CHAIR TANAKA: Next.

21 MS. YOSHIZAWA: Kylie Takushi.

22 MS. TAKUSHI: Good morning. I'm Kylie Takushi
23 and I'm from Paia, I'm 16 years old, I go King K. And I
24 am against the 24-hour sales.

25 Why? It's because I live in Paia. I like to go

1 to the beach. I love to go boogie boarding, swimming.
2 And with the 24-hour sales, for me, it won't help me. And
3 it won't help any of our keiki. It could put us more in
4 danger with all the drunk people and it's not safe.

5 I know you guys don't want that. No one wants
6 their kids to be unsafe -- to be not safe with all the
7 drunk people around.

8 And in Paia, we have this mural on the old
9 sugarcane mill. And we -- we wrote something on it. And
10 it says, "We have better things to do than do drugs and
11 alcohol." And it's a true statement. It is. We don't
12 need -- none of us need alcohol. We don't need drugs.

13 So this 24-hour sales won't help us. Kids -- I
14 guarantee -- I know there are kids out there that can and
15 probably will be able to get their hands on alcohol. And
16 no one wants that. If you guys are parents, you don't
17 want your kids to become like that. It's not good.

18 So I am very much against the 24-hour sales
19 'cause it'll help me, it'll help my friends and it'll help
20 kids around the whole island. But not just kids, adults,
21 too.

22 Drinking is pretty much just bad for your
23 health. It's not good. It kills you slowly, the alcohol.
24 It may be -- a lot of people, they say, oh, it's fun,
25 blah, blah, blah, blah, blah, blah, it's fun, you have it

1 at parties, but, in the long-term, it kills you.

2 So 24-hour sales, again, I'm against it. Thank
3 you for your time.

4 CHAIR TANAKA: Next.

5 MS. YOSHIZAWA: Jaden Takushi.

6 MR. TAKUSHI: Hi. I am Jaden Takushi from Paia.
7 I am -- go to Kalama. I am here representing MEO.

8 I am -- 24 hours liquor sale can cause bad
9 things for us kids, including kids can get their hands on
10 it. Like a few -- liquor can also heavily affect the body
11 and mind.

12 CYRUS: Hi. My name is Cyrus. I'm a Makawao
13 kid, in Kalama, going to seventh grade.

14 And just going to Makawao School, I have to walk
15 my friends. I don't feel really safe 'cause I feel like
16 there could be somebody taking me from my family. And I
17 love them.

18 I think that kids should have more friends
19 walking with them instead of like druggies driving by and
20 like trying to take them. I don't like trust anybody, or
21 my family walking on top the street alone because there
22 could be somebody they think is a nice person and they
23 could take you somewhere, and they can kidnap you, they
24 can do anything to you.

25 And I -- I'd rather not drink because like there

1 is more stuff you can do. You can play basketball, you
2 can do soccer, you can do sports, you can have fun with
3 your friends, do whatever you want. This is the only
4 thing I don't wanna do, is just drugs or alcohol stuff.

5 Thank you for your time.

6 MS. YOSHIZAWA: Shelly Gomes. Oh, Shelby.

7 MS. GOMES: Aloha. My name is Shelby Gomes and
8 I'm against the 24-hour drug -- the 24-hour alcohol sales.
9 And the reason being is because this poster.

10 This is from the teen expo that we had this
11 year. And this is all of our pledges that we had against
12 this law. I mean, look how much people care about us.
13 These are all are mostly kids, too. There's some adults
14 as well.

15 But the thing is, we -- we really don't need
16 this. I -- I personally don't need this 'cause -- like we
17 just don't need it. I mean, having 24-hour alcohol is
18 something nobody needs.

19 And look at how much -- look at how much people
20 care. This is -- this is 84 pledges. I think we had
21 more, but we couldn't fit it. Yeah. But -- I mean, I
22 have a little brother. And he likes to play all the time.
23 I, actually, have three. And I really don't want them
24 running into anybody that is drunk, but -- yeah.

25 Thank you for your time.

1 MS. YOSHIZAWA: Kaiyle Okada.

2 MS. OKADA: My name is Kaiyle. I am like
3 against the law. The reason is like I think that by
4 passing this law, it reverses all the work that us as
5 youth have done for the community. Because we have done
6 like the mural, like Kylie said, we've done Be a Jerk, and
7 we've gone to stores and put stickers on all the alcohol,
8 and we've sign waved like in the front of the County
9 building, and we've done a lot of things. So by doing
10 this, it reverses all the work that we've done.

11 And, also, like I was thinking that when you
12 like go to the stores at like 12:00, you're like --
13 probably ran out of alcohol at a party or something. So
14 like you're gonna be like drinking and driving. So it's
15 like no sense to have all those laws 'cause it just
16 defeats the purpose of anything. So, yeah.

17 MS. YOSHIZAWA: Kerith Harding.

18 MS. HARDING: My name's Kerith Harding, I'm the
19 Director of St. John's Church in Kula. And I'm against
20 the decision to lift the cap on hostess bars and I'm
21 against 24-hour liquor sales.

22 First off, regarding hostess bars, let's be real
23 about this one, our society doesn't need any more help
24 with the objectification of women. So let's not give them
25 any more.

1 The second, regarding 24-hour liquor sales,
2 nothing good happens, as our previous testifier noted,
3 when someone wants to buy liquor at 3:00 a.m., and they
4 succeed.

5 I feel like the only cries that we want to be
6 hearing out of Maui Memorial Hospital at 3:00 a.m. are the
7 cries of newborn babies and not the cries of grieving
8 mothers, fathers, sisters, brothers and friends.

9 So thank you.

10 MS. YOSHIZAWA: Mahina Martin.

11 MS. MARTIN: You know, I'm so emotional when I
12 hear the kids, I feel like crying, and stories. And I --
13 I know you do.

14 CHAIR TANAKA: Please state your name.

15 MS. MARTIN: I'm Mahina Martin, for the record.

16 I, first, want to recognize this is a difficult
17 moment for the Department and the Commission. It's a
18 critical one. We are at the juncture where you can help
19 make a difference and reverse this.

20 As Charlie Silva said, I -- so many of us are
21 perplexed about how we got to this point, destroying
22 nonprofits raising money through opportunities, having
23 kids come forward, talk about, you know, it -- it's
24 negating all the work that they've done.

25 But I want to tell you a story. I got a call

1 yesterday from a fellow, very aggravated. He said, "Why
2 is anyone opposing this? I don't get it. The decision
3 was made. People should just follow."

4 I think that our community is far more complex.
5 It's like family, as I said before. You know, we don't
6 always get along, but we're still family. We don't always
7 agree as an island, but we need to sit at the table
8 together, we need the opportunity to discuss it. Or how
9 do we live together? How do we hear the children cry at
10 the hospital instead of the grieving families? How do we
11 support the families that came to you two months ago to
12 tell you their stories about burying their loved ones from
13 a DUI incident or crash?

14 You have the opportunity today to vote to
15 reverse whatever was done. And I would also hope that
16 further actions will be carefully considered and asked.

17 As you know, when the rules were put in place in
18 February, over 200 pages of meeting minutes exist, and,
19 yet, only a couple of paragraphs even talked about
20 something as significant as increasing liquor sales,
21 opening up more hostess bar opportunities, home deliveries
22 and -- and other parts of the rules.

23 So this fellow who called me was very
24 aggravated. And I said, you know, we -- we both agree
25 that there are important rules made. And wouldn't he want

1 to also know that there are rules being made that we will
2 have to live by. And I think we came to an agreement. He
3 wanted to know if I thought the Department was at fault.
4 He wanted to know if the Commissioners were at fault. He
5 wanted to know why the community wasn't just following. I
6 said, "No one's at fault. We all failed."

7 We all failed. We failed to make our point
8 clear enough that action was done sooner. We failed to
9 monitor these proposed rules, although, as you know, I
10 disagree with the way the public notice was done through a
11 small ad. The Department failed in making sure that the
12 community was at the table. The Commission failed to ask
13 the hard questions.

14 So what do we do now? Let's just move on.
15 Let's just move on, make it better so that we don't have
16 to keep revisiting this. Because this is a great
17 opportunity today to learn from this.

18 And I want to thank you for taking it to this
19 point and encourage you to take action immediately today.
20 Thank you.

21 MS. YOSHIZAWA: Mikahala Hem -- Helm.

22 MS. HELM: Aloha. My name is Mikahala Helm.
23 And I was here two months ago, or whenever that last
24 meeting was, to oppose the 24-hour sale of liquor and
25 raising the cap on the hostess bars and the other things

1 that were passed that I felt were not making Maui safe and
2 that were making us go in the wrong direction.

3 And today, in listening to our opio testify
4 here, our keiki, we can hear that, over the past 55 years,
5 look at how radically things have changed here on Maui.
6 55 years ago, we could walk down Kaahumanu, walk in
7 Wailuku, walk to Kahului, and there was no problem of
8 feeling afraid that someone would hit us, that someone
9 would take us or different things like that.

10 Today, we heard the testimony of this young boy
11 who expressed his fear. And if we look at the --

12 I am, by the way, in favor of the amendment to
13 roll back the rule so there is no 24-hour sale of liquor,
14 et cetera, here on Maui. And -- and I think that will be
15 taking us in the right direction.

16 I've been a counselor -- I'm a retired counselor
17 of Maui college for 33 years. And over that period of
18 time, I've seen -- I've worked with youth through kupuna
19 age, individuals and groups. And I know that I've seen
20 individual -- individual lives being rebuilt in recovering
21 from alcohol abuse. I've seen lives hindered from
22 reaching their potential because there is, you know,
23 alcohol that -- in their lives that is detrimental to them
24 and to their families. And I have also experienced
25 families shattered by young lives being lost due to

1 accidents which were alcohol-related.

2 And so I do have personal experience at work as
3 well as in family that makes me appear here today in front
4 of you to ask you personally to please pass this amendment
5 and take us back to a safer Maui. Everyone here who has
6 testified so far is this lei of love. And I know you are
7 a part of that lei of love for Maui. So let's make Maui
8 safer, not go in the wrong direction.

9 Thank you very much.

10 MS. YOSHIZAWA: Chair, last person signed up to
11 testify is J.D. Wyatt. Good.

12 MR. WYATT: Good morning. My name is J.D.
13 Wyatt, I'm the Executive Director of Big Brothers Big
14 Sisters Maui. And I wanna just talk with you briefly
15 today from a organization perspective and from a personal
16 one.

17 We, as you know, right down the road, our
18 offices and our mentor center is in the Hale Makana
19 complex. Just a month ago, I had three boys who were no
20 older than 12 walking down the streets of Hale Makana with
21 40-ounce beers in their hand with no fear and like nothing
22 was wrong, it was totally normal. And we all know that if
23 we went back to when we were 12 and we were walking down
24 those -- those streets, any parents, any uncle, any auntie
25 would be coming rushing out there, immediately correcting

1 that behavior.

2 We see firsthand the dangers of alcohol and drug
3 abuse in our own back yard. There is no good reason to
4 have 24-hour alcohol sales. There's nothing good -- I had
5 a mentor tell me when I was younger, there's nothing good
6 happening between midnight and 6:00 a.m. unless you're
7 sleeping. That's the best thing you can be doing.

8 The -- the nonprofit model, the one day, you
9 know, the special registration for a one-day license is
10 also incredibly restrictive on nonprofits. We're told by
11 the County and other funders to run your business, be more
12 efficient, get off County money. And then we look to do
13 special events where the -- usually, the single biggest
14 profit item is the sale of alcohol, responsible sale, mind
15 you. I used to do events right at Pundy's house, right up
16 the street. That is an acceptable way and a great way to
17 do it.

18 I'm a board member and I also have board
19 members. None of my board members support this or would
20 be interested in doing it, which means we don't be doing
21 dinners where we have these kind of opportunities. So I'd
22 like you to consider that as well.

23 From a personal perspective, my father was an
24 alcoholic. He was an angry and violent one. I grew up in
25 a bar, we owned a bar, as a kid. So I think my

1 perspective on alcohol in particular is -- has a lot of
2 merit to it because I lived it from the first days of my
3 life. I used to remember the smell of -- of older people
4 coming up to hug the little kid in the bar with, you know,
5 alcohol on their breath and -- and just off balance and
6 all these things. And that was my first impression of
7 what alcohol was.

8 So I believe in responsible drinking if -- if
9 adults so may choose, but if we go to 24 hours, we are not
10 only catering to those that have alcohol problems, but we
11 are endangering our children. And I'm so impressed with
12 our kids. I thought the kids in my program were
13 wonderful. My former employer -- employee, Ashlee here,
14 is running this great program.

15 MS. CHAPMAN: No, I'm not.

16 MR. WYATT: Well, she's on point, anyway.

17 MS. CHAPMAN: No, I'm not.

18 MR. WYATT: She used to say that when she worked
19 for me, too. No, I didn't do that. But the -- if we
20 listen to these young voices -- they're the ones most
21 influenced by alcohol marketing, right? They're --
22 alcohol distributors are trying to engage younger children
23 because they want future customers. The wisdom in this
24 room is outstanding. It's far beyond my comprehension at
25 their same age.

1 So please reevaluate this and make the right
2 decision which is to -- to go back. And we support the
3 amendment. Thank you.

4 CHAIR TANAKA: Okay. Any -- anybody else wanna
5 testify?

6 MS. SHIMABUKU: Right here. Hi. I'm Jhorden.
7 I'm here in favor of the amendments of the 24-hour alcohol
8 sales. I'm a youth leader for MEO Youth Services Underage
9 Drinking Prevention Program. And, also, my role in this
10 program is president, so I'm basically the voice of our
11 youth group. And this is only three -- three of our
12 leaders here today, half of -- half of them have jobs
13 right now, so they're not here with us today.

14 So one of our big problems we've been working
15 with is underage drinking. So we've been doing the teen
16 expo, like the pledges, we've been doing like sign waving
17 and -- I forgot -- the mural, like Kylie said, we have
18 better things to do than alcohol.

19 I've been in this program for six years now and
20 soon to be seven. And right now, I'm a senior at King
21 Kekaulike High School and I'm doing my senior project on
22 this 24-hour alcohol sales. So I'm gonna most likely talk
23 to one of you guys and to Ashlee, maybe do a video, you
24 know, and then -- so this is why I'm here today.

25 So one of my peers, Cyrus, he said that he's not

1 safe on the streets. Shelby, she said that she -- she
2 cares for her brother, maybe she doesn't want to be
3 surrounded by that. So like, you know, all these other
4 test -- testifiers, they all don't want everyone to be --
5 they all want everyone to be safe.

6 So, yeah. Thank you.

7 CHAIR TANAKA: Okay. Anybody -- anybody else in
8 the audience before I close this public hearing?

9 MS. BISSELL: Hi. Good morning, everyone. My
10 name is Jeny Bissell. I'm a resident of Kihei. I'm also
11 a public health nurse, registered nurse for the past 30
12 years.

13 And one of my job is to do mortality review,
14 child death review, maternal mortality review as well as
15 domestic violence fatality review for our County of Maui.
16 And the most common denominator in -- in terms of the
17 costs and manner of deaths that we've done over the last,
18 oh, gosh, many years, as long as I can remember, is
19 alcohol, tobacco and other drugs. So by increasing access
20 and availability of alcohol to our community, that will
21 only, I think, in terms of our cost, in terms of health,
22 in terms of safety, it's basically shifting all of our
23 costs into treatment and fatality incident, you know,
24 kind -- intervention as well as the other things that the
25 testifiers had mentioned.

1 So I guess the big questions to ask to ourselves
2 is what are we willing to invest in. You know, prevention
3 is always the best way in terms of cost savings, you know,
4 a lot of these things that our kids and our community have
5 shared, our testifiers. So, again, please reconsider.
6 And it's a tough decision.

7 And I really thank you for the opportunity to --
8 for us to share our experiences and our voices. Again,
9 thank you so much.

10 CHAIR TANAKA: Thank you. Okay. Anybody else?

11 MR. SILVA: I just have one question.

12 MR. KUSHI: No questions.

13 MR. SILVA: No questions?

14 MR. KUSHI: You can testify if you want.

15 CHAIR TANAKA: You can testify.

16 MR. SILVA: Who invented this law? Where did
17 this law come from? One of you guys or somebody else?

18 CHAIR TANAKA: Sorry, we -- we cannot answer
19 that question. Any -- anybody else willing to testify?
20 If not, I'm gonna close this public hearing.

21 MS. MARTIN: Chair, may I come up one more time?

22 CHAIR TANAKA: You said your piece.

23 MS. MARTIN: I know, but I get one different
24 piece.

25 For the record, Mahina Martin.

1 I just wanna say that -- oh, by the way, thank
2 you again. But I wanna say that when there is public
3 hearings, if we could ask you to consider making it a
4 little more easier for the public to participate. And I
5 don't mean every Commission meeting you have, but when
6 this started to kind of come forward and break, you know,
7 I -- I had suggested, out of fear that people would need
8 to take time off from work or, you know, sacrifice
9 vacation time to come, that could the meeting be possibly
10 like late afternoon or something. So, obviously, you
11 know, that didn't happen. I was told it was gonna be very
12 difficult to schedule staff, your time and a court
13 reporter and facilities. But other departments do it,
14 other commissions do it. If it's that big, it's so hard
15 for folks to give up their paycheck, you know, to come for
16 three hours, that's groceries in a bag, out of payroll.
17 So if there's a way you could consider it, if there are
18 big issues one time a year, you know, whatever those
19 things are, I think it would be helpful, very helpful.

20 Okay. Thank you, Chair.

21 CHAIR TANAKA: Okay. If there's no other
22 testimony, I'm gonna close this public hearing. Okay.
23 Are there any comments by the Commissioners? If not, I'm
24 gonna call -- call for a motion. May I have a motion?

25 COMMISSIONER ALULI: Motion is for accepting --

1 I -- let's see. How to make the motion.

2 CHAIR TANAKA: Will approve --

3 COMMISSIONER ALULI: I move to approve the
4 proposed rule amendments for Title 8, Chapter 101, Rules
5 Governing the Manufacture and Sale of Intoxicating Liquor
6 for the County of Maui.

7 COMMISSIONER SOUZA: Second.

8 CHAIR TANAKA: That's only one. Nane?

9 COMMISSIONER ALULI: There are three of them,
10 right?

11 CHAIR TANAKA: Yeah. Can you make a --

12 COMMISSIONER ALULI: I, also, move to accept the
13 amendments for Section 08-101-25, Rules Governing the
14 Manufacturing and Sale of Intoxicating Liquor for the
15 County of Maui; and Section 09-101-28 [sic], Rules -- lets
16 see.

17 CHAIR TANAKA: Prohibit the sale.

18 COMMISSIONER ALULI: Manufacturing and sale of
19 intoxicating liquor for the County of Maui, but there's
20 the rule for the -- summary -- 2 and 3 -- right, okay. So
21 I move to approve the proposed rule amendments for Section
22 08-101-22(f) of the Rules establishing the maximum
23 number -- and a cap for the number of Class 5(2)(D)
24 "hostess" licenses to 12 that can be issued by the County;
25 Amendment 2, Section 08-101-25 of the rules, amendments

1 for the hours of operation and transaction of business for
2 the -- for licensees; and Item 3, Amendment of Section
3 08-101-28(d), rules prohibiting the liquor of -- the sales
4 of liquor and delivery of liquor to private residences and
5 businesses.

6 VICE-CHAIR LOPEZ: I second that.

7 CHAIR TANAKA: Okay, it's moved and seconded.

8 All in favor, say "aye."

9 (Response.)

10 CHAIR TANAKA: Opposed, "no."

11 (No response.)

12 CHAIR TANAKA: Motion carried. Thank you.

13 Okay. Let's have a 10-minute recess.

14 (Recess, 10:53 a.m. to 11:07 a.m.)

15 CHAIR TANAKA: Okay. Liquor Commission meeting
16 back to order. Okay. Let's go to Administrative Affairs.
17 Corporation Counsel, status report. Gary? Kristi.

18 MR. KUSHI: Kristin.

19 MS. TARNSTROM: Shall we take a seat?

20 CHAIR TANAKA: Kristi. Please.

21 MS. TARNSTROM: Good morning. I'm Kristin
22 Tarnstrom, I'm a Deputy Corporation Counsel for the
23 County. With me is Gary Murai, also a Deputy. We're here
24 to update the Commission on the litigation of the
25 Committee for Responsible Liquor Control and Madge

1 Schaefer versus the Liquor Control Commission and the
2 Director of the Department of Liquor Control and the
3 County. Since this discussion goes into the underlying
4 issues in the lawsuit, I would request to go into
5 Executive Session to discuss these matters.

6 CHAIR TANAKA: Okay. May I have a motion to go
7 into Executive Session?

8 COMMISSIONER SOUZA: So moved.

9 VICE-CHAIR LOPEZ: So moved.

10 COMMISSIONER SOUZA: Second.

11 CHAIR TANAKA: Okay. All in favor, say "aye."
12 (Response.)

13 CHAIR TANAKA: Opposed, "no."
14 (No response.)

15 CHAIR TANAKA: Okay. Let's go into Executive
16 Session.

17 (Recess, 11:08 a.m. to 11:40 a.m.)

18 CHAIR TANAKA: Okay. Liquor Commission back in
19 Regular Session. Okay. We had a discussion on the
20 pending litigation with our attorney.

21 Let's go on to review and discuss Department
22 forms on the Special License, specifically Special License
23 application and Application for Special Liquor License.
24 The -- are there any comments from the public? If not,
25 sorry to do this, but we're going back into exec session

1 to discuss policies -- policy changes on the Special
2 Licenses and the checklist, but discuss the alternatives
3 with our counsel here to what we can do. So may I have a
4 motion to get back into Executive Session?

5 COMMISSIONER BICOY: So moved.

6 COMMISSIONER LEE: So moved.

7 COMMISSIONER DEREGO: Second.

8 CHAIR TANAKA: Moved and seconded. All in
9 favor, say "aye."

10 (Response.)

11 CHAIR TANAKA: Thank you. Back in exec session.
12 Sorry about that.

13 (Recess, 11:41 a.m. to 12:39 p.m.)

14 CHAIR TANAKA: Okay. Liquor Commission meeting
15 called back to order. Okay. Let's go back to our
16 Administrative Affairs. Discussion, Special Licenses.
17 Okay. We have decided to make some changes to -- to the
18 checklist for the special nonprofit only. Okay. Are
19 there comments by the Commissioners? If not, can I have a
20 motion?

21 COMMISSIONER BICOY: I move, in regards to
22 Special License Application Checklist, that, on Page 1,
23 deadline for filing application, that we remove "six
24 calendar weeks" and change it to "four calendar weeks".
25 On Page 1, we remove "dispenser" and "retail", the words

1 "dispenser" and "retail". On Page 2, in the second box,
2 regarding Personal History Statement, that we require two
3 persons only, the executive director and the corp --
4 corp -- corporation officer.

5 MR. KUSHI: "And a corporation officer".

6 COMMISSIONER BICOY: "And a corporation
7 officer". Regarding silent or live auction, that we add
8 "non-retail and retail", that we remove the word
9 "statement" stating that no liquor or other prohibited
10 items shall be included in the auction, and add "affidavit
11 stating that no liquor or other prohibited item shall be
12 included in the auction". That we omit, regarding the
13 site plan, the words "drawn to scale".

14 CHAIR TANAKA: Be removed.

15 COMMISSIONER BICOY: On Page 3.

16 MR. KUSHI: Floor plan.

17 COMMISSIONER SOUZA: On the floor plan, also?

18 CHAIR TANAKA: Site plan and floor plan.

19 COMMISSIONER SOUZA: Same -- right next to each
20 other.

21 COMMISSIONER BICOY: Oh, okay. Excuse me.

22 And -- and under floor plan, remove the words "drawn to
23 scale". On Page 3, we delete the box that says "if
24 hosting a silent or live auction, retail only". And on
25 the bottom of Page 3, we delete "silent and live auction

1 retail and non-retail, final detailed listing of items to
2 be auctioned". And this would all be subject to legal
3 review by Corp Counsel assigned to the Department.

4 CHAIR TANAKA: Okay. Any other questions? If
5 not, motion on the floor, any second?

6 COMMISSIONER ALULI: Second.

7 CHAIR TANAKA: Okay. Moved and seconded. All
8 in favor, say "aye."

9 (Response.)

10 CHAIR TANAKA: Okay. Opposed, "no."

11 (No response.)

12 CHAIR TANAKA: Motion carried. Okay. Let's go
13 on back to our agenda. Item C, Glenn, request Commission
14 approval for 2018 Liquor Education Fund budget.

15 DIRECTOR MUKAI: Yes. The Department is
16 requesting Commission approval for the Fiscal Year 2018
17 Liquor Education Fund, pursuant to Section 281-17(a)(3),
18 Hawaii Revised Statutes, and Section 8-13-2(1), Charter of
19 the County of Maui, 2017. The Commission already approved
20 the budget for the Liquor Education Fund and was submitted
21 to Council. And Council took no action. And -- the
22 original. And they called us the day of the final -- day
23 before they -- I think it was May 3rd or something, before
24 they gonna do the final okay for the ordinance and
25 everything else. Well, this was -- so we send up our list

1 on what we wanted and everything. Like we wanted travel
2 for our legal attorneys, for their education. And they
3 took no action. So we got zero in the Liquor Education
4 Fund.

5 The Liquor Education Fund is primarily funded by
6 fines from those that violate the law. And -- and it's
7 primary used strictly for education of the Commission, its
8 members, board members, Department. And 20 percent can,
9 up to -- what was that -- we can -- 10 percent can be used
10 for funding nonprofit, like we did the Maui Youth and
11 Family Services last year.

12 So all the things that we sent up, they didn't
13 approve. They just wouldn't consider it. So we are
14 resubmitting this Education Fund proposed budget. We're
15 going to limit it to office supplies, basically, it's
16 binders, copy paper, for color ribbon. And it's for the
17 rules. Anytime we revise the rules, we have to print out
18 the rules for all these licensee. And we need the covers
19 and everything else.

20 And the 6130 is printing and binding with all
21 the approved rules we sent to the printers to print, and
22 that's what they charge us.

23 6138 is R&M service, is for Gebco, maintenance
24 of the ID printers. Its a maintenance agreement we have
25 to pay.

1 6201 is airfare and transportation. Now I'm
2 requiring the Department to quarterly go to Molokai and
3 Lanai to do the certification and education program.
4 Plus, we ask additional money for two LCO when Molokai,
5 Lanai make special requests. Like if a hotel opens up, or
6 maybe like Koele, if it opens up, they tell us, instead of
7 they sending all the people on the boat to come here,
8 we'll send our people there to do -- do the certification
9 exam. And like when -- at times, you know, Lanai or
10 Molokai licensee gets cited before the Board, they request
11 Liquor Education Program for the employees. So we would
12 have to fly over our investigators to give the liquor
13 certification exam, you know, on this special request.

14 And, also, in it is the Department of Health
15 mandatory certification. Each year, the Department is
16 required to certify our investigators for the noise
17 meters. They come -- I believe, this time, was one
18 weekend and the following weekend. What they do is they
19 give, first, classroom education, then they take 'em
20 active field training on how to do it, what to do and
21 everything else. Because it's very intense. Because even
22 Mark went. And it is intense. So we need the monies for
23 that.

24 And 6225 is publication subscription. That's
25 the U.S. ID Checking Guide. We give this to all the

1 licensees. It helps them ID -- like we have so much
2 people from foreign countries and different states, when
3 they show an ID, they don't really know if it's valid or
4 not. You know, we showed you the ID checking guide, we
5 gave each of you. So they just refer to the book and see
6 if it's a valid and what to look for.

7 And 6226 is a per diem. That's a per diem we
8 pay our investigators when they go to Molokai, Lanai.
9 So --

10 And the last is Maui Youth and Family Service
11 Underage Drinking Prevention Coalition Program, \$20,000
12 again. But that would -- if they approve it, then we have
13 to come to the Commission for your approval. But at least
14 we have it in the budget so we have money to go forth with
15 it. So --

16 CHAIR TANAKA: Glenn, what if they no approve
17 this again?

18 DIRECTOR MUKAI: Then we have money sitting in a
19 fund which no one can use. Only the Department can
20 utilize these funds.

21 CHAIR TANAKA: So what the Council going do?
22 They no can spend 'em, yeah?

23 DIRECTOR MUKAI: They cannot. Not according to
24 law.

25 CHAIR TANAKA: Okay. Maybe you gotta tell

1 Adjudication Board no fine the licensees. Okay.

2 Hopefully, they approve this, anyway.

3 DIRECTOR MUKAI: Yeah, because I think the
4 balance is over \$200,000 in the Liquor Education Fund.

5 CHAIR TANAKA: Okay. So you need this --

6 DIRECTOR MUKAI: We need approval, Commission
7 approval.

8 CHAIR TANAKA: Okay. May I have a motion?

9 COMMISSIONER ALULI: I'll make a motion to
10 approve the budget provided this morning or this
11 afternoon.

12 COMMISSIONER DEREGO: Second.

13 CHAIR TANAKA: Okay. Moved and seconded. All
14 in favor, say "aye."

15 (Response.)

16 CHAIR TANAKA: Opposed, "no."

17 (No response.)

18 CHAIR TANAKA: Motion carried. Okay.

19 Director's Monthly Report.

20 DIRECTOR MUKAI: Director's Monthly Report:

21 Number one, Personnel. Our Secretary to Boards
22 and Commission, Sarah Cordeiro, has resigned to accept a
23 job offer to work in the private industry. And, also, on
24 the Personnel, we are having our interview for the LCO
25 Trainee position tomorrow. We have two trainees position

1 open, the review board will be conducting it tomorrow.

2 And, also, we have -- we will do enforcement for
3 the minor decoy operation. We will be starting this week
4 with the Maui Police Department.

5 Item 2, License Renewal. 22 licenses were not
6 renewed due to various reason. Several were no longer in
7 operation, like PK and Lulu's, they already closed down,
8 some forgot to file the application.

9 CHAIR TANAKA: So what they going do? They
10 going to have to reapply?

11 DIRECTOR MUKAI: They reapply.

12 CHAIR TANAKA: Anybody -- anybody from the --
13 because of tax clearance, for tax clearance?

14 DIRECTOR MUKAI: We had 10 -- 10 for Federal tax
15 clearance. The thing of it is our Federal tax office
16 closed. So they couldn't access the Federal tax office.
17 So they were flying to make an appointment to either Kauai
18 or Oahu. And one gal even, we learned, she chartered an
19 airplane so she can fly and meet her appointment and fly
20 back to file.

21 COMMISSIONER ALULI: Fly right back.

22 DIRECTOR MUKAI: I mean, that's why -- I think
23 there's going to be another push to try to take that
24 Federal tax clearance out of the State law requirement.

25 CHAIR TANAKA: Either that or I was thinking,

1 can we give 'em some kind of leeway?

2 DIRECTOR MUKAI: We can give it until the --
3 like last year, you guys gave it 30th, but, apparently,
4 what they telling us, it wouldn't help them, anyway. And
5 Kauai like our system of stopping it on the 15th, they
6 going think of adopting. Because, this way, they can
7 start working on their new application and get a temporary
8 license before their license expire.

9 CHAIR TANAKA: Yeah.

10 DIRECTOR MUKAI: And on the 1st -- so it's going
11 to be seamless until they can do their application and
12 everything else. Because --

13 CHAIR TANAKA: Well, they can do that now.

14 DIRECTOR MUKAI: Yeah. They been doing -- yeah.
15 Because I think about six -- how much was -- six, seven,
16 eight --

17 MS. YOSHIZAWA: Yeah.

18 DIRECTOR MUKAI: -- already came in for their
19 temporary license. So it's seamless.

20 CHAIR TANAKA: Okay. So, then, that don't stop
21 the operation?

22 DIRECTOR MUKAI: Yeah.

23 CHAIR TANAKA: Yeah. Okay.

24 DIRECTOR MUKAI: Well, the rest that didn't do
25 it and in the process of doing it, because they have some

1 issues that they cannot resolve.

2 COMMISSIONER SOUZA: So how long would their
3 downtime be, can be?

4 DIRECTOR MUKAI: Well, at that time to now,
5 those that have temporary --

6 CHAIR TANAKA: Temporary, 240 days.

7 DIRECTOR MUKAI: 240 days.

8 CHAIR TANAKA: They get 240 days.

9 COMMISSIONER SOUZA: If they don't have a
10 temporary, though, and nothing in order --

11 CHAIR TANAKA: And then -- and then they go --
12 they can extend, yeah.

13 DIRECTOR MUKAI: No. They -- I think you can
14 get a temporary if they close for so much days. There's a
15 time period before they have to apply for the temporary.

16 CHAIR TANAKA: Yeah, apply for the temporary --

17 DIRECTOR MUKAI: They can apply.

18 CHAIR TANAKA: -- and then get one extension.

19 DIRECTOR MUKAI: Yeah. And they can go --

20 CHAIR TANAKA: So no need pay their tax almost
21 one year, then.

22 DIRECTOR MUKAI: Not really. They still got to
23 bring the tax -- and, you know --

24 CHAIR TANAKA: Now I know how to get around
25 these things, yeah.

1 DIRECTOR MUKAI: And the staff really worked
2 hard because, again, it's a difficult process. And it was
3 difficult going into the final week. As we said last
4 meeting, we published in The Maui News to remind the
5 licensee. Plus, two weeks prior, we called everybody who
6 has not filed. The week of, we called everybody again.
7 The final day, we called them three times to remind them.
8 And some just did not come in and file.

9 And the Department is doing a reorganization.
10 It was based on reorganizing due to the Council deleted
11 our Chief LCO position. So now we have to do the -- show
12 the chain of command and everything else. So we'll be
13 going forth with that.

14 And Liquor Adjudication Board, we had no July
15 hearing because we had several in the pipeline and was
16 going to the prosecuting attorney, but the premises did
17 not renew their license.

18 COMMISSIONER SOUZA: Oh. So no more grounds?

19 DIRECTOR MUKAI: We cannot prosecute because
20 they gone.

21 CHAIR TANAKA: Okay.

22 DIRECTOR MUKAI: That's all we have.

23 CHAIR TANAKA: If there's no -- any other
24 comments or questions, may I have a motion for
25 adjournment?

1 COMMISSIONER SOUZA: So moved.

2 COMMISSIONER ALULI: Second.

3 CHAIR TANAKA: Moved and second. All in favor,
4 say "aye."

5 (Response.)

6 CHAIR TANAKA: Meeting adjourned. Thank you.

7 (Gavel.)

8 (Meeting adjourned, 12:53 p.m.)

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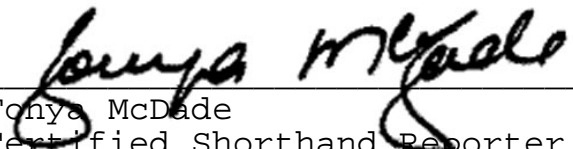
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CERTIFICATE

I, TONYA MCDADE, Certified Court Reporter of the State of Hawaii, do hereby certify that the proceedings contained herein were taken by me in machine shorthand and thereafter was reduced to print by means of computer-aided transcription; and that the foregoing represents, to the best of my ability, a true and accurate transcript of the proceedings had in the foregoing matter.

I further certify that I am not an attorney nor an employee of any of the parties hereto, nor in any way concerned with the cause.

DATED this 31st day of July, 2017.



Tonya McDade
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