

PHONE (808) 594-1888

FAX (808) 594-1865

Committee on Asset and Resource Management
Trustee Oswald K. Stender, *Chair*
Trustee Robert K. Lindsey, Jr., *Vice-Chair*
Members

Trustee Rowena Akana, At-Large
Trustee Peter Apo, O'ahu
Trustee S. Haunani Apoliona, At-Large
Trustee Donald B. Cataluna, Kaua'i / Ni'ihau
Trustee Carmen Hulu Lindsey, Maui
Trustee Colette Y. Machado, Moloka'i / Lāna'i
Trustee John D. Waihe'e, IV, At-Large



STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 500
HONOLULU, HAWAII 96813

Committee on Beneficiary Advocacy and Empowerment
Trustee John D. Waihe'e, IV, *Chair*
Trustee Rowena Akana, *Vice-Chair*
Members

Trustee Peter Apo, O'ahu
Trustee S. Haunani Apoliona, At-Large
Trustee Donald B. Cataluna, Kaua'i / Ni'ihau
Trustee Carmen Hulu Lindsey, Maui
Trustee Robert K. Lindsey, Jr., Hawai'i
Trustee Colette Y. Machado, Moloka'i / Lāna'i
Trustee Oswald K. Stender, At-Large

JOINT MEETING of the
COMMITTEE ON ASSET AND RESOURCE MANAGEMENT and the
COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT

DATE: Wednesday, June 6, 2012

TIME: 1:00 p.m.

PLACE: OHA Boardroom, 5th Floor

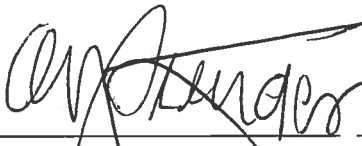
AGENDA

- I. Call to Order
- II. Approval of Minutes
A. JOINT ARM/BAE Meeting – May 2, 2012
- III. Community Concerns*
- IV. Unfinished Business
- V. New Business
A. ARM/BAE #12-03: Approval of Funds from the Fiscal Reserve for Refunding of OHA's Consumer Micro-Loan Program and Its Establishment as a Revolving Loan Fund
B. ARM/BAE #12-04: FY 2013 Community Grant Recommendations
- VI. Executive Session**
- VII. Beneficiary Comments*
- VIII. Announcements
- IX. Adjournment

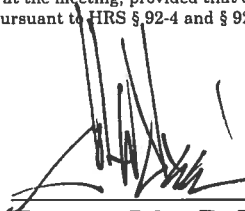
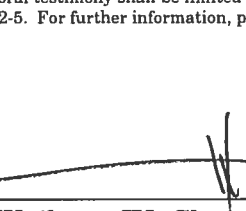
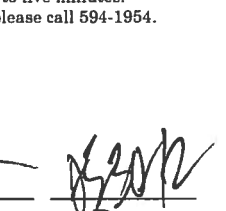
*Notice: Persons wishing to provide testimony are requested to submit 10 copies of their testimony to the OHA Chief Executive Officer at 711 Kapi'olani Boulevard, Suite 500, Honolulu, HI 96813 or fax to 594-1865, 48 hours prior to the scheduled meeting.

Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes.

**Notice: This portion of the meeting will be closed pursuant to HRS § 92-4 and § 92-5. For further information, please call 594-1954.

 05/30/12

Trustee Oswald K. Stender, Chair
Committee on Asset and Resource Management

Trustee John D. Waihe'e, IV, Chair
Committee on Beneficiary Advocacy and Empowerment

12 MAY 31 10:21
DEPUTY GOVERNOR'S
OFFICE

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
711 KAPI'OLANI BOULEVARD, SUITE 500**

**JOINT MEETING of the
COMMITTEE ON ASSET AND RESOURCE MANAGEMENT and the
COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT**

MINUTES

June 6, 2012 1:00 p.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Rowena Akana
Trustee Peter Apo
Trustee Haunani Apoliona
Trustee Carmen Hulu Lindsey
Trustee Robert Lindsey
Trustee Colette Machado
Trustee Oswald Stender

EXCUSED:

Trustee Donald Cataluna

BOT STAFF:

Crayn Akina
Kama Hopkins
Lei-Ann Durant
Liana Pang
Makana Chai
Melissa Wennihan
Nathan Takeuchi
Shelsea Apana
Shirley Nakanishi

ADMINISTRATION STAFF:

Kamana`opono Crabbe, Ph.D., Ka Pouhana / CEO
Aedward Los Banos, COO
Clarita Barretto Hironaka, TAP
Cyndi Caberto, AS
Edwina Minglana, TAP
Garett Kamemoto, MRM
Harold Nedd, MRM
Hawley Iona, CFO
Ike Ka'aihue, OUTR
Jerome Yasuhara, COMP
Jim Patterson, PROG
Kai Markell, COMP
Kay Watanabe, TAP
Kealoha Fox, DEMO

ADMINISTRATION STAFF (cont.):

Keith Yabusaki, Ph.D., TAP
Nancy King, TAP
Shannon Toriki, TAP
Tracy Mattos, CMLP

GUESTS:

Boogie Kahilihiwa
Cathy Leeloy
David Sato
Diane Paloma
Diane Terada
Dr. Claren Kealoha-Beaudet
Dr. Ishamael Stagner
Kaimana Lee Brummel
Kaiulani Odom
Kaohua Lucas
Kapaliku Schirman
Kepa Maly
Kerry Howell
Leinaala Heine
Leslie Tanoue
Lloyd Nelson
Maile Loo
Mervina Cash-Kaeo
Misti Pali
Naomi Sodetani
Napali Woode
Niulii Heine
Norma Spierings
Onaona Maly
Philip Harmon
Pi'ilani Kai
Ruthan Quitquit
Scott Fujii
Theresa Joseph
Valerie Monson
Wanda Villareal

I. CALL TO ORDER

Chair Waihe`e calls the Joint Meeting of the Committee on Asset and Resource Management and the Committee on Beneficiary Advocacy and Empowerment for Wednesday, June 6, 2012 to order at 1:05 p.m.

Chair Waihe`e notes for the record that **PRESENT** are:

MEMBERS			AT CALL TO ORDER (1:05 p.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE`E, IV	PRESENT	
VICE CHAIR	ROWENA	AKANA	PRESENT	
TRUSTEE	HAUNANI	APOLIONA	PRESENT	
TRUSTEE	COLETTE	MACHADO	PRESENT	
TRUSTEE	OSWALD	STENDER	PRESENT	
TRUSTEE	CARMEN "HULU"	LINDSEY	PRESENT	1:13pm
TRUSTEE	PETER	APO	PRESENT	1:14pm
TRUSTEE	ROBERT	LINDSEY	PRESENT	1:17pm

At the Call to Order, **FIVE (5) Trustees are PRESENT**, thereby constituting a quorum.

EXCUSED from the BAE meeting are:

MEMBERS			COMMENT
TRUSTEE	DONALD	CATALUNA	MEMO - REQUESTING TO BE EXCUSED

II. APPROVAL OF MINUTES

A. JOINT ARM/BAE Meeting – May 2, 2012

Trustee Machado moves to approve the JOINT ARM/BAE Meeting Minutes of May 2, 2012.

Trustee Akana seconds the motion.

Chair Waihe'e asks if there is any discussion. There is none.

Chair Waihe'e asks if anyone votes NO or ABSTAINS. There are no replies.

						1:08 p.m.
TRUSTEE	1	2	AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
VICE ROWENA AKANA		2	X			
PETER APO						Arrived 1:12 p.m.
HAUNANI APOLIONA			X			
DONALD CATALUNA						EXCUSED
CARMEN HULU LINDSEY						Arrived 1:11 p.m.
ROBERT LINDSEY						Arrived 1:15 p.m.
COLETTE MACHADO	1		X			
OSWALD STENDER			X			
CHAIR JOHN WAIHE'E			X			
TOTAL VOTE COUNT			5	0	0	4

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

Chair Waihe'e notes for the record that the MOTION CARRIES.

III. COMMUNITY CONCERNS*

None.

IV. UNFINISHED BUSINESS

None.

V. NEW BUSINESS

- A. ARM/BAE #12-03: Approval of Funds from the Fiscal Reserve for Refunding of OHA's Consumer Micro-Loan Program and Its Establishment as a Revolving Loan Fund**

Chair Waihe`e turns it over to Ka Pouhana / CEO Kamana'opono Crabbe, Ph.D.

CEO Crabbe calls on Chief Financial Officer Hawley Iona to present.

CFO Iona greets the committees and introduces Consumer Micro-Loan Officer Tracy Mattos who will also be able to address any questions. CFO Iona continues to explain that the action is two-fold; a recommendation to fund an additional \$100,000 into the existing program and also to turn it into a revolving loan fund.

Trustee Apoliona moves

To approve and authorize:

- A. The disbursement of \$100,000 from the FY 2012 Fiscal Reserve Designation Amount for the refunding of OHA's Consumer Micro-Loan Program and**
- B. Establishing OHA's Consumer Micro-Loan Program as a revolving loan fund beginning July 1, 2012.**

Trustee Machado seconds the motion.

Chair Waihe`e states the committees will now discuss the issue.

CFO Iona continues with background on the Consumer Micro-Loan Program. It launched with OHA in 2003; it is a loan program specifically to address Native Hawaiian beneficiaries in temporary financial hardship as well as vocational opportunities that they may have. Since 2003, OHA has committed two million dollars of funding over the 7-year period. As of April 30, 2012, we currently have about \$272,000 available. The additional \$100,000 is what is being requested. In Exhibit B of the action item you'll notice that if you also approve it to become a revolving loan fund in essence what that means is that all of the principle and interest repayments that currently do not revolve back into the program itself will now actually revolve into operations for OHA. So if you allow it, funds will revolve back, thereby increasing the available funding we will be able to lend out. What that also means is that over the next 7 years we won't have to come back to the board to ask for 2 million dollars. Instead we will only need to request about \$500,000 to make this a revolving loan program.

Trustee Akana asks what is in the reserve funds now.

CFO Iona responds that as of May 31, 2012 there is about \$250,000 available for lending.

Trustee Akana clarifies that she is inquiring about the fiscal reserve.

CFO Iona responds that in the actual fiscal reserve account there is about 10 million dollars. That amount changes each year. Once the fiscal year closes out, any lapses to the fiscal reserve would increase it.

Trustee Akana suggests to the ARM Chair that the subject of the OHA Fiscal Reserve should be brought up in an ARM committee meeting because the current 10 million dollar amount held in the reserve fund is too much and should be reduced. She continues by stating that the State Auditor made the same recommendation and that the monies that are not expended at the end of each year should be put back into the OHA Trust Fund. She proceeds by saying that she knows the answer would be that the funds are always there and we just draw down, but it is there to use and that has allowed the trustees to overspend and go back into the trust funds which we should not do.

CFO Iona confirms that Trustee Akana is correct about her presumption of what the answer would be. OHA Administration does not disagree with what she has stated. OHA Administration agrees that when moving forward, emphasis will be focused on trying to stabilize spending which would in essence mean not tapping into the fiscal reserve funds.

Trustee Apoliona asks who will or how many people will be handling the program.

Consumer Micro Loan Officer Tracy Mattos confirms that she will be handling the loan program and has been its handler since August 2011.

CFO Iona complements that Tracy has been an excellent asset and has been able to reduce the delinquency rate since she has started in August from 35% to 14%.

Trustee Akana follows up by asking what the maximum amount is that can be borrowed, the time frame in which it needs to be repaid, and at what percentage rate.

Tracy Mattos responds that the maximum amount is \$7,500.00 over a 5-year period at a 5% interest rate. Qualifications include: needing a minimum credit score of 600 and a debt-to-income ratio not more than 50%.

Chair Waihe'e asks the committee if there is any further discussion. There is none.

Chair Waihe'e calls for a **ROLL CALL VOTE**.

							1:13 p.m.
TRUSTEE		1	2	AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
VICE ROWENA	AKANA			X			
PETER	APO			X			
HAUNANI	APOLIONA	1		X			
DONALD	CATALUNA						EXCUSED
CARMEN HULU	LINDSEY			X			
ROBERT	LINDSEY						Arrived 1:15 p.m.
COLETTE	MACHADO		2	X			
OSWALD	STENDER			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

Chair Waihe'e notes for the record that the **MOTION CARRIES**.

V. NEW BUSINESS

B. ARM/BAE #12-04: FY 2013 Community Grant Recommendations

Chair Waihe`e thanks Trustee Robert Lindsey and Trustee Machado for bringing their conflicts to his attention regarding items #8 and #17, respectively on the grant matrix. He continues to state that there will be separate motions in order to pass all the grants without conflict.

Item #8

#	Organization	Amount	Program Focus
8	North Hawaii Community Hospital	\$ 240,782	Decrease Chronic Disease

Trustee Akana moves to approve and authorize the disbursement of \$240,782 from the FY 2013 Core Operating Budget (Object Code 56530) to fund the FY 2013 Granting for Results recommendation of Item #8 - North Hawai'i Community Hospital as listed within Attachment A – FY 2013 Community Grant Recommendations Matrix

Trustee Apoliona seconds the motion.

Chair Waihe`e states that this is the item that Trustee Robert Lindsey has a conflict of interest with and asks the committee if there is any further discussion. There is none.

Chair Waihe`e calls for a ROLL CALL VOTE.

						1:17 p.m.
TRUSTEE	1	2	AE (YES)	A`OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
VICE ROWENA AKANA	1		X			
PETER APO			X			
HAUNANI APOLIONA		2	X			
DONALD CATALUNA						EXCUSED
CARMEN HULU LINDSEY			X			
ROBERT LINDSEY						RECUSED
COLETTE MACHADO			X			
OSWALD STENDER			X			
CHAIR JOHN WAIHE`E			X			
TOTAL VOTE COUNT			7	0	0	2

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

Chair Waihe`e notes for the record that the **MOTION CARRIES**.

Item #17

#	Organization	Amount	Program Focus
17	Ka Ohana O Kalaupapa	\$ 53,666	Value History & Culture

Trustee Apoliona moves to approve and authorize the disbursement of \$53,666 from the FY 2013 Core Operating Budget (Object Code 56530) to fund the FY 2013 Granting for Results recommendation of Item #17 - Ka Ohana O Kalaupapa as listed within Attachment A – FY 2013 Community Grant Recommendations Matrix

Trustee Robert Lindsey seconds the motion.

Chair Waihe'e states that this is the item that Trustee Machado has a conflict of interest with and asks the committee if there is any further discussion. There is none.

Chair Waihe'e calls for a ROLL CALL VOTE.

							1:18 p.m.
TRUSTEE		1	2	`AE (YES)	A`OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
VICE ROWENA	AKANA			X		1- KANALUA, 2 - `AE = `AE	
PETER	APO			X			
HAUNANI	APOLIONA	1		X			
DONALD	CATALUNA						EXCUSED
CARMEN HULU	LINDSEY			X			
ROBERT	LINDSEY		2	X			
COLETTE	MACHADO						RECUSED
OSWALD	STENDER			X			
CHAIR JOHN	WAIHE`E			X			
TOTAL VOTE COUNT				7	0	0	2

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

Chair Waihe'e notes for the record that the **MOTION CARRIES**.

Trustee Apoliona moves to approve and authorize

- A. the disbursement of \$2,095,286 from the FY 2013 Core Operating Budget (Object Code 56530) to fund the remaining twenty (20) FY 2013 Granting for Results recommendations as listed below and within Attachment A – FY 2013 Community Grant Recommendations Matrix and

#	Organization	Amount	Program Focus
1	Alu Like, Inc.	\$155,138	Stability in Housing
2	Catholic Charities Hawaii	\$150,000	Stability in Housing
3	Goodwill Industries of Hawaii, Inc.	\$150,000	Increase Family Income
4	Goodwill Industries of Hawaii, Inc.	\$150,000	Increase Family Income
5	Parents And Children Together	\$150,000	Increase Family Income
6	Parents And Children Together	\$124,500	Increase Family Income
7	Kokua Kalihi Valley Comprehensive Family Services	\$125,000	Decrease Chronic Disease
9	The Queens Medical Center	\$148,500	Decrease Chronic Disease
10	Waimanalo Health Center	\$ 200,000	Decrease Chronic Disease
11	After-School All-Stars Hawaii	\$ 64,430	Exceed Education Standards
12	After-School All-Stars Hawaii	\$ 72,914	Exceed Education Standards
13	Goodwill Industries of Hawaii, Inc.	\$ 125,000	Exceed Education Standards
14	Hawaiian Kamalii Inc. dba Hawaiian Canoe Club	\$ 43,320	Value History & Culture
15	Hula Preservation Society	\$ 89,819	Value History & Culture
16	Ka Aha Hui Naauao	\$ 34,000	Value History & Culture
18	Lanai Culture and Heritage Center	\$ 38,002	Value History & Culture
19	Papahana Kuaola	\$ 100,000	Value History & Culture
20	Papaku no Kamehaikana	\$ 25,078	Value History & Culture
21	Alternative Structures International dba Kahumana	\$ 52,000	Achieve Pae Aina Stability
22	Kokua Kalihi Valley Comprehensive Family Services	\$ 97,585	Achieve Pae Aina Stability
TOTAL		\$2,095,286	

- B. the reallocation of the undisbursed FY 2013 Granting for Results balance (Object Code 56530) of \$10,266 to be transferred to FY 2013 'Ahahui Sponsorships funding (Object Code 56560)

Trustee Apo seconds the motion

Chair Waihe`e asks the committee if there is any further discussion. There is none.

Chair Waihe`e calls for a ROLL CALL VOTE.

							1:21 p.m.
TRUSTEE		1	2	`AE (YES)	A`OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
VICE ROWENA	AKANA					1 - KANALUA, 2 - ABSTAIN = ABSTAIN	
PETER	APO		2	X			
HAUNANI	APOLIONA	1		X			
DONALD	CATALUNA						EXCUSED
CARMEN HULU	LINDSEY			X			
ROBERT	LINDSEY			X			
COLETTE	MACHADO			X		1 - KANALUA, 2 - `AE = `AE	
OSWALD	STENDER			X			
CHAIR JOHN	WAIHE`E			X			
TOTAL VOTE COUNT				7	0	1	1

MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED

Chair Waihe`e notes for the record that the MOTION CARRIES.

VI. EXECUTIVE SESSION**

None.

VII. BENEFICIARY COMMENTS*

None.

VIII. ANNOUNCEMENTS

Dr. Keith Yabusaki recognizes his staff: Nancy King-Holt, Clarita Barretto Hironaka, Shannon Toriki, and Edwina Minglana for their work on the grants recommendations. Nancy, Clarita, and Edwina introduce and recognize the grant recipients who attended the joint meeting (listed as **GUESTS** on page 1).

IX. ADJOURNMENT

Trustee Apoliona moves to adjourn the Joint ARM/BAE meeting.

Trustee Apo seconds the motion.

Chair Waihe'e asks the committee if there is any discussion. There is none.


Chair Waihe'e asks if any members vote NO or ABSTAIN. There are no dissenting votes.

							1:29 p.m.
TRUSTEE		1	2	AE (YES)	A`OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
VICE ROWENA	AKANA			X			
PETER	APO		2	X			
HAUNANI	APOLIONA	1		X			
DONALD	CATALUNA						EXCUSED
CARMEN HULU	LINDSEY			X			
ROBERT	LINDSEY			X			
COLETTE	MACHADO			X			
OSWALD	STENDER			X			
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

MOTION: [X] UNANIMOUS [] PASSED [] DEFERRED [] FAILED

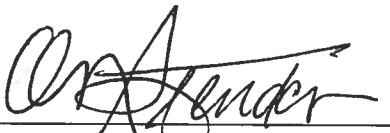
Chair Waihe'e adjourns the Joint ARM/BAE meeting at 1:29 p.m.

Respectfully submitted,

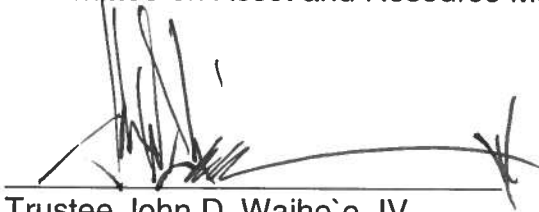


Melissa Wennihan
Trustee Secretary
Committee on Beneficiary Advocacy and Empowerment

As approved by the Joint Meeting of the Committee on Asset and Resource Management and the Committee on Beneficiary Advocacy and Empowerment on March 7, 2013.



Trustee Oswald K. Stender
Chair
Committee on Asset and Resource Management (ARM)



Trustee John D. Waihe'e, IV
Chair
Committee on Beneficiary Advocacy and Empowerment (BAE)

ATTACHMENTS:

- Notice of Excused Absence (1)
- Community Sign-In Sheets dated June 6, 2012