

PHONE (808) 594-1888

FAX (808) 594-1868

Committee on Resource Management
Trustee Carmen Hulu Lindsey, Maui, *Chairperson*
Trustee John Waihe'e, IV, At-Large, *Vice-Chair*
Trustee Leina'ala Ahu Isa, At-Large
Trustee Dan Ahuna, Kaua'i / Ni'ihau
Trustee Rowena Akana, At-Large
Trustee Keli'i Akina, At-Large
Trustee Peter Apo, O'ahu
Trustee Robert K. Lindsey, Jr., Hawai'i Island
Trustee Colette Machado, Moloka'i / Lāna'i



**STATE OF HAWAII'
OFFICE OF HAWAIIAN AFFAIRS**

MEETING OF THE COMMITTEE ON RESOURCE MANAGEMENT

DATE: July 25, 2018
TIME: 10:00 A.M.
PLACE: Maui Ola Board Room
Nā Lama Kukui
560 N. Nimitz Highway
Honolulu, HI 96817

AGENDA

- I. Call to Order
- II. Public Testimony*
- III. Approval of Minutes
 - A. April 18, 2018
- IV. New Business
 - A. Updates on LLC Restucture
 - B. Presentation by OHA Administration and SPIRE proposing a path moving forward on OHA Fiscal Sustainability
- V. Community Concern*
- VI. Announcements
- VII. Adjournment

30 JUL 2018
 10:00 AM
 HAWAIIAN AFFAIRS
 STATE OF HAWAII
 108-9-10000

*Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email BOTmeetings@oha.org 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: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

*** Notice: This portion of the meeting will be closed pursuant to HRS § 92-4 and 92.-5.

***Notice: Language was revised for Agenda title

Carmen Hulu Lindsey
Trustee Carmen Hulu Lindsey, Chair
Committee on Resource Management

7/18/2018
Date

**STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS
560 N. Nimitz Hwy, Suite 200
HONOLULU, HI 96817**

**Minutes of the Office of Hawaiian Affairs Committee on Resource Management
July 25, 2018
10:06 a.m.**

ATTENDANCE:

Trustee Rowena Akana
Trustee Keli'i Akina
Trustee Peter Apo
Trustee Colette Machado

Trustee Carmen Hulu Lindsey
Trustee Robert K. Lindsey, Jr.
Trustee John Waihe'e, IV
Trustee Leina'ala Ahu Isa

STAFF PRESENT:

Kamana'opono Crabbe, CEO
Alvin Akee
Albert Tiberi
Claudine Calpito
Crayn Akina
Davis Price
David Laeha
Kawika Riley

Lady Garrett
Liana Pang
Lisa Victor
Lehua Itokazu
Lōpaka Baptiste
Maile Lu'uwai
Mehana Hind
Melissa Wennihan
Miles Nishijima
Paul Harleman

Guest and Community:

Derek Kauanoë
Rodney Lee

I. CALL TO ORDER

Committee Chair Hulu Lindsey calls the Committee on Resource Management to order at 10:06 a.m., noting for the record the following Trustees present:

	Present	Excused	Comments
TRUSTEE LEI AHU ISA	X		
TRUSTEE DAN AHUNA		X	
TRUSTEE ROWENA AKANA	X		
TRUSTEE KELI'I AKINA	X		
TRUSTEE PETER APO			Arrived at 10:26 a.m.
TRUSTEE ROBERT LINDSEY	X		
TRUSTEE COLETTE MACHADO	X		
TRUSTEE JOHN WAIHE'E	X		
CHAIRPERSON HULU LINDSEY	X		
TOTAL	7		
At the Call to Order, there are seven (7) Trustees present.			

II. PUBLIC TESTIMONY

None

III. APPROVAL OF MINUTES

Trustee John Waihe'e moves to approve the RM minutes dated April 18, 2018.

Trustee Colette Machado seconds the motion.

Trustee John Waihe'e, IV moves to approve the minutes dated April 18, 2018.							
Trustee Colette Machado seconds the motion.							
		1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI	AHU ISA			X			
TRUSTEE DAN	AHUNA						X
TRUSTEE ROWENA	AKANA			X			
TRUSTEE KELI'I	AKINA			X			
TRUSTEE PETER	APO						Arrived at 10:26 a.m.
TRUSTEE ROBERT	LINDSEY			X			
TRUSTEE COLETTE	MACHADO		X	X			
TRUSTEE JOHN	WAIHE'E	X		X			
CHAIRPERSON HULU	LINDSEY			X			
TOTAL VOTE COUNT				7			
MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED							
Motion passes with seven (7) YES votes and one (1) EXCUSED vote.							

IV. New Business

A. Updates on LLC Restucture – deferred

Committee Chair Hulu Lindsey announces that item I.V. A. will be deferred and she will move on to the next item on the agenda.

B. Presentation by OHA Administration and SPIRE proposing a path moving forward on OHA Fiscal Sustainability



Kamana`opono Crabbe greets the board and states that he and Rodney Lee (SPIRE Consultant) will be doing a presentation together. He will start by doing a walking exercise. This type of presentation is used in groups to start discussions.



Emotion	Physiological Response
Anger	Increased blood pressure, increased heart rate, dilated pupils
Disgust	Nausea, increased heart rate, increased salivation
Fear	Increased heart rate, increased blood pressure, dilated pupils
Happiness	Increased heart rate, increased blood pressure, dilated pupils
Sadness	Decreased heart rate, decreased blood pressure, constricted pupils
Surprise	Increased heart rate, increased blood pressure, dilated pupils

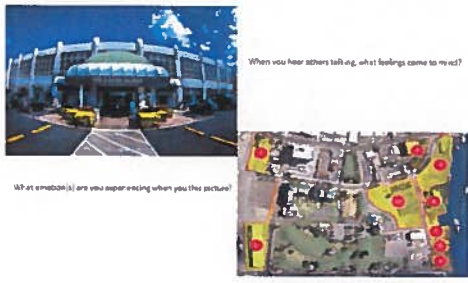
He speaks on emotions, positive emotions that create physiological benefits in your body.

Slide three displays feelings and emotions; telling us how to live. Feelings will tell you to make judgement calls on what's right and wrong and tells you what matters and what doesn't matter.

SAD	HAPPY	HURT	HELPED	INDIGNE	COMBIDENT	FURIED	ENERGIZED
Dejected	Elated	Wounded	Assured	Indignant	Confident	Angry	Rejuvenated
Lonely	Jubilant	Distressed	Relieved	Offended	Proud	Mad	Refreshed
Miserable	Ecstatic	Aggrieved	Comforted	Humiliated	Assured	Furious	Revitalized
Downcast	Overjoyed	Wronged	Encouraged	Embarrassed	Assured	Wrathful	Reinvigorated
Disheartened	Euphoric	Wronged	Encouraged	Embarrassed	Assured	Wrathful	Reinvigorated
Dejected	Elated	Wounded	Assured	Indignant	Confident	Angry	Rejuvenated
Lonely	Jubilant	Distressed	Relieved	Offended	Proud	Mad	Refreshed
Miserable	Ecstatic	Aggrieved	Comforted	Humiliated	Assured	Furious	Revitalized
Downcast	Overjoyed	Wronged	Encouraged	Embarrassed	Assured	Wrathful	Reinvigorated
Disheartened	Euphoric	Wronged	Encouraged	Embarrassed	Assured	Wrathful	Reinvigorated
Dejected	Elated	Wounded	Assured	Indignant	Confident	Angry	Rejuvenated
Lonely	Jubilant	Distressed	Relieved	Offended	Proud	Mad	Refreshed
Miserable	Ecstatic	Aggrieved	Comforted	Humiliated	Assured	Furious	Revitalized
Downcast	Overjoyed	Wronged	Encouraged	Embarrassed	Assured	Wrathful	Reinvigorated
Disheartened	Euphoric	Wronged	Encouraged	Embarrassed	Assured	Wrathful	Reinvigorated



He points out the word guide and says that this will be used in the next exercise. He points out the next two slides and asks the Trustees to share emotions or feelings they get when looking at the following pictures. Music will evoke emotions and reminds you of different times in your life.



He states that going through this process, imagery allows you to see it, to connect your mind to your na'au, and body. Taking the time to think of things; our responsibility to our mission and serving our people.

What's the Damn Point?



He presents the road map for the OHA Sustainable 2020 Vision.

Trustee Rowena Akana states that OHA paid for two separate plans to develop Kaka'ako. She thinks it is time to review, look at them, and decide what the board wants to do. She believes this is overdue.

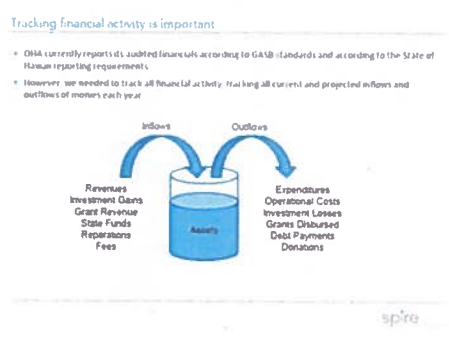
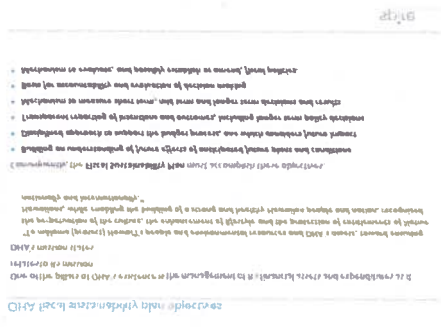
Committee Chair Hulu Lindsey states that OHA is waiting on the EIS.

Kamana`opono Crabbe announces that Rodney will continue the presentation in more detail.

Rodney Lee greets the board and starts presentation.



With OHA's fiscal sustainability plan objectives, mission, and objectives;



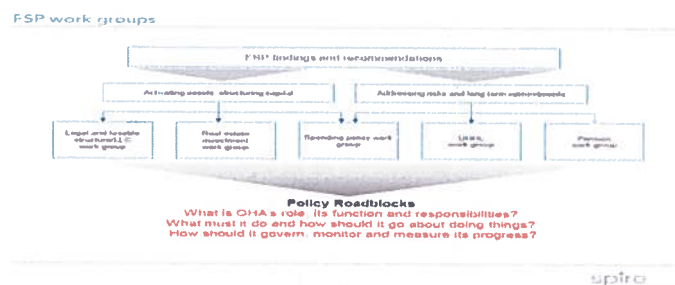
he explains the following:

- Consequently, the **Fiscal Sustainability Plan** must accomplish these objectives:
- **Building an understanding of future effects of anticipated future plans and conditions**
 - **Disciplined approach to support the budget process, one which considers future impact**
 - **Transparent reporting of intentions and outcomes, including longer term policy decisions**
 - **Mechanism to measure short term, mid term and longer term decisions and results**
 - **Basis for accountability and evaluation of decision making**
 - **Mechanism to evaluate, and possibly establish or amend, fiscal policies.**

Financial outcomes are the results of decisions; it is not the other way around. Effectively looking at it in a longer term: Inflows and Outflows – based on decisions you make and discussions and how you react them over all.

Recommendations: he mentions assets on Kaka'ako Makai (KM) and with Nā Lama Kukui (NLK). There must be a debt policy so that OHA can understand how to get in those agreements. The ability to forecast the fluctuations that may be there, looking at potential downturn, maintaining compliance with in the realm you exist in, and overall managing OHA more effectively. He states five working groups were established, made up of administration staff, trustees and trustee aides. The working groups were:

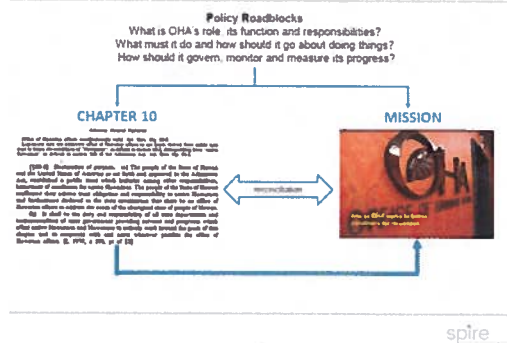
- Legal and taxable structure / LLC work group
- Real estate investment work group
- Spending policy work group
- DHHL work group
- Pension work group



He states each working group came to the same road block and asked the same question: *“what is OHA’s role?”*

He speaks on the Memorandum of Understanding (MoU) with the Department of Hawaiian Homelands (DHHL). *The question is what does OHA do with it?* As OHA entered into the MoU, the role was to encourage housing. The outcome has not been seen. Knowing what OHA’s role is, needs to be defined, and what is OHA’s function in respect to this.

The next question was *“what does OHA do?”* When looking at the pensions, the question there is - *“what are OHA’s obligations?”* The discussions came down to a decision-tree. Whether or not OHA in its activities acts as a ‘funder’, intermediary, or an implementer. In this case OHA does a bit of each, but at the same time there is no clarity. For governance purposes this makes it difficult. This is all goes back to *“what is OHA’s role; its function?”* He states everything connects to the spending policy. All the working groups of the spending policy need to be informed by some of the other working groups’ decisions because it dictates how you calculate the spending withdrawal or how you address it. His example is the State Auditor’s findings. *How does OHA get past this roadblock?* OHA needs to reconcile its path.



Chapter 10 is a broad mandate which gives OHA the powers to define it, but also requires OHA to do the minimum; that is the mandate. The mission of OHA expresses what it would like to do. He wants to know how do you accomplish both in the same realm. He states usually a fiscal reserve policy is to protect against economic downturn, this is a fundamental basis. Currently, the policy is not written that way and the legal department is reviewing another option offered by him. More discussion will need to happen to get clarity and define what the position is for OHA in each realm.

Trustee Rowena Akana asks on the interest payments made to Bank of Hawai'i regarding DHHL, do we get tax credits for that?

Rodney Lee states he cannot answer that, but he doesn't believe so. He also makes a correction and says that the payment is not a loan. It is an agreement to pay the debt service.

Trustee Rowena Akana corrects herself and states she is referring to the building, NLK.

Rodney Lee states he is not sure if you can be considered as a State Agency to get a taxable benefit. This all goes back to what's your role? If you created a joint venture, engaging in development of KM or NLK, is it correct for OHA as an organization to put itself in that role and subject its entire asset portfolio to that role? Or should it be protected in a different structure that could maintain the benefits and limit the risk? Can OHA do this? Are you a funder? An Intermediary or a developer? It is unclear what OHA's interest is. If OHA is only interest is to ensure the money is well-invested, then they should only be a funder. This is the most legal and direct way that holds an entity accountable without interference and not taking on extra risk.

Trustee Rowena Akana states that OHA is guaranteeing the loan with the percentage of the portfolio and not with the building. That is a disadvantage because OHA cannot use that money. That money is the direct investment money.

Trustee Lei Ahu Isa states that Rodney brings up several good points. She believes this is holding OHA back from development in KM. She wants to know how can OHA move forward.

Committee Chair Hulu Lindsey states the board considered a partnership, but this is on hold waiting for the EIS. Nothing can be done without the EIS. She has asked Ka Pouhana for some reports, so she can have Sam Chung review the different commitments made in the contract. It has been five years and nothing has happened.

Rodney Lee reiterates that they are trying to get informed decisions on the role OHA should be in for every circumstance so that decisions can be made. The pension working group has encountered roadblocks. They need the State to give an evaluation and understand what the liability is. The LLC group needs to go through the inventory of activities to determine what the role is. Then it will dictate what the structure will be. Real estate is working on a spending policy with the mandate versus the mission.

Committee Chair Hulu Lindsey asks administration - *what is OHA doing on writing these policies to comply with the fiscal sustainability plan? Who is writing these policies, professionals?* She shares that when sitting in on the different working group meetings, there wasn't anyone writing the policies.

Kamana'opono Crabbe explains the policy function is the board. Administration provides subject matter expertise. Fundamental discussion needs to take place at the board level. Deciding on the role of OHA, how it is related to the mission, and then the decision is made at the board table to guide the policy.

Committee Chair Hulu Lindsey states the trustees have made those decisions and that Administration needs to present some proposals of a finish product.

Kamana'opono Crabbe states that he understands that both sides have agreed to work together on the policies. When they get there, they will come back to the table.

Committee Chair Hulu Lindsey states some of the policies can be written and once those are written then the spending policy can be done.

Rodney Lee agrees.

Trustee Rowena Akana suggests it would be helpful to have an outside contractor or an attorney to work with SPIRE, come up with what is needed, and then write the policy.

Committee Chair Hulu Lindsey does not believe the staff is familiar enough to write the policies. She also believes that staff's workload is full.

Trustee Peter Apo feels the trustees need to look at the mission statement because that is the capstone of everything OHA does. Parts of the mission statement could mean different things to different people. He was hoping to have a mission statement that would be more immediate, as far as assistance to benefit Hawaiians. The quality of life would be a good mission statement.

Trustee Keli'i Akina states he agrees with Committee Chair Hulu Lindsey, on request to administration and SPIRE for deliverables. He states the biggest thing he is taking away from Rodney's presentation today is the "roadblocks in red". To his understanding each working group is coming to a halt due to this roadblock. The roadblock for each group is not knowing the role of OHA. It must come from the board, the role of OHA. He thinks it would be a good idea for the board to clarify this problem. He shares an example of what he is trying to convey. He is the assigned trustee to the DHHL working group, and the task given to his group was to look at the contract they currently have with the financing. The group could only provide the integrity of the contract and report that OHA can get out of it. The group never dealt with the question of "*what is OHA's role?*". There are 27,000 people on the Native Hawaiian home lands waiting list right now. We have never addressed what is OHA's kuleana with respect to that. If the board decided to make it a mandate to eliminate the Hawaiian home lands waiting list, this would go far beyond managing a financing relationship. A possible consideration could be to give DHHL more money and holding them accountable for certain outcomes. He mentions if Kamana'o and Rodney set up the planning, etc., with the vision regarding to Hawaiian Homelands, OHA will be the driving and collaborating force in the State to eliminate the waiting list and bring all parties together to achieve this outcome. He feels a stronger voice needs to be given to administration on what should be done on the Honolulu properties as a financial engine. He agrees the EIS is still needed. Both Honolulu properties can be a financial engine in order to fund the needs of the Hawaiian people. The last idea he shares is the economic growth of the Wai`anae Coast and making it OHA's mandate. He refers back to Rodney and asks if what he has articulated is correct.

Rodney Lee agrees and says yes, OHA must identify itself. They must specify what it is and what the role is in every aspect.

Trustee Keli'i Akina states this is something that needs to be done by the trustees.

Trustee Rowena Akana states she disagrees with Trustee Akina. She believes what is lacking are priorities. The priorities that the board did not adopt. Then you will have a clear vision of where you want to go. She does not agree on committing OHA to every person on the Hawaiian Home list; it is not realistic. OHA's responsibility is to Hawaiians as a whole, not just the DHHL list. Housing is the number one priority. She wants it to be equal and fair for everyone. She thinks that one day NLK can be turned into affordable housing.

Trustee Colette Machado states she was pleased to get an update from Trustee Keli'i Akina on his assignment of the DHHL working group. She wonders if they should have an updated presentation from the different groups. She thinks this would be helpful to get everyone on the same page.

Committee Chair Hulu Lindsey agrees with Trustee Machado and thinks the presentations would be helpful to Rodney also.

Trustee Lei Ahu Isa agrees with Trustee Akina's vision; if we are mandated to all the Hawaiians to get housing as OHA, then we can move forward with a plan to ask the Governor for 119 million dollars. If this is a responsibility that OHA takes on, then we need to beef up our administration.

Trustee Keli'i Akina states when going to the legislature to negotiate OHA's greater share of the public land trust, the normal question always asked is "*what OHA spend it on?*" He believes OHA's response is to take care of and eliminate X,Y, and Z and present a list of priorities. It will be very clear that we are on a driven-path and will command support and proper resources. He thinks OHA can be the leaders and should be. He thinks the administration wants to be told by the board on what to do and to be crystal clear.

Trustee Peter Apo states he and Trustee Ahu Isa attended a workshop put on by Gene Ward. He would like to see OHA reach out to this group. He left the meeting realizing there should be no reason why there should be 27,000 people on the waiting list. He would like to see OHA make contact with this group.

Kamana'opono Crabbe states some of the challenges that were clarifying and identifying priorities based on Chapter 10 in OHA's mission is part of the initial phase of the strategic planning that will be presented at tomorrow's meeting. Fundamental questions will be asked:

- Are we o.k. with the current mission? Or the vision?
- What is the differentiation between what is mandated in Chapter 10?

He thinks the timing is good to move forward and to get more clarification from the board.

Trustee John Waihe'e asks: *what happens with the recommendation by the FSP working groups?*

Rodney Lee explains that each working group was provided background information on each topic that they were working on. The recommendations have different implications for different working groups.

Trustee John Waihe'e wants to know - *how do we implement the recommendations? and do they go back to the working groups?*

Rodney Lee replies yes. He explains it was a cross-functional working group, to look at strategic policy directions, implementation, and technical issues.

Trustee John Waihe'e asks: *is there is a timeline?*

Trustee Colette Machado states realistically this cannot be achieved this year.

Rodney Lee states there are numerous actions. The pension working group needs to be in front of the State. OHA has put in a request with the Employees Retirement System (ERS), but has not gotten a response. There are many questions depending on what the liability is. The LLC and legal taxable structure should be going through the decision-tree, then inventory all activities, classify them, and then see if the board approves. There are actions that can be taken now. Once OHA knows what its role is, then you make the decision. Based on what you believe your role is, you can then base your decision on the options being presented to you. At the very minimum, understand the baseline of Chapter 10 and what it is mandating you to do and what you need to do. There is a lack of clarity.

Trustee John Waihe'e states when reading the recommendations it seems that many can be implemented without doing everything you just stated.

Rodney Lee shares an example of KM or any new venture. *Would that venture be solely contained under OHA or should it be protected and managed a specific way? Or are you just putting money into it or resources into it?* These are questions of a role.

Trustee John Waihe'e believes this is something that can be dealt with on its own terms. If the board needs to look through the entire strategic plan just for the FSP, it will take too long.

Rodney Lee doesn't think it will take a long time, but he does believe it will take a lot of effort.

Trustee Peter Apo states he is uncomfortable on what they may or may not do on DHHL. He thinks OHA needs to reach out to DHHL and carefully do so without looking arrogant.

Committee Chair Hulu Lindsey states during the discussion, the question that comes up again "*Is OHA a State agency?*" or "*Are we a trust?*". She wonders if it would be feasible to have the Court state what the roles are; something definitive. She comments on the fringe benefits and questions why OHA has to pay for fringe for all employees when other State agencies do not.

Trustee Peter Apo agrees it is a very critical question that needs to be addressed especially with the ethics and audit. It now becomes a part of public policy that money cannot be spent the way the board wants. This becomes a legal case if other State agencies continue to question on how OHA spends its money. He further states that he does not have a problem with ethics, saying they violated their own policies. When they start opining on other things, not violations of policy, but the policy itself is wrong, then that is not right. That is crossing the line.

Committee Chair Hulu Lindsey wants the board counsel to look at this and make a recommendation to the board.

Trustee Colette Machado states she will speak to them.

Trustee John Waihe'e clarifies the next steps on what needs to be done:

1. Go through another process to determine what OHA's role, function, and responsibility is.
2. What they must do, how it should be done, and how they go about doing things.
3. How they should govern, monitor, and measure progress.
4. After this process then recommendations will be implemented of the FSP.

He wants to know if this is how everything will proceed.

Committee Chair Hulu Lindsey states her understanding is that the working groups will come together and give a final report to the board. This group can explain and share their conclusions. A summary will be passed on to Rodney so that he can move forward on the spending policy, which is the largest group of all. She suggests two groups per meeting to present.

V. COMMUNITY CONCERNS

None

VI. ANNOUNCEMENTS

Committee Chair Hulu Lindsey reminds everyone there is a BOT meeting at 10:00 a.m. tomorrow.

VII. ADJOURNMENT

Trustee John Waihe'e moves to adjourn the meeting.

Trustee Colette Machado seconds the motion.

Trustee John Waihe'e, IV moves to adjourn.

Trustee Colette Machado seconds the motion.

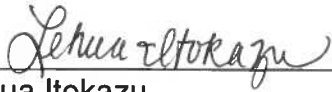
	1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE DAN AHUNA						X
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE PETER APO			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE COLETTE MACHADO		X	X			
TRUSTEE JOHN WAIHE'E	X		X			
CHAIRPERSON HULU LINDSEY			X			
TOTAL VOTE COUNT			8			

MOTION: UNANIMOUS PASSED DEFERRED FAILED

Motion passes with seven (8) YES votes and one (1) EXCUSED vote.

Meeting adjourns at 11:47 a.m.

Respectfully Submitted,



Lehua Itokazu
Trustee Aide
Committee on Resource Management

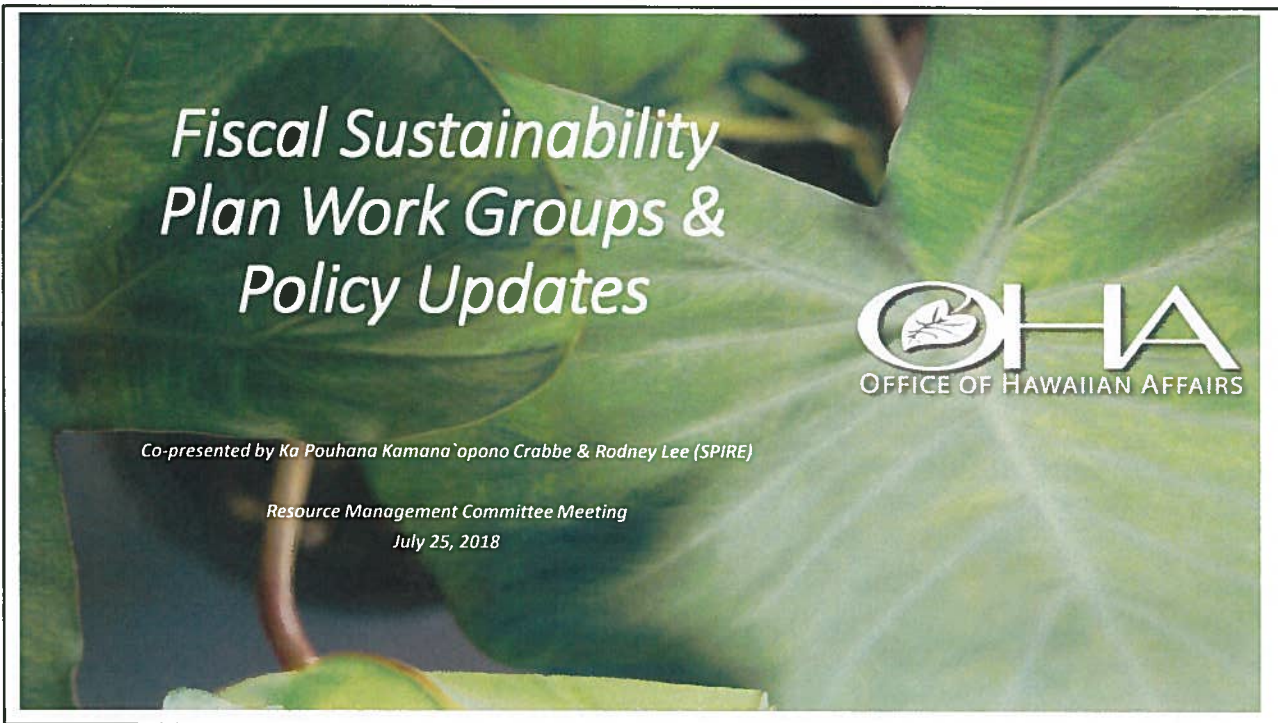
As approved by the Committee on Resource Management on January 9, 2019.



Trustee Carmen Hulu Lindsey
Committee Chair
Committee on Resource Management

ATTACHMENTS:

1. Fiscal Sustainability Plan Work Groups & Policy Updates – 7/25/2018
2. FSP Work Groups & Policy Update, SPIRE – 7/25/2018
3. Excused Memo

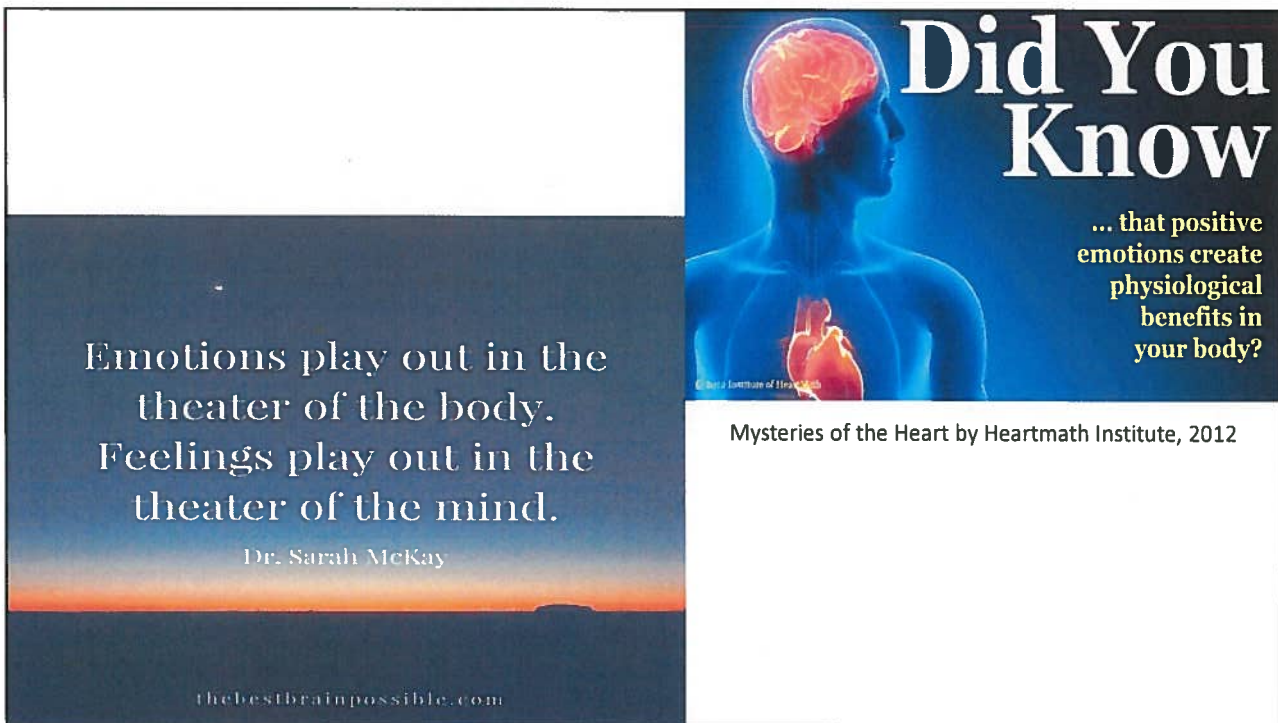


*Fiscal Sustainability
Plan Work Groups &
Policy Updates*

OHA
OFFICE OF HAWAIIAN AFFAIRS

Co-presented by Ka Pouhana Kamana`opono Crabbe & Rodney Lee (SPIRE)

*Resource Management Committee Meeting
July 25, 2018*



Emotions play out in the theater of the body.
Feelings play out in the theater of the mind.

Dr. Sarah McKay

thebestbrainpossible.com

Did You Know

... that positive emotions create physiological benefits in your body?

Mysteries of the Heart by Heartmath Institute, 2012

Feelings are not facts, nor are they the Truth, and are not edicts."

[Feelings are Not Facts | Psychology Today \(2015\)](#)

Feelings:	Emotions:
Feelings tell us "how to live."	Emotions tell us what we "like" and "dislike."
Feelings state: "There is a right and wrong way to be."	Emotions state: "There are good and bad actions."
Feelings state: "your emotions matter."	Emotions state: "The external world matters."
Feelings establish our long term attitude toward reality.	Emotions establish our initial attitude toward reality.
Feelings alert us to anticipated dangers and prepares us for action.	Emotion alert us to immediate dangers and prepares us for action
Feelings ensure long-term survival of self. (body and mind.)	Emotions ensure immediate survival of self. (body and mind.)
Feelings are Low-key but Sustainable.	Emotions are Intense but Temporary.
Happiness: is a feeling.	Joy: is an emotion.
Worry: is a feeling.	Fear: is an emotion.
Contentment: is a feeling.	Enthusiasm: is an emotion.
Bitterness: is a feeling.	Anger: is an emotion.
Love: is a feeling.	Lust: is an emotion.
Depression: is a feeling.	Sadness: is an emotion.

IF YOU ARE TUNED OUT OF YOUR OWN EMOTIONS, YOU WILL BE POOR AT READING THEM IN OTHER PEOPLE.
BRUNO GILBERT

FEELINGS WORD GUIDE

SAD	HAPPY	HURT	HELPED	INSECURE	CONFIDENT	TIRED	ENERGIZED
Depressed	Hopeful	Abused	Cherished	Weak	Strong	Indifferent	Determined
Lonely	Supported	Forgotten	Befriended	Hopeless	Brave	Bored	Inspired
Disgusted	Charmed	Ignored	Appreciated	Doubtful	Certain	Drained	Creative
Angry	Grateful	Judged	Understood	Scared	Assured	Sick	Healthy
Frustrated	Calm	Offended	Commended	Anxious	Prepared	Exhausted	Renewed
Annoyed	Amused	Victimized	Empowered	Defeated	Successful	Dull	Vibrant
Discouraged	Optimistic	Rejected	Accepted	Worthless	Valuable	Wearry	Alert
Upset	Content	Cursed	Blessed	Guilty	Forgiven	Paralyzed	Enlivened
Despairing	Joyful	Destroyed	Healed	Ugly	Beautiful	Powerless	Strengthened
Uninterested	Enthusiastic	Hated	Loved	Pressured	At ease	Dejected	Motivated
Disappointed	Thrilled	Despised	Esteemed	Forced	Encouraged	Listless	Focused
Hateful	Loving	Mistreated	Taken care of	Stressed	Peaceful	Burned out	Rejuvenated
Bitter	Kind	Crushed	Reassured	Nervous	Relaxed	Fatigued	Invigorated
Sorrowful	Celebratory	Injured	Made whole	Worried	Secure	Blah	Animated
Mournful	Overjoyed	Tortured	Saved	Embarrassed	Comforted	Stale	Refreshed



What emotion(s) or feelings are you experiencing when you this picture?

When you hear others talking, what feelings come to mind?





When you hear others talking, what feelings come to mind?

What emotion(s) are you experiencing when you this picture?

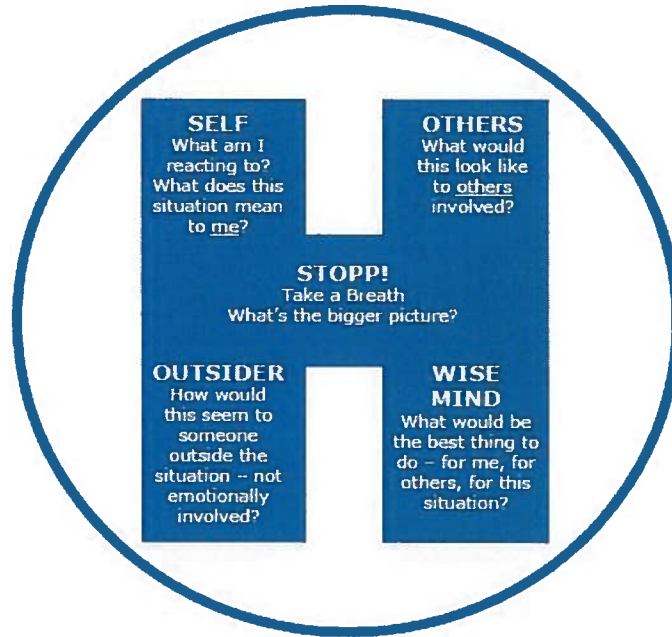


When you see earth from afar, what perspectives come to mind?

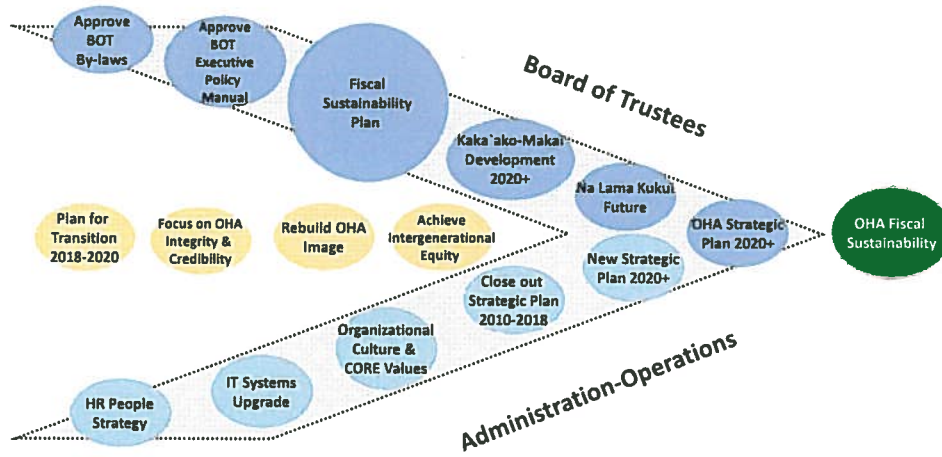
When you see Hawai'i from a distant, what images do you envision?



What's the Damn Point?



Roadmap for an OHA Sustainable 2020 Vision



	2014	2015	2016	2017	2018	2019	2020	2021
CORE Budget	\$36,347,749	\$35,218,389	\$35,892,729	\$36,107,015	\$35,603,263	\$36,014,771		
Total Budget	\$48,466,206	\$49,618,712	\$48,985,794	\$45,110,662	\$46,365,586	\$46,199,871		
	BOT approved KM RFP	WCIT presented KM master plan	BOT Approval of FSIP	FSP WGs KM Lot A RFP	Approval of FSP policies	FSIP & model SP Comm Report	FSIP & model SP 2020+	FSIP & model SP 2020+



"When one has found his/her path and contributes to responsible societal welfare, they have achieved their destiny of self-actualization."

Abraham Maslow (1908-1970)



FSP Work Groups & Policy Update

July 25, 2018

OHA fiscal sustainability plan objectives

One of the pillars of OHA's existence is the management of its financial assets and expenditures as it relates to its mission.

OHA's mission states:

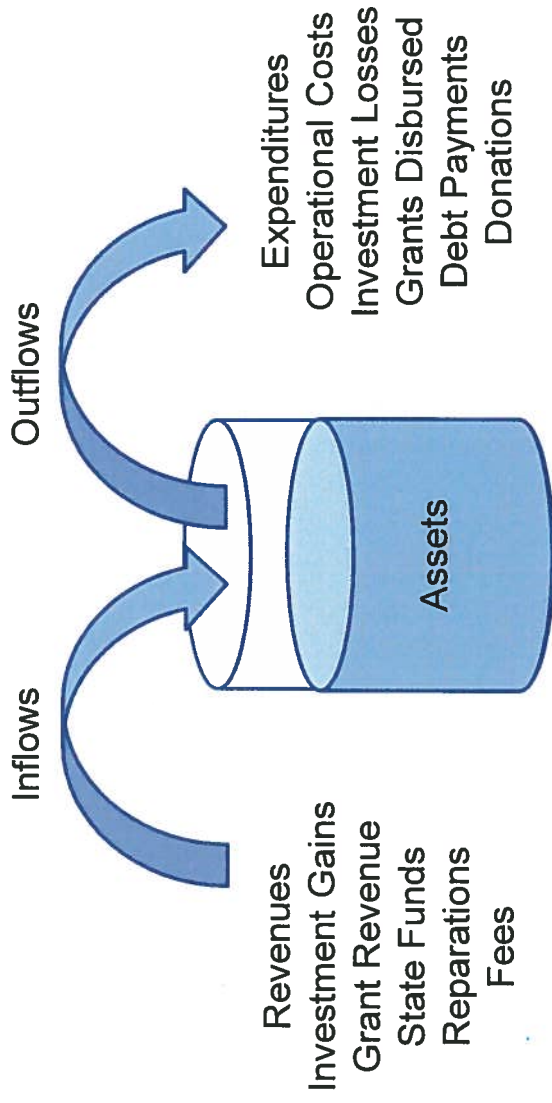
“To mālama (protect) Hawai‘i’s people and environmental resources and OHA’s assets, toward ensuring the perpetuation of the culture, the enhancement of lifestyle and the protection of entitlements of Native Hawaiians, while enabling the building of a strong and healthy Hawaiian people and nation, recognized nationally and internationally.”

Consequently, the **Fiscal Sustainability Plan** must accomplish these objectives:

- **Building an understanding of future effects of anticipated future plans and conditions**
- **Disciplined approach to support the budget process, one which considers future impact**
- **Transparent reporting of intentions and outcomes, including longer term policy decisions**
- **Mechanism to measure short term, mid term and longer term decisions and results**
- **Basis for accountability and evaluation of decision making**
- **Mechanism to evaluate, and possibly establish or amend, fiscal policies.**

Tracking financial activity is important

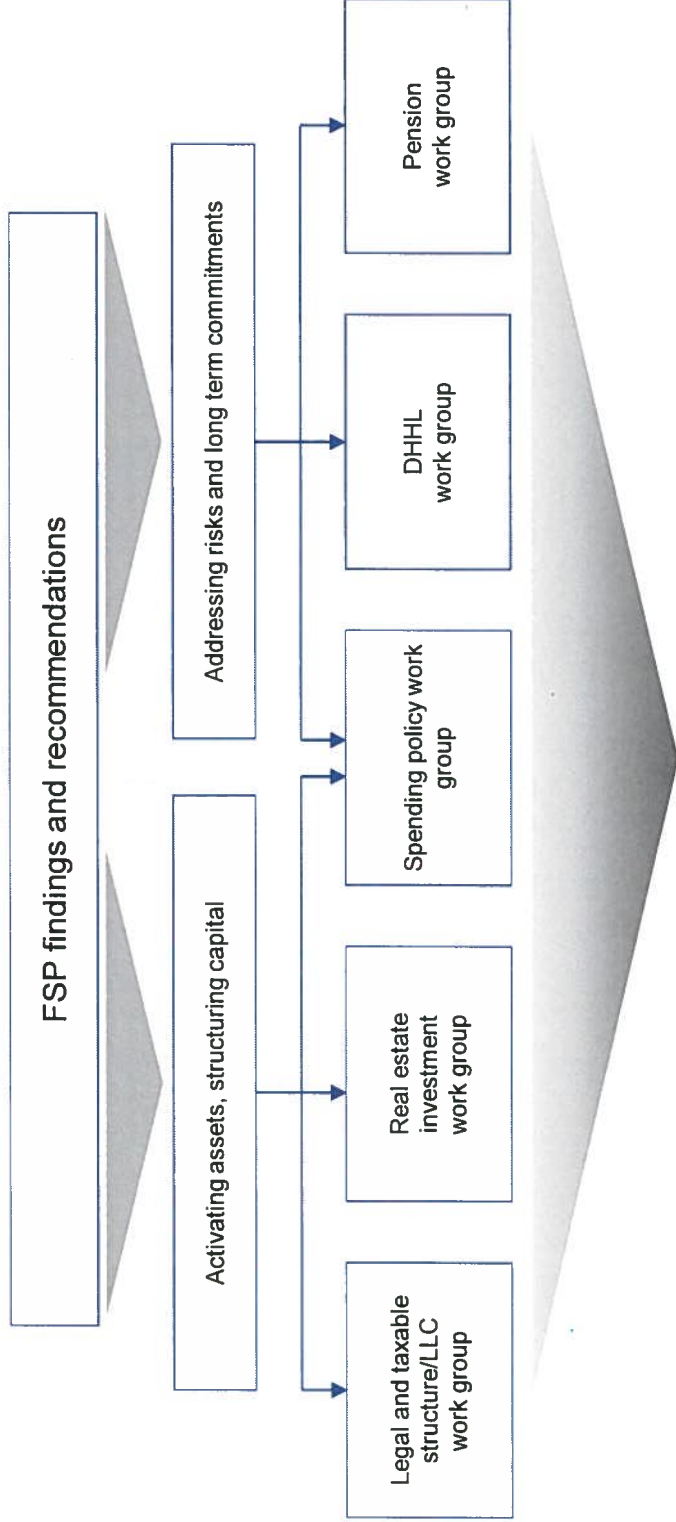
- OHA currently reports its audited financials according to GASB standards and according to the State of Hawaii reporting requirements.
- However, we needed to track all financial activity, tracking all current and projected inflows and outflows of monies each year



FSP findings and recommendations

Findings	Recommendations
<p>#1: OHA currently receives funding from public and private sources. It draws down from its portfolio to supplement its operating budget.</p>	<ol style="list-style-type: none"> 1. OHA should focus its efforts on asset value creation: develop its assets to create sustainable revenues. Asset development should: <ol style="list-style-type: none"> a. Increase profit/value; b. Cover expenses; c. Anticipate additional investment; d. Meet investment return threshold. 2. OHA should diversify its revenue streams to achieve investment goal objectives as set by the BOT.
<p>#2: OHA's adjusted total liabilities should include other obligations such as its long-term commitments to DHHL. Currently, long-term financing is not being paid by related revenue streams. However, since very few of OHA's assets are put in reserve against its liabilities, OHA has available borrowing capacity.</p>	<ol style="list-style-type: none"> 1. OHA should establish a debt management policy that includes guidelines on when and how to use financing as an option. Such a policy can improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. 2. OHA should actively pursue refinancing of its current liability obligations to mitigate OHA's long-term cash payment obligations.
<p>#3. The greatest threats to OHA are multi-year commitments that affect demand for capital, including working capital, equity capital and investment capital. OHA's current planning does not comprehensively consider long-term future effects that may increase demand for capital.</p>	<ol style="list-style-type: none"> 1. Improve OHA's fiscal management efforts to increase its ability to adjust to forecasted fluctuations in demand for capital. 2. OHA should prepare for additional compliance and implementation challenges such as increases in fringe and other benefit costs. 3. OHA should have sufficient project reserves to allow for unplanned demand for capital, such as unplanned litigation or maintenance expenses.
<p>#4. Decreases in portfolio value mean decreases in the available amount drawn upon the portfolio. This could cause revenue shortfalls based on the current spending policy of 5% of the 20-quarter rolling average. There may be additional pressures resulting from increased demand for capital that will create constraints on OHA, outside the operating budget. The current financial management process is primarily focused on revenues and expenditures.</p>	<ol style="list-style-type: none"> 1. OHA should begin its strategic planning efforts and align it with the FSP. OHA needs to determine the priority of its current activities, including setting goals, scheduling implementation and continually assessing results. 2. OHA should actively manage its risks and find solutions for governmental, political, land, investment and operational risks. For example, increasing its legislative outreach to prepare for the potential decrease of general fund support. 3. OHA should focus on balance sheet oriented management. For example, OHA should manage market effects on its land assets, including market fluctuations, political situations, business cycles and cost of money.

FSP work groups



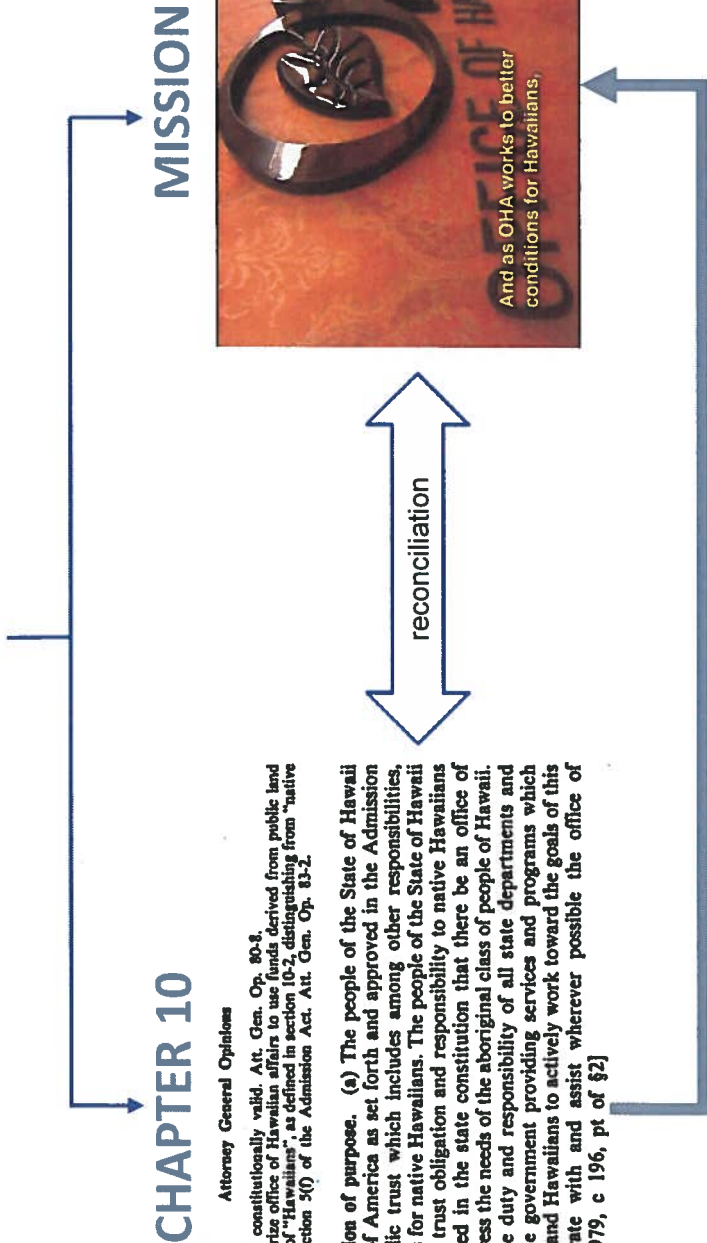
Policy Roadblocks

What is OHA's role, its function and responsibilities?
What must it do and how should it go about doing things?
How should it govern, monitor and measure its progress?

OHA – reconciling its path

Policy Roadblocks

- What is OHA's role, its function and responsibilities?
- What must it do and how should it go about doing things?
- How should it govern, monitor and measure its progress?

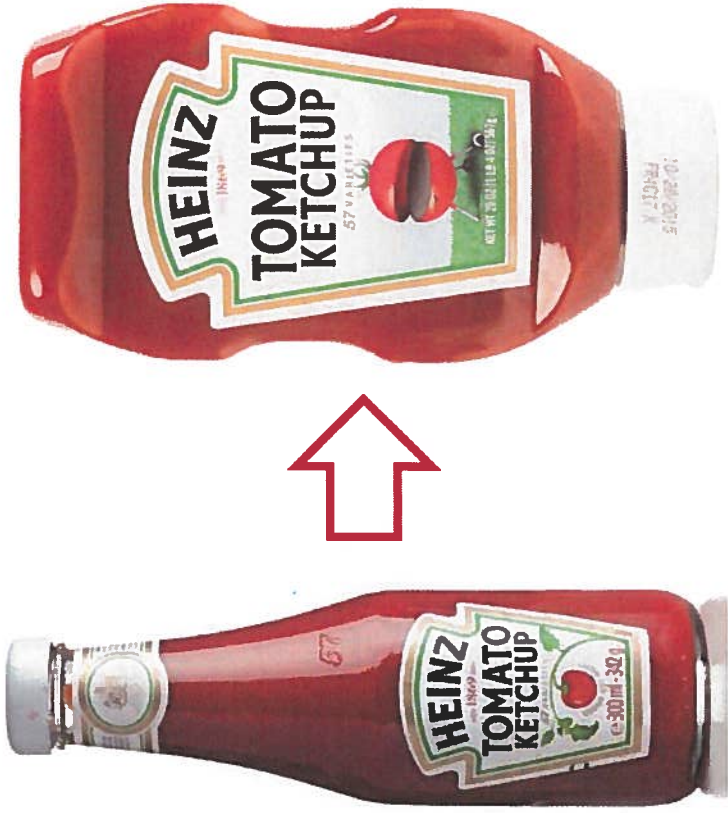


Attorney General Opinions

Office of Hawaiian Affairs constitutionally valid. Att. Gen. Op. 80-8. Legislature may not authorize office of Hawaiian affairs to use funds derived from public land trust to better the conditions of "Hawaiians", as defined in section 10-2, distinguishing from "native Hawaiians" as defined in section 5(1) of the Admission Act. Att. Gen. Op. 83-2.

[(§10-1) Declaration of purpose. (a) The people of the State of Hawaii and the United States of America as set forth and approved in the Admission Act, established a public trust which includes among other responsibilities, betterment of conditions for native Hawaiians. The people of the State of Hawaii reaffirmed their solemn trust obligation and responsibility to native Hawaiians and furthermore declared in the state constitution that there be an office of Hawaiian affairs to address the needs of the aboriginal class of people of Hawaii.

(b) It shall be the duty and responsibility of all state departments and instrumentalities of state government providing services and programs which affect native Hawaiians and Hawaiians to actively work toward the goals of this chapter and to cooperate with and assist wherever possible the office of Hawaiian affairs. [L 1979, c 196, pt of §2]



**“Understand that
the right to choose
your own path is a
sacred privilege.
Use it. Dwell in
possibility.”**

Oprah Winfrey



OFFICE OF HAWAIIAN AFFAIRS
Office of Trustee Dan Ahuna
Interoffice Memorandum

Date: July 25, 2018

To: Trustee Carmen Hulu Lindsey, Chair ✓
Committee on Resource Management (RM)

Trustee John Waihe'e, IV, Vice-Chair
Committee on Resource Management (RM)

From: Trustee Dan Ahuna

A handwritten signature in black ink that reads "Dan Ahuna".

Subject: **RM Meeting Absence**

I am unable to attend the RM meeting scheduled for July 25, 2018. Please extend my excused absence and my sincere apologies to the members of the board.

Mahalo.