

BOARD OF TRUSTEES
 Colette Y. Machado, *Chairperson*
 Dan Ahuna, *Vice Chairperson*
 Leina'ala Ahu Isa, *At-Large*
 Rowena Akana, *Trustee At-Large*
 Keli'i Akina, *At-Large*
 Peter Apo, *O'ahu Trustee*
 Carmen Hulu Lindsey, *Maui Trustee*
 Robert K. Lindsey, Jr., *Hawai'i Trustee*
 John Waihe'e IV, *Trustee At-Large*



STATE OF HAWAII
 OFFICE OF HAWAIIAN AFFAIRS

LIEUTENANT GOVERNOR'S
 OFFICE

*18 MAY 17 P1:45

MEETING OF THE BOARD OF TRUSTEES

DATE: Thursday, May 24, 2018
TIME: 10:00 a.m.
PLACE: OHA Board Room, Nā Lama Kukui
 560 N. Nimitz Hwy., Suite 200
 Honolulu, HI 96817

AGENDA

- I. Call to Order
- II. Approval of Minutes
 - A. April 26, 2018
- III. Public Testimony*
- IV. Unfinished Business
 - A. CEO's 15-Minute Update on Ho'oulu Lāhui Aloha and OHA Activities
- V. New Business
 - A. Committee on Resource Management
 1. Action Item RM 18-05: Approval to accept resignation of OHA executives as managers of OHA LLCs, to implement a transition plan to streamline and downsize LLC operations, and to recruit a replacement LLC manager. †
- VI. Executive Session‡
 - A. Consultation with Board Counsel Robert G. Klein, Esq. and William Yuen, Esq. on OHA's powers, privileges and liabilities regarding OHA's role as member of Hi'ilei Aloha LLC and Ho'okele Pono LLC, and Action Item RM #18-05. *Pursuant to HRS § 92-5(a)(4).*
 - B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. *Pursuant to HRS § 92-5(a)(4).*
 - C. Approval of Minutes
 1. March 22, 2018
 2. April 26, 2018
- VII. Community Concerns*
- VIII. Announcements
- IX. Adjournment

*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 § 92-5.

Colette Y. Machado

Trustee Colette Y. Machado
 Chairperson, Board of Trustees

5/17/18

Date

Office of Hawaiian Affairs
Board of Trustee Meeting
May 24, 2018
10:00 am

- II. Approval of Minutes
 - A. April 26, 2018
-

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

**Minutes of the Office of Hawaiian Affairs Board of Trustees
Thursday, April 26, 2018
10:00 am**

ATTENDANCE:

TRUSTEE COLETTE MACHADO
TRUSTEE DAN AHUNA
TRUSTEE LEINA‘ALA AHU ISA
TRUSTEE ROWENA AKANA
TRUSTEE W. KELI‘I AKINA
TRUSTEE CARMEN HULU LINDSEY
TRUSTEE ROBERT LINDSEY

ROBERT G. KLEIN, ESQ., BOARD COUNSEL

EXCUSED:

TRUSTEE PETER APO
TRUSTEE JOHN WAIHE‘E IV

ADMINISTRATION STAFF:

KAMANA‘OPONO CRABBE, CEO
LISA VICTOR, COO
MOMILANI LAZO, SR. EA to CEO
KAWIKA RILEY, ADV
STERLING WONG, PR
DAVID LAEHA, CFO
MEHANA HIND, CE
KUHIO LEWS, OUTR
RAINA GUSHIKEN, CC

BOT STAFF:

CAROL HO‘OMANAWANUI
LŌPAKA BAPTISTE
DAYNA PA
LAURENE KALUAU-KEALOHA
LEHUA ITOKAZU
ALVIN AKEE
KAMA HOPKINS
CLAUDINE CALPITO
LIANA PANG
DAVIS PRICE
PAUL HARLEMAN
KAUIKEAOLANI WAILEHUA

GUESTS:

HOMELANI SCHAEDEL

I. CALL TO ORDER

Chair Colette Machado Calls the Board of Trustees meeting to order at 10:06 am. Roll call is taken; Trustees Ahu Isa, Ahuna, Akana, Akina, Carmen Hulu Lindsey, Robert Lindsey and Machado are present; constituting a quorum. Excused absences have been received from Trustee Peter Apo and Trustee John Waihe‘e IV.

II. APPROVAL OF MINUTES

A. March 22, 2018

Trustee Dan Ahuna moves to approve the Board of Trustees minutes dated March 22, 2018.

Trustee Robert Lindsey seconds the motion.

Chair Colette Machado – Any discussion, hearing none roll call vote please.

Trustee Dan Ahuna moves to approve the Board of Trustees minutes dated March 22, 2018. Trustee Robert Lindsey seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA	x		X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE PETER APO						Excused
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		x	X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with seven (7) yes votes and two (2) excused.						

III. PUBLIC TESTIMONY

Chair Colette Machado – We have nobody that has signed up for Public Testimony. We will proceed to unfinished business. We will call on the CEO.

IV. UNFINISHED BUSINESS

Kamana'opono Crabbe – Aloha, I have several updates. The first that I really want to highlight and acknowledge, David Laeha as the CFO and Gloria Li as the manager, this past year and a half they worked with NAK CPA with respect to our independent audit of our financial statements of the agency. We are proud as administration to share with the Board of Trustees that since 2012 we have had three independent license audit teams and we have been given a clean bill of health by NAK CPA with respect to our internal controls, financial reports and notes to the financial statements. Prior to 2012 OHA did not have clean audits. So I really want to acknowledge our accounting staff and David and his team for wrking very deligent this past year and a half. Thank you David.

Given the recent news of our clean audit we also had a strong performance of the Native Hawaiian Trust Funds which increased OHA's net assets by more than \$26 million. Our current capacity here at Na Lama Kukui is at 97% full occupancy. Kakaako Makai is at full capacity. We are in the positive and actually increasing in terms of our commercial properties. We've also, through the Board's direction and Administration's cooperation, we have more than doubled the fiscal year \$2.5 Billion under budget and more than double the fiscal reserve from \$2.09 to \$4.2. Just to clarify we did budget cost savings and that budget cost savings goes into the fiscal reserve.

Lastly, I do want to give a shout out to Timmy Wailehua and his team for the Native Hawaiian Revolving Loan Fund. Its been about 5 years since Timmy took over the program. At the time the default rate was at 33%. We were very challenged in getting board of directors to really commit to guiding us through these next years into coming up with a management plan to get us back on track. Timmy came on board, he worked with the Administration for Native Americans with the cooperation of the NHRLF Board and Timmy's guidance we were able to solidify our business plan which currently is approved by ANA which would release us from ANA and the Federal Government contingent upon NHRLF meeting our target goals. It does look like we are projected to beat those goals within the next year. However, we have to wait until the permanent commissioners appointed to ANA. Just to give you an understanding. Our default rate was at 33% for 5 years ago so Timmy has brought it down to 12%. Within the next year or two we hope to get down to single digits. We are getting a computer software where

we can do intake, we can track all the data and all of the follow ups with respect for them to be complaint with their loan. I really want to thank Timmy Wailehua.

Moving on the legislative updates, unfortunately it is closing. I have worked with Jocelyn and Kawika and Everett on their team to see how we in the past couple weeks what we can do to remedy our resolution for Lot I. Unfortunately, it did not make it through the final cut. Many of the bills or resolutions that did not have a financial or funding attachment were placed on the side as a low priority so ours was one of them.

I want to acknowledge Lisa Victor and Tiger Li and their team for the IT NGN State upgrades in our system. We are 75% complete with respect to OHA's upgrades which we will now be able to participate in the State Payroll. Just so you know the State is transitioning to this new payroll system and you have to have the sufficient IT capabilities, it's going to be more individual focused. You manage your own accounting. We've had a brown bag and I am sure we will have more brown bags to express how you participate on this program.

Finally, next week is the launch of Haumea Transforming the Health of Hawaiian Women and Empowering Wahine wellbeing on May 4th. I sent out a memo to the Chair, you as Trustees if you are interested in attending we still have openings. It will be next week. Members from the University of Hawaii, different health organizations, Papa Ola Lokahi, Department of Health have supported in our collaboration on this report. It is actually the first report over these past 20 years that have a specific focus on Native Hawaiian Women and they take a boarder look, not just physical health, chronic disease but they look at other areas with respect to job opportunities. Where they are in terms of family care and so forth. That is it for the Pou Hana updates.

Trustee Leina'ala Ahu Isa – I asked Edwina, individual payroll if you are a direct deposit, does it mean if you don't go into that we are going to get a physical check if the transition doesn't make it in time.

Lisa Victor – Aloha Trustees. It looks like right now the transition plan is that they are going to go a 100% electronic. We ask them to put together their second plan in case checks are needed. They actually are aware of our request to make sure that paper checks can get printed during this transition. We are still waiting for that confirmation. They are encouraging everyone to go green. I think that is the whole intent of this system.

Trustee Rowena Akana – Why isn't OHA doing its own payroll? I know it's easier to use DAGS but it was voluntarily under Cayetano when we had the roll back for State Employees. OHA volunteered at that time Clayton was on the board. He was the Chair, so voluntarily participated in the roll back. This is a sticking point because we don't have to be in DAGS. We can have our own payroll. I remember in the Supreme Court Case in Rice v. Cayetano one of the Supreme Court Judges asked who issues our checks. And once the attorney said the State did, it was a problem. He then said you are a State Agency. This cause a big problem for us ever since then. I know that when Joan Bolte before she left we were almost ready to convert back to doing our own checks. I am wondering why we aren't doing that. I did speak to Hawley about this three years ago and nothing has happened.

Kamana'opono Crabbe – Probably the best, with a significant decision like that, that affects the organization I thinks that's a matter for the board to entertain. Its relevant to the spending policy and it's something that the board should really consider. Since my period here I've heard you share that, one of the reasons we went over to work with the State on the IT was because of the cost savings per year that we have saved over the next couple of years but there are transitioning. As far as that particular piece we will need direction from the board on whether or not it is prudent given a number of areas with respect to updating our policies need to better inform that kind of a decision.

Trustee Rowena Akana – I think it would be more cost effective because part of the State Payroll you have to submit your money in advance so there is always holding money for us. I don't know how many months in advance they are requiring. That is a disadvantage and we could have that money in house and use it for other purposes, rather than guaranteeing the State so much money. Plus, we then, we are subject then to all of their requirements. I know it would be more cost efficient because it was before we became part of the DAGS system.

Trustee Leina‘ala Ahu Isa – I had the had the payroll for UH, a lot of work. W4s, W2s for our staff and there is also talk that there is a bill to go back. Cayetano made us go to 5 and 20 cause accounting we were short that years. I heard there is talk to go back to 1 and 15. So if we are tied into that system its less work for our people.

Lisa Victor – I just wanted to address Trustee Akana. I don’t think we actually know enough that it is actually going to save us money. I think if that if it is the will of the board then we should do an evaluation. I can tell you that the PeopleSoft software is significantly expensive. It is an oracle back and its actually been around for many years. Kaiser used it, I was there when we deployed it and it’s not cheap. So that system is going to help us, for us to provide the same kind of services that this system would do for our staff it would be extremely expensive. Those are the things that we are going to have to look at.

Trustee Dan Ahuna – I believe we are looking to not to hire more staff. Right. Someone said it on this table.

Trustee Rowena Akana – For those people who think we are ought to be at nationhood we can never move to that if we are dependent upon the State. It is something that the board really needs to consider because if you are going to be independent than you need to be independent.

Trustee Carmen Hulu Lindsey – May I suggest that our administration do an evaluation and compare the prices and just report it back to RM Committee.

Trustee Robert Lindsey – I’d just like to offer up a comment. I’d like to thank you KP for brining good news to our table this morning regarding the independent audit and citing the different staff it’s something that we need to celebrate. We are in dire need of having good news at our table. Thanking you very much for bringing us some nu oli.

Kamana‘opono Crabbe – Given this, myself, Lisa, HR manager and Albert have consulted with our personal consultant. Many of the factors that we need to consider are part of the personal fringe working group. As Trustee Rowena Akana has shared there would be some advantages for OHA to move over to a more independent autonomous payroll system for ourselves. However, the challenge is many of our employees are tied into the retirement system, we would have to look at different options if we transfer. We don’t have that kind of information right now. So to me the proper group to handle that, who have already gathered data, research and analysis is the FSP working group for personnel and fringe. Then they can report to the advisory committee and report back to the RM committee.

Trustee Leina‘ala Ahu Isa – We use PeopleSoft at Hilton, we are transitioning to oracle right now but it’s really easy.

Chair Colette Machado – Anymore discussion on this?

Kamana‘opono Crabbe – That is it Chair.

V. NEW BUSINESS

Chair Colette Machado – We are now on V. New Business. Item B is deferred. We will begin with the discussion for action on the BAE Committee. I will call on Trustee Robert Lindsey as the Chair. We have 2018 Legislative positions March 28, April 11 and April 18.

A. Committee on Beneficiary Advocacy and Empowerment

1. 2018 OHA Legislative Positioning – Matrix 1†. March 28, 2018**

Trustee Robert Lindsey moves to approve Administration's recommendations on NEW BILLS (Items 1-72) and BILL POSITIONS FOR RECONSIDERATION (Items 73-80) on the OHA Legislative Positioning Matrix dated 03/28/2018.

Add HB2679 change from -OPPOSE > COMMENT.

Change HCR178 from -OPPOSE > COMMENT.

Trustee Dan Ahuna seconds the motion.

Chair Colette Machado – It has been moved and seconded, any discussion, hearing none roll call vote.

Trustee Robert Lindsey moves to approve Administration's recommendations on NEW BILLS (Items 1-72) and BILL POSITIONS FOR RECONSIDERATION (Items 73-80) on the OHA Legislative Positioning Matrix dated 03/28/2018. Add HB2679 change from -OPPOSE > COMMENT. Change HCR178 from -OPPOSE > COMMENT. Trustee Dan Ahuna seconds the motion.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA		x	X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE PETER APO						Excused
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY	x		X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2 excused
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with seven (7) yes votes and two (2) excused.						

2. 2018 OHA Legislative Positioning – Matrix 1†. April 11, 2018**

Trustee Robert Lindsey moves to approve Administration's recommendations on NEW BILLS (Items 1-11) and BILL POSITIONS FOR RECONSIDERATION (Items 12-18) on the OHA Legislative Positioning Matrix dated 04/11/2018.

Change HB207 from SUPPORT > MONITOR

Trustee Dan Ahuna seconds the motion.

Chair Colette Machado – It has been moved and seconded, any discussion, hearing none roll call vote.

Trustee Robert Lindsey moves to approve Administration's recommendations on NEW BILLS (Items 1-11) and BILL POSITIONS FOR RECONSIDERATION (Items 12-18) on the OHA Legislative Positioning Matrix dated 04/11/2018.
Change HB207 from SUPPORT > MONITOR
Trustee Dan Ahuna seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA		x	X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE PETER APO						Excused
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY	x		X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2 excused

MOTION: UNANIMOUS PASSED DEFERRED FAILED
Motion passed with seven (7) yes votes and two (2) excused.

3. 2018 OHA Legislative Positioning – Matrix 1†. April 18, 2018**

Trustee Robert Lindsey moves to approve Administration's recommendations on a BILL POSITION FOR RECONSIDERATION {Item 1} on the OHA Legislative Positioning Matrix dated 04/18/2018.

Trustee Dan Ahuna seconds the motion.

Chair Colette Machado – It has been moved and seconded, any discussion, hearing none roll call vote.

Trustee Robert Lindsey moves to approve Administration's recommendations on a BILL POSITION FOR RECONSIDERATION {Item 1} on the OHA Legislative Positioning Matrix dated 04/18/2018.
Trustee Dan Ahuna seconds the motion.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA'ALA AHU ISA			X			
TRUSTEE DAN AHUNA		x	X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI'I AKINA			X			
TRUSTEE PETER APO						Excused
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY	x		X			
TRUSTEE JOHN WAIHE'E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2 excused

MOTION: UNANIMOUS PASSED DEFERRED FAILED
Motion passed with seven (7) yes votes and two (2) excused.

VI. EXECUTIVE SESSION

Chair Colette Machado – Thank you Trustee Lindsey. We are now on item VI. Executive Session. Members I would like a motion to recuse ourselves into Executive Session pursuant to 92-5 (a)(4) to consult with our board attorney.

Trustee Dan Ahuna motions to move into Executive Session Pursuant to HRS§92-5(a)(4).

Trustee Robert Lindsey seconds the motion.

Chair Colette Machado – It has been moved and seconded any disuccssion? Hearing none, roll call vote please.

Trustee Dan Ahuna motions to move into Executive Session Pursuant to HRS§92-5(a)(4). Trustee Robert Lindsey seconds the motion.						
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA‘ALA AHU ISA			X			
TRUSTEE DAN AHUNA	x		X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI‘I AKINA			X			
TRUSTEE PETER APO						Excused
TRUSTEE CARMEN HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY		x	X			
TRUSTEE JOHN WAIHE‘E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			7			2
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with seven (7) YES votes, and two (2) excused.						

The Board resolved into Executive Session at 10:28 am.

- A. Consultation with Robert G. Klein, Esq. re: questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. Pursuant to HRS § 92-5(a)(4).
- B. Approval of Minutes
 - 1. February 7, 2018–
 - 2. February 27, 2018 –
 - 3. March 8, 2018 –
 - 4. March 22, 2018 -

The Board reconvenes into Open Session at 11:08 am.

VII. COMMUNITY CONCERNS

Chair Colette Machado – We are now on Community Concerns and I’d like to call up Homelani Schaedel.

Ms. Homelani Schaedel – Aloha mai kakou. My name is Homelani Schaedel and I am here today before you as a beneficiary.

(Ms. Schaedel reads her testimony into record. Please see her testimony that is attached.)

Kamana'opono Crabbe – (reads the values in Hawaiian for Ms. Schaedel) The first core value that Homelani would like to emphasize is Kākou. E alu like mai kākou, I ka ho'okō'ana, i ko kākou mikiona. We work together, unified to accomplish our mission. The second core value is Pono Pau'ole. E hana kūpono kākou i me ka 'oia'i'o. We act with integrity and truthfulness.

Ms. Schaedel – Before I came here today and before I even decided to do this I had to go to our ohana's po'o to ask permission and to get her blessing. As I arrive here this morning I called her because she in the hospital with her husband and asked for her prayer and blessing. She has given it to me. So while you see me sitting here before you alone please know that I know that my kupuna are with me and so are many others in spirit. I appreciate the opportunity to come before you to voice my concern. Please know it is not my intent to hurt or offend anyone, I just need my voice to be heard. Mahalo piha, a me ke Akua pū.

Trustee Rowena Akana – I want to thank you very much for coming. I want to say to you that, you know sound bites from the news media sometimes gives you just that. There is an awful lot going on within these walls of OHA. What looks like a great deal of conflict, I'm ashamed to say is true. There is conflict here. But sometimes like the great flood we just had on Kauai and Oahu, sometimes a flood needs to occur to clean house. There are things that the general public do not know that goes on here. We have good people and we have some people who maybe should not be at OHA. It will take time for us to rebuild and make sure that this house will belong to the people forever.

I'm one of the longest serving Trustees. I came here when there was no money at OHA and no pay for us and no benefits. For all the Trustees who came before me and who got nothing, no retirement, no health benefits, I remember them and it is for them and for the people who had great hope for this office that I am still here. I will not leave until this house is the house for the people. So just know this, there are some of us here who do not like what is going on here but we will work to make sure that this house will remain the house of the people.

Despite the kinds of things that you have heard in the media and perhaps from gossip and people who don't know all of the facts. There are many of us Trustees, and workers who have worked hard at OHA and many who have left disenchanted want to see the success of this office. It is the one hope for Hawaiians, it is the only public trust that we have. All of the other trusts are appointed Trustees, this is the only public trust that you can elect your leaders. Do not let that go no matter what you hear in the public. Good or bad you can get rid of people that you don't like by voting them out. But never, never consider a different method by which you choose Trustees because these people will control your trust. You don't want to lose it, like breaking the will of the Kamehameha Trust, Lunalilo and all those other trusts that people are appointed. This is the public trust and belongs to the people. Myself, Dante Carpenter, who is no longer here, and Trustee John Waihe'e IV, we've fought for Waimea Valley and we went to the City Council and the McCorriston firm under Bill McCorriston who negotiated for the other side helped us to get Waimea Valley.

Know this, that the Trustees at this table do not want to get rid of those LLCs. It is not our intention at all. We just want to do an audit of those LLCs to make sure that they are doing what they are supposed to do. So that in an investigation OHA will come out clean. We've had so many allegations and we want.

Chair Colette Machado – Out of respect for Homelani and her personal testimony I would have to call you out of order Trustee Akana. You've made your point repeatedly. Now you are taking it further. You are out of order at this time. You need to cease speaking. You have already repeated yourself.

Trustee Leina'ala Ahu Isa – Yes, speak to the point.

Trustee Rowena Akana – We just want to make sure that everything is ok. But I thank you so much for coming. But you can see the kind of hostility that sits at this table.

Chair Colette Machado – Homelani one more minute.

Ms. Schaedel – I did not come here and I appreciate what you just shared with me Trustee Akana and I will take it to heart. But when I speak before you or anyone of these board members as I said earlier. I'm a beneficiary you work for me and you work for hundreds and thousands of Hawaiians whether small "n" or big "N". I know that those before you worked as hard as those today. What I am asking not just you but every single one of you is to please set a better example. There is nothing wrong with conflict. Very often families have conflict but there is a protocol, at least in our 'ohana that we follow. We have our leaders, we've had our leaders, Uncle Tony Sang his wife my aunty Ulu she was a po'o from our family. Before her was my uncle Henry the son of my great grandparents. But he legacy that they left us was with respect and to show it. And that's all I am asking you to do. Is if you are the leaders of our trust then behave like it. That is all I am asking.

Trustee Keli'i Akina – Aloha, Aunty Homelani mahalo nui ia oe. Thank you so much for coming today. I'm very humbled by your words and I'm very grateful that you have come. I also exceedingly honored to meet you and your 'ohana through you. In my private life I am a spiritual disciple of Hewahewa nui and pay homage to him at Waimea falls to his iwi. I want you to know that I do know the hearts of my fellow Trustees here, we want to protect the assets and good works that are being done by the LLCs. They must continue and that is good work. All I want you to know on our heart is the motivation. What we do is to protect, to build and to preserved for posterity of our Hawaiians. Thank you so much it has been an honor to hear from you. Pule for me and all of us so that we may be effective in doing our work.

Trustee Leina'ala Ahu Isa – Mahalo you for coming here. I understand exactly what you are saying. Because I have Charter School kids and teachers texting me during our live stream meetings to say please, protocol exactly what you said. We can agree to disagree. I've in the House of Rep and the Board of Education and we are more formal because we have a Sargent of Arms. Just the way we conduct business. But you are right, I agree with you and I thank you for coming here today.

Trustee Dan Ahuna – Aunty thank you so much. Just want to reiterate what you have said and the reason I am saying this is because a lot of our beneficiaries on Kauai has used this LLC to get nonprofits and do a lot of things. So I see a lot of good things happening. It's just we are here to speak about ourselves many a times and that's where that can get in the way. I do want to say something because it hurts me to hear it. I'm from Kauai and we just had floods and I don't wish any floods upon any Hawaiian. We have a lot of people who lost a lot and it's not funny to say that at this table. I don't agree with any of that and I am so sorry that you have to hear that.

Chair Colette Machado – Homelani if you could give us your testimony we will make that part of the record. I want to thank you for your courage and boldness for addressing a very sensitive matter and to be bringing back to the table the good work that the LLCs continue to do. If we have offended, you in anyway with my conduct with Trustee Akana I ask you to please forgive me. But I felt that you came with your heart open and you raised your points and we need to tell you how blessed we are that you have come today to offer that comment as a kupuna you have that ability to ask us to be a little bit more cordial to one another, more civil and to be more pono.

Ms. Schaedel – E kala mai. Trustee Akana may I please respectfully ask you to not look at your phone while the chair is speaking to us. You are at this table earlier when the CEO was talking you were on your phone when the rest of us are expected to turn our phones off. Please continue Chair.

Chair Colette Machado – I wanted to just thank you for coming to our meeting and being patient while he held our Executive Session. Mahalo nui.

Trustee Robert Lindsey – I too, want to add my mahalo to all the others which have been shared with you today. I appreciate your kind and quiet and gentle voice. I appreciate very much you being at our table this morning. Too often the voices who show up at our table are angry, are disappointed, and many a time rightfully so, I think you have exhibited for us what aloha and pono mean. Your being here today is a good reminder for us as Trustees as to how we are expected to behave as we work to better conditions for our people. So mahalo nui for being here with us this morning.

VIII. ANNOUNCEMENTS

None

IX. ADJOURNMENT

Chair Colette Machado – If there is no further business I’d like to entertain a motion to adjourn.

Trustee Dan Ahuna moves to adjourn.

Trustee Robert Lindsey seconds the motion.

Chair Colette Machado – Roll call vote please.

Trustee Dan Ahuna moves to adjourn. Trustee Robert Lindsey seconds the motion.						
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEINA‘ALA AHU ISA			X			
TRUSTEE DAN AHUNA	x		X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELI‘I AKINA			X			
TRUSTEE PETER APO						Excused
TRUSTEE CARMEN HULU LINDSEY						Excused
TRUSTEE ROBERT LINDSEY		X	X			
TRUSTEE JOHN WAIHE‘E						Excused
TRUSTEE COLETTE MACHADO			X			
TOTAL VOTE COUNT			6			3
MOTION: [] UNANIMOUS [x] PASSED [] DEFERRED [] FAILED Motion passed with six (6) YES votes, and three (3) excused.						

The meeting was adjourned at 11:31 am.

Respectfully submitted,

Dayna Pa, Board Secretary

As approved by the Board of Trustees on _____.

Colette Y. Machado, Chairperson
Board of Trustees

Attachment:

1. Testimony of Homelani Schaedel

Office of Hawaiian Affairs
Board of Trustee Meeting
May 24, 2018
10:00 am

V. New Business

A. Committee on Resource Management

1. Action Item RM 18-05: Approval to accept resignation of OHA executives as managers of OHA LLCs, to implement a transition plan to streamline and downsize LLC operations, and to recruit a replacement LLC manager.
-

COMMITTEE ON RESOURCE MANAGEMENT
(RM)

Committee Report

May 24, 2018

The Honorable Colette Machado,
Chairperson Board of Trustees
Office of Hawaiian Affairs

Madame Chair Machado,

Your Committee on Resource Management, having met on April 25, 2018 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

Original Action:

Approval to accept resignation of OHA executives as managers of OHA LLCs, to implement a transition plan to streamline and downsize LLC operations, and to recruit a replacement LLC manager.

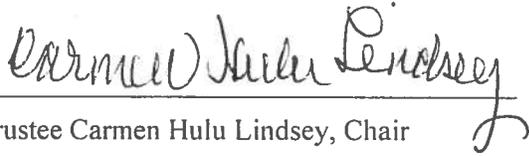
Final Action Taken:

Authorize OHA Administration to assess the feasibility, timing, and downsizing of the current LLC operation structure, and to develop a transition plan to replace existing LLC managers, and report back to the RM Committee by June 30, 2018.

Relevant attachments are included for your information and reference. Attachment(s):

- 1) Action Item RM#18-05
- 2) RM Roll Call Vote Sheet(1)

Respectfully submitted:

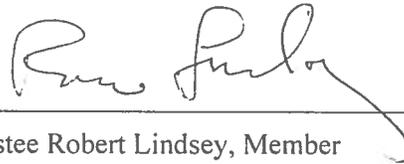


Trustee Carmen Hulu Lindsey, Chair

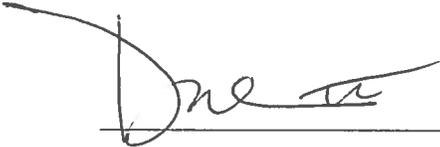
Trustee Peter Apo, Member



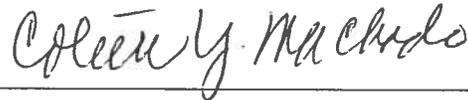
Trustee Leina'ala Ahu Isa, Member



Trustee Robert Lindsey, Member

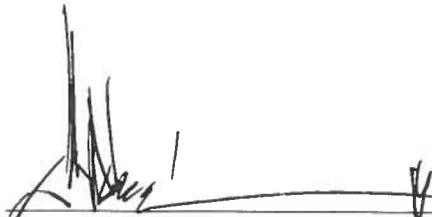


Trustee Dan Ahuna, Member



Trustee Colette Machado, Member

Trustee Rowena Akana, Member



Trustee John Waihe'e, IV., Member



Trustee Keli'i Akina, Member

ACTION ITEM

COMMITTEE ON RESOURCE MANAGEMENT

April 11, 2018

RM #18-05

Action Item Issue: Approval to accept resignation of OHA executives as managers of OHA LLCs; to implement a transition plan to streamline and downsize LLC operations; and to recruit a replacement LLC manager.

Prepared by: Carmen Hulu Lindsey 4/23/2018
Ke Kua, Carmen Hulu Lindsey Date
Luna Ho'omalua Kōmike RM, RM Chairperson

Reviewed by: Not available for signature
Ke Kua, Colette Machado Date
Luna Ho'omalua Kōmike BOT, Board Chairperson

Reviewed by: [Signature] 4/23/18
Ke Kua, John Waihe'e IV. Date
Luna Ho'omalua Kōmike RM, RM Vice Chairperson

I. Action

Approval to accept resignation of OHA executives as managers of OHA LLCs; to implement a transition plan to streamline and downsize LLC operations; and to recruit a replacement LLC manager.

II. Issue

OHA's LLCs are all currently managed by OHA's CEO, COO and CFO. OHA has discussed transitioning to a different management structure; streamlining and downsizing LLC operations; and to recruit a replacement manager.

III. Discussion

While OHA's CEO, COO and CFO are the managers of all LLCs, the managers have delegated responsibility for day to day operations of all LLCs except Hi'ipaka LLC to a chief Operating Officer. The managers have delegated day to day operations of Hi'ipaka LLC to an Executive Director.

OHA, as the member of Hi'ilei Aloha LLC and Ho'okele Pono LLC, desires to determine as a matter of policy to streamline the functions of Hi'ilei Aloha LLC and Ho'okele Pono LLC and their subsidiaries Hi'ikualono LLC, Hi'ipoi LLC, Ho'okipaipai LLC, and Ho'opakeu LLC (10/30/2015-6/28/2017) by transferring other LLC programs to the Administration of the OHA or to other government agencies. The result of this policy decision should be the ability to reduce the budget of and any OHA financial subsidy for the LLCs. Following the downsizing and budget reduction, the LLCs will be able to eliminate the unnecessary Chief Operating Officer's management position and any unnecessary staff position.

The BOT desires to authorize OHA Administration to implement an approved plan for transition by June 30, 2018. Simultaneously, authorize OHA Administration to recruit for a part-time single manager (to be contracted) to be interviewed and selected by the BOT. Trustees will have the opportunity to add names for consideration by the BOT.

Following decision making by OHA Trustees regarding the revised duties of one manager, OHA Administrators can prepare a job description and propose a salary range to be approved by the BOT, then recruit for a replacement manager. Recruitment would consist of advertising the position in the media, screening applicants and recommending finalists to be interviewed by OHA Trustees. Trustees will have the opportunity to add names for consideration by the BOT.

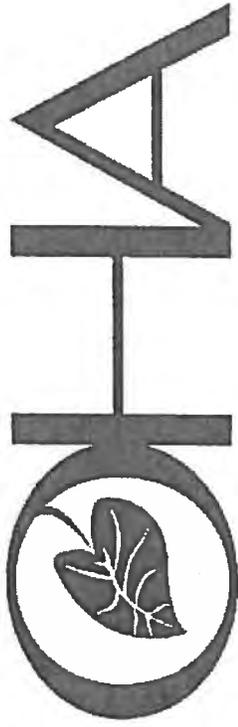
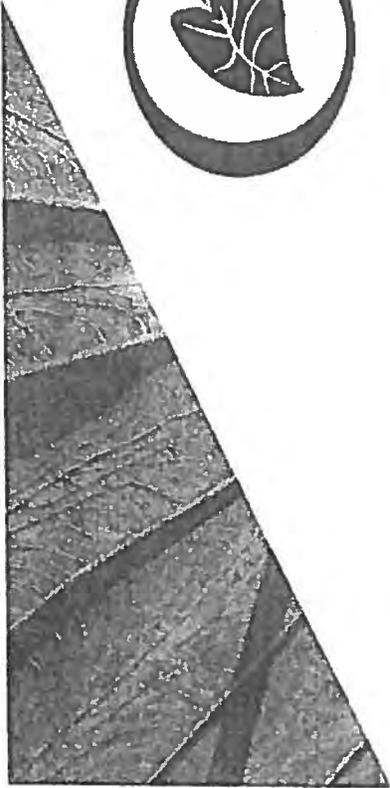
IV. Alternatives

Take no action and continue status quo.

V. Recommended Action

Action Item RM #18-05 Approval of the BOT to accept the resignations of the three OHA executive employees as managers for Hi'ilei Aloha LLC and Ho'okele Pono LLC effective upon the appointment by the BOT of a part-time single manager (to be contracted) to operate a streamlined Hi'ilei Aloha LLC to include Hi'ipaka LLC only. This manager may delegate his/her duties to the Executive Director of Hi'ipaka LLC who would continue to provide day to day management of operations at Waimea Falls Park. Except for Hi'ipaka LLC, and according to the Operating Agreements of all of the LLCs, all assets and records shall be returned to the OHA.

Approval is further requested for OHA, as the member of Hi'ilei Aloha LLC and Ho'okele Pono LLC, as a matter of policy, to streamline the functions of Hi'ilei Aloha LLC and Ho'okele Pono LLC and their subsidiaries Hi'ikualono LLC, Hi'ipoi LLC, Ho'okipaipai LLC, and Ho'opakeu LLC (10/30/2015-6/28/2017) by transferring other LLC programs to the Administration of the OHA or to other government agencies. The result of this policy decision should be the ability to reduce the budget of and any OHA financial subsidy for the LLCs.

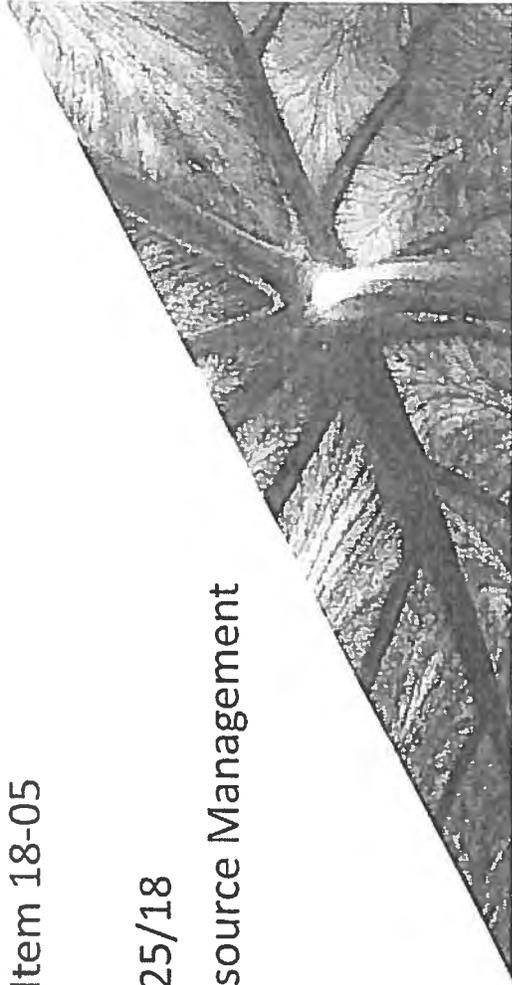


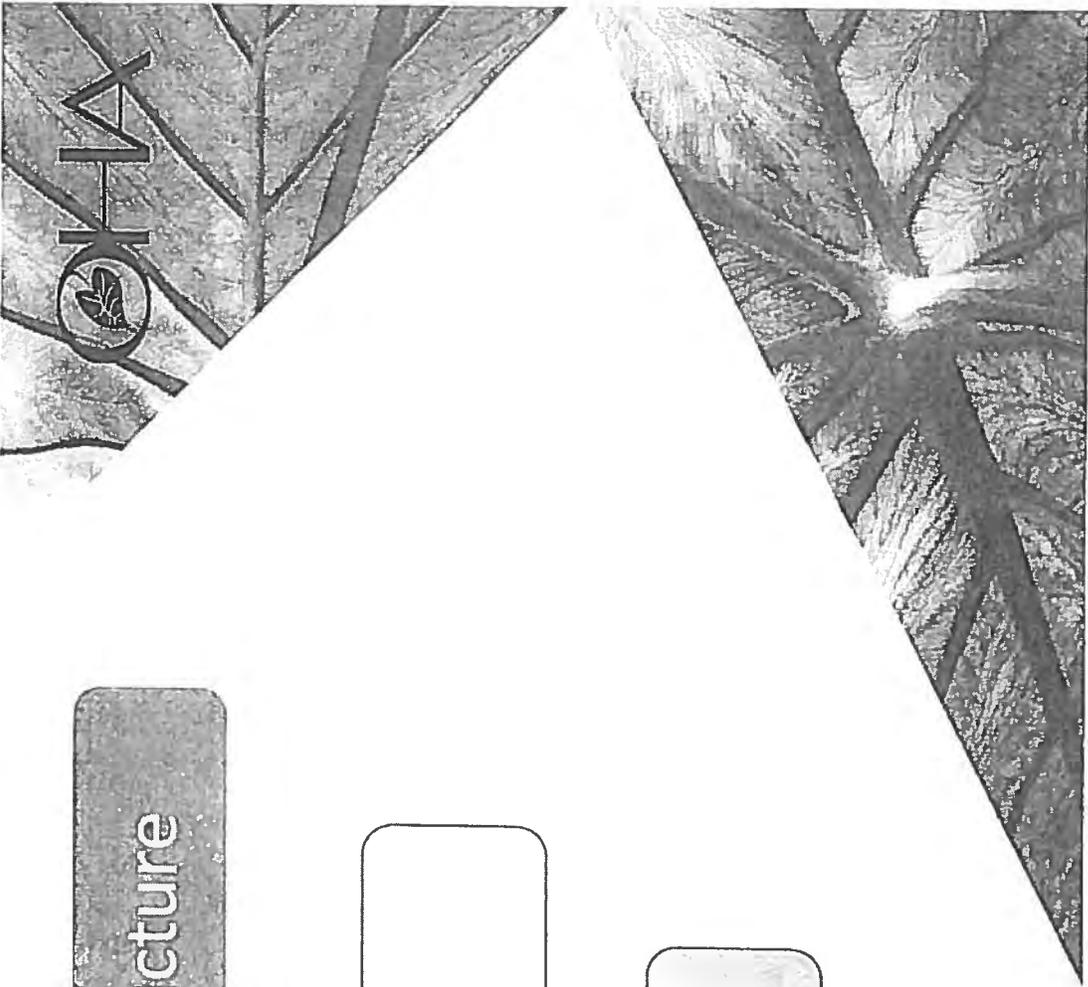
LLC Structure

Action Item 18-05

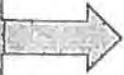
4/25/18

Committee on Resource Management





OHA LLC Restructure



Hi'ilei Aloha LLC



Hi'ipaka LLC



WAIMEA VALLEY
HI'IPAKA LLC



HI'ILEI ALOHA LLC

Office of Hawaiian Affairs
 560 N Nimitz Hwy. Ste. 200
 Honolulu, HI 96817
Roll Call Vote Sheet

Committee on Resource Management	DATE: April 25, 2018 Motion: taken at 1:32pm Vote:
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AGENDA ITEM: III. New Business
 A. Action Item RM 18-05: Approval to accept resignation of OHA executives as managers of OHA LLCs, to implement a transition plan to streamline and downsize LLC operations, and to recruit a replacement LLC manager.

MOTION: Proposing an Amended Action

Authorize OHA Administration to assess the feasibility, timing, and downsizing of the current LLC operation structure, and to develop a transition plan to replace existing LLC managers, and report back to the RM Committee by June 30, 2018.

AMENDMENT:

MEANS OF FINANCING:

TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEI	AHU ISA			X			
DAN	AHUNA			X			
ROWENA	AKANA			X			
KELI'I	AKINA			X			
PETER	APO						Left at 12:45pm
ROBERT	LINDSEY			X			
COLETTE	MACHADO		X	X			
JOHN	WAIHE'E	X		X			
CHAIR HULU	LINDSEY			X			
TOTAL VOTE COUNT				8			

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

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Office of Hawaiian Affairs
Board of Trustee Meeting
May 24, 2018
10:00 am

VI. Executive Session

- A. Consultation with Board Counsel Robert G. Klein, Esq. and William Yuen, Esq. on OHA's powers, privileges and liabilities regarding OHA's role as member of Hi'ilei Aloha LLC and Ho'okele Pono LLC, and Action Item RM #18-05. *Pursuant to HRS § 92-5(a)(4).*
- B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues pertaining to the Board's powers, duties, privileges, immunities, and liabilities regarding Civil No. 17-1-1823-11 JPC, OHA v. State, et. al. *Pursuant to HRS § 92-5(a)(4).*
- C. Approval of Minutes
 - 1. March 22, 2018
 - 2. April 26, 2018

Note: Any material that is relevant to this section will be distributed at the table.