

STATE OF HAWAI'I
OFFICE OF HAWAIIAN AFFAIRS
560 N. NIMITZ HIGHWAY, SUITE 200
(VIRTUAL MEETING - VIA ZOOM WEBINAR)
COMMITTEE ON RESOURCE MANAGEMENT
MINUTES

September 27, 2022 10:00 a.m.

ATTENDANCE:

Vice-Chairperson Luana Alapa
 Trustee Dan Ahuna
 Trustee Kaleihikina Akaka
 Trustee Keli'i Akina
 Trustee Brendon Kalei'aina Lee
 Trustee C. Hulu Lindsey
 Trustee Mililani Trask

BOT STAFF:

Crayn Akina
 Melissa Wennihan

ADMINISTRATION STAFF:

Sylvia Hussey, CEO / Ka Pouhana / Administrator
 Casey Brown, COO / Ka Pou Nui
 Daniel Santos III, IT
 Everett Ohta, Corporation Counsel
 Grace Chen, FS
 Kevin Chak, IT
 Nietzsche Ozawa, Corporation Counsel
 Ramona Hinck, CFO

EXCUSED:

Chairperson John Waihe'e, IV
 Trustee Leina'ala Ahu Isa

I. CALL TO ORDER

Vice-Chair Alapa calls the Committee on Resource Management meeting for Tuesday, September 27, 2022 to order at **10:01 a.m.**

Vice-Chair Alapa asks for a roll call. For the record, members **PRESENT** are:

MEMBERS			AT CALL TO ORDER (10:01 a.m.)	TIME ARRIVED
VICE-CHAIR	LUANA	ALAPA	PRESENT	
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRENDON KALEI'AINA	LEE	PRESENT	
TRUSTEE	CARMEN HULU	LINDSEY	PRESENT	
TRUSTEE	MILILANI	TRASK	PRESENT	

At the Call to Order, **SEVEN (7) Trustees are PRESENT**, thereby constituting a quorum.

EXCUSED from the RM Meeting are:

MEMBERS			COMMENT
CHAIR	JOHN	WAIHE'E, IV	MEMO – REQUESTING TO BE EXCUSED
TRUSTEE	LEINA'ALA	AHU ISA	MEMO – REQUESTING TO BE EXCUSED

II. APPROVAL OF MINUTES

A. August 30, 2022

Trustee Akina moves to approve the minutes of August 30, 2022.

Trustee Lindsey seconds the motion.

Vice-Chair Alapa asks if there is any discussion or any changes.

There is no discussion nor are there changes.

RM Staffer Akina states for the record that there is no one signed-up to testify on this agenda item.

Vice-Chair Alapa calls for a ROLL CALL VOTE.

							10:03 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA	1		X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY		2	X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E						EXCUSED
VICE-CHAIR LUANA	ALAPA			X			
TOTAL VOTE COUNT				7	0	0	2

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

Vice-Chair Alapa notes for the record that all members present vote 'AE (YES) and the MOTION PASSES.

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

A. ACTION ITEM RM #22-23A: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Realignment #4*

Vice-Chair Alapa turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Trustee. If I could ask that Grace Chen, our Financial Analyst, as well as Mona Hinck our CFO turn their cameras on, so that they can support any questions that Trustees may have.

Trustees, in accordance with Budget Policy, the approvals of budget that are done at the beginning part of the biennium are supplemented by changes that occur, that require budget realignments. So, this is the fourth of many realignments. The last realignment was in April, and what realignments try to do, is capture all the budgetary authorities that have been made from budget-to-budget period, and the Board has enacted several budgetary impacts, particularly with the commercial properties. So, budget realignment is a time to bring that up to speed.

This budget realignment also highlights that in FY23, because of the increase in Public Land Trust revenues that begin on July 1 of 2023, that - impacts budgets that the Board previously approved. You acted in July to establish where the one-time amount should go, and then this is the budget being brought back by Administration for FY23.

What you'll also see in this budget, in the many tables, are key pieces, such as the Kaka'ako Makai Action Item, and the Joint Action Item that was just taken last week. You'll also see an increase in federal funds that we have received for operations, for Wao Kele o Puna. You'll also see some operational restoration of items, such as Ka Wai Ola. Our print subscriptions are now up to almost sixty thousand, and our online subscriptions are twenty thousand. As you can imagine, the cost of printing and distribution has also gone up as well. So, budget alignments need to be made to ensure that we have printing costs, as well as distribution costs there.

Other operational items, you will see, are reclassifications in the Grant categories, and that's because our awarding and our contracting cross fiscal years. So, budgets that were planned in FY22 are now being contracted in FY23 and you'll see movement of budgets there.

You also see, increases in the budget. You will also see that the Compliance group has budgeted for two international trips in this next fiscal year, and those will be brought forward once it's determined where those trips will be, and what accomplishments of the repatriation will occur.

This is, of course, different than our domestic iwi kupuna, where we actually have iwi kupuna grants to help local, in-state repatriation efforts by our communities.

In this budget, are two trips for one OHA participant and four community beneficiaries, and we'll bring those plans forward to the Trustees as they firm up in the new calendar year.

Pouhana Hussey: For the most part, that is the operational, the motions that are being asked should reflect that.

The first motion; is just the overall budget approval.

The second motion; is the reorganization cost - that of the \$1 million. There's still \$148,000 of uncommitted funds and we're recommending that we push that forward so we can address unfilled vacancies as well as a compensation study. Administration feels these moves-forward are necessary for our Commercial Property salaries, to address unfilled positions.

The third motion; relates to the Grants - primarily reclassification.

The last motion; relates to a payoff of debt. Previously, with Bank of Hawai'i as part of the 'Aha, OHA drew on lines of credit, and had outstanding lines of credit to fund the 'Aha. As we refinanced Nā Lama Kukui last year, all those amounts were rolled into the American Savings refinancing. As we review it, the financing of an 'Aha, of an operational, is counter to the Debt Management Policy. So, the Administration is recommending that we pay off in cash that amount, so that we are in alignment with our Debt Management Policy.

With that summary, Trustees, the Administration is ready to respond to any questions that you may have regarding this particular action.

Vice-Chair Alapa recognizes Trustee Akina.

Trustee Akina: Thank you very much, Chair. Ka Pouhana, I have a question about the compensation study. *What did it comprise? And is it done? If so, what does it tell us?*

Pouhana Hussey: Trustee, this is to go out for an RFP, for a compensation study vendor. So, we haven't completed the study, yet.

Trustee Akina: Okay.

Pouhana Hussey: As we devise the RFP, we will scope into that - what we're looking for. Primarily we are looking for a compensation study for the business side of the house, so Commercial Property. That kind of piece, as well as the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, those C-suite positions, so that the Board and the organization can see how our salaries are aligned to what is needed to be accomplished by the organization. So, it's a study, and then it comes back to the organization for any implications of that study.

Trustee Akina: So, it'll allow us to make comparisons to other similar organizations.

Pouhana Hussey: Yes, right. When we scope the RFP, we would like the vendor to utilize these comparison groups, these contexts, et cetera, so that we can see what's out there in the breadth, and then have them provide their recommendation.

Trustee Akina: Thank you.

Vice-Chair Alapa recognizes Trustee Lee.

Trustee Lee: Chair, I'll yield to Trustee Trask, if she has questions.

Vice-Chair Alapa recognizes Trustee Trask.

Trustee Trask: I have a question here, because we're looking at the compensation, and I'd like to know where the Trustees' compensation is. We're supposed to be going to the State Legislature, but they won't, put in the bill, year-after-year. Everyone in the State knows that we don't get a fair salary for Trustees, and I'm wondering if that's something we should be looking at in our compensation study. I don't mind looking at the CEO and the COO, and that, but I think we need to point out that the Trustees of OHA are the poorest and the lowest paid in the State, and it's gone on year-after-year, and it's political.

Trustee Lindsey: *It is.*

Trustee Trask: It is political, and I think, not only should we be looking at that compensation package, but I'd like to ask my colleagues to consider that we do make a complaint. I think that we could take a look at some of the reviewing bodies in the State. There's only one reason why one agency of the State for years can't get a raise, and it's because it's OHA, and it's because it's Hawaiian. I don't put DHHL in this position, because they are commissioners that are appointed, politically, but I do think we should raise this question.

Pouhana Hussey: Chair Alapa, if you would like me to respond, or go to Trustee Lee and Lindsey, and then I can respond to Trustee Trask's comment about Trustee salaries as outlined in Chapter 10.

Trustee Lindsey: My comments are on the same line as Trustee Trask, so I'd like to heed to Trustee Lee, who raised his hand first.

Vice-Chair Alapa recognizes Trustee Lee.

Trustee Lindsey: I'll yield, Chair.

Vice-Chair Alapa recognizes Trustee Lindsey.

Trustee Lindsey: I'm really concerned that the Trustees are the lowest paid in the whole state. They're lower than any of the councilmembers, lower than any of the legislators, and I do know that Sylvia has asked the Governor to appoint a commission. For some reason they have us on a separate commission for the Salary Commission, not with the legislators, but just OHA itself, and she's asked the Governor to convene a Commission, and he's just ignored us. In the ten years I've been here, there hasn't been one penny raise, and that's something that I'm concerned about, because I really feel there's discrimination involved here.

Trustee Trask: There is, it's racist. It's Racist.

Trustee Lindsey: *Trustee Lee?*

Vice-Chair Alapa recognizes Trustee Lee.

Trustee Lee: Thank you, Chair. Before I ask my question, I'm glad Trustee Lindsey corrected that, it doesn't go to the Legislature, it goes to the Governor to appoint the Salary Commission.

If OHA really wants to do something to correct this; what OHA should do is propose a Constitutional amendment. The reason why we are separate from everyone else is because we are autonomous, we are in essence a fourth branch of government, so we can't be in the same commission as the Legislature.

The reason why we're supposed to have a Commission like everyone else is because our salaries originally were supposed to be paid by taxpayer dollars; they consider PLT funds, taxpayer dollars.

The money that we get from PLT now goes directly to our granting. Our operating budget comes from the Native Hawaiian Trust, it does not come from taxpayer dollars anymore. So, there is no reason why we should be subject to any Salary Commission; OHA pays for itself. That should be taken out of Chapter 10, and to rectify that, OHA would need to propose a Constitutional Amendment to take that piece of Chapter 10 out.

Now, my question was to Ka Pouhana, and it has to do with, on page six of this Action Item, it has on a table of contents for discussion. If I can just get some clarification, because those page numbers for the subject matters, don't seem to line up.

So, am I looking at the wrong pages where those pages are referring to?

I'll just pull one example out. So, if I go just to the last one, Chief Financial Officer, it says, page 33, but when I go to the page 33; it's Kaka'ako Makai.

Pouhana Hussey: I would say, Trustee, you are looking at the correct table of contents, and incorrect pagination that the Administration didn't pick up and correct in submission.

Trustee Lee: Okay.

Pouhana Hussey: We can submit a corrected version, or we can go through the correct pagination.

Trustee Lee: Yeah, I don't think there's a reason to send a correct one, because if we send one later, it's not going to really help for discussion today.

Pouhana Hussey: So, to your point, Chief Financial Officer certification should be page 46 instead of 33.

Trustee Lee: Okay, I'll try and go through and look for what I'm looking for. Thank you, Chair

Vice-Chair Alapa asks if there are any other questions currently.

Pouhana Hussey: Chair Alapa, if it's okay, I can follow up on both Trustee Trask, as well as Trustee Lindsey. Affirming what Trustee Lindsey said is, Administration, had two attempts in 2019. We attempted to send all the names to the Governor; no action.

Of course, by that following year it was COVID, but in 2021 Administration again submitted names.

We had a broad gathering from our communities, we submitted names again, and the Governor again didn't appoint the Salary Commission folks, and it's supposed to be done every four years in accordance with Chapter 10-9.5.

We're as frustrated as the Trustees, and that is something that we should discuss as to what the next steps that Administration and the Trustees should be doing, as to addressing that.

Vice-Chair Alapa: Thank you, Ka Pouhana.

Vice-Chair Alapa recognizes Trustee Akina.

Trustee Akina: Thank you, Madam Chair. Another question for Ka Pouhana, back to Action Item number four, regarding the repayment of a loan taken out to finance the 'Aha. I have two questions about that, but before I ask my question, let me commend you for bringing us into compliance, or best practice, into how we handle our finances there.

My two questions are: number one; *why did OHA borrow the money for the 'Aha?*

I just needed some background - I was a little bit surprised to read that.

Then after that question, I'm wondering; *is there any relationship to the item red flagged, by the CLA review of a 2.6 million dollar grant made to the Akamai foundation on behalf of Nai Aupuni, and Plante Moran is to hopefully going to comment on that to us? Is there any relationship between this amount borrowed and that grant that was flagged by CLA?*

Those are my two questions.

Pouhana Hussey: For the first question, I'm not sure. When I arrived in 2018, that funding mechanism was in place, and financially we were paying the interest on that. So, to that question, I'm not sure and maybe other Trustees have a better context for that.

On the second, I don't know what CLA or Plante Moran will be raising, and I would look towards that. I apologize Trustee Akina, I don't have any insight into any of the connection of that specific item; to the financing.

Trustee Akina: Okay. Thank you.

Vice-Chair Alapa recognizes Trustee Trask.

Trustee Trask: First, let me have a comment, because I'm very interested in the answers to Keli'i's question, and because we don't have the answer here, I just want to request that we get a follow up on these two things.

My issue regards a request in the previous item, because, when I look at Chapter 10 in terms of the salary point, Chapter 10, in and of itself, on its face, anticipates that there's going to be a review every four years. That has been deliberately ignored by the Executive Branch.

OHA are elected officials and State employees, but we have more authority than other agencies. It's true that we are different from other State agencies, that is very true, from what Trustee Brendon is saying, but it's the reason why.

The way I look at it, Trustee Brendon is, we are a State agency, but a little bit more, so we should fall under this Commission, because within our State framework there's no place else for us to go for a salary. There's no other option for us.

The only reason why Governor, after Governor ignores it, is because of racism, and because we're beating the drum, for our revenues, for our lands, for our ceded land inventory, these types of things.

I do think that we should number one, request opinion from our Counsel, Judge Klein. Number two, I don't mind analyzing it myself and raising it.

We are getting a new Governor. I sure would like to ask him what he's going to do. And colleagues, if we don't get a clear response, then I think we need to raise it with the Hawai'i Civil Rights Commission, because it sets a pattern in our State that those who work for native beneficiaries and have that authority should be penalized and treated in a punitive way.

When I hear what my colleagues are saying, ten years, look at what has happened with the cost of living in our State. They ignore it. It's funny because it's Hawaiian families, it's our families. We shouldn't put up with it.

I think it's racism, and I'd like to hear what Judge Klein says on this point, any ideas Judge Klein might have, and I also feel that we're ready to raise it with the Civil Rights Commission, and also with the Governor. He's not going to do anything because we're getting a new Governor coming in, anyway, that's it. Aloha.

Vice-Chair Alapa: Mahalo, Trustee Trask.

Vice-Chair Alapa recognizes Trustee Lindsey.

Trustee Lindsey: Interesting, I was told by an outside attorney that because our Trustee salaries are paid by the trust, and not by operations or monies from the State, we have the sole authority to make decisions, as to the expenditures of the trust. So, if the State Government ignores us, I think that we should vote as a Board to increase the salaries of the Trustees; and see what happens. But I think asking Judge Klein is a safer way to go, and I agree with Trustee Trask, that we should ask Judge Klein, so I'll direct inquiry towards that.

Also on the loan for the 'Aha, *Keli'i*, were you on the Board then?

Trustee Akina: I don't believe so.

Trustee Lindsey: Okay? Well, that means only... oh, Dan you were on the Board with us, when we did the 'Aha funding. Dan and I were there when we went for the loan. I remember our Administration telling us that they were going to get a loan for this 'Aha, but it wasn't explained why a loan.

Dan, do you recollect uh, better than me?

Trustee Ahuna: Well, the only thing I remember is I think it lasted for weeks, and it was statewide, too.

Trustee Lindsey: Anyway, I just wanted to say that the Board did approve such a loan. I don't know why they chose that direction, but there must have been a reason, maybe they didn't want to use trust funds, or whatever. I don't know, that's all I have.

Vice-Chair Alapa asks if there are any further questions or discussion.

There are no further questions nor is there further discussion.

RM Staffer Akina states for the record that there is no one signed-up to testify on RM #22-23A; neither in-person, nor virtually.

Motion #1 - Budget

Trustee Lindsey moves to approve the fiscal biennium budget realignment #4 for the fiscal biennium periods 2021-2022 (FY22) and 2022-2023 (FY23) as summarized at Attachment #1.

Trustee Akina seconds the motion.

Vice-Chair Alapa asks if there is any discussion.

There is no further discussion.

Vice-Chair Alapa calls for a **ROLL CALL VOTE**.

MOTION #1							Motion: 10:28 a.m. Vote: 10:28 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA		2	X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E						EXCUSED
VICE-CHAIR LUANA	ALAPA			X			
TOTAL VOTE COUNT				7	0	0	2

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

Vice-Chair Alapa notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

Motion #2 – Reorganization Costs

Trustee Lindsey moves to approve the carryforward amount to 2022-2023 (FY23) budget, of an estimated amount of \$148,000 of uncommitted, unencumbered, unaccrued amounts related to reorganization costs to address unfilled positions, vacancies and compensation study.

Trustee Akaka seconds the motion.

Vice-Chair Alapa asks if there is any discussion.

There is no further discussion.

Vice-Chair Alapa calls for a **ROLL CALL VOTE**.

MOTION #2							Motion: 10:29 a.m. Vote: 10:30 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
BRENDON KALEI'ĀINA	LEE				X		
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E						EXCUSED
VICE-CHAIR LUANA	ALAPA			X			
TOTAL VOTE COUNT				6	1	0	2

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

Vice-Chair Alapa notes for the record that six (6) members present vote 'AE (YES), one (1) member votes A'OLE (NO), while two (2) members are EXCUSED - and the **MOTION PASSES**.

Motion #3 – Grants

Trustee Lindsey moves to

1. Reclassify \$500,000 Housing Proviso from 56530 Community Grant to Grants In Aid & Proviso Grants 56510;
2. Reclassify \$500,000 within 56530 Community Grants from COVID-19 purpose to 'Ohana grants in alignment with 'Ohana grants solicitation;
3. Approve an additional \$10,000 sponsorship amount for the Association of Hawaiian Civic Clubs (AHCC) annual convention, Operating Budget, Object Code 56560; and
4. Approve reclassification of FY23 BOT & CEO/Kaiaulu Sponsorships of \$205,921 Object Code 56530 to an additional \$10,000 in Object Code 56560 for the AHCC sponsorship and the balance of \$195,921 to 56530-GRANTS IN AID - COMMUNITY GRANTS for a new classification of grants – Kako'o grants.

Trustee Akaka seconds the motion.

Vice-Chair Alapa asks if there is any discussion.

Trustee Lindsey: *Sylvia, what is a Kako'o grant?*

Pouhana Hussey: So, we have Kako’o grants, which are the smaller grants, less than \$1,000; easily accessible. Kako’o grants were the grants that we wanted to put out for assistance to our grantees to: writing for grants, paying for audits, paying for back office services, so to that - whether it's to us or to other grantors; their reporting can be done so their monies are accounted for.

The amount is intended for us to put out a solicitation to have kako’o, so support grants, so we would look for entities who would provide grant writing, for beneficiaries as well as those who would apply for funding and audit or funding HR services to help them account for reporting services / data so that they can report effectively. That came out of, earlier conversations and needs - expressed by our community.

Vice-Chair Alapa recognizes Trustee Lee.

Trustee Lee: Thank you, Madam Chair. *So, am I to understand the last two points, that this is going to be a total of twenty thousand dollars more to the Association of Hawaiian Civic Clubs?*

Pouhana Hussey: The addition of \$10,000, in addition to the already authorized \$20,000, correct. So, a total of \$30,000 to fund the Convention as well as the luncheon.

Trustee Lee: So, we're just adding an additional ten thousand, because it's on two separate points on this motion, it appears that we're giving \$20,000 more.

Pouhana Hussey: Thank you for that clarification. No, it's only an additional \$10,000, and it's being funded by a reclassification from one classification to another.

Trustee Lee: I was just checking the total amount. Thank you, Madam Chair.

Vice-Chair Alapa: Thank you.

Vice-Chair Alapa calls for a **ROLL CALL VOTE**.

MOTION #3						Motion: 10:31 a.m. Vote: 10:34 a.m.
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA						EXCUSED
DAN			X			
KALEIHIKINA		2	X			
KELI'I			X			
BRENDON KALEI'ĀINA				X		
CARMEN HULU	1		X			
MILILANI			X			
CHAIR JOHN						EXCUSED
VICE-CHAIR LUANA			X			
TOTAL VOTE COUNT			6	1	0	2

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

Vice-Chair Alapa notes for the record that six (6) members present vote 'AE (YES), one (1) member votes A'OLE (NO), while two (2) members are EXCUSED - and the **MOTION PASSES**.

Motion #4 – Debt

Trustee Lindsey moves to approve the cash payoff of approximately \$1.2 million of debt currently held by American Savings Bank, which represented the former Bank of Hawaii debt used to finance the 2016 Native Hawaiian ‘Aha, to be compliant with the Debt Management Policy.

Trustee Akaka seconds the motion.

Vice-Chair Alapa calls for a **ROLL CALL VOTE**.

MOTION #4							Motion: 10:34 a.m. Vote: 10:35 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
BRENDON KALEI'AINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E						EXCUSED
VICE-CHAIR LUANA	ALAPA			X			
TOTAL VOTE COUNT				7	0	0	2

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

Vice-Chair Alapa notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES**.

IV. NEW BUSINESS

B. ACTION ITEM RM #22-23B: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23) – Repurposing Previously Designated COVID-19 Reserve*

Vice-Chair Alapa turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you, Chair, Alapa. Trustees, this relates to the million-dollar reserve.

So, the Trustees back in 2020-2021 approved three million, on one, for the loss of the general funds. Then one million in FY21. Of that one million, \$500,000 was allocated for COVID grants, and \$500,000 were allocated for operational needs.

If you recall in these earlier times, there was no vaccine, there was no further information, and so this was primarily to social distance, and the primary result is, the Boardroom looks the way it does because of those earlier social distancing, six feet in circumference, and not highly functional; I would guess.

So, what you will see in the Action Item: page 3, what was used in that. Primarily furniture and fixers to reconfigure the boardroom and plexiglass in all our public spaces. Additional IT equipment was purchased so that we can have everyone function from being at home during those early days.

Pouhana Hussey: Now that we are, I'm not going to say it's over, but as we are moving into a different phase of COVID, Administration would like to ask the Trustees to repurpose the balance of it for post-COVID; and primarily for space, planning.

You'll see in the Action Item, page 3, primarily first to address space planning. So, when Administration looks at the kinds of resourcing for space planning, the first thing that we prioritize is safety, functionality, and then aesthetics.

So, safety-wise, we want to be sure that the Boardroom is reconfigured, so that optimally it's safe. Right now, it's highly, not functional. It may be safe, but the wall that abuts on the courtyard side of Nā Lama Kukui is a solid wall, and so not clearly safe for the public to be able to see any approaching, potential disturbers of the meeting. So, we'd like to repurpose the balance of this money, about \$320,000 for space planning design.

In addition to safety, but also functionality, we want to have a larger reception area to host International and National dignitaries. To be able to have our communities utilize it in the evening for Native Hawaiian Clubs, Civic Clubs, and others. Providing meeting spaces as well as any, for example, the Native Hawaiian Chamber of Commerce, to have a standing place for our community to gather.

So, in thinking about safety, functionality, and then, of course, it's aesthetics. We want to be sure of the design - before any next steps are done. The budgeting process would be to authorize the design feature, and then anything that comes out of that - based on decisions by the Board - would then come through the budget process in terms of a capital CIP or repair, maintenance request. So, none of this is asking for budgetary authority, we're just asking for repurposing for post-COVID-19 space design.

Vice-Chair Alapa: Thank you very much, Ka Pouhana.

Vice-Chair Alapa asks if there are any questions.

Vice-Chair Alapa recognizes Trustee Lindsey.

Trustee Lindsey: *Sylvia, are you saying that \$300,000 is only for design, because that's really, too much?*

Pouhana Hussey: We just want to repurpose it for design, that doesn't mean we're going to use it all. There has been some design sketching already done, based on facilities budgeting. We just want the latitude to be able to do that, but that's not our intent to just spend it.

Trustee Lindsey: Yeah, because I would assume that a portion of that can go towards the construction.

Pou Nui Brown: I think that it could be pretty, easy to spend \$300,000 on design, just for architectural and engineering, Chair Lindsey. It's quite possible, it really will depend on the designs that we pursue. If those designs are going to be permitted, types of designs are not permitted, but it depends on the spaces that we end up designing. But we could easily spend \$300,000 on architectural and engineering.

Trustee Lindsey: I don't think that we need to spend that kind of money for that square footage of the entire board and the kitchen and the two conference rooms. It shouldn't cost that kind of money, even for permitting plans - just my opinion.

Pouhana Hussey: Chair Alapa, if I could ask Casey to elaborate on the spaces beyond just the board conference rooms and the kitchen.

Vice-Chair Alapa recognizes Pou Nui Brown.

Pou Nui Brown: So, we are also looking, beyond the boardroom, kitchen, and the conference rooms. On the main suite side, the Admin. suite side, the frontage is being looked at as well - to re-layout things. To condense Administration's footprint and give back some space for two purposes.

One to create these collaboration spaces that we're talking about, and two, possibly creating more retail space, so that we could earn more money on that. It's that frontage that is really the valuable space for any kind of brick and mortar. So, the designs, even though it's a smaller square footage than what we're used to seeing Chair Lindsey, it still could get pricey because of the depth of designs that we might want.

Vice-Chair Alapa recognizes Trustee Trask.

Trustee Trask: I really agree with Trustee Hulu Lindsey on this, \$300,000. You want to design a few hundred square feet in the office, I totally disagree with it, if you want to say, to look at designs. I think that we should be including in this the fees for any architectural group that comes in, the designs, and the implementation.

This is a huge amount of money, for re-designing a corner of our office. I had wanted to point out to Trustees, a few years ago, when the COVID problem came up, everybody thought it would be about a year to eighteen months, and it's been over three years, we've seen other things evolving : COVID, monkeypox, and other such things. I'm concerned that we're still in a pandemic mode, nationally and in the State, and we ourselves seem to be dropping some protections here. So, I agree we don't need the full amount of protections that we have in, but I would like to point out that if we have another bout of COVID, we're going to have to go back to more stringent protections again. So, as we make these changes, we should not just throw out the protections we have, we may need to keep them.

The other thing is that when I hear this \$300,000 to redesign a corner of the office. I really disagree with it. Put in the \$300,000 for a consultation for design and implementation; maybe I could look at it. But I think that this needs to be returned to the Board for us to look at and approve it as we go. I very much am requesting and would like to see any RFP posted for the design of these changes, I'd like to see it.

Vice-Chair Alapa recognizes Trustee Lee.

Trustee Lee: Thank you, Madam Chair. I will remind the Trustees that this is a budget realignment, not a CIP request, as Ka Pouhana pointed out. So, all that Administration is asking is to reclassify the funds. If they are going to, in fact, expend \$300,000 on anything - they're going to need to come back to the Board for approval for that. All they're doing is realigning the budget right now. The \$300,000 is classified, for one thing, and they're asking to move it into another column for something else. They're not asking to spend it. When they're ready to spend it or go for RFP, they're going to have to come back to the Board.

So, they are not saying they're going to spend \$300,000, Ka Pou Nui just chimed in to respond to something that Trustee Lindsey had said, and he was just making a comment. Po Nui's not saying they're going to spend \$300,000 on anything. He's just saying that, given the size of what they are looking at designing, which is the entire frontage of Administration and the Boardroom, it's not just one small corner - that it could get that high. But again, when that time comes for them to do that , they're going to have to come back to the Board. They're just asking for the realignment of the budget to move the money from one column to another column, that's it. I agree with you guys, \$300,000 is too much to spend on this, but that's not what they're asking of us today.

Vice-Chair Alapa recognizes Trustee Lindsey.

Trustee Lindsey: I just want to state for the record that I did suggest to our Pouhana when she brought this up that the Trustees should approve the final design. After all, this is OHA's building, and we're fiducially responsible for all the monies expended. I'm sure that our Administration will comply with our requests. So, I'm ready to move on to the motion.

Trustee Lindsey moves to approve and repurpose the balance of the approved COVID-19 Operational Reserve account, Appropriation 935, as of September 30, 2022, projected to be approximately \$321,000, to operational space planning uses at Nā Lama Kūkui, subject to the: A) Existing Fiscal Stabilization Policy attached; and B) Budgetary policies and authorities of the Board to approve future, Administration recommended, capital renovation costs, consistent with Policy 3045 – Budget Management Policy of the Executive Policy Manual.

Trustee Akaka seconds the motion.

RM Staffer Akina states for the record that there is no one signed-up to testify on RM #22-23B; neither in-person, nor virtually.

Vice-Chair Alapa asks if there are any questions.

There are none.

Vice-Chair Alapa calls for a **ROLL CALL VOTE**.

MOTION							Motion: 10:48 a.m. Vote: 10:49 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK				X		
CHAIR JOHN	WAIHE'E						EXCUSED
VICE-CHAIR LUANA	ALAPA			X			
TOTAL VOTE COUNT				6	1	0	2

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

Vice-Chair Alapa notes for the record that six (6) members present vote 'AE (YES), one (1) member votes A'OLE (NO), while two (2) members are EXCUSED - and the **MOTION PASSES**.

IV. NEW BUSINESS

C. ACTION ITEM RM #22-23C: OHA Biennium Budget for the Fiscal Biennium Periods 2021-2022 (FY 22) and 2022-2023 (FY 23), Fiscal Stabilization Policy*

Vice-Chair Alapa turns it over to Ka Pouhana Sylvia Hussey.

Pouhana Hussey: Thank you. Chair Alapa. Trustees, this is the other fiscal stabilization action that the Board took, and this for the actual loss of general funds for FY21, conditioned on the State Auditors conducting an audit.

You're familiar with the outcome and Act 29 of 2021 actually replaced the CLA Disbursements Report, meeting that condition that was previously conditioned by the State Auditor's report. So, the general funds for FY21, approximately \$3 million was released, and so in the accounting process, our CFO and financial analysts have been working to be able to submit all the receipts so that we can get the \$3 million back, so that's what we have done.

Therefore, the fiscal stabilization amount of \$3 million is no longer needed, and that's the action that's being brought forward to the Board.

Vice-Chair Alapa asks if there are any questions or comments.

There are zero questions, nor are there comments.

Trustee Lindsey moves to reverse the Fiscal Stabilization Fund amount of \$3,000,000 previously approved to mitigate the impact of the conditioned FY21 appropriation via Act 37 (2019).

Trustee Akina seconds the motion.

RM Staffer Akina states for the record that there is no one signed-up to testify on RM #22-23C; neither in-person, nor virtually.

Vice-Chair Alapa calls for a ROLL CALL VOTE.

MOTION							Motion: 10:51 a.m. Vote: 10:52 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA		2	X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E						EXCUSED
VICE-CHAIR LUANA	ALAPA			X			
TOTAL VOTE COUNT				7	0	0	2

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

Vice-Chair Alapa notes for the record that all members present vote 'AE (YES) and the MOTION PASSES.

V. ANNOUNCEMENTS

None

VI. ADJOURNMENT

Trustee Lindsey moves to adjourn the RM meeting.

Trustee Akaka seconds the motion.

Vice-Chair Alapa asks if there is any discussion.

There is zero discussion.

Vice-Chair Alapa calls for a **ROLL CALL VOTE**.

							10:52 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
LEINA'ALA	AHU ISA						EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA		2	X			
KELI'I	AKINA			X			
BRENDON KALEI'ĀINA	LEE			X			
CARMEN HULU	LINDSEY	1		X			
MILILANI	TRASK			X			
CHAIR JOHN	WAIHE'E						EXCUSED
VICE-CHAIR LUANA	ALAPA			X			
TOTAL VOTE COUNT				7	0	0	2

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

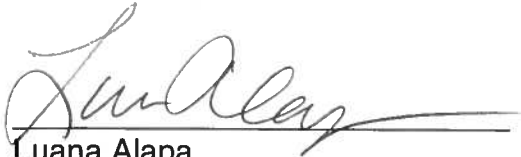
Vice-Chair Alapa adjourns the RM meeting at 10:52 a.m.

Respectfully submitted,



Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on December 12, 2022.



Luana Alapa
Vice-Chair
Committee on Resource Management