

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

May 22, 2024 10:00 a.m.

ATTENDANCE:

Chairperson John Waihe'e, IV
Vice-Chairperson Luana Alapa
Trustee Dan Ahuna
Trustee Kaleihikina Akaka
Trustee Keli'i Akina
Trustee Brickwood Galuteria
Trustee C. Hulu Lindsey
Trustee J. Keoni Souza

EXCUSED:

Trustee Mililani Trask

BOT STAFF:

Amber Kalua
Crayn Akina
Joyce Yang
Kanani Iaea
Lei-Ann Durant
Melissa Wennihan
Morgan Kauai Robello
Nathan Takeuchi
Richelle Kim
Ruben Sierra

ADMINISTRATION STAFF:

Stacy Ferreira, CEO / Ka Pouhana
Aulani Freitas, Strategy Consultant
Daniel Santos, IT
Everett Ohta, Interim General Counsel
Grace Chen, Financial Analyst
Hailama Farden, Sr Director of Hawaiian Cultural Affairs
Kelcie Wade, IT
Keopu Reelitz, Director of Advocacy
Kū'ike Kamakea-Ōhelo, Director of Ōiwi Wellbeing &
'Āina Momona
Lauwae Clayton, Senior Executive Assistant
Nietzsche Ozawa, Interim Sr Legal Counsel
Niniau Kawaihae, Director of Community Engagement
Ramona Hinck, CFO
Ryan Lee, Director of Endowment
Sandra Stancil, Senior Executive Assistant
Tatum Keala Neumann, Grants Manager
Tim Wong, Director of Land Assets

GUESTS

Colin Bebee, Meketa Investment Group
Gerry Flintoft, Consequent Capital Mgmt
Jeff Shields, JP Morgan
Jeremy Weltmer, Golman Sachs
Mary Fowler, Goldman Sachs
Matthew Rose, JP Morgan
Mika Malone, Meketa Investment Group
Vijoy Chattergy, Consequent Capital Mgmt

I. CALL TO ORDER

Chair Waihe'e calls the Committee on Resource Management meeting for Wednesday, May 22, 2024 to order at **10:03 a.m.**

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

MEMBERS			AT CALL TO ORDER (10:03 a.m.)	TIME ARRIVED
CHAIR	JOHN	WAIHE'E, IV	PRESENT	
VICE-CHAIR	LUANA	ALAPA	PRESENT	ARRIVED AT 10:55 a.m.
TRUSTEE	DAN	AHUNA	PRESENT	
TRUSTEE	KALEIHIKINA	AKAKA	PRESENT	
TRUSTEE	KELI'I	AKINA	PRESENT	
TRUSTEE	BRICKWOOD	GALUTERIA	PRESENT	
TRUSTEE	C. HULU	LINDSEY	PRESENT	
TRUSTEE	J. KEONI	SOUZA	PRESENT	

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

EXCUSED from the RM Meeting are:

MEMBERS			COMMENT
TRUSTEE	MILILANI	TRASK	MEMO – REQUESTING TO BE EXCUSED

II. APPROVAL OF MINUTES

A. April 17, 2024

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item nor for any other agenda item.

Trustee Akina moves to approve the minutes of April 17, 2024.

Trustee Souza seconds the motion.

Chair Waihe'e asks if there is any discussion.

There is no discussion.

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

MOTION							10:05 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA	1		X			
VICE-CHAIR LUANA	ALAPA						Arrived at 10:55 a.m.
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK						EXCUSED
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				7	0	0	2

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

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

III. UNFINISHED BUSINESS

None

IV. NEW BUSINESS

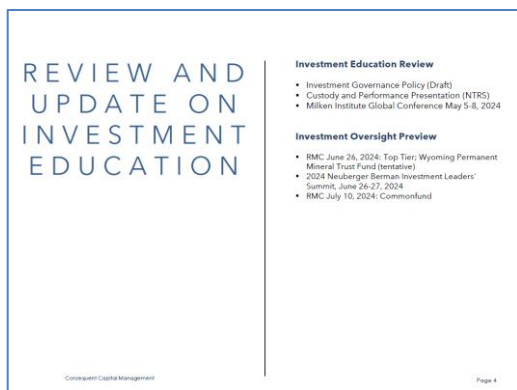
- A. Consequent Capital Management – Independent Board Investment Advisor / Consultant
1. Introduction and Continuing Trustee Education

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waihe'e turns it over to Independent Board Investment Advisor Chattergy

Independent Board Investment Advisor Chattergy: Aloha kakou Trustees, staff and other visitors to the meeting today. Thank you very much. Again, we're Consequent Capital Management. We're the consultant to the Board of Trustees on the investment portfolio. We do have a number of outside speakers who manage assets for the portfolio, and also an example of an investment consultant to talk about what they do with asset owners to help with the Board of Education. As far as the usual packet that I put out every meeting, it has the usual background information, activities, and then a review of watchlist policy this time.



Independent Board Investment Advisor Chattergy: So, if we move quickly to page 4, the review there, just want to remind the trustees that we did put out a draft investment governance policy last time, and we're going to put that all together, and probably in June come back and ask for a policy vote. So, we're putting out pieces of suggested policy, for the investment policy document going forward, and we do look for input, and we will be making changes before you come to final approval.

Also note that last time you had your custody and performance presentation provider, which was Northern trust, present, and so, if they are, follow up questions of that related to how custody is handled, or what is in the performance report, which is separate from the performance report that staff has started to present quarterly. That's also something that can go in as further conversation.

Finally, I'll just add that Ryan Lee, your Director of Endowment, attended the Milken conference at the beginning of the month, as did I. And so he may have some additional feedback and conversation over time on the value of those meetings, and some of the follow up that comes out of that. We were also able to meet with Ryan in California during the conference where Gerry Flintoff, the Consequent Investment Specialist for private markets and Ryan met, and they continue to meet going forward, as the private markets are an area of the portfolio that we feel need to be addressed, going forward in terms of how to improve performance and structure.

Then, I have a number of bullet points there, coming up events, some of them are tentative, but we do hope to bring in some additional speakers.

If we move on to page 5 quickly, I won't go into a lot of detail here. You have as an attachment to this document, and in your file, a suggested watch list policy document. Again, it's a draft, so it looks for input and before we finalize, I actually have had some input since we sent out that material that you have with you. So, there are already a few revisions, and we welcome additional revisions.

I'll just note as far as watch list policy, this is something that staff has also asked for, because they are looking at the portfolio and wanting to identify managers and strategies that require additional monitoring and potentially at some point, probably in the new fiscal year we'll look to maybe replace or continue to bring in front of the Board in terms of analysis.

As far as this watch list policy, I will note very briefly that there are both investment reasons and non-investment reasons for putting a manager or strategy on watch, and we sort of list that out there on page 5, so that's for your benefit. And I can certainly have additional conversations going forward regarding that.

Independent Board Investment Advisor Chattergy: So that concludes the Consequent education manual or presentation for this particular meeting. Again, I'm happy to meet on the side and going forward, and I encourage that to go over anything that's in this material or going forward.

At this point, then I'd like to start to bring up our different speakers. You're gonna have three presenters; we're gonna start with Meketa, which is an investment consultant, they also offer other services like outsource CIO, and they work with different clients. They actually are the investment consultant for the ERS and the EUTF here in the islands, but they're a national and even global organization, so they have clients elsewhere. I have actually worked with them, as a consultant for myself in the past. I thought it would be good to hear from them, because they will give you an idea of how different boards, different asset owners work with investment consultants.

After that we'll hear from two of your current managers who have been managers of your assets for a long time. One will be Goldman Sachs Asset Management, and the other is JP Morgan Asset Management, and both of them will introduce themselves and explain the parts of the portfolio that they've managed for you, and give you an idea of performance and ideas of how they think they can optimally work with OHA going forward.

So, if there are no questions, then why don't we go ahead and follow the agenda?

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you, Vijoy, and thank you, Chair. Just a quick question, am I correct in understanding that Meketa group does not yet provide services for OHA?

Independent Board Investment Advisor Chattergy: Yes, that's correct.

Trustee Akina: And what is the context in which you bring them to us today.

Independent Board Investment Advisor Chattergy: So, like when we brought in front of you other market participants, like other trustees from other organizations, Investment CIO's from other organizations. The idea is to provide some context and some ideas of how OHA might think about working with an entity of that sort going forward. So, they provide investment consultant services; that's something that we've said is a consideration for how you work with the marketplace going forward, and that doesn't preclude obviously having a really top-notch staff, and they can explain that. And that doesn't preclude working with top-notch asset managers, or even being more active internally going forward. But it's all a process, and they're all sort of different ways, there's no one way to work with them, and so I just want to get examples of the ways you can work with different service providers going forward and ultimately be your decision.

Trustee Akina: Thank you.

IV. NEW BUSINESS

- A. Consequent Capital Management – Independent Board Investment Advisor / Consultant
2. Presentation: Meketa Investment Group – Colin Beebe; Mika Malone

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waihe'e turns it over to Independent Board Investment Advisor Chattergy

Independent Board Investment Advisor Chattergy: Okay, then why don't we bring up Meketa to start off.

Presenters

Meketa Team

Colin Beebe, CFA	Mika Malone, CAIA
Portland, OR Managing Principal Consultant	Portland, OR Managing Principal Consultant

Experience

→ 14 years of industry experience	→ 24 years of industry experience
→ Joined Meketa/PCA in 2010. Shareholder	→ Joined Meketa in 2003. Shareholder
→ Lead consultant for select public pension funds as well as a member of Meketa's Capital Markets Research team	→ Lead consultant for select public and private pension funds, endowments, and defined contribution plans
→ Leader: Pension Practice Group	→ Speaker at numerous industry events
→ Member: Consulting Leadership Practice Group, Marketable Securities Oversight and Asset Liability Risk Management Committees	→ Member: Board of Directors, Investment Policy and Corporate Responsibility Committees, and Pension Practice Group
→ BS: Linfield College; BS: Oregon State University	→ MBA: University of San Diego; BA: University of Maryland

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Meketa Summary

45 Years of Experience	Four decades of investment advisory experience → Advising institutional investors across the globe → Working with Public, Corporates, Endowments, Foundations, Healthcare, Taft-Hartley, and Non-Profits
249 Clients	Over 240 clients* → Over 180 General Consulting clients → Over 100 Private Market clients → Over 90 Public Fund Clients
\$1.7 T In Public Client Assets Under Advisement	Staff of 236, including 160 investment professionals → 66 consultants and 43 analysts → 58 investment operations → 67 corporate & business administration
\$1.2 B Median Public Client Assets Under Advisement	One Line of Business → 100% of our revenue comes from our clients → No proprietary products for institutional use

* Outings may occur as some clients have multiple mandates. Client and employee counts as of December 31, 2022; assets as of September 30, 2023.

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Colin Beebe, Meketa Investment Group: Good morning, everyone. I'm gonna get the stopwatch going. I'm very well aware of time, we'll start on page 4 and I'll introduce myself, I'm Colin Beebe, on the left, I have a colleague, Mika Malone, who's also online as well.

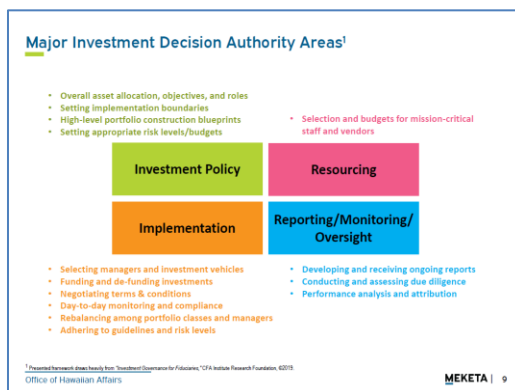
So as Vijoy alluded to, I've been working with Hawaii ERS since 2010, and Hawaii EUTF since 2011. So, the State of Hawaii, the people of Hawaii are someone I care deeply about, and who I've been working with for literally my entire career in the investment industry.

I'll have Mika give just a quick background of herself, and then we'll touch on, there's 47 slides here, we're going through 5, I promise you.

Mika Malone, Meketa Investment Group: Hi, everyone, Aloha, Mika Malone with Meketa. As Colin mentioned, I work in our Portland, Oregon office alongside Colin, but I also support Colin and the relationship with Hawaii ERS, and have been at the firm for over 20 years now, and have a lot of relationships across endowment clients, public fund clients and others, and I'm happy to answer questions as we move through the brief number of slides that Colin highlighted in order to help you just get a handle on how various consulting firms work with the marketplace.

If we move forward to the next slide, just a quick background on Slide 5 of Meketa and all I really want to highlight here, when you look at Meketa over the last 45 years, both the types of clients that we have worked with as well as the context in which we work with those clients has shifted dramatically. And I think that's really my view in terms of what's the overarching theme in how investment consulting has shifted over the last several decades.

Mika Malone, Meketa Investment Group: We work with a variety of clients where there is a significant staff in place, they need a consultant to provide just very specific kind of piecemeal services, maybe it's assisting with manager searches or asset allocation. Other clients use a full-service model where the consultant is active in all parts of the engagement. In some cases, it's to assist with private markets, asset allocation development, etc. So, when you look across those 249 clients that we work with today, and our kind of 250 person-ish staff, each of us is engaged in, I would say, very specialized work with underlying clients based on the structure they have in place, their boards, their investment committees, their various outside service providers, and we're able to kind of adapt to those needs, and I think that's really critical. I'll let Colin continue that conversation.



Colin Beebe, Meketa Investment Group: Perfect, I'm gonna go to slide 9. The number one thing that investment consultants do for asset owners is to help you make decisions and specifically build frameworks and processes, so you are making proper decisions that we would consider be best practices. I have a framework outlined on this page of the major investment decision areas that Trustees need to be thinking about. I'm going to walk through each of those boxes, one by one, and we could almost stop after this slide, but I'll go to just a couple of more.

So the first one, that green box, Investment Policy, this is the highest level pieces of your portfolio, how you want to set your asset allocation, what your objectives are, how that asset allocation may or may not align with the grants, the spending that you want to do over time, looking at projections over time, to make sure you are fulfilling your overall goals over time, not just this year, but over the next 5, 10, 20 years, whatever the timeline may be.

The second box there is Resourcing, as Trustees you are responsible for,

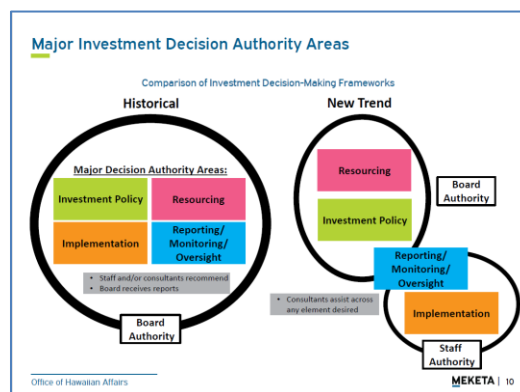
- *How do we actually resource this effort?*
- *How do we build staff?*
- *Who are we hiring as a custodian?*
- *Who are we hiring as a consultant?*
- *And those major vendors that actually make the system work over time.*

The third box in orange there, Implementation. This is how the money actually gets into the ground. How are you hiring managers, reviewing managers, rebalancing, liquidating certain assets, or generating income to pay for grants and other spending sources, that day to day management.

And the fourth piece, probably the first and the fourth of the most important.

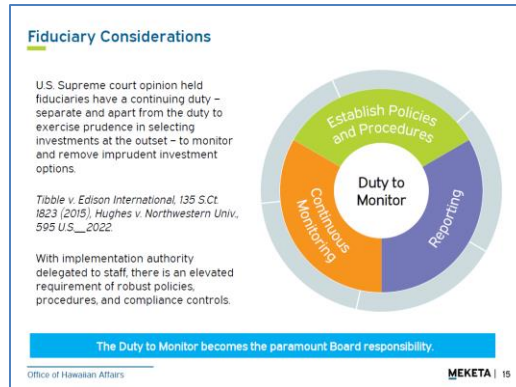
Colin Beebe, Meketa Investment Group: The fourth is reporting and monitoring. When you look at fiduciary law, the vast majority fiduciary law pertains to duty to monitor, duty to have oversight of the system, over the portfolio. It's not necessarily the actual implementation when it comes to fiduciary law for Trustees, it's about, do you have proper oversight processes, monitoring processes to make sure what's actually happening is aligning with that policy. So as consultants, we basically try to fill in that gap. What do you or any other potential client need help with across these major boxes in this decision-making framework? Is it to help you improve upon, helping staff with asset allocation and manager selection, or to help the Board design better processes for monitoring and overseeing the program over time.

As Mika alluded to, the industry has drastically changed in literally the last 5 to 10 years, where consultants have much narrower scopes in a lot of cases now to really just fill in that gap for that specific client on what they may or may not have, whether it's about the asset allocation or the monitoring piece, or helping design high level policies to make sure that the system, the entity, is designed but to achieve its long term objectives.



Colin Beebe, Meketa Investment Group: This is further highlighted on page 10. Historically, the vast majority of public related systems be that pensions, OPEBS, endowment, or sovereign wealth style entities, historically, almost all those decisions were handled by the Board. You had to do a lot, you had all those four major boxes that fell at your feet. The trend now is for Boards to sit at a little bit of a higher level, really focus on the policy piece, the resourcing piece, and then making sure the reporting is flowing through you properly, making sure what's going on at the manager level, the individual manager level, reconciles and is aligned with those overall policies at the top, while giving staff that sort of delegated authority to be doing, hiring the managers, monitoring them, implementing them, and rebalancing over time. And where consultants come in is to help once again fill in that gap where maybe staff needs more help for our tools and our manager research, pacing studies for private markets, those sorts of things. It's very dependent on what you have as an entity, and how you want to build it out over time.

So, it's less about these broad scope engagements that were, you know, the history of our firm and others, it's definitely pivoted in recent years to be narrower in scope, and oftentimes it might be, you come in initially with a wider scope to help build out these processes and tools, and over time. if we do our job right, you actually don't necessarily need us in that broad scope forever, maybe a couple of years, and the scope gets narrowed to really focus on where those gaps are in your particular situation.



Colin Beebe, Meketa Investment Group: The last slide I'm going to finish on is Slide 15, and this is what I already touched on, as Trustees, whether it's with OHA or any other system, you are concerned about your fiduciary duty, and what does that mean? Well, the reality is, it really relates to your duty to monitor, and your duty to oversee and monitor the program over time. So, making sure we have reports and processes, making sure your staff has proper processes for how they are hiring managers, reviewing managers, and making once again sure, it all reconciles back to the top, the overall policy and goals you have as the Trustees of a major entity in the State of Hawaii. I'll pause there, I'm at about 7 and a half minutes, so some success there, but happy to answer questions from the Trustees, Vijoy, or anyone who may want to talk about what consultants deal with, what we're seeing across the industry. I mean, that is one of our big areas of insight, we work with about 250 clients across the globe of various degrees, various sizes, and various objectives, so happy to provide opinions and viewpoints of what's going on across the world.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you very much, Colin. I'm familiar with the historical trajectory of the ERS and the EUTF, one of the questions that comes up is what has caused the growth of these funds. On one hand, it could be the management decisions that have been made over the past five years or so in which your company would have been involved. On the other hand, it could be the quantity of financial resourcing, coming from the Legislature's decision to pay down the overall long-term debt. How do you see it, what role has management played.

Colin Beebe, Meketa Investment Group: I'm going to assume you guys know a fair amount of the history of ERS. So, my firm started working with ERS in 2007. there was one CIO at that time, he left before our contract even started. So, my mentor was someone who Vijoy worked with for a long time, was basically this outsource CIO for about a year. Vijoy came on board, staff started to get further built out, so there's been massive success from the staffing standpoint. Additionally, there's been material changes to how the State is funding that system over time. There also was major portfolio changes in the 2014 timeframe, and that's driven a lot of success that has then been, I would say, accelerated or further grown by the fact that they have a large capable staff now, who now has delegated authority. So, a lot of those granular details are being managed by staff, and there's been some success there. So, it's really the holistic picture of their staff, funding, contributions improved, they've restructured the portfolio to be very risk focused, because, like a lot of public plans, State of Hawaii ERS has a negative net cash flow. They pay out about -2% of their overall assets every single year, knowing that's a big headwind restructuring their portfolio, so that headwind does not derail them if they go through another challenging period.

Colin Beebe, Meketa Investment Group: There's been a lot of changes at the ERS to put them on a good trajectory going forward, but like a lot of things, it takes time. Each year it gets a little bit better, but there has been success for just structuring the portfolio, which was a lot of what we and Vijoy did early on in that history, and then getting more staff to implement day to day, which is adding marginal value each and every year right now.

Trustee Akina: So, what was the value that Meketa added to the management development?

Colin Beebe, Meketa Investment Group: Really the main source, I would say, Meketa drove there was restructuring the portfolio, to bring this lens that even though you're a long-term investor, the short term matters, the journey matters. You're a perpetual entity, so reposition the portfolio to be very risk focused, knowing that your worst-case scenario is drawdowns, and we have a cash outflow. Reposition the portfolio, so if that were to occur, it's not going to derail you. because even you know, Wes Machida has held various roles at the State, he has done his own studies, that if we can just narrow that distribution of outcomes, even if we don't keep up quite in bull markets. If we don't go down quite as much in bear markets, it makes the health of the system much better over the long term, and that's played out. You can look at calendar year 2022, ERS was the number one public fund in the United States, they drew all of their benefit payments from one specific portfolio, which is what Vijoy has implemented in 2014, every single dollar for benefit payments came out of something that was a decision in 2014 that if something really bad happens, you have some protection there to help continue to grow the portfolio of roughly 7% over time.

Trustee Akina: Thank you, Colin. I think we are facing some of the similar questions as to the optimization of our risk portfolio and appreciate hearing the role that you played there at ERS.

Colin Beebe, Meketa Investment Group: Yeah, and I mean, whether you're an OHA style system, or a public pension, or an OPEB trust like EUTF, you have both discrete and somewhat subjective liabilities, we know we want to make payments out over time. So, part of our role is to help model that over time to give you the scenarios of what actually may play out. So, you can design a portfolio that you think is best to navigate whatever actually does happen. I have no idea what's going to happen over the next 10 years, but I can give you a range of expectations that you then can help manage and design how you're going to spend and conduct grants and such.

Trustee Akina: Thank you.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: Thank you, Chair. Mahalo for coming today, Colin. You mentioned Wes Machida, did I hear Wes Machida?

Colin Beebe, Meketa Investment Group: Yes.

Trustee Galuteria: *What was that in reference to?*

Colin Beebe, Meketa Investment Group: So, when he was, I don't believe when he was Executive Director, I think when he was at B&F, he did his own study, basically confirming our viewpoint, that if you can narrow your basically distribution of outcomes, it's better for the budget of the State of Hawaii, it provides more certainty, and that confirms sort of what we were doing independently, and he conducted that himself as well.

Trustee Galuteria: Can I share something else with you, this is a final thought or final question, just to get a reflection from you with regard to ERS or EUTF or any of the portfolios that we're dealing with does is there a significant change when there's a change in Administration on the County, on the State or on the Federal level.

Colin Beebe, Meketa Investment Group: It depends, I would say, generally not, and the goal is that, we want to build processes and policies that can outlive any change and outlive changes in Trustees or other forms of administration to persist. You're a perpetual entity, ERS, a perpetual, so making sure that you can actually design something that someone else can live with and some other policies, it's not going to conflict with those over time. So that is one of the goals, to make an enduring portfolio, and an enduring policy to withstand whatever changes may occur.

Trustee Galuteria: Okay, Mahalo, thank you.

Chair Waihe'e: If there are no further questions, Vijoy you can continue.

Independent Board Investment Advisor Chattergy: Okay, thank you. Thank you, Colin. Thank you. Meketa.

Okay, we will ask JP Morgan to come to the table next, and while they're setting up let me just emphasize Trustees that if and when you decide to work with an investment consultant, whatever search process you go in, even though I appreciate a lot of the things that Colin talked about, and the work that had been done previously. I mentioned that I had worked with him, Colin, I'm not making an endorsement for Meketa or for yourself today by bringing them in front of you. I think the Trustees need to go through a real search where maybe Meketa, maybe other investment consultants would be considered for that kind of work, and that would be a decision that you would decide that process internally. So, even though I've worked in favorable circumstances with Meketa bringing them here today to explain to you how it's possible to work with investment consultant, please don't read that as an endorsement by myself at this point for anyone.

IV. NEW BUSINESS

- A. Consequent Capital Management – Independent Board Investment Advisor / Consultant
- 3. Presentation: JP Morgan – Jeff Shields; Matthew Rose

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waihe'e turns it over to Independent Board Investment Advisor Chattergy

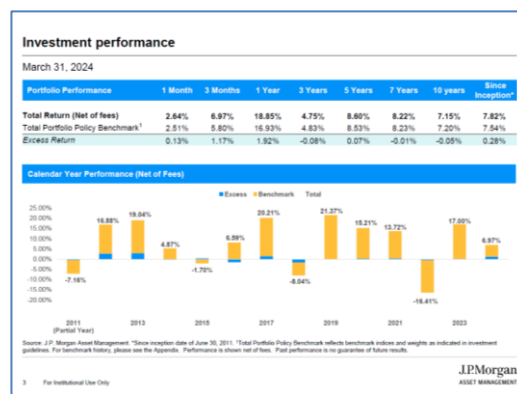
Independent Board Investment Advisor Chattergy: Okay, with that said, again I'm not endorsing these guys, but they have been in your portfolio long time, so they'll talk a little bit about what they do. This is JP Morgan and they'll introduce themselves and go through presentation.

Jeff Shields, JP Morgan: Yeah, okay, great, thank you, Vijoy. Good morning, everyone thanks so much for having us. My name is Jeff Shields, I'm a client advisor with J.P. Morgan Asset Management, Institutional business, working with endowments, foundations, public pension funds, sovereign wealth

funds across the Western United States. I'm joined by my colleague, Matt Rose, Matt is an investment specialist in our multi-asset solutions business, which is the part of our business that manages the assets for the Office of Hawaiian Affairs.

Jeff Shields, JP Morgan: I just want to say, ultimately Matt and I had a great chance to kind of talk about the mission, it's a real privilege to be in the spot that we are. I started off in community development, and one of the things I noted in your mission statement was how you focus on strengths of community, and that's such a privilege to be a part of. So, thank you. Knowing we have a short time slot, and quite frankly, I think Colin covered a lot of valuable information with you all.

What we wanted to do is kind of jump through three things. Number one, talk about a historical snapshot of what we've done on your behalf. Number 2, dig into performance. Number 3, remind you of what we do at JP Morgan Asset Management, and then ultimately take questions about the market, about current portfolio positioning all those things. Any questions. If not, we'll kind of keep moving forward. Thanks so much.



Jeff Shields, JP Morgan: So, turning to page 2 this is a relationship overview, you know, as you, Vijoy pointed out, we've been a long-term manager on your behalf since June 30, 2011, and if you look back at June 30, 2011, you funded with 107 million dollars, if you look at the bottom right hand corner today, we have about 153 million dollars under management. The portfolio has distributed 65 million dollars to its mission and we've had excess returns of 9 million dollars net of fees since inception.

Just to give you a sense of what we're doing on your behalf, we would kind of consider this a sleeve portfolio. So, you have a broader portfolio, and JP Morgan has been tasked with managing what I would call a public equity and fixed income portfolio, with a kind of a universe of all liquid investments globally to a benchmark that is 70% equity, 20% core fixed income and 10% liquid Alts. So, we manage a sleeve of the portfolio, and I think one of the conversations we've been having with both Vijoy and Ryan has been about how this portfolio works within your greater portfolio, and we're happy to talk more about that. But with that, why don't we dig into performance, Matt.

Matt Rose, JP Morgan: Thanks, Jeff, and it's great to be here today, I appreciate everyone's time. I'll move to page 3, please and cover performance, before going into performance I did want to just step back and say, what are we doing for this portfolio to try to generate those returns above and beyond that benchmark that Jeff mentioned earlier on. And really, two things are core to how we focus on this portfolio. One is manager selection, and think of manager selection as using our JP Morgan platform, selecting best in class managers that are going to achieve results above and

beyond their benchmarks, that ultimately rolls up into your strategic asset allocation. So that's really a portfolio construction decision. And the second piece is active asset allocation, and so active asset allocation is tilting the portfolios in and out of various market exposures, relative to either where we see opportunities or to manage risk. So, both of those levers are at our disposal today that we're using to generate returns above and beyond that passive portfolios benchmark.

Matt Rose, JP Morgan: We are a team of 100 plus investment professionals within multi-asset solutions that are managing this portfolio across the globe, and what we really focus on is that portfolio construction and active asset allocation. Our investment process is grounded in research, so qualitative research, quantitative research which are ultimately informing decisions. I know we don't have much time to go through the process today, so I won't go through there in detail, but happy to take questions on our investment process as well.

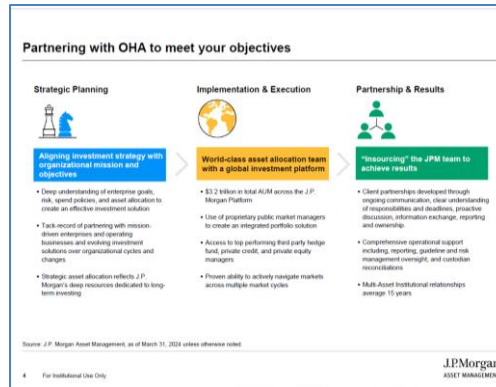
Moving on to how did the portfolio do? How do I evaluate success? Putting myself into your shoes, some of the questions I was thinking, would be asked, first and foremost, is have you been able to generate returns above and beyond the benchmark? And what you're seeing on this page is rolling return time periods, everything is net of fees, so over a long time period, we've been able to generate 20 basis points, 0.28% returns above that benchmark, using those two levers that I mentioned earlier on. So, I think that is a good, positive news for the portfolio.

When I think about what else we've done more recently, the last one year has been really strong, as we've been coming out and leaning heavily into a lot of our active managers. In 2019 through 2022, you can see some of this in the bar graph down below, we actually took an active decision to lower some of the active risk in the portfolios, that we just think the market was rewarding active managers, and we're really focused on preserving capital. I think Colin made a good statement just saying, risk management and being able to preserve capital is mission critical, and that's core to our DNA. We took that stance, and saw some modest returns during those time periods.

Overall net, I would think positive results to the portfolio, and we're looking to, as we see monetary policy higher for rates, for longer narrative. We think this creates a valuation opportunity, and, leaning into active manager, we do think, will be more rewarding and we've been focused on shaping your portfolio, trimming the number of managers that are holding the line up to be more concentrated in the active risk that we're taking. Over a long market cycle, this type of portfolio being very broadly diversified, I would expect anywhere from that 25 basis points or 0.25% net excess returns up to .75% excess returns would be success. Any questions on performance before I turn it back over to Jeff.

There are none

Jeff Shields, JP Morgan: I think one of the key considerations that the Trustees might want to look at, and we've certainly talked with Vijoy and Ryan about is that during this timeframe, from 2019 to 2022, a lot of investors have had great success in the private markets. So, if you look at the portfolios that we manage with both private and public exposure, you saw a lot more of the generation of returns in the private markets. Why we had this broad stance in the public markets, and again happy to talk more about that, but mindful of time.

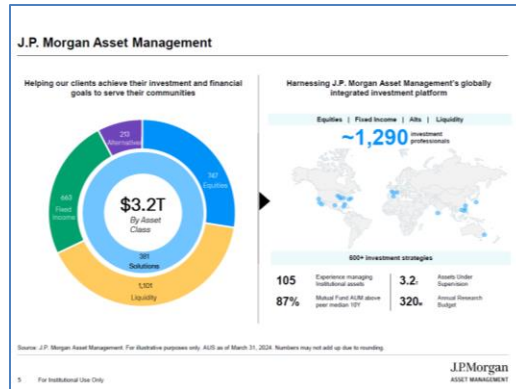


Jeff Shields, JP Morgan: If you turn to page 4, we just wanted to remind you all of what our multi-asset solutions team does, and I think it gets really confusing in the marketplace, because we all use some of the same words and same language. But ultimately, when I think about what we do with our clients best, is we reach out to them and have conversations about problems or challenges they're looking to solve, so we call that strategic planning. But ultimately what we're trying to do is marry our investment platform, our knowledge, our global reach, with ultimately the challenges that our clients are facing. Sometimes that includes working with an investment consultant, sometimes it includes working with other managers, the variety of approaches is endless, and just trying to come up with what works best for the organization.

I think just from a time perspective, I'll cover the platform. The global platform at JP Morgan, as you can probably imagine is quite big. We manage 3.2 trillion dollars of investment management business. *What does that give us?* That kind of gives us this broad palette to find both information, managers, etc. So, we think it's a really valuable palette for that problem solving that we do. One of the things you don't see in our capabilities here, is that we're limited to the public market universe. At JP Morgan Asset Management, the way we run a lot of portfolios is using the public market universe, but also outsourcing to third party private investment managers. So, we see the value of having both private and public work together. In this case we're only managing the public portfolio.

Matt Rose, JP Morgan: Just to chime in Jeff. I think the portfolio, holistic portfolio management, bringing both those manager selection and active asset allocation together is core to our process as well, and our DNA. It's more than just picking a public or private managers, it's how the whole portfolio lives together, what are the biases based on the underlying managers that are coming together, you're comfortable with that, understanding your exposures, etc. So, I think that is core to our asset management capabilities.

Jeff Shields, JP Morgan: And then ultimately, what we found is our long-term, we've had clients for a long time, and those client relationships evolve over time as their needs evolve. And you can see just in our multi-asset solution group our average tenure is 15 years, so we still have a number of more years with you, quite frankly and ultimately, what we've seen our success in is working with organizations and kind of evolving our approach to engaging them. So, as they add staff, as they add consultants, we change our approach. And so, I think it's really key that we're here to help the organization meet their objectives. And as those objectives evolve, we want to be called upon for whatever necessary to change.



Jeff Shields, JP Morgan: So, if you turn to page 5, we'll finish up here. This is just the palette of JP Morgan Asset Management as organizations grow and change. Sometimes they just pick us for a specific investment management mandate, whether it's fixed income or equities. Sometimes they come back to us with a new approach to our multi asset solutions group. In our conversations with Ryan and Vijoy there seems to be a lot of ideas about how to best fit in all of these managers that you currently have. And we just want to be part of that solution, and with that we can take any questions.

Chair Waihe'e recognizes Independent Board Investment Advisor Chattergy

Independent Board Investment Advisor Chattergy: Maybe just one question Chair, can you talk specifically about how you make decisions for the OHA portfolio and what's in the OHA Portfolio, why, and over the years, or if you could give an example, and I know time is short, but just give us an idea of why the portfolio, specifically OHA's portfolio looks the way it does. How do you make that decision? How do you communicate that to OHA?

Matt Rose, JP Morgan: Sure, let me take a stab at that one. It's a great question. It all starts with understanding the overall objective, and in this case it's outperform that benchmark, the most efficient way for us to be able to do that and achieve results. It comes down to our research teams as a starting point, so we have a dedicated manager research team that are looking at across the JO Morgan universe, what are the managers that are out there that are available on the active side on the passive side, and what makes sense to align towards that strategic allocation of 70:20:10. The JP Morgan platform has over 600 strategies, we culminate that down from usually anywhere from, 10 to 15 strategies in a client's portfolio. And then we're thinking about, where are we in the business cycle? Where's the Macro environment? Do I need to dial up active risk, or dial down active risk, and we may either formally more broadly diversify by adding some other managers, or we may concentrate some of the positions which we've done more recently, and now we have eight core managers in the portfolio, as we see a rich, active environment for managers. That all comes down from our manager research team, just our overall Macro view. Then, in addition, the question becomes, how do I tilt the portfolio appropriately, and that's where we're saying business cycle, what regime are we in, where there are dislocations in the market? So, for example, maybe you don't have high yield, fixed income in this core benchmark because it's benchmark to an Agg fixed income benchmark, we'll opportunistically leg into high yield exposure when we see a dislocation or an opportunity to achieve additional yield or income from that exposure. So, it's actively managing the overall exposures once you have that neutral starting point, and that all comes from our investment process and research.

Asset allocation over time
\$153,110,354 market value as of March 31, 2024

Q1 2024 – Active Asset Allocation

- 1 Overweight Global Equity (stocks) funded from Core Fixed Income. Within Global Equity, active tilt towards the U.S. and Japan.
- 2 Overweight High Yield (credit) funded from Core Fixed Income given attractive yields.

Strategy	SAA	Q1 23	Q4 23	Q1 24	Q2 23	Q3 23	Q4 23	Q1 24
US Equity	44.51%	39.96%	42.34%	41.66%	41.54%	41.52%	45.63%	45.72%
International Equity	16.45%	16.45%	19.94%	21.43%	20.95%	22.11%	19.37%	20.41%
Emerging Markets Equity	7.24%	5.51%	4.96%	5.04%	5.28%	5.28%	9.04%	8.28%
US REITs	-	-	-	-	-	-	-	-
Total Global Equity	70.00%	65.93%	67.26%	68.13%	67.77%	68.91%	74.03%	74.41%
Core Fixed Income	20.00%	20.62%	16.07%	21.46%	22.49%	20.53%	15.68%	10.73%
High Yield	-	0.06%	0.06%	0.06%	0.05%	0.06%	0.05%	3.10%
Emerging Markets Debt	-	-	-	-	-	-	-	-
Total Fixed Income	20.00%	20.68%	16.13%	21.52%	22.54%	20.59%	15.73%	14.73%
Liquid Alternatives	10.00%	11.10%	16.52%	10.00%	9.79%	10.19%	9.73%	10.54%
Total Liquid Alternatives	10.00%	11.10%	16.52%	10.00%	9.79%	10.19%	9.73%	10.54%
Total Cash	-	4.90%	6.10%	0.30%	0.28%	0.30%	0.31%	0.32%
Total Portfolio	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Source: J.P. Morgan Asset Management. Data As of March 31, 2024.

13 For Institutional Use Only

J.P.Morgan
ASSET MANAGEMENT

Jeff Shields, JP Morgan: And page 13 gives a historical perspective over the last several years, and we're happy to share more data about the changes, etc, that we've made.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: Thank you, Chair and this is not a *gotcha* question, but does native or indigenous entities, like the Office of Hawaiian Affairs and culture, does that factor into a decision on the portfolio, or is it pretty sterile, you're just looking for performance. How does that work?

Jeff Shields, JP Morgan: It's a really interesting question, I would say that ultimately, financial materiality, where there's issues around culture, etc., if you think about the governance of companies and how they manage themselves, those ultimately often determine financial outcomes. So, I would say, I'm not sure to the culture of this organization does it apply, but as we look at investments and understand the financial materiality of whether it's any kind of relevant fact, it's going to go into our managers decisions around positions, etc.

Matt Rose, JP Morgan: Yeah, I think that's fair, Jeff, and just to be very specific to answer the question on your portfolio today, there's no carton strength that's like, don't invest in this specific company or this specific region or this specific sector. Some clients do have those constraints, and that's when we'll apply that to our day-to-day portfolio and management.

Trustee Galuteria: Thank you.

Chair Waihe'e asks if there is any further questions

There are no further questions.

Chair Waihe'e: Thank you Jeff and Matthew.

IV. NEW BUSINESS

A. Consequent Capital Management - Independent Board Investment Advisor / Consultant

4. Presentation: Goldman Sachs Asset Management (GSAM) – Mary Fowler; Jeremy Weltmer

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

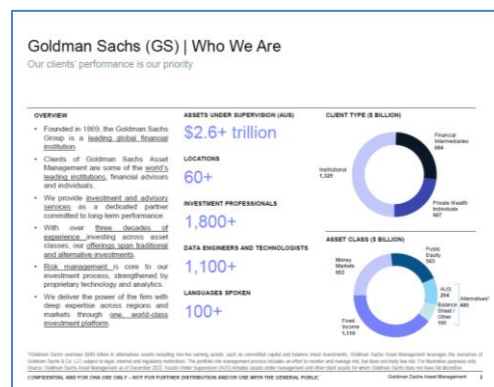
RM Staffer Akina: No one has signed-up to testify on this agenda item.

Chair Waihe'e turns it over to Independent Board Investment Advisor Chattergy

Independent Board Investment Advisor Chattergy: Okay, we will bring up Goldman Sachs at this time.

Mary Fowler, Goldman Sachs: Aloha, thank you so much for having us today, Mahalo, for the opportunity. I'm Mary Lovejoy (Fowler) and I have responsibility for the relationship between OHA and Goldman Sachs. I also have the privilege of servicing relationships across Hawaii and including the State of Hawaii and the EUTF. I'm joined by my colleague, Jeremy Weltmer, who's a lead portfolio manager and oversees partnership portfolios in the Americas for our multi-asset solutions business.

We're going to aim to cover three things today. One is to re-introduce ourselves, who we are, what our firm does, and then briefly cover the history of the relationship between OHA and Goldman Sachs. We'll also give an update on OHA's current investments with Goldman Sachs, and then finally, we'll try to outline a path forward for how we think OHA can maximize the value that it's getting from our firm, and take full advantage of the resources that we can bring to bear on your behalf.



Mary Fowler, Goldman Sachs: If you turn to page 2 and Goldman Sachs Asset Management is the now 2.9 trillion dollars fiduciary investment arm of the firm. We manage money on behalf of a wide range of clients, including sophisticated institutions, such as OHA as well as private wealth, individuals, and third party platforms.

I would say we have a long and successful track record, spanning not only public markets of public equity and fixed income, but also alternative investments. So, you think of private equity, private credit, hedge funds, and real assets. I believe, that our long relationship with OHA, dating back over 20 years when OHA made its first private markets investment with us, I think that's really allowed us to gain a deep understanding and appreciation of the importance of your mission and to the people of

Hawaii, and also just help us better understand your goals and objectives, and we'd really like to make sure that we're continuing to do that. So, I would say, we remain deeply committed to that relationship, we want to grow and evolve with you over time. I would say that the relationship has been reduced in recent years, but we hope to rebuild and grow with you, going forward.

Mary Fowler, Goldman Sachs: Final thing that I'll note before we move on, if you move to page 4. I would just say that our firm has a deep and strong commitment to working in the Hawaiian Islands. We're privileged to manage over 1 billion dollars on behalf of Hawaiian institutions, we also work hard to support the local economy and community wherever we can. One example of that I'd highlight, is our partnership with local, small businesses providing education and capital, we're proud to partner with over 20 small businesses in the region, and those businesses employ over 550 people.

So let me pause there, happy to take any questions. We'll keep it short, and then I can turn it over to my colleague to review the current investments and then take us through potential ways that we can partner together moving forward. Thank you.

Chair Waihe'e asks if there are any questions

There are no questions at this time.

OHA & GS History & Partnership Summary
We have been side-by-side with OHA for over 20 years

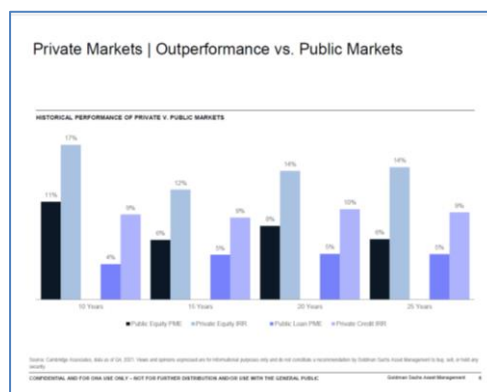
Long-standing History Between OHA & GS
Our relationship began over 20 years ago, in 2003, when Goldman Sachs Asset Management managed 50% of HFTF's assets. We partnered closely with OHA's Board and staff, helping make inaugural private markets investments. While our mandate has evolved and been reduced in recent years, we hope to deepen and grow our service to you.
We are well-aligned partners helping OHA achieve its long-term mission with the HFTF.

Common Understanding
We mutually understand OHA's mission, and we have been growing together since the inception of HFTF's portfolio. You know you well, we have a foundational relationship, and we strive to support your cause.
So you can be comprehensively equipped to succeed in your investment portfolio to better enhance the economic development and financial empowerment of the Ilihi.

Alignment with the Hawaiian Islands
Goldman Sachs Asset Management is proud to manage over \$1 billion AUM on behalf of Hawaiian institutions. And as a broader firm, we have had a long-standing relationship with the State of Hawaii serving the State as an advisor.

- Since 2010, we have contributed approximately \$4.8 million to organizations in the State of Hawaii via our GS Gives program.
- Since 2010, 28+ small businesses in Hawaii have participated in the Firm's Small Businesses National Cohort, part of our initiative to help small business owners create jobs and economic growth by providing entrepreneurs with education and capital.
- Since 2011, the Firm, working with the Dept. of Budget and Finance, has served as lead or co-manager on multiple State General Obligation Bonds and has also been a co-manager for State of Hawaii Airport Revenue Bonds.
- In 2014, the Firm led the State's Green Energy financing through the Dept. of Business Economic Development & Tourism.
- Since 2020, the Firm has served as one of the State's advisors with respect to the redevelopment of Aloha Stadium.
- In August 2023, the Firm supported Maui relief efforts with grants to the Hawaii Community Foundation and Red Cross.

CONFIDENTIAL AND FOR OHA USE ONLY - NOT FOR FURTHER DISTRIBUTION AND/OR USE WITH THE GENERAL PUBLIC. Goldman Sachs Asset Management



Jeremy Weltmer, Goldman Sachs: Thank you for the opportunity to speak today, we appreciate the opportunity to discuss not only what we currently have in the portfolio, as well as ways that OHA can better maximize the value of it's relationship with Goldman Sachs. When we think about partnership, it very much rhymes with what we previously heard from Meketa and from JP Morgan. We endeavor to sit on the same side of the table as the Trustees, and to develop solutions as a fiduciary that solve whatever problems the organization faces, and exactly as our colleagues from JP Morgan mentioned, those evolve as the institution's needs evolve. When we've been thinking through places where not only the current Goldman portfolio is positioned for OHA, but also places where we can help going forward, the private markets are one of the places that we see the most room to impact outcomes for the portfolio.

On page 6, we lay out one of the core justifications for why, in many cases the dollars speak for themselves. So, when we look at the performance of public markets versus private markets over any long period of time, the private markets have substantially outperformed, and that's true on the private equity side, which is where the majority of OHA's Goldman investments are right now, as well as on the credit or fixed income side of things, and the dollars are honestly, materially different.

Jeremy Weltmer, Goldman Sachs: So I mean, over the very long 20 year period, we're looking at 8% versus 14%, not quite doubled, but getting close to double the returns that one earns in the private markets, and that compounds over time.

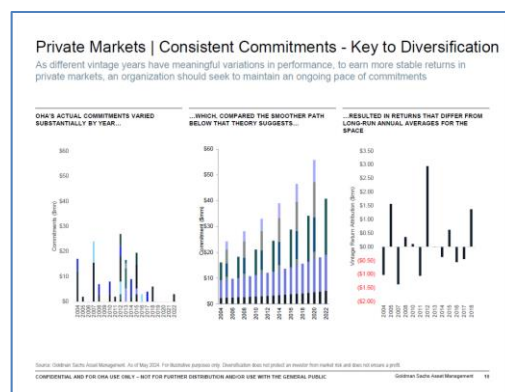
Portfolio Review OHA's Current Investments with GS					
External Managers - Portfolio Performance Summary as of September 30, 2023 (all amounts in \$mm)					
Fund Name	Vintage Year	Commitment Amount	NOM/ Discontinued Capital	Beta	Net Beta(s)¹
PIMCO		\$9.8	-0.8	27.6	5.4%
PEP Divers	2004	9.9	-0.8	27.6	1.0%
PEP 2005	2005	2.0	-0.1	2.1	2.0%
PEP 2006	2007	1.0	0.1	1.1	1.4%
PEP TA	2007	1.0	0.1	1.1	1.4%
PEP S	2008	3.0	0.6	4.1	1.7%
GSW PEP	2011	2.5	1.0	2.4	1.3%
Neuberger				\$4.5	
Vintage V	2009	4.5	0.1	6.3	1.7%
Vintage VI	2010	0.5	0.0	0.8	1.5%
Vintage VII	2016	0.0	3.5	3.2	1.4%
Discontinued		\$19.0	0.0	1.9	5.0%
PECP A	2019	8.0	0.0	1.1	1.7%
PECP B	2021	7.0	2.0	-0.1	0.5%
Total Investment		60.3	0.0	40.7	1.1%
Direct Alternatives (Distributing) - Portfolio Performance Summary as of September 30, 2023 (all amounts in \$mm)					
Fund Name	Vintage Year	Commitment Amount	NOM/ Discontinued Capital	Beta	Net Beta(s)²
RECF A	2013	3.0	0.1	2.1	1.0%
Silver Creek Partners	2015	2.5	0.0	1.9	1.0%

[illegible]

Jeremy Weltmer, Goldman Sachs: So, when we turn to OHA's current investments with Goldman, on page 7. We're very proud to say that all of the funds in which OHA has invested with Goldman have returned gains, and we see that has turned every dollar that has been called into those funds into a \$1.53, and in terms of what that means in dollar impact, of the 40.5 million dollars that OHA has committed to Goldman funds, what's turned into 62 million dollars, a little more than that, and it's been a long and deep engagement across a variety of strategies going back to 2004.

When we look at that portfolio, not only has it turned that \$1 into \$1.53, it's also actually returned a lot of that back into the portfolio, for reinvestment and other opportunities, and it's nowhere close to done. So, when we look at the companies that are all baked into those investments across different private equity strategies, only about 55% of those have gone from the private fund purchasing a company to selling and returning the capital. So not only does the existing book of business provide continued room for growth, but we also see lots of opportunities to deepen the partnership on the private side between OHA and Goldman Sachs.

When we move over to the next page, we lay out a little bit of why, and, we're very proud to say that looking across our strategies, Goldman really looks to be a best in class provider across any financial need that a large sophisticated institution might have around the world. We offer a broad range of private strategies as well as public strategies, and our multi asset solutions team is positioned to help institutions manage across all of those strategies. The idea is that what we do is we partner with organizations where we come together to find guidelines to structure our engagement, and based on those guidelines, we then take that structure and invest on behalf of those organizations, and what we show here is that the tools that we have at our disposal really allow us to drive differentiated high quality outcomes for our partners.



Jeremy Weltmer, Goldman Sachs: Now taking a step back, one of the questions that we've been sitting with in looking to serve OHA better is, what's the way to build a private program that will compound capital at those higher rates of return in private markets, and there are three core principles that we think really drive a high-quality private markets program. One is having a lot of managers in the portfolio, and that's partly to access alpha wherever it is, or outperformance versus the benchmarks, but it's also partly as a way to make sure that an organization isn't overly concentrating its risk on any one provider.

The second is consistency, every single year there are new private funds in the market, and in order to make sure that there's a diversification in the Portfolio, an organization has to be committing every single year.

Then that third point is diversification more broadly. So, it's not just managers, it's not just committing every year, it's also being allocated to a broad range of strategies.

Now on the next page, when we take a look back at OHAs historical commitment to privates. While there has been long term engagement, and we're very grateful for the opportunity to have been part of that, since 20 years ago with OHA. When we think about what a theoretical approach would be, or blank sheet of paper, the best way is to design a private markets program, there's a little more consistency of every single year making a new commitment. And what that means is that looking back at the track record for OHA's strategies, while we think that they have done well, and while we think that they have delivered results that we're proud of, there's room to do better. And the question that we sit with is, how can we empower the organization to do that, and empower the Board to do that? And we can do this working with the Board, working with CIOs or with consultants, we have lots of different frameworks under which we work, but in some ways our thought is, how can we change the default setting? How can we make it so the board has a framework in place that is designed to accomplish its objectives automatically. Because exactly to the Trustee's point earlier, there's a thousand-page agenda, there's a lot that the Board has to be focused on. And the question is, how can an organization like Goldman give the Board leverage, and leverage in terms of being able to focus its attention where and when it's needed.



Jeremy Weltmer, Goldman Sachs: That's what we lay out on the next page here, which is, maybe we can move towards a framework where we set up guidelines, and what the Board does, working with consultants, working with the investment team, in-house is to figure out what the right rules of the road are, and says, Okay, Goldman, here are the rules of the road, go implement those, go make sure that the Board's will is done in private markets, with ongoing review and monitoring and consent on a strategy by strategy basis, but changing the default setting in a way so that the Board can focus on the private markets when it's time to change the rules of the road, rather than having an ongoing need to be in the market committing. We think that the Goldman platform is uncommonly differentiated for that, and that's what we lay out on the last page here, which is that we think that we have the right tools, and have the right teams and resources and strategies to go and implement that on behalf of and alongside the Board. We think about partnership as a really holistic kind of engagement, where it isn't just driving investment outcomes, that's obviously critically important to making sure that organizations can accomplish their objectives. But partnership also is advising, it's guiding, it's answering questions, it's being responsive, and we endeavor to be the right kind of partner to OHA and to the Board and to the staff.

We think that shifting the default setting, from right now being available on call, providing guidance in an ongoing way, but not having a specific set of objectives that have been laid out, that we can move to a mandate where the Board says please go do this for us, and come back and tell us how it's going, and with that we're happy to take any questions.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you. I appreciate that insight that you've given that we relate to you more in a default manner, than in an intentional mandate.

Could you give us a couple of examples of mandates that might be appropriate for us to assign you to.

Jeremy Weltmer, Goldman Sachs: Absolutely, so my team manages portfolios for institutions around the world, and there are a couple of examples that come to mind as being very analogous to what could make sense for OHA. There's a large public pension that we work with that has given us an objective of a roughly 50% public, 50% private portfolio, where we lay out the strategies we should allocate to, and we lay out what the portfolio is looking to achieve in the public sleeve. Now, I think that because OHA has an existing public markets program, we would suggest maybe a little bit more of a focus on the private side rather than the public side. There's a continuum of, 50/50 public, private to, we have one portfolio that my team manages, which is 90% private, and we can go even higher than that.

Jeremy Weltmer, Goldman Sachs: But what the mandate is, is that there are rules of the road, where we say, let's allocate this percentage over the long run to all these strategies, whether it's regular private equity or private equity secondaries, which is a strategy of buying other investor's stakes, and funds from a number of years back or private credit, private real estate, private infrastructure, we lay out what the targets are, and then we implement those and the portfolios that I'm thinking of here that we currently manage, one is about 300 million dollars, one is close to a billion dollars, and we have different strategies like this for a variety of kinds of institutions.

Trustee Akina: Thank you, my assumption is you're telling us our returns will be greater with a more intentional mandate driven management.

Jeremy Weltmer, Goldman Sachs: We can never make promises about returns, markets will go where they're going to go, but we think that in terms of setting ourselves up best for success, having a diversification and a consistency, and potentially a higher allocation to privates is the approach that we would suggest to boost returns both on absolute dollars as well as returns per risk.

Trustee Akina: Thank you very much.

Mary Fowler, Goldman Sachs: Thank you, Trustee Akina.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, Mr. Chair. My question is, first of all, thank you guys for being here, all of you. Question, why was our funds reduced, who gave that directive, and what was the reason?

Jeremy Weltmer, Goldman Sachs: I think that one of the challenges of the current structure is that in many ways, without having a framework where the Board has said, go, accomplish these long-term targets, what our engagement looks like is coming each year with new funds and saying, this is available, this is in the market, this is something that the Board should consider, and the Board has a thousand page agenda, that doesn't always come up, and so I think that in that sense it's hard for us to say exactly where things fell through the gaps. So, what our solution is to say, let's change the default setting where, as opposed to the Board, having to consider everything that we bring up, we can instead say, here is what we would do, we need consent for what we think is the appropriate allocation long run.

Trustee Souza: That's fair. Thank you.

Chair Waihe'e asks if there is any further questions

There are no further questions.

Chair Waihe'e: Thank you Mary and Jeremy

Mary Fowler, Goldman Sachs: Thank you, grateful to be here and look forward to spending more time with all of you.

Independent Board Investment Advisor Chattergy: Thank you, Trustee, that concludes our material.

Chair Waihe'e: Thank you, Vijoy

Chair Waihe'e states that Items IV. C and IV. D will be taken out of order, because they relate to Action Item RM #24-10 IV. B.

IV. NEW BUSINESS

- C. **Action Item RM #24-11:** Approve an Office of Hawaiian Affairs (OHA) Mahi 'Ai Micro funding program to alleviate water bills and property tax costs for Native Hawaiian farmers statewide

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: We have one person signed up to testify, Germain Meyers.

Chair Waihe'e recognizes Germaine Meyers

Germaine Meyers: Mahalo Chair. For the record, my name is Germaine Meyers, I'm a native Hawaiian Nānākuli Hawaiian Homes Lessee, and an OHA beneficiary. When I looked at this I was very pleased to see this on the agenda for today. For assistance, with regards to Native Hawaiian farmers, statewide for property tax as well as water bills. I just wanted to highlight that I know it's for agriculture for farmers, but I attended DHHL's meeting in Kona yesterday and Monday, and there was a lot of conversation about the high water bill for residential as well, most especially in Kona, so DHHL was addressing that, and also for Ho'olehua, Moloka'i, they are significantly higher than the rest of us. So, I'm just hoping that later on you can look into that if you're concerned about water bills, and how it's been impacting the families statewide. So that's what I basically wanted to share, I'm just happy to see that this is a direction that OHA is taking. Mahalo.

Board Chair Lindsey recognizes Ka Pouhana Stacy Ferreira

Ka Pouhana Ferreira: Mahalo, Chair. Trustees, as I explained at the last BOT meeting we are starting to pivot, making sure that tactics that are coming before the Board are aligned with Mana I Maui Ola, and as we have begun to bring on our directors for the different strategic directions, we're getting very precision-like about how we want to address the various strategic initiatives outlined in our strategic plan. The first of those initiatives is to look at 'Āina Momona and economic stability, so this Action Item RM#24-11, is seeking the approval of the Board for this program, as well as an appropriation of \$140,000. At this time, I'm going to have the Director of 'Ōiwi Wellbeing & 'Āina Momona, Kū'ike Kamakea-Ohelo to provide you the details.

Director of 'Ōiwi Wellbeing & 'Āina Momona Kamakea-Ohelo: Aloha mai, Chair and Trustees. Mahalo, for the opportunity to present to you folks this morning. The Mahi'Ai Micro funding program is designed to help Native Hawaiian farmers, by reducing their financial stress from high property taxes as well as water. I come from the agricultural background, and as a farmer myself, these are burdens that are placed on the farmer, and I can tell you, high stress. So, this particular support encourages new farmers, as well as helps existing ones by freeing up funds that would help prevent I guess, the stresses, again.

Let me just come back down, if we take a look at the Action Item in front of you, I just wanted to point out the tables here, beginning on page 2, when it comes to water and utility costs, in Ho'olehua,

Moloka'i as well as in Kona, as our testifier explained, water is everything when it comes to growing food.

- Water Utility Costs:** Water is essential for agriculture, but in Hawai'i, water utility costs have steadily increased, making this an expensive fixed expense, further reducing a farmer's ability to make a profit. According to the University of Hawaii, wetland taro cultivation requires approximately 100,000 to 200,000 gallons of water per day per acre ([USGS Water Data](#)). This high usage is due to the constant need to keep the taro fields flooded.

Distribution of Gallons per Month
Tier 1: First 2,000 gallons
Tier 2: 2,001 - 6,000 gallons (4,000 gallons)
Tier 3: Over 6,000 gallons (90,000 gallons)

For July 1, 2024:
Tier 1: 2,000 gallons * \$4.69 = \$9.38
Tier 2: 4,000 gallons * \$6.35 = \$25.40
Tier 3: 90,000 gallons - \$6,000 gallons = 84,000 gallons (84) * \$2.57 = \$215.88

Total Cost Per Month: \$9.38 + \$25.40 + \$215.88 = \$250.66 + \$219.78 (6" Meter) = \$470.44
Total Cost Per Year: \$470.44 x 12 = \$5,645.28

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Director of ‘Ōiwi Wellbeing & ‘Āina Momona Kamakea-Ohelo: Down here at the bottom of page 2, simply put, to grow an acre of kalo, we utilize approximately 100,000 gallons of water to 200,000 gallons of water per month. In bold here, what that translates to is the total cost per year, is approximately \$5,600, and that burden is on the farmer and with the market rate of kalo today, at approximately \$2.50 a pound, most kalo farmers are operating in the red.

Agricultural (Monthly per account)	July 1, 2024	July 1, 2025	July 1, 2026	July 1, 2027	July 1, 2028
Tier 1: Essential Needs First 2,000 gallons (2)	\$4.69 \$9.38	\$4.80 \$9.60	\$4.92 \$9.84	\$5.05 \$10.10	\$5.17 \$10.34
Tier 2 2,001-6,000 gallons (4)	\$6.35 \$25.36	\$6.92 \$27.68	\$7.51 \$30.04	\$8.11 \$32.44	\$8.76 \$35.04
Tier 3: Over 6,000 gallons = 90,000 gallons (84)	\$2.57 \$215.88	\$2.81 \$236.04	\$3.05 \$256.20	\$3.29 \$276.36	\$3.56 \$276.36
	\$250.62	\$273.32	\$296.08	\$318.90	\$321.74
6" Water Meter Monthly = \$219.78	\$470.40	\$493.10	\$515.86	\$538.68	\$541.52

- Agricultural Property Taxes:** Agricultural property taxes in Hawai'i can be substantial, particularly for agricultural land. Native Hawaiians who own or lease land for farming find it challenging to keep up with property tax payments, adding to the financial burden of operating a farm.

The average annual property tax a farmer in Hawai'i pays varies based on the county and the specific valuation of the property. Here are the property tax rates for agricultural land in different counties:

Hawai'i County (Big Island) Hawaii Property Tax	The tax rate for agricultural land is \$9.35 per \$1,000 of net taxable value
Maui County LREhawaii	The tax rate for agricultural land is \$5.74 per \$1,000 of net taxable value
Kaua'i County Kauai County, HI	The tax rate for agricultural land is \$6.75 per \$1,000 of net assessed value
Honolulu County (Oahu) LREhawaii	The tax rate for agricultural land is \$5.70 per \$1,000 of net taxable value

To calculate the annual property tax, multiply the assessed value of the property by the applicable rate. For example, if a farm on the Big Island is assessed at \$500,000, the annual property tax would be \$500,000 / 1,000 * 9.35 = \$4,675.

Director of ‘Ōiwi Wellbeing & ‘Āina Momona Kamakea-Ohelo: I want to turn our attention to the next page 3, in this table we outline the tax costs for agricultural lands, then at the bottom of that table is to calculate the annual property tax; multiply the assessed value of the property by the applicable rate. For example, a farm on the Big Island is assessed at 500,000, the annual property tax would be approximately \$4,675. Property tax is paid twice a year, and what that means is, each payment would amount to \$2,300. That burden, again, is transferred on the farmer. How do we expect Native Hawaiian farmers to produce food for not only their families and communities, but for the Lāhui. So, from my strategy...

Okay, if I can turn the folks attention to the next page, our timeframe for this proposed item, here we are today the 22nd of May and we'll start here with your grace and if it pleases this Board, the approval of the micro fund and then next up on our timeframe, tomorrow at the greater Board of Trustee meeting to ratify your guys decision today and then moving forward, from the 24th until mid-June, my team and I will be further developing out the Mahi'Ai Micro fund program and then revisiting the timeline and as well as developing the criteria for application.

IV. TIMEFRAME	
Key Dates	Activity
5/22/2024	Approval of the micro fund, subject to the approval of budget realignment AI RM#24-10.
5/23/2024	Ratification of the Mahi 'Ai micro fund program by the BOT
5/24-6/14/2024	1. Further develop the Mahi 'Ai micro fund program, timeline, and applicant criteria. 2. Utilize OHA's established grant processes as a template: application, grant process, reporting and evaluation 3. Identify and engage with a 501c3 to administer the Mahi 'Ai micro fund program
Prior to 6/28/2024	501c3 encumbers funds

Director of 'Ōiwi Wellbeing & 'Āina Momona Kamakea-Ohelo: Currently, our intention is to utilize OHA's Grant processes. OHA was real successful, mahalo to the Grants team, when it came to the Kanaaho grant, and we believe this program would be a success by replicating that process. So, Mahalo to the Grants team again.

Then, lastly, here on our timeline, we have a few names, 501(c)(3)'s to assist in administering this proposed funding, but again, by mid-June we'll identify and engage with 501(c)(3)'s to administer this micro fund.

Ka Pouhana Ferreira: Mahalo, Kū'ike. So, if approved by the Board, this is subject to the budget realignment in AI RM #24-10. Our recommendation obviously, is the approval of the AI and approval for Administration to engage with a 501(c)(3) to administer the Mahi 'Āi Fund program. Alternatives for the Board is to take no action or realign a different amount for the Mahi 'Āi Micro fund program, or explore alternative approaches to addressing the immediate needs of Native Hawaiian farmers to start up, sustain, or scale their agricultural operations.

I do want to draw your attention to the references, on how we are aligning this AI to Strategy 4.3, increasing the restoration of Native Hawaiian cultural sites, landscapes, kulāiwi and traditional food systems. We have outlined for the Board, very specific impact targets and measures. Specifically, we are looking at increased agricultural production, tracking the rise in the production of traditional Hawaiian crops, such as kalo, 'uala, 'ulu, as well as other native plants used for food, medicinal and cultural purposes, for your reference I'm on page 6. Water Bill relief impact, we want to evaluate how this relief has impacted farmers and their agricultural practices. We're also going to be evaluating property tax relief impact, assessing the impact of property tax relief on the financial stability of farmers and their capacity to invest or reinvest in themselves and their businesses. We are also looking at increasing access to capital and credit for community strengthening of Native Hawaiian businesses, and individuals, and we plan to measure this by increasing business revenues, measuring their increase in revenues for businesses, receiving support, indicating enhanced financial health and growth potential.

The number of new businesses established as a result of this AI, we're hoping to be able to track the number of new Native Hawaiian businesses established with the help of increased access to capital. Employment growth, we want to be able to measure the increase in employment with Native Hawaiian businesses, reflecting business expansion and economic strengthening.

Lastly, we want to increase the number of successful community strengthening Native Hawaiian-Owned businesses, tracking the number of new Native Hawaiian-Owned businesses established,

because of the help of this program, revenue growth, being able to monitor the increase in revenue for Native Hawaiian-Owned businesses indicating financial success and growth and community engagement, tracking the number of businesses involved in community projects, partnerships or events that strengthen the community. At this time, we'll take any questions.

Chair Waihe'e recognizes Trustee Ahuna

Trustee Ahuna moves to approve an Office of Hawaiian Affairs (OHA) Mahi'Ai micro funding program to alleviate water bills and property tax costs for Native Hawaiian farmers statewide

RM Vice Chair Alapa seconds the motion

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Thank you, Chair. I just wanted on the record that I fully support this, this is awesome. It aligns with our strategic plan, for sure, there's other factors besides these that come into play for farmers nowadays; Coconut Rhinoceros Beetle, that has affected our crops, I do understand, because I do own Ag lots as well, and it's not even the planting and the harvesting, it's maintaining and trying to keep that thing away, and that takes away from our resources as well. So, the \$5,000, I don't think it's sufficient at this point, so I would like to ask, because I know in Item B, we are doing a realignment. So, I would like to ask if there is a budget, and if it's possible to kind of create a threshold. The only reason why I say that is because, someone who owns a one acre parcel of Ag versus someone owns a 6 acre parcel of Ag, the situation is different, property taxes alone, water bill. So, thank you, Ramona, if you can help to clarify if there is enough funds. What I would like to propose is that there'd be a threshold start, \$5,000 potentially up to \$20,000, if that's possible, and if there is the budget for that.

CFO Hinck: For FY24, if AI RM #24-10, the budget realignment #2 is approved, we don't have any excess funds in FY24. However, we do have a budget carryover, a grant carryover from the prior fiscal years. So, I will be bringing that to the Board in June, and we'll have the exact number of funds that we can move forward.

Trustee Souza: Got it, thank you.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you. A question, for a Native Hawaiian farmer to qualify for the micro fund program, what would constitute high property taxes or a high water bill. How will that be determined? The reason I'm asking is, I don't want our Native Hawaiian farmers to fall under the threshold, and I'm curious as to who makes these decisions and how they make these decisions. And as Chair pointed out, water rates vary from island to island, and I would add to that, property tax is a hot issue amongst the counties now, with various proposals being floated both at the Councils and in the Mayor's offices. So, just to sum up my question, how do we determine for our Native Hawaiian farmers what the threshold is, what constitutes overly high property taxes or overly high water rates, so that they can qualify.

Ka Pouhana Ferreira: Mahalo Trustee for the question. We're not going to have criteria to qualify or disqualify, based off of extremely high water, it's based off of what they can what they're being asked to pay, and we are looking at doing it in a reimbursement fashion, so they would pay their water bill,

they would submit their receipt of payment at then OHA would then reimburse. So, to Trustee Souza's point, it would be based on what they're submitting, and we would set the threshold to the amount that we are able to pay, as a reimbursable.

Trustee Akina: So, OHA, someone on your staff will set the threshold.

Ka Pouhana Ferreira: Correct, we will put together a working committee to create the criteria with grants, with fiscal. to come up with that criteria.

Trustee Akina: Okay, and don't read my question, by the way, as any doubt of support for this. I just want it to work and I don't want people to fall through the cracks. I would like to express my strong support for this action, and not only in and of itself, but because it shows us really taking seriously ways to empower our Lāhui economically, and I appreciate this interpretation of the master plan. Thank you.

Ka Pouhana Ferreira Mahalo, Trustee.

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: Thanks, I just want to remind our Trustees that our Administration did such a wonderful job on the Kanaaho grants giving out monies to the devastated people in Maui for the fires, and it was a good example of what we're capable of doing. And the good thing about giving out the monies ourselves, OHA, is letting the people know what we are truly doing for them. When we contract outside nonprofits to distribute monies for OHA, not all of the recipients know that this is OHA money. So, I really am happy that Administration came up with this idea, first of all, it's a great idea, because our people need help in every direction of their lives. But more importantly, it's important that they know that OHA is standing behind them, trying to help them in every way, trying to fulfill our vision of improving the health and wellbeing of our people. So, I just wanted to say that. Mahalo.

Chair Waihe'e recognizes Trustee Ahuna

Trustee Ahuna: Thank you, Chair Lindsey, for those words. I just wanted to reiterate, because we talked about threshold on who should get it, and I think if they're Native Hawaiian, and they live in Hawaii, farming in Hawaii, I think that's the threshold right there. This is their land, how do they benefit, there should be people everywhere qualifying, I think that's the threshold. Thank you.

Chair Waihe'e recognizes Ka Pouhana Ferreira

Ka Pouhana Ferreira: Mahalo Chair, I just wanted to thank Chair Lindsey for her comments. One of the things I think we can do much better at, when we do work with third parties to disburse our OHA dollars is to condition the awards by saying that they have to make sure that OHA is being credited, or folks in the public know where the source of funding is coming from. I just wanted Kū'ike to talk a little bit about the 501(c)(3), as it's explained here, and the reason why the 501(c)(3) was the option. But we can still discuss, Chair.

Director of 'Ōiwi Wellbeing & 'Āina Momona Kamakea-Ohelo: Mahalo Ka Pouhana, as articulated here on page 4, in the time frame, at the very bottom of this table, our team will identify and engage with a 501(c)(3), and the reason why we're going this route is that way, because for my team and I, it makes no sense to burden our farmers with having to pay tax, because if we administer

directly from OHA to our beneficiaries, then the burden of tax lies on the recipient. So that's why we decided to go this route, and through a 501(c)(3), because it makes no sense for our beneficiaries to pay tax on a tax relief fund that they will be receiving. So moving forward, Chair Lindsey, and Trustees we will ensure that we do everything in our authority to ensure that whomever we're partnering with in administering our funds, that we place conditions that OHA is recognized as the benefactor.

Ka Pouhana Ferreira: And just for clarity's sake, the Kanaaho grant, and the reason why beneficiaries were not taxed, is because there was an exemption given because it was emergency relief due to the fires. So that's the distinguishing factor.

CFO Hinck: Yes, we actually had a tax opinion from a tax professional that there's a code relief in the IRS code that relieves the 1099 reporting to recipients of grants for disaster and emergency financial aid.

Chair Waihe'e asks if there is any further discussion.

There is no further discussion.

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

MOTION							MOTION: 11:13 a.m. VOTE: 11:23 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA			X			
MILILANI	TRASK						EXCUSED
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

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

IV. NEW BUSINESS

- D. **Action Item RM #24-12:** Approve the implementation of an online Native Hawaiian-Owned NHO 8(a) cohort program comprised of sequential learning modules aimed at empowering Native Hawaiians to scale their businesses to align with federal contracts

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: We have one person signed up to testify, Germain Meyers.

Chair Waihe'e recognizes Germaine Meyers

Germaine Meyers: Mahalo Chair. Again, for the record, my name is Germaine Meyers, I'm a native Hawaiian Nānākuli Hawaiian Homes Lessee, and an OHA beneficiary for beneficiary, advocacy and empowerment, and because of empowerment that I'm very excited to see this agenda item. It was awesome to see that there will be a native Hawaiian 8(a) cohort program online for 6 months, and that it will help 20 small businesses with this training, which will help to increase the fact that we have only currently 25 Native Hawaiian 8(a) organizations. So, with that, I'm hoping that all 20 go through the program and take it seriously and increase our body of businesses to 45.

My only concern that I wanted to share with you about this program, is that I understand that political temperament and political connections, I should say usually helps NHO 8(a) organizations, and so I'm hoping that OHA will evaluate the businesses after they complete this program and truly support, doesn't have to be financial, but it will support politically these organizations to move them forward, to get to the point where they can receive and execute government contracts on a high level, on a high, high level. But in the online program, I'm hoping you teach them about staying pono, so that I don't see any of them have complications with corruption or investigations, we don't need that in our Native Hawaiian community. I saw what happened recently to one of our Native Hawaiian organization, our 8(a) organization, and I was really sad to see that, I'm hoping they come through it, through the investigation. But again, I applaud OHA for taking this direction. Mahalo, Chair. Mahalo, trustees.

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e recognizes Trustee Ahuna

Trustee Ahuna: Thank you, Chair. I too, would like to talk about this program. First of all, I think this is the most amazing thing that is happening right now, and to hear about educating businesses for 8(a), that's one of the hardest applications that you could go through, and these 8(a)'s are so important, Kaua'i 8(a), is a hub. The reason why I'm bringing this up today, is I wanted to let our Administrative staff know that PMRF, their lease is ending, and right now they're holding open public testimony about their lease. I think the things that Germaine said, where you know, OHA can get in the middle of things. I think this is how we should be leveraging Native Hawaiian organizations. I think this is the conversations that we can be having, so I just wanted to let you guys know that right now PMRF is holding open public testimony for their lease that is coming up. They're asking for another 100 years. So, there's a lot we can talk about, even the amount they're getting the lease, how much are they paying for the leases every month. How many Native Hawaiian organizations are actually really getting all these opportunities. But, thank you for having this, and I just wanted to make everybody aware, especially on Kaua'i, we really need your help. I'm not saying they're bad people or anything like that, all I'm saying is, this is a time that we need to get in the middle of it. And

yes, we can hold these people accountable, making sure our Native Hawaiian organizations are, are the ones getting chosen. Thank you.

Chair Waihe'e: Thank you, Trustee Ahuna, and with that I know what you want to do Trustee Ahuna.

Trustee Ahuna moves to approve a (6) six month online Native Hawaiian Owned (NHO) 8(a) Academy, a statewide cohort program comprising of sequential learning modules and customized mentoring designed to assist (2) twenty Native Hawaiian small businesses to successfully navigate and complete the federal 8(a) certification process in order to be eligible to compete for federal contracts.

Trustee Souza seconds the motion.

Chair Waihe'e recognizes RM Vice Chair Alapa

RM Vice Chair Alapa: Yes, I'd like to know who are the 20 Native Hawaiian businesses that we're looking at, is it just anyone who has the business as long as there's 20 of them, and they apply.

Ka Pouhana Ferreira: Aloha Trustee Alapa, so on page 3 we have at least the beginnings of eligibility criteria, if it is the desire of this Board to approve it, we will definitely be working with our grants paia, as well as our finance department to create more eligibility criteria. But, at the very highest level we're looking at Native Hawaiian-Owned businesses, they can be products and or services based in Hawaii, has completed a Hawaii based business accelerator, and has an active certificate of compliance. The second one would be a Native Hawaiian-Owned business product and or service based in Hawaii, a member of the Native Hawaiian Chamber of Commerce, and has an active certificate of compliance. And why those two at a very high level were called out, is because if you're in a current business accelerator, or you're with the Chamber of Commerce, we're really trying to mitigate as much as possible. businesses that may not be in good standing, and many of these businesses already have some wraparound supports around them, if you're an accelerator program, that's everything from business planning to sourcing assistance, an expanded network of other businesses and mentors and coaches. So again, we want to bring in Native Hawaiian-Owned businesses that have a support system as they go through our program as well. But there will be additional criteria that are applied, once we get the approval, Trustee.

RM Vice Chair Alapa: Okay, thank you very much.

Chair Waihe'e asks if there is any further discussion.

There is no further discussion.

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

MOTION							MOTION: 11:29 a.m. VOTE: 11:31 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA	1		X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK						EXCUSED
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

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

IV. NEW BUSINESS

- B. **Action Item RM #24-10:** OHA Biennium Budget for the Fiscal Biennium Periods 2023-2024 (FY24) and 2024-2025 (FY25) – Realignment #2 – Core and Non-Core Realignments

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: We have one person signed up to testify, Germain Meyers.

Chair Waihe'e recognizes Germaine Meyers

Germaine Meyers: Thank you, Chair for the record, my name is Germaine Meyers. I went through the packet, and I'm assuming that this was the conclusion, but I'm looking forward to the presentation to see if it's true, that the budget for the 68.5 million dollars, current budget, and that it's going to be reduced to 60 million for a savings of 8.597 million. So, I'm looking forward to seeing the presentation if I got lost in the packet information, but I'm just excited to see some of the things that were being saved, and some of the things that were being increased. So, thank you, Chair, for the opportunity.

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e turns it over to Ka Pouhana Stacy Ferreira

Ka Pouhana Ferreira: Mahalo, Chair. At this time I'm going to have Ramona Hinck and Grace Chen speak to the Board regarding OHA's biennium budget for the fiscal biennium periods FY 24 and 25. Realignment number 2, core and non-core realignments.

CFO Hinck: Good morning, Chair Waihe'e, Vice Chair, Alapa, Trustees and esteemed colleagues. To my right is Grace Chen, she's the financial and reporting analysts and co-prepared this budget realignment for us. So just a brief background, the fiscal biennium budget for the fiscal year 24 and 25 was approved on June 29, 2023. Subsequent to that, Action Item 24-04, budget realignment number one was approved February of 2024, and that budget realignment was for fiscal 24 only. So, this budget realignment number 2 is for fiscal 24 and 25.

CFO Hinck: Some highlights for the budget realignment number 2 for fiscal 24, the core overall budget was decreased by \$34,000, and that was mainly due to repurposing of budgeted funds in the programs to other expense categories or to other programs within the core. So, it's pretty budget neutral. The non-core budget, the overall budget decrease was by about \$408,000, and that was mainly due to Hakuone's Lot C repairs. For fiscal 25, the core overall budget increased by \$948,000, mainly due to the increase in personnel and fringe, equipment and offset by a decrease in grants. Non-core overall budget increased by 1.7 million, mainly due to Hakuone's improvement and demolition of Lot A and E. If you have any questions regarding this realignment, any detailed questions, then Grace and I are here to answer them.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Thank you, Mr. Chair. Thanks, Ramona. My question is, are we approving this realignment because it also affects our grants that we're going to be discussing, is that part of the realignment?

CFO Hinck: Well, the grants budget stays the same, except for the reclassification that were outlined in the budget realignment, so we can go through that.

Trustee Souza: Yeah, if you don't mind. Thank you.

CFO Hinck: So, the increase in the grants budget actually is now going to be increased by the Mahi 'Ai grant, of \$140,000, but that wasn't in the original budget, the biennium budget. The reclassifications in the grants categories were 5.3 million from the proviso grants, which are the general and matching funds to the community grants, and that's just to make it easier in accounting to create the PR's, the PO's, the invoicing, the general entries, so you don't have to go between the different accounts. So that was just ease of accounting. There was a reclassification of 50,000 from the 'Ahahui out-of-state grants to the in-state, a \$70,921. reclassification from the CEO sponsorship to the BOT sponsorship, and that was implemented because of a State auditor's recommendation in their 18-08 report, and a 1.5 million reclassification from Ohana grants to economic stability grants, and that's to accommodate the action items that are coming through later.

Trustee Souza: Thanks, Ramona, appreciate it.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you very much. Thank you, Ramona. If the Board approves this realignment, how does that affect the spending coming below the spending limits for 2024 and 2025, will we still be below the spending limits.

CFO Hinck: Absolutely, so for fiscal 24, for core, because we're just basically looking at core right now, we are under the spending limit by about \$35,000, so we're just sliding through there. For fiscal

25, we have about 720,000 of excess in the spending limit, and that's just to accommodate Ka Pouhana's strategic plans, coming up in 25.

Trustee Akina: Thank you, you also have mentioned some of the uses with regard to Hakuone, are these uses part of following any master plan, is there any relationship to a master plan?

CFO Hinck: Tim Wong is here, our Land Director.

Trustee Akina: Thank you Tim, and I'll appreciate, if you can highlight the expenditures for Hakuone.

Director of Land Assets Wong: Morning Trustees, thank you, Sure. So, I think in a previous meeting we did talk about some of the repairs that we wanted to do at Hakuone, but I think one of the first things that we wanted to focus on was the strategic planning. So, once the strategic plan is identified and we come up with our governance and policy set procedures, it will align, I think, with the strategic plan. What we're doing now is really looking at the highest use for some of the properties. So, the majority of this cost actually relates to some of the demolition of the AAFES building, and we have a preliminary number for that. That number range between 600 to a million just to take down the building, but again, it depends on what type of materials are in the building. Then after that, putting that parking lot back to a usable condition which is basically paving the parking lot. So, I think that's the majority of the cost that we're asking for, as well as there are some other things that we want to do on Lot A, to help activate Lot A, currently, we don't have a permanent restroom facility on that Lot, so part of that is to look at that, take a look and see what we can build out there, so we can make it a place that we can gather people and have people there in a more comfortable situation.

Ka Pouhana Ferreira: So, Trustee, in short, the increases that you're seeing at Hakuone are safety repairs and demolition, so that we can start creating revenue on some of those properties that right now we just have old buildings that are not in use.

Trustee Akina: So, they're not in line with trying to follow any master plan per se, they are more or less custodial things we need to do if we're going to be in a position to move forward with any kind of development.

Ka Pouhana Ferreira: Correct.

Trustee Akina: And I take it these particular renovations and so forth, that we're going to be doing are items that we've basically talked about at various times here.

Ka Pouhana Ferreira: Yes, Trustee.

Trustee Akina: Okay, thank you very much.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Akina: Is there a timeline attached to these moves here, because if I recall the AAFES building has some kind of historical context, right, so what's the timeline on these action items?

Director of Land Assets Wong: So, one of the things that Ka Pouhana was talking about was I think, Lot L, which is the repurposing of the warehouse that should be completed in August of this year, so that process has already been started. And then once that's completed, that building would

be safe to lease out, from a safety perspective, so, fire system signing. The AAFES building, that we're doing an RFP for and we're getting through some of the details which incorporates some additional studies that we need to do. So, once we go through that and identify the criteria we are gonna post, and that's still to be determined, because we're still looking for a report that we have to go out and procure, relating to some possibly hazmat materials that were hazard materials that are in the building.

Director of Land Assets Wong: We've come across that some of the vendors are really busy because a lot of the vendors are focusing on Maui, and so to procure something like that is some of the challenges that we're going through now, but we are targeting as soon as possible.

Trustee Lindsey: Just a reminder Fisherman's Wharf took us a year and a half to demolish.

Chair Waihe'e asks if there are any other questions.

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: So where is the expense to fix Lot L, which is going to be a million dollars plus.

CFO Hinck: It's coming from the commercial properties, from Hakuone.

Trustee Lindsey: But in this realignment.

CFO Hinck: Yes.

Trustee Lindsey: Oh, okay, I just wanted to bring it to the Trustees attention that we do have over 1 million dollars to just shore up Lot L building.

Chair Waihe'e recognizes Trustee Lindsey

Trustee Akaka: Mahalo, just going back to regarding the Mahi 'Ai matters, I also want to share some further reflection that in tackling this and supporting our Mahi 'Ai where their needs are, and even just looking at our logo here at Office of Hawaiian Affairs that it represents our kalo, the basis of who we are, that I want to look at from a BAE standpoint, and Board standpoint, and looking at our initiatives approaching the county, State and Federal when it comes to property tax matters and water, and so forth, and how we can best support and have more kalo growth within our state.

Chair Waihe'e asks if there is any further discussion.

There is no further discussion.

Trustee Souza moves to approve the Fiscal Biennium Budget Realignment #2 ("BR2"), Core and Non-Core, for the fiscal biennium periods ("FB") 2023-2024 ("FY24") and 2024-2025 ("FY25")

Trustee Lindsey seconds the motion

Chair Waihe'e asks if there is any discussion.

There is no discussion.

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

MOTION							11:45 a.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY		2	X			
J. KEONI	SOUZA	1		X			
MILILANI	TRASK						EXCUSED
CHAIR JOHN	WAIHE'E			X			
TOTAL VOTE COUNT				8	0	0	1

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

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

IV. NEW BUSINESS

- E. **Action Item RM #24-13:** Approve the Awarding of Kumwaiwai Na'auao-Educational Resources Grant from Solicitation #24-01.0.01 published February 12, 2024

Chair Waihe'e asks if there is anyone signed-up to testify on this agenda item.

RM Staffer Akina: We have one person signed up to testify, Germain Meyers.

Chair Waihe'e recognizes Germaine Meyers

Germaine Meyers: Thank you, Chair, again for the record, my name is Germaine Meyers. Regarding Action Item RM 24-13, I see from the packet that five awards are being recommended for a total of \$1,230,000. My concern is that, and I'm hoping Ka Pouhana can address this, is that when I looked at all the grants that are coming up and starting from this one specifically, Kaua'i Island is not represented, they don't have an organization that is serving them alone. When you look at all the Grants, they're lumped up with the statewide, and I'm really concerned about that. In the past our Trustees have requested for information that I see that is missing in the report, and I'm just hoping that Ka Pouhana can correct that. So what I want to share is that what I saw in the report is, 27 applications were received, 17 were deemed complete, and therefore were evaluated. However, out of the 17 only 5 were recommended for awards, and my concern is that no info or scores or information were given on the 12 that didn't make the list. So, I couldn't see if that 12 included organizations that apply from Kaua'i. So, Trustee Ahuna has to go back to Kauai, and these organizations that had applied from Kaua'i, don't see that they're on the list. I'm just concerned that they're going to be questioning, why not us, and why didn't OHA help us to correct whatever OHA felt caused a low score. But I'm not able to see that because no scores or information were provided under 12 applicants that didn't make the list.

Germaine Meyers: So, I noticed that Oahu, in this particular Grant, Hawai'i Island, 120 Native Hawaiians served for one application with one organization, on Maui, 125 Native Hawaiians served, Moloka'i, even though they're on the bottom as far as getting service, when you look at all the grants, at least they got their own in this particular grant, they got 120 Native Hawaiian served on Moloka'i for the organization number three. And then I was very, very pleased to see that Boys and Girls Club of Hawai'i is included, and the reason why, I say that is, they're located in Wai'anae moku, particularly in Nānākuli and also in Wai'anae, and they really service our Native Hawaiian population. Nānākuli's is located right on homestead, the Wai'anae one is close to homestead, because all the homesteads are around it, and so I was grateful to see that they were an organization that was included. So, I just wanted to share that with the Trustees and Mahalo for that opportunity. Thank you, Chair.

Chair Waihe'e: Thank you, Germaine.

Chair Waihe'e turns it over to Ka Pouhana Stacy Ferreira

Ka Pouhana Ferreira: Mahalo, Chair. Okay, at this time I'm going to ask Niniau Kawaihae, our Director of Community Engagement, and Ke'ala Neumann, our Grants Manager, to take Trustees through the various action items before you. I do want to ask Niniau if she could please first just ground our Trustees in sort of the history of how we got the various grants in front of you, and then I want her to quickly go over the evaluation process, and then she's also going to take you through this handout that does provide additional detail about who applied, how much was requested, who was awarded, who wasn't awarded, and if they weren't awarded the reason for the non-award. Mahalo.

Director of Community Engagement Kawaihae: Mahalo, Ka Pouhana. O wau no, Niniau Kawaihae, I am very happy and pleased to be here, presenting on this wonderful opportunity. As you know, I started in mid-February, and I had just missed the Grant's team presenting here at Nā Lama Kukui for the Community Outreach, but I was able to attend two, one on Moloka'i and one in Wai'anae. So, I want to Mahalo the Trustees, who made time to attend in person with our community, as the fabulous grants team went through our process. The Grant categories were done in Action Item 23-17, which set up the funded amounts as well as the category names. So, it was this past February that Grants team rolled it out and then had applications open through the Grant portal through March 29th. So, I want to congratulate Ke'ala and her team for the excellent work that they've done. This is a record amount of grant applications received from across the pae'āina and I'll turn it over to you.

Grants Manager Neumann: Mahalo nui, Aloha mai e Chair, Aloha mai e nā Trustees. Mahalo nui for allowing me to be here and present in front of all of you. I'm actually going to turn it back over to my lovely director, and I'm going to ask her to speak a little bit about our evaluation process for all of you.

Director of Community Engagement Kawaihae: E kala mai, I was just so pleased to talk about the history, I forgot about evaluation. So, OHA is doing a great job in terms of having external evaluators, so it's not up to Administrative staff to review grants, it's similar to the process that the US Department of Education uses for the Native Hawaiian Education Grant that comes to DC, and then the money gets disseminated, and the Native Hawaiian Education Council oversees and does the monitoring of those grant awards. So, OHA's grant process has external evaluators who first look to see if the application is complete, and I know this was a very hefty agenda, AI submittal, because it covered the mo'okū'auhau of each Grant type in terms of the funding authority, as well as the scoring

rubric, as well as the information and budget submission requirements that the Grants team had put out in doing the community outreach. So that all led to the external evaluators going through all of the grants that passed, who were complete and found eligible to be reviewed, and then were reviewed.

Grants Manager Neumann: Aloha hou mai, if I could please turn your attention to the document that was presented and left before you folks. This is titled the Application Analysis, this is an all-inclusive report that was requested by you folks, the Trustees. This outlines every single submitted application that came through the portal. We had a total through the 10 different Grant types, actually 11. We put 11 grant types out for solicitation, one of the Grant types, we did not get any applications for, therefore you are not seeing that grant type as an action item before you folks, and that is our Ola Nā Iwi, Iwi Kupuna Repatriation and Reinterment Grant. So, unfortunately, we did not have any applications come through for that grant type. Therefore, that is excluded from this huina here. This document will take you through all 139 applications that we did receive, through the other 10 Grant types that we did receive applications for. Please know that within the action items shared, that you do have those tables, as Germaine did point out, that outlines the amount that we received, the amount that was deemed complete, and so on and so forth as they matriculated through our grants process.

Before I dive into the ike that is presented in this palapala, I do want to make sure that I share on behalf of our team that the requirements and definition of a complete application, is that the application abides by all of these solicitation requirements. Therefore, before passing an application to our pool of external evaluators, our team does an internal review of the applications, and it is not so much for the content of the application itself, but is to make sure that all attachments, all sections are complete and satisfactory, and we feel generally would provide our evaluators with all they needed, within the confines of the application and solicitation, of course, to make a very educated decision. So, I just wanted to share that definition of completed application in front of you folks.

In regards to this all-inclusive report, again, it does share information on all 139 applications. On the far right, you see a justification for non-award, unfortunately, and I'd like to Mahalo Niniau, for her Mahalo of us, our community outreach seemed very successful. Our huaka'i through the pae'āina to visit and to have facetime with community proved very successful, and we had an overwhelming pool of applications. Unfortunately, the budget that we have set forth as Niniau did describe, in 23-17, back in June of 2023, we had a limited budget to work with and we could only make award recommendations up to the budget limit. So, what you will see here are a lot of comments in regards to applications and organizations that did in fact, score very high, and unfortunately due to budget constraints, we were not able to award these organizations.

Ka Pouhana Ferreira: Ke'ala, can you explain to Trustees how you award until funds are exhausted, what is that process?

Grants Manager Neumann: Yes, so within our solicitation, we do highlight all the application criteria, that criteria is the exact criteria that our evaluators do evaluate each and every application to. I will preface the continuation of my conversation saying that we do have confidentiality agreements in place. We do have conflict of interest documentation in place for every single one of our external evaluators, and they do make sure to share if there's any possible conflict of interest before they do go ahead and evaluate. So, you can rest assured that no evaluator had a conflict of interest or even potential conflict of interest within our evaluation process.

Grants Manager Neumann: So in regards to your question, Ka Pouhana for the evaluators, we had three evaluators for each of the Grant types, and you will see that unfortunately, there were a few grant types that had to be evaluated by only two evaluators. I want to say that we did do our due diligence in getting three evaluators on board doing our whole process, however, at the very, very last minute one of our evaluators had a very extreme circumstance that unfortunately had to be excused from our situation, could not complete in no circumstance, despite the fact that I worked with our entire team to extend the evaluation deadlines, multiple times, up until the point where we could not extend anymore, and unfortunately, that evaluator was not able to complete the evaluations, so therefore, we only have two evaluators for three of the Grant types. That's Pohala Mai, 'Āina Ho'opulapula, as well as Ola Ke Kanaka, and that information is definitely disclosed within the action items.

Ka Pouhana Ferreira: And then in awarding, so you have a budget amount, per grant, and if you have more approved applications and proposals than funding provided, how is it ranked?

Grants Manager Neumann: So, all applications are scored out of 100, based on the criteria set within the solicitation. They are scored, and then they are ranked in order of scoring, from highest to lowest, first and foremost. And then also this round, we took it a step further, and allowed each evaluator to put forth a vote to award or to not award, and they could provide extra justification. So, say that they gave a score that was maybe a little questionable, maybe the overall score was a 75 from that particular evaluator, but they still felt that it was a worthwhile project, or they had some kind of mana'o within them, an urgency to want to still have that up for recommendation. They did disclose that within the matrices that we compiled of all of the scores and comments. So they are ranked from highest to lowest. What we do is they all come in within a window of minimum to maximum award amount that they are able to request. Of course, a lot of them want to go for the gusto and request the highest amount, but some of them are very strategic in what they request, and they adjust their budget accordingly, and their request accordingly. So, within this particular document you will see the amount requested, and how that compares to the amount received, or the amount that we are recommending to give to each of these organizations.

Director of Community Engagement Kawaihae: Yes, Mr. Chair, I just want to draw the committee's attention to the AI RM 24-13, which talks about the Kumuwaiwai Na'auao - Educational Resources Grant and on page two of the analysis you can see how the first five under Kumuwaiwai Na'auao - Educational Resources were awarded, and that's reflected in the action item. But you can also see that the next runner up scored 96.33%, and the one under 92.67%, but we didn't have the funding anymore, because the top five took the total budgeted amount. So, if that's helpful to go through each item and then refer back and forth, if trustees have questions, then we can talk firstly about the Kumuwaiwai Na'auao - Educational Resources Grant and then go down.

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: I have a question, why can't we give them a portion of what they're asking, and let the funding go further, like this Kumuwaiwai Na'auao – Educational, instead of giving them \$400,000, couldn't we have offered them \$200,000 which is big bucks, and then give the 96.33% scorers half of that, and then we service two organizations for still big money. That would be my concern that we're not sharing enough, there's big money being given out, and maybe we should share that money.

Director of Community Engagement Kawaihae: Mahalo, Trustee for that mana'o.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Mahalo, Mr. Chair, first of all, Ke'ala and Niniau, mahalo for your guys hard work Stacy, you truly are building an unreal team here at OHA, with Kū'ike and Hailama and everyone else. That being said, thank you, Chair Lindsey for pointing that out, because I also do agree and thank you for the packet, because that's what I requested, because I felt that I didn't have enough information to make an informed decision today. So, it's going to be a lot to review, I'm looking at awards that we're not giving out, and that's a concern to me, because these guys scored really high, from like 92 to 95%, these guys are qualified. Most of them are new nonprofits, not most of them, I don't know the exact percentage, but safe to say a lot of them are new to this, and didn't score as high as a 96 person who usually gets it. And safe to say that the person who receives 1.5 million dollars in fiscal year 22, will most likely request 1.5 million dollars in fiscal year 23 or 24, or 25, and so on. So, like what Chair Hulu pointed out earlier, our job, our fiduciary responsibility, our duty is to do the most we can for our people, our Native Hawaiian beneficiaries. So, it's a comment at this point, because I don't see myself making any decisions today on this, because it's a lot to go through. I agree with Chair Lindsey once again, I believe we need to spread it out. When I see a nonprofit getting 3 million dollars, it's a concern to me, because we can spread it out. I'm looking at one in particular, I just want to point out, Moloka'i Child Abuse \$200,000, I mean, they were qualified, it looks like, but no funds were available at that point, because, like you stated, and thank you for that, it already went to the top five. And so for us, when they attend community meetings, island meetings, we were there last year when two nonprofits got denied, and so if this is the reason, because we ran out of funding because the same nonprofits are getting it every year, that's a huge concern for me, but has nothing to do with you, the integrity of the process, everything, that's clear. Everything was done right, but for me I want to spread it out, I want to do more for everyone else. So, thank you.

Chair Waihe'e recognizes Trustee Ahuna

Trustee Ahuna: Thank you, Chair. First of all, I applaud the hard work, the administrative Grant staff has done, tremendous job. My concerns can be reflected towards the other Trustees as well, especially coming from another island. What's important to me, is we reach the entire lāhui, and if it's going to be competitive statewide, it's gonna be harder for islanders to receive support in these areas. And these types of areas that were receiving grants involve all islands. We have water ways on all islands, we have educational schools on all islands, and I think it's very important that we reach all islands, and in a non-competitive format and this might involve Trustees realigning again to make sure that the budget can fit all islands as well. But, I'm just thinking about all islands and making sure that these resources and the support that they receive can be felt on all islands. So, thank you very much.

Chair Waihe'e recognizes Trustee Lindsey

Trustee Lindsey: I'm thinking that, I don't know how you feel about it Trustees, but I think that maybe we put together a PIG with the Trustees and the Administration and we come up with some ideas. Because, I think the Trustees all feel that we have to share this money a little bit more, seeing \$500,000 donation is pretty big, but we also have a big lāhui that we have to share that kind of money with. So, maybe that can be a consideration. And then I see some entities repeated in different categories, I think that's unfair, because if they're getting in one, then somebody else should get in the other. That kind of thinking, I mean, just so that we can spread the money around. So, we'll see how that goes, I'll talk with the Trustees.

Chair Waihe'e recognizes Director of Community Engagement Kawaihae

Director of Community Engagement Kawaihae: Mahalo, Chair. Mahalo, Trustees for your mana'o, I think that's very important and gives us possibly some direction, and we can go back and see with the Grant funds that are tentatively awarded in the different categories, if we can spread that so that maybe 90% and above can have a share of the funding that belongs to that pot, if that sounds good. I also wanted to just celebrate the awesomeness of our lāhui that we had so many grantees over the 90% mark in each of the categories. So, that was just to me a good problem to have, I believe, and I think hearing today about reducing the individual award amounts per category, so that more can be spread, that's been very helpful to hear.

Trustee Lindsey: I think it has a lot to do with you folks going out to the different islands, Ke'ala, I was at the Maui one, and my goodness, we had about 70 people come out, never in history has that ever happened. So, making our lāhui aware of what is possible, is what brought these applications in. So, it's a good thing, we're doing our job.

Chair Waihe'e recognizes Trustee Galuteria

Trustee Galuteria: Thank you, Chair. I'm not the brightest bulb the bunch in here, but I want to ask some questions. What was the overriding reason for the non-award, because, conversely, there's a couple of awards that are not explained on how it was awarded. I just would like to get a consistent clarity on when you award \$100,000, how it made its way.

Director of Community Engagement Kawaihae: Well, you could pick one specifically that you're referring and tell us the page number, and then Ke'ala and I can look.

Trustee Galuteria: Okay, this is random, because there's a lot of non-awards, Kanu o Ka 'Āina, page two, \$391,000, but there's no explanation of how it passed muster. Is there something that you can share, how that works?

Grants Manager Neumann: Mahalo, Trustee. So, kala mai, I should have put the headers on each of the pages, but the what the N/A refers to is that those are up for recommendation for award, and that's why there is no justification for non-award.

Trustee Galuteria: Oh, Okay.

Grants Manager Neumann: I just wanted to give you folks a complete listing so that you could see every application together.

Trustee Galuteria: Very good, I appreciate the clarity on that. I got a couple of follow ups, if you don't mind, Chair. Is the overriding reason for non-awards Lack of funds? Just to follow up on Chair Lindsey's comment.

Grants Manager Neumann: Yes, there was an overwhelming pool of applications, and only at the maximum award amount that we had set, and the amount that was requested of us. Yeah, when we factored those things at the very end of all the evaluations and everything this is what we're left with. And unfortunately, we did not have enough funds to go around.

Trustee Galuteria: Did we back ourselves into a corner by encouraging people to apply, yet not having enough to give.

Director of Community Engagement Kawaihae: Yeah, the budget from 23-17, which set the maxes for each of the categories, and to Trustee Lindsey's point, the overwhelming response when the Grants team went out to solicit community interest, which usually hasn't been this strong. So, like I said it was a good problem to have, and I think if we can get a sense of what the committee would like, the Grants team, what we can do to go back and see if we can spread the funds around in the respective categories and say, like a 90% or the top tier, can at least share.

Trustee Galuteria: Okay, recalibrate a little bit. Okay, I appreciate that. Thank you, Mahalo.

Chair Waihe'e: I have a question just because it's based on Brickwood's, comments, if you compare the grants scoring like 90, and the ones that are scoring like 96 and higher, and you look at categories where they're falling shorter than those guys, and it's only slightly, are they consistent, are they the same categories that they're falling short in, or are they all different. In other words, if they're all the same categories, then you can look at those categories, but if they're all random, different things, then it's harder to address.

Grants Manager Neumann: Unfortunately, in my analysis of the evaluation breakdown, and looking at all of the scores, and how you were saying, where each of the potential applicants fell short, there was no consistent pattern that I could nail down.

Chair Waihe'e: Thank you.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Thank you, Mr. Chair. Once again, thank you guys. There's other categories, or there was one in particular, I think you pointed out earlier that no one applied for, so is there an opportunity to reallocate funds from that and move it to a category that the top five took all of the funds, and now we can give to 7 people, small money. Just speaking in general, maybe not in particular to this category you pointed out, but in the future, or whatever it is. Is there an opportunity that we didn't give out 1 million dollars in this category, so can we move it to somewhere else, or does it fall within a realignment with the Board and Ramona, how does that work.

Grants Manager Neumann: So there is potential for realignment. However, if I could just make a comment on Ola Nā Iwi, upon receiving overwhelming community feedback. I'm hoping to carry over the funds from 24, and come out stronger in 25, with the entire 24 and 25 amount, with a better angle at Iwi Kupuna grants, to hopefully have a stronger approach, and of course, with all of these recommendations applied as well.

Trustee Souza: That's great, Thank you. I also want to applaud the amount of applicants that we had, and that's I know, mainly part because you guys held grant workshops. We're out there, we engage with the community. and now you got all these applicants, and now, all of a sudden, they're all qualified, they know how to fill out the application. That's huge, and you know, for me, it's not about filling out an application or being compliant, to a certain point, if we already gave these guys money, for me, just the question that I've had for a long time, and prior to you guys, even I've been asking, what are the numbers.

Trustee Souza: I want to make sure when we give monies out, because we're not giving them directly to our people, we give them to nonprofits. We're giving these monies out, I want to make sure it gets to them, and I'm not paying someone just to talk, you know what I mean. I don't want to give a nonprofit money to talk and build your team, that's not what we do, because we all know that the nonprofit requirement is not 100% serving Native Hawaiian, it's 60 to 70%, I'm assuming it's the same. So, because of that, I want to make sure when I ask for these numbers, that it's clear and we're being effective, and these nonprofits that we're giving it to are actually helping our people. That's super important for us, especially if we're not giving them directly, like Chair has brought up multiple times.

Chair Waihe'e recognizes Trustee Akina

Trustee Akina: Thank you, Chair. Thank you to the team for this great work. This is really a wonderful thing to see resources being distributed through leaders in the Hawaiian community to our beneficiaries. I know we're trying to develop a process, and one thing that makes it a little difficult is that I'm actually for the first time able to flip through this and that analysis and evaluation chart, and so I feel a little less prepared to vote than I should be. There's some questions that I'd like to have answered. I don't know if here at this table, is the appropriate place, there needs to be space for us as Trustees to give feedback and raise some questions. One of them has to do with, one organization here is being awarded 1.5 million for one project and 1.66 million for another project. That's significantly higher, at least 3 times higher than any of the other grants, and maybe 10 times higher than many of them. I'm sure you have a justification for this, so I think that justification should probably be presented to the Trustees, because this is such an extraordinary case. I don't know if you can address that to some extent now. And I do feel a little uncomfortable, too, that we're addressing it as Trustees for the first time, before voting and having names of community organizations discussed at a public meeting, and names and potential award amounts become a public document. So, even asking you to talk about that makes me feel a little uncomfortable for the honor we want to hold these partners in.

Chair Waihe'e recognizes Ka Pouhana Ferreira

Ka Pouhana Ferreira: Mahalo, Chair. I'd like to ask Everett Ohta, our Interim General Counsel to provide Trustees with options.

Interim General Counsel Ohta: Thank you, Ka Pouhana. Good morning, Trustees. I think Trustee Akina had expressed some concerns about taking action at today's RM Committee meeting, based on the information that's been made available, and the timing in which that information has been made available. So, to that point, the committee can continue to have these discussions, perhaps even if they're inclined to go into the particular action items, but without taking action, maybe deferring action on each of those action items until a later meeting. I would note, though, that we're under time constraints regarding the awarding of these funds, or the approval of these awards prior to the end of the fiscal year. We do have the month of June in which to receive the Board's approval, as the grant awards, so there's a little bit of time to provide some time for the Trustees to go back and review the information. Perhaps have follow up individual discussions with Administration, if there are questions about a particular application, and the like. Or the Board could also have additional discussions through a public meeting like this with all members present. We're just not able to have those types of bigger group discussions, outside of a Sunshine Law meeting.

Interim General Counsel Ohta: But there is that opportunity to have individual discussions with Administration for particular grants and then bring that all back to the Board at a later to be agendized meeting for this committee, and then the Board.

Trustee Akina: I acknowledge and thank Everett for letting us know we don't have to deal with this matter today, we can still make the deadline. I don't know where to put this, are you suggesting that off record, outside of the meeting, we make our inquiries regarding qualifications and so forth, and specifically, the question I asked about the organization that has been awarded two grants of over 1.5 million, is that what's being recommended?

Trustee Lindsey: *Mr. Chair, I think I'm gonna move that we defer the all of the grants today and then give the Trustees an opportunity to meet with staff, two trustees at a time for those that have questions.*

Trustee Souza: *I'll second that motion.*

Trustee Souza: Everett, is there an opportunity for a workshop type of deal that we can dive deeper into this after we review our packets that we received today?

Interim General Counsel Ohta: Chair, to Trustee Souza's question, there is the opportunity for a workshop. It's just really a timing issue, whether or not the Board's schedule allows for them to meet at an another committee meeting to be scheduled in June. I know that there are a number of things happening, FestPac, Neighbor Island meetings, Kamehameha lei draping in. DC, so I think there's just a fairly busy June ahead for the Trustees. But, aside from that a meeting could be scheduled as a workshop to further discuss these.

Trustee Souza: With that, I second the motion to defer, but I also encourage my fellow colleagues to read and meet with the team, and go over and ask the good questions if we're not going to be all together in a workshop type of deal. Just want to also remind my colleagues that, and thank you again Admin., this is merely a recommendation. Every time they come to us with the Grant recommendations it's for us to have the discussion, ask the good questions, but we make the decision, so if we don't ask those questions, it falls on us ultimately at the end of the day. So, I encourage everyone to read your packets and meet. Thank you.

Chair Waihe'e recognizes CFO Hinck

CFO Hinck: Thank you, Chair. I just want to remind everyone, it's the end of the fiscal year, so part of the packet, there are general funded grants and matching grants that need to be ratified by the end of the year. So, time is of the essence, too.

Chair Waihe'e: *Before we move on, Trustee Akina did you get all of the responses that you were inquiring on?*

Trustee Akina: Yes, I appreciate the responses that have just been made, and what I'll do is ask my other question after we call for the question. Okay, so I would call for the question.

Chair Waihe'e: *There are still Trustees with questions.*

Chair Waihe'e recognizes Trustee Ahuna

Trustee Ahuna: I just wanted to have a discussion on the deferment. I'm okay, I just wanted to make sure I get my hand up in time, but I just wanted to talk about that as a trustee, I don't make the decisions on who gets chosen and I just want people to know that, I fully respect the people who did get chosen, and that's why I'm saying, sometimes we have to, instead of taking back, we might just have to just be okay with what is going on. There was a process. They followed the process and they went through it. What I'm trying to talk about is, we cannot do this to our people, we have to know how to move on. These are hard choices and hard decisions, and I certainly don't like it, but the thing is, they got chosen. They got chosen in the same way everybody got chosen, and I'm not here to take back from people too. So, I just want you guys to know that like, I'm okay with the deferment and all that, and agreeing with this cause I want to know how to move forward and move forward properly. But the thing is we have to put our trust in our Grants team and Grants program. They had specific policy and procedures that they followed, and they chose, and it's us again at the end saying, they cannot get the grant? So I just like us get it, this is the kind of stuff that is not good, it's very dysfunctional for us. I just want to say that our staff did a good job. They followed procedures, and they tried to make the best decision and let's try to move on. I don't know how where it is going to take us and how long it's going to take, but we have to stop doing this kind of stuff. Thank you.

Chair Waihe'e recognizes Trustee Alapa

RM Vice Chair Alapa: I'd like to add this as a consideration, perhaps, in regards to, I am empathize with the Trustee Ahuna, also with Chair Hulu, regarding the awards to go to our people, even if we have to split it up, or whatnot, the amount, and so forth. But what about considering appropriations for each island, so at least we'll know each of the islands will get X amount of dollars set aside for them, and there's still some monies in the pot that they can access through approval of course. I just wanted to throw that in, that could be a possibility. I understand it was supposed to have been available, but from what I understand it was either held back or it didn't go through, and I don't know exactly who is responsible for that. But I really think we should consider X amount of dollars appropriated for each island, based on availability, or if not, we just set it aside, X amount of dollars will always be there and then, if they're not awarded anything by a point or whatnot, they still have opportunities to go for what is appropriated, and they can still access that, that's all they wanted to say. Thank you.

Chair Waihe'e recognizes Ka Pouhana Ferreira

Ka Pouhana Ferreira: I don't know what the desire of the Board is, whether it's to reallocate or not. But if I could just ask for your consideration, if there is a reallocation that is being proposed and is accepted, that you provide us guidance, so is it going to be a percentage of award, or is it going to be a dollar threshold that you want. So, for instance, if it's award, is 200,000, we are only going to be doing 50% of the award. Or are we gonna say, no awards over 150,000. So we just we need some criteria and some guidance. If, again, the desire is for us to put additional criteria.

Chair Waihe'e: I would hope, I mean that the point of the deferral isn't to revamp the whole thing by then, because that's crazy, I would assume it's just to make sure that the ones that have been approved are worthy of being approved.

Chair Waihe'e recognizes Trustee Souza

Trustee Souza: Thank you, Mr. Chair. I would hope that the deferral would be to potentially change the threshold, because we're talking about it right now, if we wait and we give these guys all this money and then wait until next time, what good is that. We want to spread it out now, we don't want to carry on as business as usual, this time around, but will fix it next time. We have the power and the time, the allowed time to fix it now. Thank you, Chair.

Chair Waihe'e recognizes CFO Hinck

Trustee Lindsey: Excuse me, I was on before. I just want to say that I think it's not the people that we're giving. I think they did a good job of choosing the people and the entity, but it's the amount of money, and if we can just share it more among our people, that would be really helpful.

CFO Hinck: Just some background, Fiscal 24 was the highest grant budget ever, 17.6 million, and for Fiscal 25, it's 17.8 million. So just for some background, also included in the Budget Realignment, is attachment two. So, it shows everything that was reclassified and everything awarded, and everything that is proposed to be awarded. So, at the end, if everything is awarded, or recommended for awarding, at the end of fiscal 24, we will have 1.9 million of Fiscal 24 budget, and in Fiscal 25 we have 11.7 million more to award. So just background information.

RM Vice Chair Alapa recognizes Director of Community Engagement Kawaihae

Director of Community Engagement Kawaihae: I just wanted to make two comments. For the entity that was awarded twice, both over a million dollars, in one category on page 20 they were the only applicant, and on page 12 they were one of three, one applicant had an incomplete application, so didn't go to evaluation. So, they were one of two, and that's how the allotment was awarded, in both instances.

My other comment I just wanted to say which is another piece of good news is that once fiscal year 24 closes, Grants team is doing an analysis of all the existing grants and getting the data that Trustee Souza and other Trustees have commented on in terms of what is the bang for OHA's buck, for all the entities that are currently awarded and the work that they've been doing. So, expect that in the beginning of the first quarter of the new fiscal year for 25.

Trustee Lindsey: Niniau, thank you for answering my question, and I respect the work that has gone into it. But what I heard you say basically, is that the party that received two grants, one of the Grants was because they were the only applicant, and the other grant was because they were one of two, one other had dropped out. And you awarded the highest amounts, over 1.5 million to each of them, in each case. I'm not sure that the default of being the only applicant or the pool of applicants shrinking to two should be the criteria that determines the amount that is given. I'll just take that as an example of one of the things we may want to look at and give input. I will also take this moment to express that I am very pleased with the fact that Administration has put a robust package in front of us, and has done a great deal of work, and made significant accomplishment in that. My critical comments today about process and about criteria have to do with the dance that we need to do with each other between Board and Administration, and I'm confident that we're going to be good dance partners moving forward. Thank you.

RM Vice Chair Alapa: Mahalo, Trustee Akina

RM Vice Chair Alapa recognizes Trustee Galuteria.

Trustee Galuteria: Thank you, madam Vice Chair. I appreciate all of the dialogue, and, as I often say, I would like the words of the previous speaker to be entered into the record as if they're my own. A recalibration of the entire system is not easy. We're going through growing pains, if that's what you want to call it for this one, because our Grant system is now going to be so robust. We've got the front end working, maybe the back end got to get a little better. Certainly, the information that we need to gather as a Board to make informed decisions could be improved a bit, so that we have the time by which to make these and distill, discern and decide so that could be taken into consideration. As far as the deferment is concerned, I'm going to vote for the deferment as well today. Just want to be on record for that. Thank you, Chair.

RM Vice-Chair Alapa asks if there is any discussion.

There is no discussion.

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

MOTION							Motion: 12:26 p.m. Vote: 12:41 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			2 - X		1 - X	
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA			X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY	1		X			
J. KEONI	SOUZA		2	X			
MILILANI	TRASK						EXCUSED
CHAIR JOHN	WAIHE'E						Departed at 12:34 p.m.
TOTAL VOTE COUNT				7	0	0	2

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

RM Vice-Chair Alapa notes for the record that all members present vote 'AE (YES) and the **MOTION PASSES for deferment and Action Items RM #24-13 through RM #24-24 have been deferred.**

RM Vice Chair Alapa recognizes Trustee Akina

Trustee Akina: Thank you, madam Chair. Just one more item, I would encourage the RM Committee to discuss with our attorney, Everett, the protocols surrounding the presentation of names and amounts that are in consideration for awards before decision has been made, so that we can be better instructed, and how to do that properly.

RM Vice Chair Alapa: Mahalo Trustee Akina, for that, it's noted.

IV. NEW BUSINESS

- F. **Action Item RM #24-14:** Approve the Awarding of Ola Ke Kanaka-Physical, Spiritual, Mental & Emotional Health Grant from Solicitation #24-03.0.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- G. **Action Item RM #24-15:** Approve the Awarding of Ola Ka 'Aina-Health of Land and Water Grant from Solicitation #24-04.0.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- H. **Action Item RM #24-16:** Approve the Awarding of Ola Ka Mo'omeheu-Culture Preservation & Perpetuation Grant from Solicitation #24-04.1.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- I. **Action Item RM #24-17:** Approve the Awarding of Lako Ko Kauhale-'Ohana Resource Management & Housing Grant from Solicitation #24-05.0.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- J. **Action Item RM #24-18:** Approve the Awarding of Ho'omohala Waiwai 'Ohana – 'Ohana Economic Stability Grant from Solicitation #24-07.0.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- K. **Action Item RM #24-19:** Approve the Awarding of Ho'omohala Waiwai Kaiaulu-Community Economic Development Grant from Solicitation #24-08.0.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- L. **Action Item RM #24-20:** Approve the Awarding of 'Aina Ho'opulapula- Hawaiian Homestead Communities Grant from Solicitation #24-14.0.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- M. **Action Item RM #24-21:** Approve the Awarding of Ola Ka Lahui- Vulnerable Populations Grant from Solicitation #24-15.0.01 published February 12, 2024

DEFERRED

IV. NEW BUSINESS

- N. **Action Item RM #24-22:** Approve the Awarding of Pohala Mai- 'Ohana Experiencing Financial Hardship Grant from Solicitation #24-16.0.01 published March 13, 2024

DEFERRED

IV. NEW BUSINESS

- O. **Action Item RM #24-23:** FB 2024-2025 Hawaiian-Focused Public Charter School Fund Administration Grant Recommendation – Part II. Facilities Funding

DEFERRED

IV. NEW BUSINESS

P. **Action Item RM #24-24:** FB 2024-2025 Hawaiian-Focused Public Charter School Fund Administration Grant Recommendation – Part III. Federal Advocacy

DEFERRED

V. ADJOURNMENT

Trustee Lindsey moves to adjourn the RM meeting.

Trustee Souza seconds the motion.

RM Vice-Chair Alapa asks if there is any discussion.

There is zero discussion.

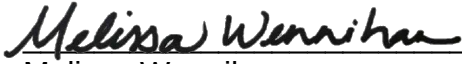
RM Vice-Chair Alapa calls for a **ROLL CALL VOTE**.

							12:43 p.m.
TRUSTEE		1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
DAN	AHUNA			X			
KALEIHIKINA	AKAKA			X			
KELI'I	AKINA			X			
VICE-CHAIR LUANA	ALAPA		2	X			
BRICKWOOD	GALUTERIA			X			
CARMEN HULU	LINDSEY			X			
J. KEONI	SOUZA	1		X			
MILILANI	TRASK						EXCUSED
CHAIR JOHN	WAIHE'E						Departed at 2:38 p.m.
TOTAL VOTE COUNT				7	0	0	2

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

RM Vice-Chair Alapa adjourns the RM meeting at 12:43 p.m.

Respectfully submitted,

A handwritten signature in cursive script, reading "Melissa Wennihan", positioned above a horizontal line.

Melissa Wennihan
Trustee Aide
Committee on Resource Management

As approved by the Committee on Resource Management (RM) on June 26, 2024

A handwritten signature in cursive script, reading "John Waihe'e, IV", positioned above a horizontal line.

Trustee John Waihe'e, IV
Chair
Committee on Resource Management