

**State of Hawai'i
Office of Hawaiian Affairs
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817**

**Minutes of the Office of Hawaiian Affairs Board of Trustees Meeting
Thursday, March 24, 2016, 9:30 am**

I. CALL TO ORDER

Vice Chair Dan Ahuna called the Office of Hawaiian Affairs Board of Trustees Meeting to order at 9:31 am. Those present were as follows:

Attendance

Trustee Dan Ahuna, Vice Chair	Trustee S. Haunani Apoliona
Trustee Lei Ahu Isa	Trustee Carmen Hulu Lindsey
Trustee Rowena Akana (arrived 9:55 am)	Trustee John Waihe'e IV (arrived 9:35 am)
Trustee Peter Apo	

Excused

Trustee Robert K. Lindsey, Jr., Chair	Trustee Colette Machado
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Staff Present

Dr. Kamana'opono Crabbe, CEO	Reynold Freitas
Lisa Cataldo, Acting Board Counsel	Lady Garrett
Harold Nedd, Chief of Staff	Alvin Akee
Capsun M. Poe, Board Secretary	Lisa Victor
Kauikeaolani Wailehua	Ernest Kimoto
U'ilani Tanigawa	John Kim
Lehua Itokazu	Kawika Riley
Laurene Kalua-Kealoha	Lorna Loebel
Claudine Calpito	Momilani Lazo
Davis Price	Ryan Gonzalez
Louise Yee Hoy	Sterling Wong

Others Present

Richard Pezzulo	Mona Bernardino
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II. APPROVAL OF MINUTES

Motion

At 9:33 am, Trustee Apo moved, seconded by Trustee Apoliona, to waive the 72-hour materials distribution policy for Item V. B. OHA Legislative Positioning – Matrix 1 dated March 23, 2016.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE ROWENA AKANA						X
TRUSTEE PETER APO	1		X			
TRUSTEE HAUNANI APOLIONA		2	X			
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY						X
TRUSTEE COLETTE MACHADO						X
TRUSTEE JOHN WAIHE'E						X
VICE CHAIR DAN AHUNA			X			
TOTAL VOTE COUNT			5	0	0	4

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

Motion passed with five (5) YES votes, no (0) NO votes, no (0) abstentions, and four (4) excused.

Vice Chair Ahuna announced the draft minutes of March 15, 2016 were distributed and asked if there were any changes.

Motion

At 9:33 am, Trustee Hulu Lindsey moved, seconded by Trustee Apo, to approve the minutes of March 15, 2016, as distributed. The motion passed via voice vote.

III. COMMUNITY CONCERNS

There were no Community Concerns.

IV. UNFINISHED BUSINESS

Chair's Update

There were no Chair's Updates.

CEO's Update

Dr. Crabbe thanked the Trustees for their support of the return of Kalaniopu'u's cape and helmet. He added that Administration worked with Stryker Weiner & Yokota because of the large scale international event this became. He stated that Te Papa Museum was extremely grateful for OHA taking the lead on the return, which was covered by the three largest news agencies in Aotearoa. He reported since February 2016, OHA's social media posts have generated 1.5 million views.

Mr. Gonzalez reported that OHA has spent \$200 to boost posts, which can increase the reach to 80,000-90,000 views. He added that 2016 and especially the Kalaniopu'u return has seen record numbers of engagement. He considers this an awesome win from a public relations perspective. Dr. Crabbe

concluded that the partnership and collaboration between OHA, Bishop Museum, and Hawaiian Airlines was an awesome success.

Trustee Ahu Isa asked how long the exhibit will run. Dr. Crabbe responded that he was unsure.

Trustee Hulu Lindsey asked if the item will be encased. Dr. Crabbe responded that it already is. It was only left uncased for its arrival ceremony at Bishop Museum.

LLC Updates

Ms. Bernardino distributed summary sheets and reported that the LLCs are on budget and there are no issues or problems. She noted that in their capacity-building program, they are working with non-profits, for a total of 24 applications in 2015, of which 16 were funded for \$23 million.

Mr. Pezzulo reported Hi'ipaka LLC sales in 2015 were up \$1.2 million, which with additional costs, resulted in a small quarterly loss. He added that the third quarter is always the slowest quarter. He stated that the net gain was \$400,000, over triple what was budgeted. Overall, financially, they have had a good year and are now focused on capital projects to improve the visitor experience. 2015 highlights included restoration of the kauhale area, their makahiki, hula competition, staff evaluations, and 2016 plans. He added that H'ipaka LLC recently pursued purchasing Pu'ukua, a 3.75 acre parcel which is to the left of the entrance kiosk at Waimea Valley and contains culturally-significant. They have launched a fundraiser to raise \$100,000, with \$350,000 already available from the Trust for Public Land.

Trustee Akana stated she believes what was needed for a long time was improving the relationship with the community and she gave kudos to Mr. Pezzulo for accomplishing that.

Trustee Apo asked what infrastructure challenges they face. Mr. Pezzulo responded that the irrigation system is targeted for replacement and they have seen their water bill increase.

Trustee Apo asked what the biggest challenge in penetrating the tourism market. Mr. Pezzulo responded it is probably figuring out which publication and media is best to use for ads. He also added that they now have a Digital Manager.

Ms. Bernardino reported that HI-PTAC, funded by Department of Defense, helped 141 contracts totaling \$41 million in 2015.

V. NEW BUSINESS

OHA Legislative Positioning – Matrix 1 dated March 9, 2016

Trustee Waihe'e reported the following on behalf of the Committee on Beneficiary Advocacy and Empowerment:

March 17, 2016

The Honorable Robert K. Lindsey, Jr., Chair
Board of Trustees
Office of Hawaiian Affairs

Chair Robert Lindsey,

Your Committee on Beneficiary Advocacy and Empowerment, having met on March 16, 2016 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

To approve Administration’s recommendations on NEW BILLS (Items 1 – 26) and BILL POSITIONS FOR RECONSIDERATION (Items 27 - 29), along with the following additions:

- ADD a GM__ for Neil Hannahs for CWRM as SUPPORT; and
- ADD HCR134 / SCR154 , HR87 / SR116 for a study on the per-pupil funding system for public charter schools, all as SUPPORT

on the OHA Legislative Positioning Matrix dated March 9, 2016, as amended.

Motion

At 10:09 am, Trustee Waihe’e moved, seconded by Trustee Hulu Lindsey, to approve Administration’s recommendations on NEW BILLS (Items 1 – 26) and BILL POSITIONS FOR RECONSIDERATION (Items 27 - 29), along with the following additions:

- ADD a GM__ for Neil Hannahs for CWRM as SUPPORT; and
- ADD HCR134 / SCR154 , HR87 / SR116 for a study on the per-pupil funding system for public charter schools, all as SUPPORT

on the OHA Legislative Positioning Matrix dated March 9, 2016, as amended.

TRUSTEE	1	2	‘AE (YES)	A’OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE PETER APO			X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE HULU LINDSEY		2	X			
TRUSTEE ROBERT LINDSEY						X
TRUSTEE COLETTE MACHADO						X
TRUSTEE JOHN WAIHE’E	1		X			
VICE CHAIR DAN AHUNA			X			
TOTAL VOTE COUNT			7	0	0	2

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

Motion passed with seven (7) YES votes, no (0) NO votes, no (0) abstentions, and two (2) excused.

OHA Legislative Positioning – Matrix 1 dated March 23, 2016

Trustee Waihe’e reported the following on behalf of the Committee on Beneficiary Advocacy and Empowerment:

March 23, 2016

The Honorable Robert K. Lindsey, Jr., Chair
Board of Trustees
Office of Hawaiian Affairs

Chair Robert Lindsey,

Your Committee on Beneficiary Advocacy and Empowerment, having met on March 23, 2016 and after full and free discussion, recommends approval of the following action to the Board of Trustees:

To approve Administration's recommendations on NEW BILLS (Items 1 – 94) and BILL POSITIONS FOR RECONSIDERATION (Items 95 – 96), along with the following revisions:

CHANGE both:

- Item 177, HB1932 from Monitor to SUPPORT; and
- Item 209, HB2205 from Comment to MONITOR;

on the OHA Legislative Positioning Matrix dated March 23, 2016, as amended.

Motion

At 10:11 am, Trustee Waihe'e moved, seconded by Trustee Hulu Lindsey, to approve Administration's recommendations on NEW BILLS (Items 1 – 94) and BILL POSITIONS FOR RECONSIDERATION (Items 95 – 96), along with the following revisions:

CHANGE both:

- Item 177, HB1932 from Monitor to SUPPORT; and
- Item 209, HB2205 from Comment to MONITOR;

on the OHA Legislative Positioning Matrix dated March 23, 2016, as amended.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE PETER APO			X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE HULU LINDSEY		2	X			
TRUSTEE ROBERT LINDSEY						X
TRUSTEE COLETTE MACHADO						X
TRUSTEE JOHN WAIHE'E	1		X			
VICE CHAIR DAN AHUNA			X			
TOTAL VOTE COUNT			7	0	0	2

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

Motion passed with seven (7) YES votes, no (0) NO votes, no (0) abstentions, and two (2) excused.

Approval of Funds for OHA Contract #2589.02

Motion

At 10:12 am, Trustee Apoliona moved, seconded by Trustee Waihe'e, to appropriate and approve \$701,385.67 from the Fiscal Reserve for payment to Williams and Connolly LLP for legal services rendered for the period September 1, 2015 through February 29, 2016 and other services rendered to OHA under Contract 2589.02 to be drawn from the Fiscal Reserve.						
TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE PETER APO			X			
TRUSTEE HAUNANI APOLIONA	1		X			
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY						X
TRUSTEE COLETTE MACHADO						X
TRUSTEE JOHN WAIHE'E		2	X			
VICE CHAIR DAN AHUNA			X			
TOTAL VOTE COUNT			7	0	0	2
MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED						
Motion passed with seven (7) YES votes, no (0) NO votes, no (0) abstentions, and two (2) excused.						

Dr. Crabbe reported this is the Washington, DC legal consultants who have assisted OHA with challenges to nation-building brought by Grassroot Institute. They were hired to address the high level matters, in preparation for a possible Supreme Court hearing. Chair Lindsey asked for a discount and the firm provided a 10% discount. If OHA wants them to continue future work, the firm must be paid up to today.

Trustee Akana does not believe this is exactly correct. She requested a short recess and Mr. Kimoto's presence. She added this is not the correct amount OHA owes, this is Administration asking for extra money so they do not need to come back to the Board for further approval. She believes it would be irresponsible to do so and would prefer the Board approve all future billings.

Dr. Crabbe noted this issue has been brought up in the Committee on Resource Management before.

Trustee Akana wanted confirmation from Mr. Kimoto and wanted honest answers. Vice Chair Ahuna stated that the Board has previously approved \$1 million. Trustee Akana believes the Board is being lied to and does not like it. Dr. Crabbe stated the amount is for past due services as well as work through June 2016. OHA has been advised by SPIRE Hawaii to defend OHA's position.

Trustee Akana questioned why Mr. Kimoto is not being allowed to come to the table

Recess

Vice Chair Ahuna called a recess at 10:19 am and reconvened the meeting at 10:23 am.

Vice Chair Ahuna called on Mr. Kimoto to explain the information Trustee Akana requested.

Mr. Kimoto stated that when Justice Klein first briefed the Board on the Akina case, he asked for the Board's approval for the litigation team, which included Williams & Connolly. At the time, the Board approved it, but did not entirely fund the item. Mr. Klein's billing is being paid by the insurance claim. When Williams & Connolly started its work for OHA in October 2015, they submitted billings and OHA

was unable to pay. Eventually, payment for October 2015 – February 2016 was made. The total for that period is over \$420,000. The motion represents a reserve so that billings that started in March 2016 and through June 2016 can be paid without appearing before the Board to request it. He added that this is a retainer that the attorneys can only charge from after providing a detailed billing statement. Should there be unspent funds, it will either be returned or continued into the future.

Trustee Akana asked if Mr. Klein is being paid a portion by insurance, how much of this contract is going to Mr. Klein. She asked if he is being double paid. Mr. Kimoto responded he is not. Trustee Akana asked if \$420,000 is what is presently owed and the balance will go into the fund through June. Mr. Kimoto responded it is. Trustee Akana asked if Breann Nu'uhiwa would be paid out of these funds. Mr. Kimoto responded she is providing her services pro bono. Trustee Akana believes it is unfair for everyone else to get paid and she is being paid nothing. Dr. Crabbe reported it is an agreement they have all agreed to because Ms. Nu'uhiwa's current employer allows her to work on this case. Trustee Akana asked why Administration is being so obstinate in disclosing the information to the Board, noting that the Board needs to be informed.

Vice Chair Ahuna thanked Trustee Akana for sharing her concerns.

Trustee Apoliona stated OHA is currently in arrears from October through February and is now considering March through June. She believes it gives the Board clarity up through June. She does not believe it is frivolous spending and that all details will need to be provided in Executive Session. She stressed that OHA needs to make good on the arrears.

Trustee Hulu Lindsey stated she has always voted against OHA's nation-building, voted no on retaining the firm, and will be voting against this action because of her stance on nation-building.

Trustee Apo stated that this is about more than nation-building. He believes this is about protecting everything Hawaiians have and that is why it costs so much. He believes our survival as a people is at stake.

Trustee Apoliona stated in order to give the capacity for the legal team to move in a timely way, they need to have the flexibility, and we will know what is expended.

Trustee Ahu Isa stated her concern that OHA is still involved with nation-building.

Trustee Apo stated when it comes to entitlements; it is about protecting what we have, not about nation-building. He added this is a battle that has been going for over 120 years.

Trustee Akana asked if this would deplete all of the Fiscal Reserve. Mr. Kim responded that the balance is just over \$1.7 million. Trustee Akana asked if that included this action. Mr. Kim responded it does not and that if it is passed, the balance would be approximately \$1 million.

Trustee Ahu Isa noted she would vote yes, with reservations.

Trustee Akana noted she would vote yes, with reservations.

VI. BENEFICIARY COMMENTS

There were no Beneficiary Comments.

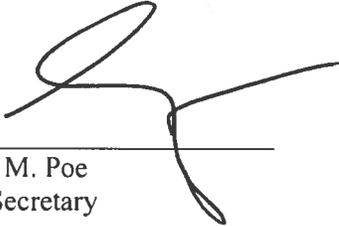
VII. ANNOUNCEMENTS

Vice Chair Ahuna announced the next Board meeting will be held on Thursday, April 7, 2016 at 9:30 am.

VIII. ADJOURNMENT

Having no further business, Vice Chair Ahuna adjourned the meeting at 10:42 am.

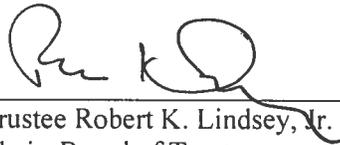
Respectfully Submitted,



A handwritten signature in black ink, consisting of a large loop at the top and a long horizontal stroke extending to the right, ending in a small hook.

Capsun M. Poe
Board Secretary

Approved by the Board of Trustees on April 7, 2016:



A handwritten signature in black ink, featuring a large 'R' and 'L' with a 'K' in between, all connected by a single stroke.

Trustee Robert K. Lindsey, Jr.
Chair, Board of Trustees