



COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT

John Waihe'e IV, Chairperson
Kalei Akaka, Vice Chairperson
Leina'ala Ahu Isa, At-Large
Dan Ahuna, Kauai/Ni'ihau
Keli'i Akina, At-Large
Brendon Kalei'aina Lee, At-Large
Carmen Hulu Lindsey, Maui
Robert K. Lindsey, Jr., Hawai'i Island
Colette Y. Machado, Moloka'i/Lāna'i

STATE OF HAWAII
OFFICE OF HAWAIIAN AFFAIRS

COMMITTEE ON RESOURCE MANAGEMENT

Dan Ahuna, Chairperson
Robert K. Lindsey, Jr., Vice Chairperson
Leina'ala Ahu Isa, At-Large
Kalei Akaka, O'ahu
Keli'i Akina, At-Large
Brendon Kalei'aina Lee, At-Large
Carmen Hulu Lindsey, Maui
Colette Y. Machado, Moloka'i/Lāna'i
John Waihe'e IV, At-Large

JOINT MEETING OF THE COMMITTEE ON BENEFICIARY ADVOCACY AND EMPOWERMENT AND THE COMMITTEE ON RESOURCE MANAGEMENT

DATE: Wednesday, April 24, 2019
TIME: 10:00 am
PLACE: OHA Board Room, Nā Lama Kukui
560 N. Nimitz Hwy., Suite 200
Honolulu, HI 96817

AGENDA

- I. Call to Order
II. Public Testimony\*
III. New Business†
A. Approval of Minutes – March 20, 2019
B. Action Item BAE-RM #19-03- Consideration of a Process for the Selection of a Successor Chief Executive Officer
IV. Executive Session‡
A. Approval of Minutes – March 5, 2019
B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues regarding the Board's powers, duties, and liabilities with respect to OHA Contract #3060. Pursuant to HRS 92-5(a)(4).
V. Announcements
VI. Adjournment

If you require an auxiliary aid or accommodation due to a disability, please contact Raina Gushiken at telephone number 594-1772 or by email at: rainag@oha.org no later than three (3) business days prior to the date of the meeting.

\*Notice: Persons wishing to provide testimony are requested to submit 13 copies of their testimony to the Chief Executive Officer at 560 N. Nimitz. Suite 200, Honolulu, HI, 96817 or fax to 594-1868, or email BOTmeetings@oha.org 48 hours prior to the scheduled meeting. Persons wishing to testify orally may do so at the meeting, provided that oral testimony shall be limited to five minutes.

† Notice: The 72 Hour rule, pursuant to OHA BOT Operations Manual, Section 49, shall be waived for distribution of new committee materials.

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

Handwritten signature of Dan Ahuna, dated 4-15-19. Printed name: Trustee Dan Ahuna, Chairperson, Committee on Resource Management.

Handwritten signature of John Waihe'e IV, dated 4/15/19. Printed name: Trustee John Waihe'e, IV, Chairperson, Committee on Beneficiary Advocacy & Empowerment.

# Transmission Report

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**COMMITTEE ON BENEFICIARY ADVOCACY  
AND EMPOWERMENT**

John Waihe'e IV, Chairperson  
Kalei Akaku, Vice Chairperson  
Leina'ala Abu Isa, At-Large  
Dan Ahuna, Kauai/Niihau  
Kelli'i Akina, At-Large  
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Colette Y. Machado, Moloka'i/Lana'i



**STATE OF HAWAII  
OFFICE OF HAWAIIAN AFFAIRS**

FAX (808) 594-1868

**COMMITTEE ON RESOURCE  
MANAGEMENT**

Dan Ahuna, Chairperson  
Robert K. Lindsey, Jr., Vice Chairperson  
Leina'ala Abu Isa, At-Large  
Kalei Akaku, O'ahu  
Kelli'i Akina, At-Large  
Brendon Kalei'aina Lec, At-Large  
Carmen Hulu Lindsey, Maui  
Colette Y. Machado, Moloka'i/Lana'i  
John Waihe'e IV, At-Large

**JOINT**

**MEETING OF THE COMMITTEE ON  
BENEFICIARY ADVOCACY AND EMPOWERMENT AND  
THE COMMITTEE ON RESOURCE MANAGEMENT**

DATE: Wednesday, April 24, 2019  
TIME: 10:00 am  
PLACE: OHA Board Room, Nā Laha Kukui  
560 N. Nimitz Hwy., Suite 200  
Honolulu, HI 96817

**AGENDA**

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- II. Public Testimony\*
- III. New Business<sup>†</sup>
  - A. Approval of Minutes – March 20, 2019
  - B. Action Item BAE-RM #19-03- Consideration of a Process for the Selection of a Successor Chief Executive Officer
- IV. Executive Session<sup>‡</sup>
  - A. Approval of Minutes – March 5, 2019
  - B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues regarding the Board's powers, duties, and liabilities with respect to OHA Contract #3060. Pursuant to HRS 92-5(a)(4).
- V. Announcements
- VI. Adjournment

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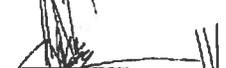
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 4-15-19  
Trustee Dan Ahuna Date  
Chairperson, Committee on Resource Management

   
Trustee John Waihe'e, IV. Date  
Chairperson, Committee on Beneficiary Advocacy & Empowerment

Total Pages Scanned : 1

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**Abbreviations:**

HS: Host send  
HR: Host receive  
WS: Waiting send

PL: Polled local  
PR: Polled remote  
MS: Mailbox save

MP: Mailbox print  
RP: Report  
FF: Fax Forward

CP: Completed  
FA: Fail  
TU: Terminated by user

TS: Terminated by system  
G3: Group 3  
EC: Error Correct

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

**Minutes of the Office of Hawaiian Affairs  
Joint Committees on Beneficiary Advocacy and Empowerment  
and Resource Management  
April 24, 2019  
10:00 am**

**ATTENDANCE:**

Trustee Dan Ahuna, Chairperson  
Trustee Robert Lindsey, Vice-Chair  
Trustee Leina'ala Ahu Isa  
Trustee Kalei Akaka  
Trustee Keli'i Akina  
Trustee Carmen Hulu Lindsey

Trustee Colette Machado  
Trustee John Waihe'e

**STAFF PRESENT:**

Everett Ohta  
Kamana'opono Crabbe, CEO  
Sylvia Hussey, COO  
Lopaka Baptiste  
Claudine Calpito  
Ron Porter  
Paul Harleman  
Maria Calderon  
Kauikeaolani Wailehua  
Lei Ann Durant  
Priscilla Nakama

**Guest and Community:**

Robert G. Klein, Board Counsel

## **I. CALL TO ORDER**

**Chair Ahuna** – Calls the Joint Committees on Beneficiary Advocacy and Empowerment and Resource Management to order at 10:00 am, noting for the record the following Trustees present:

		<b>Present</b>	<b>Excused</b>	<b>Comments</b>
TRUSTEE LEI	<b>AHU ISA</b>	<b>X</b>		
TRUSTEE KALEI	<b>AKAKA</b>			<b>Not present</b>
TRUSTEE KELI 'I	<b>AKINA</b>	<b>X</b>		
TRUSTEE BRENDON KALEI 'AINA	<b>LEE</b>		<b>X</b>	
TRUSTEE HULU	<b>LINDSEY</b>	<b>X</b>		
TRUSTEE ROBERT	<b>LINDSEY</b>	<b>X</b>		
TRUSTEE COLETTE	<b>MACHADO</b>	<b>X</b>		
TRUSTEE JOHN	<b>WAIHE'E</b>	<b>X</b>		
CHAIRPERSON DAN	<b>AHUNA</b>	<b>X</b>		
	<b>TOTAL</b>	<b>7</b>	<b>1</b>	
At the Call to Order, there are seven (7) Trustees present. One (1) excused.				

## **II. PUBLIC TESTIMONY**

None.

## **III. NEW BUSINESS**

### **A. Approval of Minutes — March 20, 2019**

**Chair Ahuna** asks for motion to approve minutes of March 20, 2019.

**Chair Ahuna** asks for discussion, hearing none, calls for roll call vote.

<b>Trustee Hulu Lindsey, MOVED, SECOND by Trustee Waihe'e to approve minutes of March 20, 2019.</b>							
		1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI	AHU ISA			X			
TRUSTEE KALEI	AKAKA						Not present
TRUSTEE KELI'I	AKINA			X			
TRUSTEE BRENDON KALEI 'AINA	LEE						EXCUSED
TRUSTEE HULU	LINDSEY	X		X			
TRUSTEE ROBERT	LINDSEY			X			
TRUSTEE COLETTE	MACHADO			X			
TRUSTEE JOHN	WAIHE'E		X	X			
CHAIRPERSON DAN	AHUNA			X			
<b>TOTAL VOTE COUNT</b>				7			
<b>MOTION: [ ] UNANIMOUS [X] PASSED [ ] DEFERRED [ ] FAILED</b>							
<b>Motion passes with seven (7) YES votes.</b>							

**B. Action Item BAE-RM #19-03- Consideration of a Process for the Selection of a Successor Chief Executive Officer**

**Chair Ahuna asks for a motion.**

**Trustee Machado** moves to authorize and approve the use of a professional executive search and consulting firm to assist the Committees on BAE and RM for the recruitment and selection of a Chief Executive Officer and to authorize and approve a budget reallocation to move \$50,000 from OHA's FY 19 Core Operating Budget, program code 1100-Board of Trustees, object code 57280-Trustee Allowance, to object code 57110—Services on a Fee Basis.

**Chair Ahuna** asks for discussion.

**Trustee Hulu Lindsey** asks the \$50,000 is coming from FY19, why not FY18.

**Kamana'opono Crabbe** states we are in the current FY19.

**Chair Ahuna** calls for roll call vote.

**Trustee Machado, MOVED, SECOND by Trustee Waihe'e to authorize and approve the use of a professional executive search and consulting firm to assist the Committees on BAE and RM for the recruitment and selection of a Chief Executive Officer and to authorize and approve a budget reallocation to move \$50,000 from OHA's FY 19 Core Operating Budget, program code 1100-Board of Trustees, object code 57280-Trustee Allowance, to object code 57110—Services on a Fee Basis.**

	1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE KALEI AKAKA						Not present
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI 'AINA LEE						EXCUSED
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE COLETTE MACHADO	X		X			
TRUSTEE JOHN WAIHE'E		X	X			
CHAIRPERSON DAN AHUNA			X			
<b>TOTAL VOTE COUNT</b>			7			

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

**Motion passes with seven (7) YES votes.**

Chair Ahuna asks for a motion to recuse into Executive session.

**Trustee Waihe'e, MOVED, SECOND by Trustee Machado to recuse into executive session.**

	1	2	'AE (YES)	'A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA			X			
TRUSTEE KALEI AKAKA						arrives at 10:06
TRUSTEE KELI'I AKINA			X			
TRUSTEE BRENDON KALEI 'AINA LEE						EXCUSED
TRUSTEE HULU LINDSEY			X			

TRUSTEE ROBERT LINDSEY			X		
TRUSTEE COLETTE MACHADO		X	X		
TRUSTEE JOHN WAIHE'E	X		X		
CHAIRPERSON DAN AHUNA			X		
<b>TOTAL VOTE COUNT</b>			<b>7</b>		
<b>MOTION: [ ] UNANIMOUS [ X ] PASSED [ ] DEFERRED [ ] FAILED</b>					
<b>Motion passes with seven (7) YES votes.</b>					

Meeting resolved into executive session at 10:05 am.

**IV. EXECUTIVE SESSION**

**A. Approval of Minutes — March 5, 2019**

**B. Consultation with Board Counsel Robert G. Klein, Esq. re: questions and issues regarding the Board's powers, duties, and liabilities with respect to OHA Contract #3060. Pursuant to HRS 92-5(a) (4).**

<b>Trustee Hulu Lindsey, MOVED, SECOND by Trustee Waihe'e to reconvenes into open session.</b>							
		<b>1</b>	<b>2</b>	<b>'AE (YES)</b>	<b>'A'OLE (NO)</b>	<b>KANALUA (ABSTAIN)</b>	<b>EXCUSED</b>
TRUSTEE LEI AHU ISA				X			
TRUSTEE KALEI AKAKA				X			
TRUSTEE KELI'I AKINA				X			
TRUSTEE BRENDON KALEI 'AINA LEE							<b>EXCUSED</b>
TRUSTEE HULU LINDSEY	X			X			
TRUSTEE ROBERT LINDSEY				X			
TRUSTEE COLETTE MACHADO				X			
TRUSTEE JOHN WAIHE'E		X		X			
CHAIRPERSON DAN AHUNA				X			
<b>TOTAL VOTE COUNT</b>				<b>8</b>			
<b>MOTION: [ X ] UNANIMOUS [ ] PASSED [ ] DEFERRED [ ] FAILED</b>							
<b>Motion passes with eight (8) YES votes.</b>							

**Meeting reconvenes into open session at 10:08 am.**

**V. ANNOUNCEMENTS**

**Chair Ahuna** states Trustee Akaka will be giving an update on our legislative update.

Trustee Akaka states the Senate and House met for conference on our two bills, HB402 and HB172, they will be heard today at 2 pm. Looking forward to hear what the decisions are and still optimistically working to reaching our goals. Room 312.

**Trustee Machado** states the invitation is extended to all Trustees that can come at 2:00 in Room 312.

**VI. ADJOURNMENT**

**Trustee Hulu Lindsey** moved to adjourn.

**Trustee Waihe'e** seconded.

**Chair Ahuna** hearing no objections, adjourned meeting.

Meeting adjourned at 10:11 am.

Respectfully Submitted,

  
\_\_\_\_\_  
Claudine Calpito, Trustee Aide  
Committee on Resource Management

  
\_\_\_\_\_  
Dan Ahuna, Chairperson  
Committee on Resource Management

Approved: RM Committee meeting 7-31-19

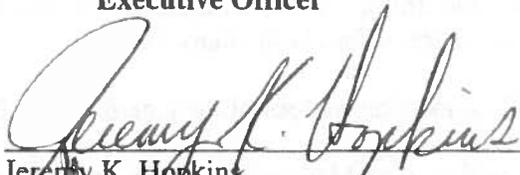
ATTACHMENT: 1) Action Item BAE-RM #19-03- Consideration of a Process for the Selection of a Successor Chief Executive Officer

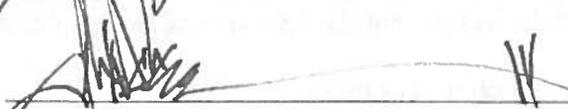


**Action Item**  
**Joint Committees on Beneficiary Advocacy and Empowerment**  
**and Resource Management**  
**April 24, 2019**

**BAE-RM #19-03**

**Action Item Issue: Consideration of a Process for the Selection of a Successor Chief Executive Officer**

**Prepared by:**  4/16/19  
Jeremy K. Hopkins Date  
Trustee Aide/Trustee R. Lindsey - Hawaii

**Reviewed by:**  4/16/19  
John D. Waihe'e, IV Date  
Chair, Committee on Beneficiary Advocacy and Empowerment

**Reviewed by:**  4-15-19  
Dan Ahuna Date  
Chair, Committee on Resource Management

- I. Action:**  
To authorize and approve the use of a professional executive search and consulting firm to assist the Committees on BAE and RM for the recruitment and selection of a Chief Executive Officer and to authorize and approve a budget reallocation to move \$50,000 from OHA's FY 19 Core Operating Budget, program code 1100-Board of Trustees, object code 57280-Trustee Allowance, to object code 57110 -Services on a Fee Basis.
- II. Issue:**  
Whether or not the Committees on BAE and RM should authorize and approve the use of a professional executive search and consulting firm to assist the committees for the recruitment and selection of a Chief Executive Officer (CEO) and to authorize and approve a budget reallocation to move \$50,000 from OHA's FY 19 Core Operating Budget, program code 1100-Board of Trustees, object code 57280-Trustee Allowance, to object code 57110 -Services on a Fee Basis.

**III. Background:**

The current CEO contract will expire on June 30, 2019 requiring the recruitment of a CEO. The recruitment process should be initiated immediately to ensure an efficient transition with minimal disruption to the organization.

The Hawai'i Revised Statutes (HRS) § 10-10 is as follows:

The board by a majority vote, shall appoint an administrator who shall serve without regard to the provisions of chapter 76 for a term to be determined by the board. The board, by a two-thirds vote of all members to which it is entitled, may remove the administrator for cause at any time.

The OHA BOT Bylaws Article VIII on the Committees of the Board is as follows:

(A) (1) (n) The Committee on Resource Management shall, in consultation with the Chair of the Committee on Beneficiary Advocacy and Empowerment carry out the recruitment and selection of the Administrator.

The OHA BOT CEO Recruitment Policy is as follows:

**Chief Executive Officer Recruitment and Selection**

3.10.9. The BOT appoints the CEO following a search process for identifying and hiring a CEO. At its first regularly scheduled meeting or special meeting after it learns that the CEO position is vacant or will soon be vacant, the BOT will establish the time period, budget, and arrangements for the hiring process of a new CEO. While the hiring process may involve the use of non-board members or search firms, such arrangements will assure the participation of some Trustees in all aspects of the recruitment and interview process. The full BOT shall participate in the final selection of the CEO from a group of candidates determined to be qualified for the position through an open and fair hiring process. The BOT will immediately commence employment contract negotiation upon selection of the best-qualified candidate.

The BOT Operations Manual figures 45 and 46 offers two recruitment alternatives to include in house recruitment utilizing the OHA Human Resources Department or external recruitment using a professional search firm (see Attachment A – Figure 45. Administrator recruitment and selection and Attachment B – Figure 46. Recruitment Process using a Professional Search Firm). The main difference between these two approaches is whether the OHA HR Department or a professional executive search and consulting firm completes the part of the process that includes advertising for the CEO position, screening the applications, conducting reference checks, and making recommendations to the BOT on the top candidates. All other functions in the process would remain the responsibility of the Trustees to include interviewing and final selection of the CEO.

This action item attempts to harmonize the OHA BOT Bylaws and Executive Policies with HRS § 10-10 relating to the recruitment and selection of a CEO.

**IV. Discussion:**

OHA has very competent and capable Human Resources staff, but they may have limited experience in recruiting at the executive management level. Usually, there is limited need for executive recruitment and the current CEO was hired eight years ago. Executive level recruitment is a highly specialized area and using a professional executive search and consulting firm will provide the needed expertise, and will save time, money and staff resources. A professional executive search and consulting firm should be utilized for the recruitment of a CEO for the following reasons:

- Professional executive search and consulting firms have knowledge, experience and expertise in searching for executive management staff.
- The recruiting process is faster through a professional executive search and consulting firm that is continually tapped into the talent marketplace. For every day that a key opening remains unfilled, other employees must fill the gap taking away time from their own duties and responsibilities.
- Professional executive search and consulting firms usually have an extensive network of contacts, are able to work discretely and maintain a database or list of qualified candidates and can usually provide an immediate list of the best candidates available within 2 to 4 weeks of their retainment.
- Search and consulting firms act as an unbiased party providing a fair recruitment process.
- They can help to ensure the position description, salary, and responsibilities are relevant and current in terms of the market.
- Search and consulting firms have the ability to conduct extensive background searches and verify specific credentials for each potential candidate they find. Firms are able to approach these candidates to vet their interest in the position, interview them, evaluate them and form candidate profiles.
- They are able to narrow down the potential candidate list after undertaking candidate interviews and present a more defined list to OHA. This will allow the Trustees to choose their selected candidates and conduct their own interviews to choose the appropriately fitted individual for the position without wasting valuable time and expense.

The cost of using a professional executive search and consulting firm will be around 25%-30% of the CEO annual salary or approximately \$37,500-\$45,000 at the current salary level. To compare this to the cost of keeping the function in-house you would need to include advertisement costs along with a large amount of HR staff time needed to conduct

outreach, review and screen the applications, conduct reference checks, and make recommendations to the Trustees. This would shift a large amount of HR staff time away from normal daily operations and would not produce the same results that could be achieved through a professional executive search and consulting firm.

The use of a professional executive search and consulting firm will require OHA to undergo an appropriate procurement process to comply with state procurement laws found in HRS § 103D.

**V. Certification of Funding Availability:**

The funds required for this Action Item are currently available from OHA's FY 19 Core Operating Budget, program code 1100-Board of Trustees, object code 57280-Trustee Allowance and need to be reallocated to object code 57110 – Services on a Fee Basis.



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Sylvia M. Hussey, Ed.D.  
Acting Chief Financial Officer/Chief Operating Officer

**VI. Recommended Action:**

To authorize and approve the use of a professional executive search and consulting firm to assist the Committees on BAE and RM for the recruitment and selection of a Chief Executive Officer and to authorize and approve a budget reallocation to move \$50,000 from OHA's FY 19 Core Operating Budget, program code 1100-Board of Trustees, object code 57280-Trustee Allowance, to object code 57110 –Services on a Fee Basis.

**VII. Alternative Action:**

A. Do not approve the use of a professional executive search and consulting firm to assist the Committees on BAE and RM for the recruitment and selection of a Chief Executive Officer.

B. Approve the use of the OHA Human Resources Department to assist the Committees on BAE and RM for the recruitment and selection of a chief Executive officer.

**VIII. Time Frame:**

Immediate action is recommended.

**IX. Attachments:**

Attachment A – BOT Operations Manual - Figure 45. Administrator recruitment and selection.

Attachment B – BOT Operations Manual - Figure 46. Recruitment Process using a Professional Search Firm.

## XI. Personnel

### 45. Administrator recruitment and selection

45.a. The Board of Trustees appoints the Administrator following a search process for identifying and hiring an Administrator. While the hiring process may involve the use of non-board members or search firms, such arrangements will assure the participation of some Board members in all aspects of the recruitment and interview process. The entire Board shall participate in the final selection of the Administrator from a group of candidates determined to be qualified for the position through an open and fair hiring process. The BOT will immediately commence employment contract negotiation upon selection of the best qualified candidate. The recruitment of the Administrator may be conducted with assistance from a professional recruitment firm or in-house with assistance from the OHA Human Resources Department. Both of these processes are outlined below.

Figure 45. In-House Recruitment Process using the OHA HR Department

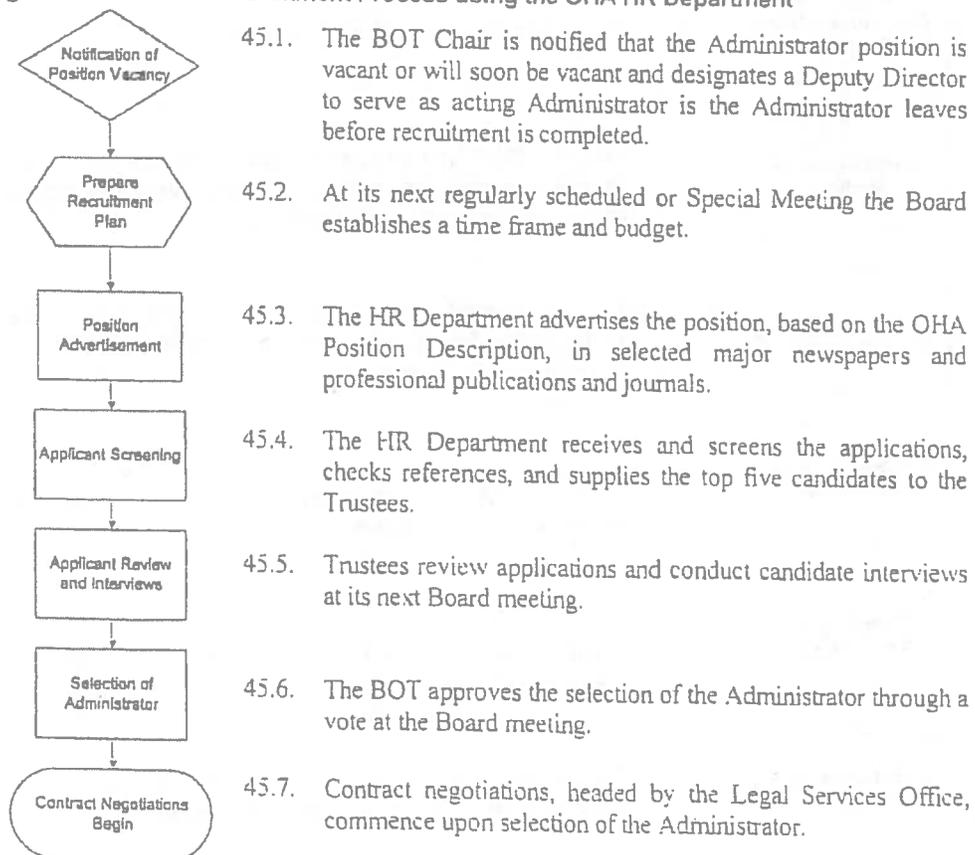


Figure 46. Recruitment Process Using a Professional Search Firm

