

**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, June 30, 2016, 9:30 am**

I. CALL TO ORDER

Chair Robert K. Lindsey, Jr. called the Office of Hawaiian Affairs Board of Trustees Meeting to order at 9:30 am. Those present were as follows:

Attendance

Trustee Robert K. Lindsey, Jr., Chair
Trustee Dan Ahuna, Vice Chair
Trustee Rowena Akana
Trustee Peter Apo

Trustee S. Haunani Apoliona
Trustee Carmen Hulu Lindsey
Trustee Colette Machado
Trustee John Waihe'e IV (arrived 9:33 am)

Excused

Trustee Lei Ahu Isa

Staff Present

Dr. Kamana'opono Crabbe, CEO
Robert G. Klein, Board Counsel
Harold Nedd, Chief of Staff
Capsun M. Poe, Board Secretary
Kauikeaolani Wailehua
U'ilani Tanigawa
Lehua Itokazu
Dayna Pa
Laurene Kaluau-Kealoha
Claudine Calpito
Davis Price
Reynold Freitas
Melissa Wennihan
Liana Pang
Makana Chai
Alvin Akee
Anuheia Patoc
Anita Manzano
Candice Ancheta
David Greer
Derek Kauano
Deja Ostrowski
Edwina Minglana Ernest Kimoto
Everett Ohta
Hawley Iona

Jeannin Jeremiah
Jerome Yasuhara
Jim McMahan
Jocelyn Doane
Kai Markell
Kalani Akana
Kathy Keala
Kawika Riley
Keala Nichols
Lance Mahi LaPierre
Lauren Morawski
Lindsey Kukona
Lisa Watkins-Victorino
Luci Meyer
Mehana Hind
Miles Nishijima
Misti Pali-Oriol
Momilani Lazo
Monica Morris
Shannon Chang
Tiger Li
Wayne Tanaka
Rayna Gushiken
Lisa Victor

Others Present

Rodney Lee

Leighton Tseu

Kealii Makekau
 Dr. Kekuewa Kikilo
 Ty Kāwika Tengan
 Noenoe Wong-Wilson
 Billy Richards

Joe Tassill
 Earl Kawa‘a
 Ernie Cruz, Jr.
 Raynette Sukanuma-Carlson
 Bo Kahui

II. APPROVAL OF MINUTES

Chair Lindsey noted the draft minutes of May 26, 2016 were distributed and asked if there were any changes.

Motion

At 9:31 am, Trustee Ahuna, seconded by Trustee Hulu Lindsey, moved to approve the minutes of May 26, 2016.

TRUSTEE	1	2	'AE (YES)	A'OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA						X
TRUSTEE DAN AHUNA	1		X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE PETER APO			X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE HULU LINDSEY		2	X			
TRUSTEE COLETTE MACHADO			X			
TRUSTEE JOHN WAIHE'E			X			
CHAIR ROBERT LINDSEY			X			
TOTAL VOTE COUNT			8	0	0	1

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

Motion passed with eight (8) YES votes, no (0) NO votes, no (0) abstentions, and one (1) excused.

III. UNFINISHED BUSINESS

Chair's Updates

Chair Lindsey made the following statement:

I am extremely pleased to be back with the Board. I appreciated the many good thoughts I received during my medical leave. I want to express a special mahalo to Trustee Dan Ahuna for leading the Board in my absence. His dedication and leadership did not go unnoticed. I now look forward to helping our Board responsibly set the appropriate tone for our organization.

CEO's Updates

Dr. Crabbe reported the Employee and Manager of the Quarter:

- Employee of the Quarter: David Greer
Dr. Crabbe praised Mr. Greer for his diligence, patience, and accuracy in entering and monitoring all the names in the Hawaiian database, where he has also further organized the database. Mr. Greer sated he was amazed when he was awarded this recognition and that he knows her are many other deserving employees. He previously worked at Kamehameha Schools doing ancestry verification.
- Manager of the Quarter: Carla Hostetter
Dr. Crabbe praised Ms. Hostetter for assisting with the NHRLF funding renewal by ANA by performing a market study of community needs. Ms. Hostetter was not present to accept the award.

Dr. Crabbe also provided an update on OHA’s sustainability plan. Mr. Rodney Lee reported that they are trying to project up to 12 years ahead, using a model that uses modified cash flow, so that it represents net numbers. By doing that and projecting, it is easier to show options for the Board to consider. Currently, they are over half way completed with the estimates. They anticipate future workshops to brief the Trustees and to make decisions. The model accounts for risk and includes a stress test.

Trustee Apo asked if they are looking at the governance model itself. Mr. Lee replied that they are looking at other areas that pose risk: governance and legal issues.

Trustee Ahuna asked why these are all important to the Board. Mr. Lee responded that there are world concerns like those in the news and also increased overhead costs, such as additional fringe benefits, at OHA.

Trustee Akana stated that last year the Trustees discussed lowering the spending limit from 5% to 4.5%. She asked if 4% is where OHA wants to be and pointed out that as employees are added, it increases the liability.

IV. NEW BUSINESS

Presentation by DHHL

This item was deferred.

RM 16-04

Trustee Machado reported the following on behalf of the Committee on Resource Management:

June 22, 2016

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

Chair Robert Lindsey,

Your Committee on Resource Management, having met on June 22, 2016, after a full and free discussion, recommends approval of the following action to the Board of Trustees:

Move to approve and authorize funding in the amount of \$803,764 from OHA’s FY 2016 Fiscal Reserve Authorization for OHA’s FY 2017 estimated fringe benefit deficit.

At 10:04 am, Trustee Machado, seconded by Trustee Apoliona, moved to approve the and authorize funding in the amount of \$803,764 from OHA’s FY 2016 Fiscal Reserve Authorization for OHA’s FY 2017 estimated fringe benefit deficit.							
TRUSTEE		1	2	‘AE (YES)	A’OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA							X
TRUSTEE DAN AHUNA				X			
TRUSTEE ROWENA AKANA				X			
TRUSTEE PETER APO				X			
TRUSTEE HAUNANI APOLIONA			2	X			
TRUSTEE HULU LINDSEY				X			
TRUSTEE COLETTE MACHADO		1		X			
TRUSTEE JOHN WAIHE’E					X		
CHAIR ROBERT LINDSEY				X			
TOTAL VOTE COUNT				7	1	0	1
MOTION: [] UNANIMOUS [X] PASSED [] DEFERRED [] FAILED							
Motion passed with seven (7) YES votes, one (1) NO votes, no (0) abstentions, and one (1) excused.							

RM 16-05

Vice Chair Ahuna chaired this portion of the meeting because Chair Lindsey recused himself from discussion and voting on this item, due to a conflict.

Trustee Machado reported the following on behalf of the Committee on Resource Management:

June 22, 2016

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

Chair Robert Lindsey,

Your Committee on Resource Management, having met on June 22, 2016, after a full and free discussion, recommends approval of the following action to the Board of Trustees:

That due to severe fiscal constraints and current funding shortfalls, the Committee on Resource Management does not recommend funding awards* from OHA's FY 2016 Fiscal Reserve Authorization for the following FY 2016 grant proposals:

1. \$100,000 for La'i'Ōpua 2020
 2. \$75,000 for Waimea Hawaiian Homesteaders' Association
 3. \$15,000 for Lāna'i Culture and Heritage Center
- *Total funding requested in 1-3 above amounts to \$190,000.

These proposals have been received for funding consideration. However, Administration is not able to identify a sufficient funding source to accommodate the requests plus meet current spending obligations. Funding is not recommended at this time and until such time as other areas of OHA's operations are sufficiently funded to meet its core responsibilities.

These grantees have already received OHA Funding between 2011-2015.

At 10:07 am, Trustee Machado, seconded by Trustee Apoliona, moved to approve RM #16-05, that due to severe fiscal constraints and current funding shortfalls, the Committee on Resource Management does not recommend funding awards from OHA's FY 2016 Fiscal Reserve Authorization for the following FY 2016 grant proposals:

1. \$100,000 for La'i'Ōpua 2020
2. \$75,000 for Waimea Hawaiian Homesteaders' Association
3. \$15,000 for Lāna'i Culture and Heritage Center

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		2	X			
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY						<i>RECUSED*</i>
TRUSTEE COLETTE MACHADO	1		X			
TRUSTEE JOHN WAIHE'E			X			
CHAIR DAN AHUNA			X			
TOTAL VOTE COUNT			7	0	0	1

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

Motion passed with seven (7) YES votes, no (0) NO votes, no (0) abstentions, and one (1) excused.

*Trustee Robert Lindsey recused himself from discussion and voting on this item, due to a conflict.

Contract #3060

Chair Lindsey stated that for the discussion on the contract, Dr. Crabbe has waived executive session and will be held in open session. He added that the Trustees will still meet in Executive Session.

Trustee Machado shared the following statement:

After much thought and consideration the Board of Trustees must consider the following:

- (1) It is imperative that the BOT provide a workplace which is stable and supports continuity for its employees while maintaining OHA's overall mission and goals;
- (2) It is our kuleana to assure a safe and supportive environment for all of OHA;
- (3) The BOT must engage in best practices while sustaining morale and to relieve any unintended anxiety for employees due to uncertainty; and finally
- (4) The BOT must ensure that the process is viewed as fair and transparent.

Consideration and Discussion:

Option #1: Allow Employee Contract #3060 to end on June 30, 2016 if no action is taken

Option #2: Offer a new contract with specifications as determined by BOT

Option #3: Offer a new contract and undertake a search during the interim with the updated job description as stated in the Ad Hoc CEO Profile report.

Best Practices for the Transition:

- Direct administration to procure a search firm
- Appoint a Trustee search committee to screen candidates and provide a short list to be taken to the entire Board of Trustees
- Approve salary range to assist with recruiting
- Search firm should screen all applicants and forward top qualified candidates to Trustee search committee (possibly 5 to 10 applicants)
- Trustee search Committee will review candidates and forward to the full Board a maximum of 5 candidates for interviews
- Final approval by all Trustees at the Board of Trustee meeting.

The process could take up to a year; the current CEO could be offered a new contract during this time to provide for stability. The severance package could be worked out to allow the CEO an additional year or two, to be available to help the new CEO transition into the new position.

Alternatively, the COO (or any other qualified person) could be the interim CEO.

It is recommended that a statement be issued on the process that the Board will use in their search for a new CEO, the qualifications of a successful candidate and a timetable for implementation. This will show that the Board as well as OHA are focusing on the future and moving forward. The statement should also thank the current CEO and offer him a chance to add good words if possible and that we should look to the future, not the past.

Dr. Crabbe stated when he came to OHA in 2010 it took 6 months to decide to come. He came for several reasons, including helping Native Hawaiians with healthcare challenges. He highlighted several successes since he became CEO:

- Increasing grant funding
- Identify water challenges and the resulting OHA Water Policy
- The Advocacy working group to develop a framework and on ceded lands; and to address the PLT inequity of funding.

- An international engagement policy for OHA to advocate in the international arena
- Development of an OHA Leadership Academy to develop staff and future leaders
- OHA pursuit of co-trusteeship status of PMNM
- HR Educational Assistance Fund for staff professional development and post-secondary education.

What he would like to achieve together is: Greater integrity, credibility, and trust. When they are in rhythm, it increases the stature of OHA. He believes his contract renewal is not about him, but about the future of OHA. This is about moving to progressive change from a state agency to a Hawaiian agency rooted in cultural values. He believes it should also be about preparing for the future and not individual politics. He believes the Hawaiian people want OHA to succeed. He asked for consideration not just for his abilities, but also a commitment to address some of the challenges.

V. COMMUNITY CONCERNS

Leighton Tseu of the Royal Order of Kamehameha I spoke in support of Dr. Crabbe and recommended his continued employment at OHA.

Kalani Akana spoke on the CEO contract to urge the Trustees to renew the contract. He shared five reasons: leadership-building, staff capacity-building, bringing results and data-driven organization, coalition and collaboration, and his Kukulū Hou vision.

Joe Tassill spoke in support of renewal of the CEO's contract and noted that Dr. Crabbe has taken twice as far since becoming CEO. He believes Hawaiians will benefit from Dr. Crabbe's leadership. He also spoke about his concern of the high number of Native Hawaiians in prison.

Dr. Kekuewa Kikiloι spoke in strong support of contract renewal for Dr. Crabbe. He praised Dr. Crabbe's work to get the Ceded Lands database and plans for OHA's acquired lands. He believes Dr. Crabbe models himself in the way many young Hawaiians look up to.

Earl Kawa'a spoke in support of the CEO's contract. He praised Dr. Crabbe for being able to understand and communicate not just in the Hawaiian language, but also a Hawaiian way. He believes Dr. Crabbe brings Hawaiian knowledge to the job and to OHA.

Ty Kāwika Tengan, Associate Professor in Ethic Studies and Anthropology at UHM, spoke in support of the renewal of the contract of Dr. Crabbe for CEO. He stated Dr. Crabbe lends a level of credibility and accountability to OHA that many found lacking prior. The people in the community trust his leadership and people are all better for it. Refusing to renew his contract would likewise question the integrity and decision-making process of the Board and it would create instability at a time that OHA needs to be pa'a.

Ernie Cruz, Jr. spoke on the CEO's contract and urged renewal. He also spoke about concerns about Hawaiian culture and struggle. He supported Dr. Crabbe and renewal of his contract.

Noenoe Wong-Wilson spoke in support of the CEO's contract and provided written testimony. She urged not just renewal, but a long-term extension of five years.

Raynette Suganuma-Carlson shared her thanks to the Trustees for funding and support of the Native Hawaiian Roll Commission. She also thanked Dr. Crabbe for always being respectful, even when they disagreed.

Billy Richards spoke on the CEO’s contract and urged renewal. He praised Dr. Crabbe as a person you would want next to you on the field of battle, in the middle of a storm, or in the same canoe.

Bo Kahui spoke in support of renewing the CEO’s contract. He expressed disappointment that DHHL was not present.

VI. EXECUTIVE SESSION

Motion

At 11:31 am, Trustee Ahuna moved, seconded by Trustee Apo, to go into Executive Session to consider the following:

- VI. Executive Session**
 - A. Approval of Executive Session Minutes
 - 1) May 26, 2016
 - B. Consultation with Robert G. Klein, Esq. re: questions and issues pertaining to the board’s powers, duties, privileges, immunities, and liabilities regarding OHA’s Ad Hoc Committee on CEO Profile. Pursuant to HRS 92-5(a)(2) and HRS 92-5(a)(4).

TRUSTEE	1	2	‘AE (YES)	A’OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE LEI AHU ISA						X
TRUSTEE DAN AHUNA	1		X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE PETER APO		2	X			
TRUSTEE HAUNANI APOLIONA			X			
TRUSTEE HULU LINDSEY			X			
TRUSTEE COLETTE MACHADO			X			
TRUSTEE JOHN WAIHE’E			X			
CHAIR ROBERT LINDSEY			X			
TOTAL VOTE COUNT			8	0	0	1

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

Motion passed with eight (8) YES votes, no (0) NO votes, no (0) abstentions, and one (1) excused.

The Board went into Executive Session at 11:31 am and exited Executive Session at 12:58 pm.

VII. BENEFICIARY COMMENTS

Chair Lindsey read the following statement regarding the CEO’s contract:

I am pleased to announce that the Board has approved a new contract for CEO Kamana’o Crabbe. An Ad HOC Committee has been created to work out the details of the contract. For the Board, the decision, in large part, reflects a commitment to providing OHA employees with stable leadership at the top. The most important decision we make for this organization is selecting its

CEO. Our hope is that this decision inspires the confidence and support of our employees and beneficiaries. Mahalo.

Dr. Crabbe shared his gratitude to each of the Trustees and Chair Lindsey for consideration of a new contract for three years. He acknowledged the road has been filled with successes and challenges. Moving forward, he hopes to have the Board and Administration united to achieve OHA's mission. He noted this is a big duty and responsibility and that OHA will be able to obtain success together. He also thanked those who submitted testimony in support of him.

Trustee Apoliona stated it is a big step collectively.

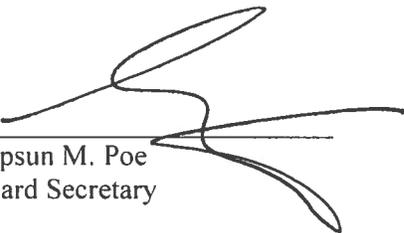
VIII. ANNOUNCEMENTS

Chair Lindsey announced the next Board meeting will be held on Thursday, July 13, 2016 at 11:00 am on Lāna'i.

IX. ADJOURNMENT

Having no further business, Chair Lindsey adjourned the meeting at 1:10 pm.

Respectfully Submitted,


Capsun M. Poe
Board Secretary

Approved by the Board of Trustees on August 11, 2016:

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