

**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, February 9, 2017, 10:00 a.m.**

I. CALL TO ORDER

The meeting of the Office of Hawaiian Affairs Board of Trustees was called to order by Chair Leina'ala Ahu Isa at 10:04 am. Those present were as follows:

Attendance

Trustee Leina'ala Ahu Isa, Chairperson
Trustee Dan Ahuna,
Trustee Rowena Akana
Trustee Keli'i Akina
Trustee Peter Apo
Trustee Carmen Hulu Lindsey
Trustee Robert K. Lindsey, Jr.
Trustee Colette Machado
Trustee John Waihe'e IV

Kamana'opono Crabbe, CEO
Robert G. Klein, Esq., Board Counsel

Excused

-None-

Staff Present

Claudine Calpito, Trustee Aide
Davis Price, Trustee Aide
Nathan Takeuchi, Trustee Aide
Maria Calderon, Trustee Aide
Paul Harleman, Trustee Aide
Liana Pang, Trustee Aide
Makana Chai, Trustee Aide
Lehua Itokazu, Trustee Aide
U'ilani Tanigawa, Trustee Aide
Jeremy Kama Hopkins, Trustee Aide
Kauikeaolani Wailehua, Trustee Aide
Dayna Pa, Trustee Aide
Laurene Kaluau-Kealoha, Trustee Aide
Lady Garrett, Trustee Aide
Alvin Akee, Trustee Secretary

Mehana Hind, COMM
Miles Nishijima, RM-LAD
Albert Tiberi, Corporate Counsel
Sterling Wong, COMM
Momilani Lazo

Others Present

Nathan Paikai
Wayne Nickens
Germaine Meyers
Landon Paikai
Dan Purcell
Kealii Makekau

II. BENEFICIARY COMMENTS

Mr. Nathan Paikai stated that he was asking the Lord for clarity and reminded Trustees' that they are representatives of the Kingdom of Hawaii. He shared that he felt like the spirit of Judas was still present to have Trustees' undermine each other like crabs in a bucket. He urged Trustees to not only speak about Ho'oponopono but to actually follow through with it by giving God the glory. We are all accountable for everything out of our mouths and God created the word "aloha." Trustees are the voice of the people and he is praying God will bring the Holy Spirit to make a clear conscience for all and remind everyone that removal can happen at any time. He will be praying for conviction and revelation for whoever is chosen so that they can co-exist and work on benefitting everyone. He is praying God Bless you all, shine on you all, and give shalom to grant peace and wisdom.

Mr. Landon Paikai stated that he fully discloses that he is the nephew of the previous speaker and his mother is a much-loved longtime employee of the Office of Hawaiian Affairs. He shared that his mom started working for OHA when he was born and she loves what she does. He can see the strength of the organization. He does not see the pilikia portrayed by the media. He explained that he sits today before the Trustees with a spirit of gratitude and he thanked everyone for the opportunity for a new start. He knows that the responsibility the Trustees carry is a heavy one but his comments are to reiterate and remind Trustees of their importance to their responsibilities. As a beneficiary he pledges to support, stand in solidarity, and keep Trustees in prayer especially since the decisions that are being made will affect his children. His children are proud to be Hawaiian and he submits his testimony on their behalf.

Ms. Germaine Meyers stated that keiki and kupuna mean so much to her personally and she submits her comments to protect keiki and kupuna. She shared copies of her written testimony (Attached) with Trustees. She asked that the Trustee re-instate Trustee Akana as the Chairperson and add Trustee Hulu Lindsey as her Vice Chairperson.

III. APPROVAL OF MINUTES

Trustee Waihee moved, and Trustee Ahuna seconded, that the Board approve the minutes of January 3, 2017 and January 4, 2017.						
TRUSTEE	1	2	‘AE (YES)	A‘OLE (NO)	KANALUA (ABSTAIN)	EXCUSED
TRUSTEE DAN AHUNA		X	X			
TRUSTEE ROWENA AKANA			X			
TRUSTEE KELII AKINA			X			
TRUSTEE PETER APO			X			
TRUSTEE HULU LINDSEY			X			
TRUSTEE ROBERT LINDSEY			X			
TRUSTEE COLETTE MACHADO			X			
TRUSTEE JOHN WAIHE‘E	X		X			
CHAIR LEI AHU ISA			X			
TOTAL VOTE COUNT			9			
MOTION: [x] UNANIMOUS [] PASSED [] DEFERRED [] FAILED						
Motion passed unanimously with (9) YES votes, (0) NO votes, and (0) abstentions, and (0) excused.						

IV. UNFINISHED BUSINESS

Chair Ahu Isa explained that Trustee Apo has suggested a process for selecting the Chairperson and she would like to proceed in this manner if the Trustees are in agreement. She outlined the following process:

A Proposal for Electing a Chair in a Public Meeting

Step 1: Ballot Nomination Each Trustee submits a nomination ballot containing the name of the person they nominate. It is appropriate for a Trustee to self-nominate.

Step 2: Clerk reads nominations and any trustee who is nominated who do not wish to be considered can request their name be withdrawn from consideration.

Step 3: Each nominated Trustee is then provided an opportunity to address the Board and the public to articulate their platform (10 minutes each).

Step 4: If more than two names are placed into nomination then successive ballots are voted, with the person(s) receiving the lowest number of votes being eliminated, until the ballot contains a final two nominations.

Step 5: The final two nominees then have a second opportunity to address the board (5 minutes).

Step 6: A final ballot is taken and the winner assumes the chairmanship.

Justice Klein advised that Chair Ahu Isa should ask if there is any objection from Trustees to following the suggested process.

There were no objections and a general consensus of Trustees was established.

The nomination process started and nominee names were collected and provided to Justice Klein to announce.

Justice Klein announced that there were a total of four nominations to serve as Chairperson. The nominees are Trustee Ahuna, Trustee Hulu Lindsey, Trustee Machado, and Trustee Ahu Isa.

Trustee Ahuna thanked the Trustees and shared that stability is the key. He wants people to know that there is stability and to achieve more it takes a good leader. He stated that his favorite saying is "although I may not be the best I am hard to beat." He noted that we all saw how everyone was able to vote together and whoever is the next Chair will have a tough position to fill. He is proud to serve alongside his staff Ms. Claudine Calpito, Mr. Davis Price as well as the Kauai office staff Kaliko and Noelani. He is also proud to represent his wife and children. OHA needs new leadership and we need to move forward from the instability of past issues and choose someone new. He shared that previously serving as the Vice Chair he knows what it takes to get the job done and would like others to vote for new leadership.

Trustee Akana stated that she would like to hear about where he would like to lead OHA as the Chair or any plans for the future such as two years from now. She is interested to have the nominees speak about their terms of development since she has not heard one thing from the nominee on where he would like to take OHA. She would like to hear his motivation for serving as the Chair.

Trustee Ahuna replied that before responding he would like to follow the process.

Chair Ahu Isa stated that its best to proceed by having all other nominees speak first and then once we are at the last two nominees there will be a question and answer portion.

Trustee Hulu Lindsey stated that she is the Maui Trustee and very proud to be. She loves her community and the support she receives from them. She serves as a Trustee with a full heart and is working for the future of Hawaii and its kupuna. As the Chair she comes to make decisions and bring stability to remove barriers amongst Trustees. She plans to lead and treat each Trustee with respect and will aim to repair the relationship with the OHA Administration. She is in support of training for employees on issues such as: Ethics, Procurement, Sunshine law, including Federal and State statues. She would like to divide the Resource Management Committee and re-instate the Land and Property Committee. The Board will need to work on reviewing policies and create areas to look at for research, health and “tread and butter” goals of our people. She looks forward to working on developing Kaka’ako Makai and would like to hire an internal auditor for OHA. She humbly asks for her fellow Trustees vote.

Trustee Machado is puiwa by the nomination and is thankful. She stated that she serves with a humble heart and will she reflect on comments shared by Ms. Meyers on contradictions she has found. She stated that during her tenure as Chairperson the issue of the CEO’s letter to Kerry was a contentious time because there was a meeting in executive session only to have one on one comments with our CEO. She stated that we cannot move forward if we do not understand how deep the hurt is and a unified effort by all Trustees to move forward. It is her belief that we cannot move forward if we cannot help one another. Trustee Hulu Lindsey raised several items that she tried to address during her tenure as the Chair and we as an organization will need to start to look at issues being raised such as salaries, un-funded fringe benefits, fiscal sustainability plan and the request for qualifications to conduct an audit. When she was elected to serve as an OHA Trustee in 1996 she did not anticipate that this would become a career for her but by the end of 2020 she will have served in OHA for 25 years. As the Chairperson she would like to bring fairness to the table and she commends beneficiaries for being relentless and not giving up for their beliefs. As Trustees we need to look deep into our hearts, put the swords down and work together.

Chair Ahu Isa stated that during the interim she has had an opportunity to reflect on what is the biggest challenge for OHA. She recently reflected on Trustee Apo’s Ka Wai Ola article on proposals to move OHA forward. She feels like the passion of the people has forced us to look into our situation with serious introspection but it is too bad it turned into an ‘us’ versus ‘them’ scenario. She will work to immediately address the contentious relationship between the Trustees and the CEO. A recent tagline featured in Pacific Business News says “responsive, respectful and resourceful,” this is a great message for OHA. She feels like she can really help OHA especially as we go through big things for public charter schools. OHA was established to be placeholder for the Hawaiian nation. The three things every Nation needs are language, culture and mission. Currently, there are over 18,000 Hawaiians who can speak our language and OHA has played a part to support that cause. As the Chair there will be a commitment to the sustainability plan and the audit which will help OHA understand its costs. She was surprised to learn that the Chair is the Chief Procurement Officer of OHA and responsible for managing the costs. Protection for Mauna Kea is a priority for her and she will continue to work to protect it from development.

The board fills out ballots. They are collected and Judge Klein tallies the votes.

Judge Klein announced that the top two nominees are Trustee Hulu Lindsey and Trustee Colette Machado. The final nominees have a second opportunity to address the board for five minutes.

Trustee Hulu Lindsey stated that she has nothing more to add to her previous comments rather she would like to reinforce that as Chair she is committed to removing barriers that divides us. She will work to be inclusive of all Trustees. As Hawaiians we are experiencing turbulent times and she will try to work to bring us together, to be able to talk to one another on issues so that our table is not explosive. She has an extensive background in government relations, private sector connections and love for our beneficiaries. First and foremost she has a strong desire to listen to the voices of our people. Their voices drive my

decisions and whenever I come to a very difficult issue I do turn to them. So the decisions I make on this board I'd like to think are the decisions of the beneficiaries that I represent.

Trustee Machado believes that the foundation is in place to do what is pono. It is never easy to be a policy setter and following the By-laws, policies and executive manuals will be critical to operate at the Board table. We rely on creditable staff that we can work with in harmony and unity and that we will work to achieve to not only mirror and reflect our desires but our beneficiary's desires. I would just say that if I am given a second chance what I know now and what I didn't know my first round I would certainly rely on you to provide me input and direction to do a better job, to represent that we have a solid foundation and that people will not criticize OHA and to look forward to what we come out with and that is all I have to say from my pu'uwai.

Trustee Akina thanked both nominees for standing for leadership. He pledged to work with both nominees to build a strong OHA to meet the needs of beneficiaries. He is in strong support of the financial audit. Together he would like to restore credibility to OHA. The recent proposal to go out to receive bids to conduct an audit will help OHA address fraud waste issues and identify if any fiscal abuse has occurred. The audit could still be derailed so he would like to know from each nominee what their commitment level as Chair is to ensure the audit proceeds.

Trustee Machado replied that she will place a lot of weight on the advisory committee tasked with looking into the request for qualifications. As the Chair she will ask for a replacement if selected as chair and she is in full support of the audit.

Trustee Hulu Lindsey agreed with Trustee Machado and will fully support the audit. She would like to clear misunderstandings about our operations and will work to build trust in beneficiaries. She believes wholeheartedly that everyone here wants to improve the lives of beneficiaries. She would like to make sure the audit goes forward.

Trustee Akana stated that when she served as the Chair she took the procurement officer duties back from the CEO. She highly suggests that the Chair maintain the procurement officer duty until everything is in place and they have an opportunity to review. She asked how each nominee would proceed with procurement related duties.

Trustee Machado stated that it is a loaded question. She explained that there are over 280 contracts in place under procurement and it is critical to realize if one office can provide the detailed review necessary. She would return the CPO responsibility to admin because there will be times when we can recall immediately. They have to defend what needs to be done, not limiting the Trustees participation.

Trustee Akana noted that for instance she reviewed contracts that were being submitted in the amount of \$145,000 to cover the cost of a money manager. Trustees are in charge of finances and staff should not be approving large amounts especially since there was no RFP. Employees of OHA are not fiduciaries and these types of payments should come before the Board for review. She reviewed everything and stayed from 8am to 8pm to make sure these items were being addressed.

Trustee Machado disagreed with Trustee Akana on her handling of inter-island travel approvals for Trustees to attend meetings.

Chair Ahu Isa asked them to wrap up the discussion so we could allow the other nominee a chance to respond.

Trustee Hulu Lindsey stated that she would initially hold onto the procurement but she would not hold back on all types of everyday approvals. It would be in the best interest of everyday items moved forward and she would depend on administration to do a lot of the work. Establishing working

committees to address the larger contracts could take place but it is the kuleana of the Trustees to make sure we carry the fiduciary duties and not overly burden the administration.

Trustee Akana shared that when she became Chair she met with OHA Corporate Counsel Ernie Kimoto and Judge Klein to discuss procurement. The administration was tasked with developing a chart on the delegation of duties but her office never received the chart.

Trustee Machado thanked her for clarifying and suggested that the process to develop the chart can be fulfilled.

CEO Kamañā'opono Crabbe stated that the administration issued three memorandums regarding the delegation of authority in addition to a memorandum from Corporate Counsel on procurement processes in order to get the Chief Procurement Officer provide an appropriate decision in terms of their power. It was difficult to finalize since we did not get the direction or guidance of the former Chair Akana.

There were no further comments. The board fills out ballots. They are collected and Judge Klein tallies the votes.

Judge Klein announced that Trustee Colette Machado has received the most votes and will serve as the new Chairperson for OHA.

Trustee Machado thanked the board for their vote of confidence. We all have to work harder together with love and unity in our hearts.

Judge Klein stated that there are few more items on the agenda so the new chair can take over.

Chair Colette Machado stated that we are still on the new business IV. B. Assignment of Committee chairpersons and vice chairperson. In a democratic process we can begin to look at, we have two standing committees we have the RM Committee and the BAE. Let's do it the same way, give us more slips, and pass it around and look at nominations to serve as the RM Committee and we will go through the process to elect a Chairperson for the RM Committee.

Trustee John Waihee stated that selection of the vice chair should be done.

Chair Colette Machado clarified that she has been corrected by her colleagues, that we should elect the vice chair of the board. We are now looking for nominees who can serve as the vice chair.

Judge Klein asked for clarification that if someone gets five votes can we make that the final decision.

There is consensus at the table that this will be the process.

The board fills out ballots. They are collected and Judge Klein tallies the votes.

Judge Klein announced that no one achieved 5 votes. There is a tie for the top two and a tie for the last two. He asks how they would want to proceed.

Chair Colette Machado stated that we would want the top two.

Judge Klein asked the board if this is fine and there is consensus around the table to proceed with the top two. He stated that it is a tie between Trustee Carmen Hulu Lindsey and Trustee Dan Ahuna.

Trustee Carmen Hulu Lindsey stated that she is interested in the stability and continuity of the RM Committee and with the permission of the board I'd like to give the vice chair to Trustee Dan Ahuna.

Judge Klein stated that Trustee Carmen Hulu Lindsey concedes and the vice chair will be Trustee Dan Ahuna.

Chair Colette Machado announced that in a like manner the first committee that is up for consideration is the RM Committee. You have heard from Trustee Carmen Hulu Lindsey that she would like to chair the committee.

Trustee Peter Apo stated that he would like to decline any nominations to any of the positions just in case.

The board fills out ballots. They are collected and Judge Klein tallies the votes.

Judge Klein announced that Trustee Carmen Hulu Lindsey received 9 votes.

Chair Colette Machado congratulated Trustee Carmen Hulu Lindsey for a unanimous vote. In the similar manner we are looking for someone to vice chair with Trustee Carmen Hulu Lindsey are there some recommendations you would like to consider?

Trustee Carmen Hulu Lindsey stated that she would like to put it to a vote.

Chair Colette Machado stated that we will do a nomination for the vice chair of the RM Committee but she would like to nominate Trustee John Waihee.

Trustee Carmen Hulu Lindsey asked Trustee John Waihee if he is willing to serve.

Trustee John Waihee stated that he is willing.

The board fills out ballots. They are collected and Judge Klein tallies the votes.

Judge Klein announced that it is unanimous Trustee John Waihee will be vice chair for the RM Committee.

Chair Colette Machado asked Trustee Robert Lindsey if he is willing to serve as the Chair of the BAE Committee.

Trustee Robert Lindsey stated that he is willing.

Chair Colette Machado asked the board if we should vote now and come back to do the vice chair.

(Conversation is indiscernible)

Judge Klein stated that you change the voting to a show of hands as long as you have five votes.

Chair Colette Machado asked for a show of hands.

Trustees Ahu Isa, Ahuna, Apo, Carmen Hulu Lindsey, Robert Lindsey, Waihee and Machado raised their hands in support.

Chair Colette Machado asked Trustee Dan Ahuna if he would serve as the vice Chair.

Trustee Dan Ahuna stated that he is willing.

Chair Colette Machado asked if there are any objections. Hearing none let me review the committee chairmanship, RM Committee Chair is Trustee Carmen Hulu Lindsey and the vice chair is Trustee John Waihee, BAE Committee Chair is Trustee Robert Lindsey and the vice chair is Trustee Dan Ahuna. That constitutes our leadership of the Board of Trustees. The vice chair of the BOT is Trustee Dan Ahuna and I am the newly elected Chair. I thank you for your confidence in this new leadership and may God be with us. Bless us all.

Trustee Peter Apo thanked our beneficiaries for helping us through a really tough time. I think the healing has begun, I think the process that we elected in openness and offering the opportunity for us to look each other in the eye, to talk story, it was fair and open. I think we are on our way to a great new future it marks hitting a reset button on a lot of important issues so I thank all of you and especially our beneficiaries for stepping forward and helping usher us through this.

Trustee Dan Ahuna congratulated Chair Colette Machado. It is important that what you saw on the table today is very important to our beneficiaries. What is going on today is people are behaving positive and that is what we look forward to in your leadership in the future. Thank you Trustee Leina'ala Ahu Isa for doing all of this.

V. ANNOUNCEMENTS

VI. ADJOURNMENT

Trustee Dan Ahuna moves to adjourn the meeting.

Trustee Carmen Hulu Lindsey seconds the motion.

Chair Colette Machado notes a unanimous consensus and the motion carried.

The meeting was adjourned at 11:35 am.

Respectfully Submitted,



Dayna Pa
Board Secretary

As approved by the Board of Trustees on March 9, 2017.



Colette Machado
Chair, Board of Trustees

Attachment: Testimony of Germaine Meyers