

Minutes of a Regular Meeting
of the Members of the
Hawaii Community Development Authority
State of Hawaii

Wednesday, October 4, 2017

GENERAL BUSINESS

I. CALL TO ORDER/ROLL CALL

A regular business meeting of the Members of the Hawaii Community Development Authority (“Authority” or “HCDA”), a body corporate and a public instrumentality of the State of Hawaii, was called to order by John Whalen, Chair of the Authority, at 9:04 a.m., October 4, 2017, at Authority’s principal offices at 547 Queen Street in Honolulu, Hawaii, 96813, pursuant to Article IV, Section 1 of the Authority’s Bylaws.

Members Present:

1. John Whalen
2. Phillip Hasha
3. Beau Bassett
4. Wei Fang
5. Derek Kimura
6. Jason Okuhama
7. Shirley Swinney
8. Mary Pat Waterhouse
9. David Rodriguez
10. Kathy Sokugawa
11. Donna Camvel
12. Amy Luersen
13. JoAnn Leong

Members Absent:

William Oh
Michael Golojuch
Laurel Johnston
Maeda Timson

Others Present:

Jesse Souki, Executive Director
Garett Kamemoto, Communications and Compliance Officer
Lori Sunakoda, Deputy Attorney General
Deepak Neupane, Kakaako Planning Director
Tesda Malama, Kalaeloa Planning Director
Lindsey Doi Leaverton, Asset Manager
Francine Murray, HCDA Specialist
Tommilyn Soares, Secretary

Chair Whalen welcomed everyone and congratulated new appointed Members: Ms. Maeda Timson, Kalaeloa Board Member; Dr. Jo Ann Leong, Heeia Board Member; and Mr. Phillip Hasha, Kakaako Board member and also reappointed board members Mr. Jason Okuhama, Kakaako Board Member, and Ms. Donna Camvel, Heeia Board Member.

II. APPROVAL OF MINUTES

The minutes of the August 2, 2017, and September 6, 2017 meeting were approved as presented.

III. ACTION ITEMS

Hawaii Community Development Authority Financial Position Task Force Update.

Member Mary Pat Waterhouse, Chair of the Financial Position Task Force provided an update and mentioned some of the goals that were identified and voted on include:

- Goal 1, completion dates of a community development district;
- 2018 Legislative Budget Request for HCDA's operating expenditures and CIP requests; and
- Consultant to review HCDA's financial state.

Member Waterhouse provided background information on the funding for staff positions and said that historically positions were funded through a legislative CIP (bond funds); however, for FY 2017 - 2018 the legislature appropriated General CIP Funds and recommended HCDA's Revolving Fund provide staff salaries beyond FY 2018. Member Waterhouse noted that the task force met in September and invited staff members from the Department of Budget and Finance who provided information on HCDA's revolving fund and its restrictions. Member Waterhouse stated that the task force found that it will not be feasible that staff positions be funded by its revolving funds and that the task force recommends the legislature appropriate general funding. She also reminded members that one of the goals of the task force is to maintain legislative funding for the 19 staff positions.

Member JoAnn Leong asked if the task force received an analysis list of positions?

Member Waterhouse responded no.

Mr. Jesse Souki mentioned that the organizational chart is included in the new board member binder and that staff will disseminate it to other board members if they do not have it.

Member Basset reminded (and stated for those who were absent at the last meeting) board members that the language of the motion (at the September 6, 2017 meeting) for Goal 1, regarding completion dates was amended, as there was concern with the use of language, as it inferred all districts have a completion date.

Member Waterhouse noted that the Financial Consultant (the board authorized to review the financial state of HCDA) is working on its report.

Member Bassett asked who the consultant is?

Member Waterhouse said, Colliers.

Member Waterhouse asked if there were any other comments or questions on the Financial Task Force update.

Mr. Souki mentioned that he will be stepping away from the board meeting for a while to attend a Department (DBEDT) meeting with the Ways and Means Legislative Committee to discuss the draft of the 2018 budget request. Mr. Souki stated he will highlight the Authority's budget recommendations as discussed and voted on.

There was no other comments or questions by the authority members, or public testimony.

IV. **PERMITTED INTERACTION GROUP**

Recommendation of the Executive Director Evaluation Performance Task Force Regarding the Process and Schedule for Review.

Chair Whalen mentioned that the last Executive Director evaluation was completed in 2014 and it is usually conducted once a year; however, the previous Executive Director retired and an Interim Executive Director was named until December 2016 when Jesse Souki, current Executive Director was hired. This task force was formed and authority members were named at its September 6, 2016 meeting.

Due to the confidentiality of the matter, Chair noted that the authority will discuss the recommendation of the task force in an executive meeting.

Chair Whalen called for Public Testimony.

There was no public testimony.

Member Swinney motioned for the Authority to enter into executive session pursuant to Hawaii Revised Statutes Section 92-5(a)(2), to consider the evaluation of an officer or employee, where consideration of matters affecting privacy will be involved.

Member Basset seconded.

Chair Whalen called for a voice vote. All members unanimously approved entering executive session.

Chair Whalen recessed the regular meeting at 9:20 a.m.

Pursuant to Section 92-5 (a) (4), Hawaii Revised Statutes, the Authority convened in
Executive Session at 9:20 a.m.

Chair Whalen reconvened the meeting at 10:16 a.m.

V. **REPORT OF THE EXECUTIVE DIRECTOR**

2018 Legislative Update.

Mr. Souki highlighted HCDA's 2018 legislative proposal that will include law enforcement authority.

Member Swinney asked if there are restrictions on setting up encampments.

Mr. Souki responded yes; however, the current civil rules do not allow criminal trespass for enforcement to remove violators. HCDA can only provide a notice of violation.

Chair Whalen mentioned that there are civil fines that work for the City and County, as they are allowed to include a lien on property; however, (the state) HCDA will need both civil and criminal rules to conduct enforcement.

Mr. Souki explained the Sheriff is clear that they cannot enforce civil rules, but when the park is closed the Sheriff can enforce existing trespassing laws; however, other issues like property storage start to arise.

Member Leong asked with a Criminal Trespass, can a violator be put in jail?

Mr. Souki responded yes, but HCDA's interest is not prosecution, but deterrence.

Member Sokugawa asked if staff can elaborate on the violations and fines and why it is not working. Is it because the fines are not being paid or is it because the violators are not moving? She also noted a program where the City can attach outstanding fines to driver's license withholding, real estate, etc., and that HCDA may want to consider City rules and refine its rules to allow similar fines.

Mr. Souki explained that the violations are not working, because the encampments are not moving.

Member Rodriguez suggested that HCDA may want to conduct a Request for Proposal to help activate the park in hopes of avoiding any encampments.

Mr. Souki noted that there are currently active uses, like food trucks. Also, the Filipino Fiesta and others are interested in holding events at the park which will help activate the area; however, HCDA would like to get to a point where the missing component of criminal trespass enforcement will be effective.

There was no further comments or questions by board members or the public.

Information: Monthly Financial Report for August 2017.

Mr. Souki deferred to the report and information provided in the board packet.

Member Fang asked why the variances on the first page for Kakaako and Kalaeloa are significantly less.

Member Waterhouse responded that some of the positions are now filled and the amount also reflect rent for the Kalaeloa Field Offices.

There was no further discussion or public comments.

V. ADJOURNMENT

Chair Whalen adjourned the meeting at 10:39 a.m.

Approved and Submitted by,



John P. Whalen, Chairperson

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Date Approved by the HCDA Board