

**AGRIBUSINESS DEVELOPMENT CORPORATION**

Minutes of the Board of Directors Meeting held Virtually on May 30, 2023

Via Zoom Teleconference and/or In-Person at 235 S. Beretania St., Rm. 204, Honolulu, HI 96813

*Pursuant to section 92-3.7, Hawaii Revised Statutes (HRS), this meeting was held remotely with Board members, Staff, Applicants, and the Public participating via Zoom meeting venue, and an In-Person meeting location available for public participation at the State of Hawaii, Leiopapa A Kamehameha, State Office Tower Building, 235 S. Beretania St., Room 204, Honolulu, HI 96813.*

**Members Present, virtually:**

Warren Watanabe, Member-At-Large, Vice-Chair (Vice-Chair)  
Glenn Hong, Member-At-Large (Mr. Hong)  
Jason Okuhama, Member-At-Large (Mr. Okuhama)  
Karen Seddon, Member-At-Large (Ms. Seddon)  
Lyle Tabata, Kauai County Member (Mr. Tabata)  
Jayson Watts, Maui County Member (Mr. Watts)  
Dane Wicker, Designated Representative, DBEDT, for Ex-Officio Member James Tokioka (Mr. Wicker)  
Kaleo Manuel, Designated Representative, DLNR for Ex-Officio Member Ms. Dawn Chang (Mr. Manuel)  
Leo Obaldo, Designated Representative, HBOA, for Ex-Officio Member Sharon Hurd (Mr. Obaldo)

VACANT, City & County of Honolulu Member

VACANT, Hawaii County Member

**Members Excused:**

None

**Counsel Present, virtually:**

Delanie Prescott-Tate, Deputy Attorney General (Ms. Prescott-Tate)

**Staff Present, virtually:**

Mark Takemoto, Acting Executive Director  
Ken Nakamoto, Project Manager  
Lyle Roe, Property Manager

**Guests Present, virtually:**

ADC Guest  
WAM Staff  
F Fuchigami  
L Marushige

**Guests Present, physical location:** None.

**A. Call to Order**

Vice-Chair called the virtual meeting to order at 3:32 p.m.

**B. Roll Call**

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Vice-Chair conducted a roll call of the Board. Vice-Chair called the name of each board member and asked them to identify their presence with a “here” or “present” and to state who if anyone was present in the room with them. Vice-Chair stated that the roll call served as the roll call vote, and for each subsequent vote, the Vice-Chair would ask if there were any objections. If there were no objections the motion will be approved on the same basis as the roll call.

Roll call: Mr. Hong, Mr. Obaldo, Mr. Manuel, Mr. Okuhama, Ms. Seddon, Mr. Tabata, Mr. Watts, and Mr. Wicker acknowledged attendance with no guests present.

### **C. Approval of Minutes**

1. None

### **D. New Business**

#### **1. Presentation of executive director hiring process and timeline by the Executive Director Search Committee; and appointment of new member(s) to the Executive Director Search Committee**

##### **a. Presentation of Executive Director Hiring Process and Timeline by the Executive Director Search Committee**

Vice-Chair announced that effective May 25, 2023, Chair Fred Lau (former Chair Lau) resigned from the ADC Board of Directors so he could apply for the Executive Director position. Article 3, section 4 of the ADC Bylaws states that should the office of the chairperson become vacant, the Board of Directors shall fill the vacancy by electing another chairperson from among its members.

Article 3, section 2 of the ADC Bylaws further states that elections to fill vacancies shall be held at the meeting at which the vacancy was officially declared to exist.

However, due to the notice requirement under the Sunshine Law, section 92-7(b), Hawaii Revised Statutes, the election to fill the vacancy of the chairperson will be held at the next regular Board Meeting on Thursday, June 15, 2023.

In the absence of the chairperson, article 3, section 2 of the ADC Bylaws states that the vice-chair shall perform the duties of the chair.

Accordingly, as acting Chair and as a member of the executive director search committee, Vice-Chair provided the presentation of the executive director hiring process and timeline.

At the regular board meeting held on May 18, 2023, former Chair Lau asked the Board to approve the establishment of an Executive Director Search Committee, pursuant to section 92-2.5, HRS, and article 4, section 3 of the ADC By-Laws, and to give the Chair authority to appoint four members to the committee. Former Chair Lau asked that the Executive Director Search Committee be comprised of Vice-Chair, Ms. Seddon, Mr. Tabata, and Mr. Wicker, and that the committee be tasked with six responsibilities:

1. The Committee shall develop an application process for non-civil service applicants.
2. The Committee shall develop a solicitation/advertisement for the position of executive director.

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3. The Committee shall select a method of posting the solicitation/advertisement and post the solicitation/advertisement.
4. The Committee shall develop criteria for ranking the applicants.
5. The Committee shall accept the applications and conduct initial review and ranking of the applicants; and
6. Depending on the number of valid applications received, the Committee shall narrow the selection to the top two candidates and report their findings to the Board.

The Board unanimously approved former Chair Lau's request.

Shortly after the committee was established, a member of the Executive Director Search Committee wanted clarification of the committee's assigned tasks. Before a meeting to clarify the committee's duties could be scheduled, former Chair Lau resigned from the Board in order to apply for the executive director position. This raised a question about the propriety of allowing a committee of board members hand-picked by the chair, to also make a hiring recommendation for the executive director position, where former Chair Lau was an applicant.

The question was submitted to the State Ethics Commission.

After close of business on Friday, May 26, 2023, the State Ethics Commission responded in pertinent part as follows:

It is likely that the public would question Mr. Lau's actions as impacting the fairness or propriety of the hiring process, resulting in erosion of confidence in government. . . . It is the Commission staff's strong recommendation to disregard any proposal provided by the current search committee, and instead start the process anew without consideration of any involvement or action by Mr. Lau in establishing the executive director search. This may mean, for example, that the Board establishes a reconstituted committee to conduct the executive director search. Removing Mr. Lau's involvement in the search process reduces the appearance of impropriety and, hopefully, creates an objectively fair procedure.

Based upon the advice of the State Ethics Commission, Vice-Chair proposed that the Executive Director's Search Committee appointed by former Chair Lau, be dissolved and a new three- or four-member Executive Search Committee be reconstituted with the following directives:

1. The Committee shall develop an application process for non-civil service applicants.

For example: does the committee want the applicants to fill out an application form or just send in a resume? There's a non-civil service form used to apply for State of Hawaii jobs – form # HRD 278. Does the committee want to list a salary range or just base the salary on experience/education? Decide what type of information the applicant should provide to assist the committee's review process.

2. The Committee shall develop a solicitation/advertisement for the position of executive director.

The committee shall create a job description for the executive director position. The job description must be approved by DBEDT director pursuant to HRS section 26-35(a)(4).

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For example, the committee shall decide if the job description/solicitation will be appropriate for all advertising methods or if separate job descriptions are necessary for each type of solicitation, such as formal letter request, or an advertisement like in a newspaper or agricultural newsletter, or email request to organizations asking for interested parties to apply, or just on the State job site.

3. The Committee shall select a method of posting the solicitation/advertisement and post the solicitation/advertisement.

The committee shall select how the job solicitation will be posted. For example, should the job solicitation only be posted on the state job site; or also on the ADC/HDOA/DBEDT/etc. websites, newspaper, farming associations, other local job search engines. The committee shall decide how long the solicitation/advertisement should be posted. The minimum amount of time the job solicitation must be posted is four working days.

4. The Committee shall develop criteria for ranking the applicants.

For example, the committee should decide what skills, education, work history, personality, salary expectations, etc. are important. What qualities would the committee like to see in the next executive director. Create a ranking system and develop a timeline for completing the ranking system.

5. The Committee shall accept the applications and conduct initial review and ranking of the applicants.

When the applications come in, the committee shall review the applications. For example, the committee can decide whether to do in-person interviews of all the applicants, or just a few of the more promising applicants, or just review the applications. Rank all the applicants according to the ranking criteria. Develop a timeline for completing the applicant review.

6. The Committee shall narrow the selection of the top two or three candidates and report their findings to the Board.

Select the top two or three candidates.

Once the above six steps are completed, the committee shall write a report that describes how the two or three applicants were selected (how the committee accomplished the six steps). The report should conclude with the committee's findings and recommendations. For example, the report may suggest how the full board could complete the final selection, like have the candidates make a presentation to the board, or conduct further interviews by the entire board, or just select the person based on the committee's findings and recommendations.

The committee's report, which shall include the findings and recommendations, is presented at a duly noticed board meeting. At this meeting, the Board discusses the report and findings and recommendations. The Board decides how to select the final candidate. If the Board wants to conduct personal interviews with each of the two or three candidates this can be done in executive session to protect the individual's privacy interest as allowed by HRS sections 92F-14(b)(4) and 92-5(a)(2).

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At the next duly noticed meeting the Board deliberates and selects the new executive director.

**b. Appointment of New Members to the Executive Director Search Committee**

Vice-Chair called for a Motion to approve the dissolution of the Executive Director Search Committee appointed by former Chair Lau comprised of Vice-Chair, Ms. Seddon, Mr. Tabata, and Mr. Wicker, and allow the Vice-Chair to appointment three new members to a reconstituted Executive Director Search Committee?

Motion to approve: Ms. Seddon; Seconded: Mr. Tabata.

Vice-Chair asked if there was anyone from the public who wished to give testimony. There were none.

Vice-Chair asked if there was any board discussion. There was none.

Vice-Chair called for the vote. Hearing no objections the motion was approved: 9-0.

Vice-Chair said that although the approval of the motion gave him the authority to appoint new members, he would prefer to take any volunteers.

Mr. Watts volunteered.

Mr. Wicker also volunteered.

Ms. Prescott-Tate interjected that Mr. Wicker's volunteering might raise the appearance of impropriety because he was on the previous committee that was chosen by former Chair Lau.

Mr. Wicker stated that he was absent from that meeting so would that still be an impropriety?

Ms. Prescott-Tate said he was appointed to the selection committee, so yes.

Mr. Wicker asked if not him, could another representative from DBEDT be there as their DBEDT designee?

Ms. Prescott-Tate responded, if they cannot get enough volunteers that could fill the positions today that may be a consideration and asked if they could get just a couple of more volunteers.

Mr. Okuhama said he would volunteer.

Ms. Seddon asked who are the three volunteers?

Vice-Chair said they have two volunteers, Mr. Watts and Mr. Okuhama.

Ms. Prescott-Tate asked if one more person could volunteer.

Ms. Seddon suggested that Mr. Hong volunteer.

Mr. Hong acknowledged Ms. Seddon's suggestion and added if Vice-Chair would like to appoint him, he will do it.

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Vice-Chair said yes, he was planning on appointing Mr. Hong anyways if there were no further volunteers.

Ms. Prescott-Tate said three was enough.

Vice-Chair said, to reiterate, the reconstituted committee consists of Mr. Watts, Mr. Okuhama, and Mr. Hong. Vice-Chair thanked them for volunteering.

**E. Old Business**

1. None

**F. Acting Executive Director's Report**

1. None

**G. Adjourn**

Having no further business before the Board, Vice-Chair called for a Motion to Adjourn: Ms. Seddon; Seconded: Mr. Watts.

Vice-Chair asked if there was any discussion. There was none.

Vice-Chair called for the vote. Hearing no objections the motion was approved: 9-0.

The meeting was adjourned at 3:51 p.m.

**Date of Next Meeting:** The next meeting will be held on June 15, 2023, at 9 A.M.