

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

Wednesday, January 6, 2016

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 9:12 a.m., January 6, 2016, 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: Beau Bassett
William Oh
Mary Pat Waterhouse
David Rodriguez (DOT)
Jason Okuhama
Steven Scott
Shirley Swinney
Scott Kami
Michael Golojuch, Sr.
George Atta
John Whalen

Members Absent: Amy Luersen
Donna Camvel
D. Kalani Capelouto

Others Present: Aedward Los Banos, Interim Executive Director & ASO
Lindsey Doi, Compliance Assurance & Community Outreach
Officer & Asset Manager
Deepak Neupane, Kakaako Planning Director
Tommilyn Soares, Secretary
Laura Savo, Court Reporter
Shelby Hoota, Media Specialist
Michael Wong, Deputy Attorney General
Lori Sunakoda, Deputy Attorney General

II. APPROVAL OF MINUTES

1. Kakaako, Kalaeloa and Heeia Regular Meeting of November 4, 2015

There were no comments or corrections to the meeting minutes of November 4, 2015. Minutes were approved as presented.

III. REPORT OF THE EXECUTIVE DIRECTOR

Interim Executive Director, Aedward Los Banos presented the report contained in the board packet and the HCDA Summary Financial Report for November 2015.

He noted necessary upgrade in computer equipment purchases will be conducted. He also provided an update on the Homeless enforcement within HCDA parks and stated, of the \$287,000 general fund infusion, HCDA has encumbered \$225,000 for the contractor and equipment and supplies. A draft request for proposals for consultants to Executive Director Search, as advised by the State Procurement Office, staff completed a Request for Proposals draft and will post once the appropriate approvals signatures are acquired.

Chair Whalen noted for the board that there are currently six members that have been named to the ED search committee. Four board members, John Whalen, Jason Okuhama, Mary Pat Waterhouse and Amy Luersen. Two community members, Sharon Moriwaki representing Kakaako, Maeda Timpson representing Kalaeloa. Chair Whalen stated that it was also suggested that Jan Yokota, former Director would be a valuable member and addition to the task force. There are now a total of seven members included in the Executive Director Search Committee. The members will be assisting with the evaluation of potential contractors to conduct the recruitment. Chair Whalen also requested staff to send the position description, solicitation, and any other information re: RFP to all search committee members.

KALAELOA update: The latest update in regards to the stockpile notice of violation in Kalaeloa, is that the test results revealed there is no indication of contamination.

ED/FINANCIAL REPORT: Mr. Los Banos presented the financial report. Member Waterhouse asked what the \$838,000.00 was for, listed under the leasing and management expenditures on Exhibit B. Mr. Los Banos confirmed it includes the American Brewery Litigation, TOD project and the Park Plan.

Chair Whalen stated and acknowledged HCDA staff have been conducting homeless enforcement in the early morning hours. Member Swinney asked if the storage of the homeless property issue had been resolved. Mr. Los Banos confirmed the HCDA, for the most part, mirrored the City and County of Honolulu's rules and that whatever has been stored will be held for 30 days.

Mr. Los Banos highlighted Exhibit C, the current right of entry list and noted it's a rough draft but wanted to bring it forward as board members requested that be included as part of the Executive Director monthly report. Member Bassett questioned the KUPU 30 + 10 year lease. Mr. Los Banos reiterated Exhibit C is a draft and that the KUPU line was a placeholder and noted he understands the board did not approve that and staff will work to

revise and include any updates. Member Kami requested adding in lease revenue for each item listed.

Member Atta asked Mr. Los Banos to clarify the issue with the Kalaeloa stockpile. After the study determined it was not hazardous material, it was stated the DOH approved leaving it in place? Typically stockpiling and grading is either a Soil and Water Conservation District or a Department of Planning and Permitting approval. Mr. Los Banos clarified DOH expressed interest in knowing what was in the pile and they indicated that they did want some hauled away. So the next step was to see if DOH was okay with the stockpile being left there so that HCDA staff can then proceed with the permitting for grading through the Department of Planning and Permitting.

There were no other comments, questions or discussion among board members.

No public comment or testimony were received.

IV. AUTHORITY BUSINESS

2. Status Report: Authority Budget Task Force

Mr. Los Banos stated for the board, the current members participating on the budget task force are: Shirley Swinney, Tracy Ban, Beau Bassett and Mary Pat Waterhouse. The objective of the task force were to determine priorities for HCDA's 2016 legislative budget in preparation and process for the 2016 legislative session. The latest update on the Governor's Executive Budget proposal for HCDA included funding for 19 staff position and the Kalaeloa Energy Corridor. The Kakaako Parking Structure and the Heeia EIS did not make the Governor's priority list, but it could possibly be resurrected during the legislative session. Mr. Los Banos also informed the board that he will be meeting with the House Finance Budget Analyst.

Member Waterhouse commented in addition to Mr. LosBanos' report, the budget task force really wanted to understand the plan that the legislature was provided. Those revolving fund budget plans typically get submitted every year and maps out a 4 to 5 year plan which does not need to be approved by the legislature and to also look at the budget plan that Tony Ching provided a few months ago. Member Swinney stated during the budget task force sessions, members have been trying to understand the complexity of the budget and are working to simplify it so one can understand it a little easier.

There were no comments received from the public.

3. Decision Making: Shall the Authority Approve the Final Audited Financial Statements for Fiscal Year Ended June 30, 2015?

Interim Executive Director, Aedward LosBanos provided a summary of the HDCA financial audit for fiscal year ending June 30, 2015 and stated it's a clean report and there were no major errors or findings, which is good news. Mr. Los Banos introduced Mr. Marshall Sato, of Ohata Chun Yuen, the auditor who conducted the

audit. Mr. Sato is in the audience to answer any detailed questions the board may have.

Mr. Sato made a statement and noted for the board that the major difference he can highlight compared to prior years was the net pension report liability that was effective for June 2015.

Mr. Los Banos highlighted for the board that the HCDA's 19 of 23 positions are funded by bond funding. If the proposed budget for general fund moves forward, the 19 positions will be funded through the state general fund vs. its current bond funding.

Chair Whalen stated the auditor is retained by the state Office of the Auditor and not by HCDA. Chair Whalen also questioned if the authority will be approving vs. accepting the audit.

Mr. Sato recommended that the accounting system for HCDA, moving forward should be changed beyond a basic excel spreadsheet program.

Chair Whalen entertained a motion, shall the authority approve the final audited financial statement for fiscal year ending June 30, 2015. Member Swinney made a motion, and Member Okuhama seconded. Interim Executive Director Aedward Los Banos conducted the roll call vote. The motioned passed with nine votes for the motion, zero against and four excused.

V. ADJOURNMENT

1. Chairperson Whalen adjourned the regular meeting at 10:18 a.m.

Respectfully submitted,

/s/
John Whalen
Chair

Note: The transcript of this meeting contains a verbatim record and should be consulted if additional detail is desired.