

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

Wednesday, December 7, 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 9:00 a.m., December 7, 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:

Wei Fang
John Whalen
Jade Butay
Jason Okuhama
Steven Scott
Mike Golojuch, Sr.
Shirley Swinney
Amy Luerson
Beau Bassett
Scott Kami
Derek Kimura

Members Absent:

Mary Pat Waterhouse
Donna Camvel
Art Challacombe
William Oh
D. Kalani Capelouto

Others Present:

Jesse Souki, Executive Director
Aedward Los Banos, Administrative Services Officer
Mike Wong, Deputy Attorney General
Diane Taira, Deputy Attorney General
Lindsey Doi, Asset Manager
Deepak Neupane, Kakaako Planning Director
Tesda Malama, Kalaehoa Planning Director
Tommilyn Soares, Secretary
Laura Savo, Court Reporter

II. APPROVAL OF MINUTES

1. General Special Meeting of November 23, 2016

Minutes were approved as presented.

III. REPORT OF THE EXECUTIVE DIRECTOR

Hawaii Community Development Authority (HCDA) Project Updates and Activities that relate to:

- a. Monthly Financial Report for October 2016 (Exhibit A)

Executive Director, Jesse Souki deferred to the report provided in the board packet.

There were no comments from the public or board members.

IV. AUTHORITY BUSINESS

2. Decision Making: Shall the Authority Approve the Audited Financial Statements for Fiscal Year Which Ended on June 30, 2016?

Mr. Aedward Los Banos, Administrative Services Officer, summarized the draft audited financial reports that was emailed to board members. He identified that due to pending information at the state level, the draft report is currently incomplete however the pending information has no impact on the HCDA-specific information. He further qualified the pending information was related to disclosures that present state-wide information. Mr. Los Banos also noted that the pending information would not affect the ultimate outcome of the audit, calling it a 'clean report.'

Due to certain deadlines imposed by the Department of Accounting and General Services (DAGS) to meet other deadlines, it was their desire that the Authority approve the draft. Mr. Los Banos stated that it is also staff's recommendation to approve the draft report on the basis that no HCDA-specific information is affected in the finalization process. Mr. Los Banos also introduced, CW Associates, the auditing firm that conducted the audit, who was also available to answer any questions board members may have on the current circumstances, or the report itself.

Member Luersen asked if there were any letters to management regarding improving practices that would be part of the audit? Ms. Terri Fujii, Audit partner with CW Associates and Mark Inafuku, Audit Manager introduced themselves. Ms. Fujii stated they do not have any significant deficiencies or material witnesses in the management letter. The only comment is to continue with the implementation of HCDA's own accounting software so that it can maintain records internally. Mr. Los Banos stated that will be a priority to get that underway.

MOTION

Member Butay motioned for the board to approve the audited financial statements for fiscal year which ended June 30, 2016.

Member Golojuch seconded the motion.

Mr. Los Banos conducted the roll call vote. Motion passed with nine votes, one abstain and four excused.

- 3. Information and Discussion: Update Report: 2017 Legislative Taskforce. Review of positions previously taken by the HCDA and update on Legislative Taskforce Proposed Timetable and Goals.

Mr. Garett Kamemoto provided a report for the board members and provided some subjects that may come up for the board to take positions on that include, transient-oriented districts, homelessness, permit process some may include CIP requests and others related to infrastructure development. Also, bills that repeal special funds have also been introduced that would have an impact on HCDA. The idea would be to respond to measures as they come up. Staff can return to the board in January with some proposals or general position statements but wanted to just give the board a head's up and preview of what would be forthcoming over the next few months.

Executive Director Jesse Souki added that if the board agrees to general position on items, staff would provide board members in an ED report what bills HCDA will be following and can provide how HCDA responded to measures.

Mr. Souki asked if the board would like staff to develop general positions for a decision at the next board meeting? Chair Whalen responded and agreed that the board would need to convene as well as the Legislative Taskforce (Member Swinney, Waterhouse and Chair Whalen).

There was no further discussion or comments from the public.

- 4. Information and Discussion: HCDA Litigation Task Force Status Update Relating to Close Construction, Inc. vs. Hawaii Community Development Authority et al., vs. Mitsunaga & Associates, Inc., vs. DTRIC Insurance Company, Ltd.; Civil No. 14-1-0599-03.

Chair Whalen asked for public testimony before convening in executive session. There was no public testimony.

Member Fang motioned for the board to convene in executive session pursuant to Hawaii Revised Statutes Section 92-5 (a) (4).

Member Swinney seconded the motion. All members unanimously approved entering into executive session.

Pursuant to Section 92-5 (a) (4), Hawaii Revised Statutes, the Authority convened in Executive Session at 9:27 a.m.

Chair Whalen reconvened the meeting at 9:55 a.m.

IV. ADJOURNMENT