MINUTES OF THE SPECIAL MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, JULY 7, 2011
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Board Orientation at 1002 N. School Street, on Thursday, July 7, 2011 at 9:49 a.m.

The meeting was called to order by Chairperson Travis Thompson and those present and excused were as follows:

PRESENT:	Chairperson Travis Thompson	
	Director Jason Espero	
	Director David Gierlach	
	Director Roger Godfrey	
	Director Patricia McManaman	
	Director Debbie Shimizu	
	Director Trevor Tokishi	
	Director George Yokoyama (Teleconference)	
	Denise Wise	Executive Director
	Jennifer Sugita	Deputy Attorney General
	Diane Taira	Deputy Attorney General
	John Cregor	Deputy Attorney General
EXCUSED:	Vice Chair Eric Beaver	
STAFF PRESENT:	Clarence Allen	Fiscal Officer
	Shirley Befitel	Personnel Supervisor
	Nicholas Birck	Housing Planner
	Renee Blondin-Nip	Hearings Officer
	Becky Choi	State Housing Development Administrator
	Stephanie Fo	Property Management and Maintenance Services Branch Chief
	Diane Johns	Property Management Specialist
	Gary Nakatsu	Data Processing System Analysis
	Kiriko Oishi	Compliance Officer
	Dionicia Piiohia	Secretary to the Board
	Rick Sogawa	Contacts and Procurement Officer
OTHERS:	Wilcox Choy	KMH, LLP

Proceedings:

Chairperson Thompson declared a quorum present.

Chairperson Thompson asked if anyone had signed in to provide public testimony, there being none, Chairperson Thompson began the Board Orientation by asking each board member to please introduce themselves and give a brief background on their experience.

Ms. Denise Wise, Executive Director began by giving an overview of the Hawaii Public Housing Authority's (HPHA) Budget. She explained the various sources and uses that comprise the HPHA operating budget. The primary source of income for the HPHA is subsidy received from HUD and she then reviewed the expenses. She then introduced Mr. Wilcox Choy, KMH, LLP and auditor.

Mr. Choy gave an overview of the challenges faced by the HPHA over the past six years. He explained the agency's primary challenge is staffing. That it continues to be a major challenge and that it traces back to when the agency, once known as HCDCH bifurcated. The bifurcation created the Hawaii Housing Finance and Development Corporation (HHFDC) and the HPHA. This occurred in 2005/2006 and the agency has not been able to recover from the loss of talent. He detailed that since working with the agency there have been three fiscal officers, hiring freeze and furloughs. In 2008 HUD implemented Project Based Accounting. It was a fundamental accounting change for the agency that outstripped the capacity of the staff.

Mr. Choy discussed the technical assistance provided by HUD through MD Strum. The objective of hiring technical assistance was to address the problems. However, it was difficult to do as MD Strum did not have the full understanding of the programs, the history, and the system. KMH had to get the agency back on the right track, as some of the recommendations by MD Strum were not pertinent to the HPHA. Mr. Choy further stated that the HPHA is unique, in not only does it account for Federal dollars it also accounts for State dollars and must adhere to accrual accounting which is complicated and takes a knowledgeable staff. In 2010 the new Executive Director and Fiscal Officer came on board and are working to make it right and they both have an understanding of what needs to be done. The audit findings reported in the 2010 audit are issues dating back to the 2007audit. The staff turnovers and the challenges of attracting and hiring qualified staff, coupled with hiring freezes and furloughs have hampered the ability of the HPHA to rectify the issues. Mr. Choy further stated that even though the executive director and fiscal officer understand the issues the problems will not be resolved until there is qualified staff

Director McManaman asked if that within the audit findings if there are easier fixes then others. Mr. Choy said that there are but the HPHA needs to prioritize and identify the findings to develop a comprehensive plan and that it is necessary to address all findings.

Director McManaman asked if there is a finance committee and if so, how often does it meet. Chairperson Thompson explained that there is a problem in having standing committees. Deputy Attorney General Jennifer Sugita explained that the Board sets policy and direction. That having regular standing committees may be considered active participation in the day to day operations

of the agency and outside the Board's governance role. Therefore "task forces" are used to address specific issues and have a start and end date. This avoids the issue of the Board being involved in the operations of the agency, as this was a finding by HUD in 2002. This was further corroborated by supervising Deputy Attorney General Diane Tiara.

Chairperson Thompson stated to the board that he often asks the auditors is the money all accounted for and Mr. Choy explained that it is and diligence must be followed to ensure it is applied to the correct "buckets" or accounts. With no further questions Mr. Choy departed and Chairperson Thompson thanked him for his time.

Chairperson Thompson added that the Board would like a report given quarterly, or periodically as to how the agency is doing relative to resolving the audit findings.

Ms. Wise presented the overview of the HPHA's organization and programs.

Director Gierlach asked if could be tied into the Annual Meetings as he will be on the mainland. Ms. Sugita will look into it and get back to the Board.

Director Espero asked how long Board meetings last. Chairperson Thompson explained that the packets are sent out in advance for the Board to review and that it is presumed that the directors review the information provided which allows for informed meetings. That typically the meetings may end any time between 1:30 and 2:30 pm. It could be sooner or later depending on the issues before the Board. Ms. Wise pointed out to the Board that in their packets there was a sample agenda and a sample "For Action" that provided an example of how issues requiring Board votes are presented.

Chairperson Thompson called a recess at 10:30 a.m. and the meeting reconvened at 10:40 a.m.

Ms. Wise explained that the HHA Wilikina Apartments Project, Inc. is a separate entity, that is considered an affiliate of the HPHA and that it is a non-profit. It is not public housing but a multi-family project that has its own Board of Directors, which is comprised of HPHA Board members. She further added that the annual meeting for Wilikina will be conducted in July. This involves the election of officers and they are: the Chair, Vice-Chair and Secretary.

Ms. Wise introduced the Branch Chiefs and Division Administrators of the HPHA. She briefly explained what and how the programs operate.

- Ms. Stephanie Fo, Property Management and Maintenance Branch Chief oversees the Asset Management Projects (AMP), Resident Services, and Tenant Association program. It was noted that in the 2006/2007 timeframe the Resident Services division was staffed with approximately 6 staff members. That due to budget cuts it was reduced to one staff person. Ms. Fo is currently working to restaff the division to better meet the needs of the tenants.
- The Section 8, Branch includes Family Self-Sufficiency, Section 8 vouchers, VASH vouchers and Rent Supplement program. The Branch Chief position has been vacant for over two years. Currently, Ms. Fo is temporarily overseeing the section.

- Becky Choi, State Housing Development Administrator oversees all facets of construction, Capital Improvement Projects (CIP), inspectors and engineers. It was noted that her branch is down three engineers.
- Ms. Kiriko Oishi, Housing Compliance and Evaluation Specialist, works on reasonable accommodation requests, accessibility issues, discrimination complaints and other compliance issues of the agency. It was further noted that in the past the Compliance office used to be staffed with five staff and that in 2006/2007 it was reduced to one staff person due to budget.
- Ms. Renee Blondin-Nip, Hearings Officer, handles evictions, appeals, hearing boards on all islands, including three on Oahu, and works in conjunction with the Attorney General's office in the case of the State housing units. The evictions are 50 percent rent cases and the other 50 percent are drug, criminal activity or other cases.
- Mr. Nicholas Birck, Housing Planner, is the HPHA legislative liaison, he also writes grants, and works on legislative issues facing the agency.
- Mr. Rick Sogawa, Contracts and Procurement Officer, works with federal and state procurement rules; issues contracts and manages all solicitations of the agency. Currently he is the only staff person in procurement and is actively recruiting.
- Ms. Shirley Befitel, Personnel Supervisor provides personnel support and recruits vacant positions in the agency.
- Mr. Clarence Allen, Fiscal Officer handles all accounting facets and he is currently down 3 staff.
- Mr. Gary Nakatsu, of the Information Technology Office handles technology needs, assessments, upgrades and computer needs.

Director Gierlach left the orientation at 11:27 a.m.

Ms. Wise showed some of the HPHA properties extracted from the "Google Earth" program. She provided a brief overview of the AMP budgets.

Chairperson Thompson call for a recess at 11:37 a.m. and the meeting reconvened at 11:49 a.m.

Ms. Diane Taira, Division Supervisor, Deputy Attorney General's Office gave a brief introduction on the various departments that her division serves. Her division assists with legal issues and concerns that the Board may have or should be aware of. They also provide review of the board agenda to ensure all compliance issues have been satisfied prior to posting.

Ms. Taira went on to explain the importance of the Sunshine Law and the required adherence by the Board. Ms. Sugita added that should an issue be discussed outside the Board meeting that the Board needs to take caution in the forum in which the matter is discussed. Ms. Taira explained that three or more members discussing an issue may be construed as a meeting and therefore a violation of the Sunshine Law. This is particularly pertinent in the case of emails. Ms. Sugita provided a handout that consists of the guide to "The Sunshine Law", the selected Hawaii Revised Statutes (HRS) regarding Boards and Commissions, selected statutes regarding HPHA and the HRS regarding the Attorney General Employment of Attorneys.

Ms. Tiara introduced Mr. John Cregor, deputy attorney general with the Civil Rights division. He explained his role with the HPHA. He worked with and was on the team when the agency was served with KPT lawsuit and he is now working with the agency regarding the Mayor Wright Homes (MWH) lawsuit. He gave a brief overview of his background and working with the agency. Mr. Cregor stated he will follow up on the plan and timeline for MWH lawsuit.

Director Gierlach returned at 12:22 p.m.

Ms. Taira informed the Board that the State does cover the Board Directors in lawsuits unless the director acts in a malicious or improper purpose. She also briefly explained that the HPHA is an attached agency to the Department of Human Services and what that meant and as a result, the protocols to the Governor's office and other State departments.

Chairperson Thompson added that there more than likely will be four meetings at the July 21, 2011meetting. They are:

1. HPHA Annual Meeting
2. HPHA regular meeting
3. HHA Wilikina Annual Meeting
4. Possible Wilikina regular meeting.

Director McManaman asked if there will be an invitation to other meetings from other HPHA partners such as HUD. Ms. Wise stated that there is a plan to have a more in-depth Board training in September that would include partners like HUD and other subject matter experts that the Board would like to hear from.

With no further questions Chairperson Thompson called for a motion to adjourn The Board Orientation.

Director Godfrey moved to adjourn and, Chairperson Thompson seconded.

The motion was unanimously carried.

The meeting adjourned at 12:45 p.m.

MINUTES CERTIFICATION

Minutes Prepared by:

Dionicia Piiohia 7-21-11

Dionicia Piiohia
Acting Secretary to the Board/Recording Secretary

Date

Approved by the HPHA Board of Directors at their Regular Meeting on July 21, 2011

Jason Espero
Director/Board of Director

7-21-11
Date