

**MINUTES OF THE REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BUILDING E,
ON THURSDAY, APRIL 15, 2010
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII**

The Board of Directors of the Hawaii Public Housing Authority met for their Regular Meeting at 1002 N. School Street, on Thursday, April 15, 2010 at 9:00 a.m.

The meeting was called to order by Chairperson Travis Thompson and on roll call, those present and absent were as follows:

PRESENT: Chairperson Travis Thompson
Director Eric Beaver
Director Rene Berthiaume
Director Clarissa Hosino
Director Carol Ignacio
Designee Henry Oliva
Director Linda Smith
Director Matilda Yoshioka

Krislen Chun, Deputy Attorney General
Denise M. Wise, Executive Director

EXCUSED: Director Sam Aiona
Director Sherrilee Dodson

STAFF PRESENT: Barbara Arashiro, Executive Assistant
Lydia Camacho, State Housing Development Administrator
Mark Buflo, Acting Chief Financial Management Advisor
Rick Sogawa, Acting Contracts and Procurement Officer
Shirley Befitel, Personnel Supervisor
Stephanie Fo, Property Management and Maintenance Services Branch
Chief
Taryn Chikamori, Secretary to the Board

PUBLIC: Ms. Moana Hampton, Kalihi Valley Homes resident
Mr. Effa Ichita, Kalihi Valley Homes resident
Ms. Iuni Umaga, Kalihi Valley Homes resident
Ms. Susana Taua, Kalihi Valley Homes resident
Mr. Ray Adair, Nan McKay & Associates
Mr. Tim Garry, private resident

Proceedings:

Chairperson Thompson declared a quorum present.

The business of the Board proceeded with a motion entered by Director Beaver to approve the minutes of the Regular Meeting held on March 18, 2010 and seconded by Director Ignacio.

The minutes were unanimously approved as presented with no corrections.

Public Testimony:

The Board received public testimony from Ms. Moana Hampton, Mr. Effa Ichita, Ms. Iuni Umaga and Ms. Susana Taua all residents of Kalihi Valley Homes (KVH). All residents expressed gratitude to Denise Wise, Executive Director and the HPHA for the temporary curfew at KVH. Ms. Hampton stated since the curfew residents feel safe in their homes and at night she can “hear a pin drop.” Ms. Umaga stated she can sleep through the night and feels safe leaving her home. Mr. Ichita stated since the curfew he feels safe and so does his family and Ms. Taua also stated she feels safe because of the curfew.

For Action:

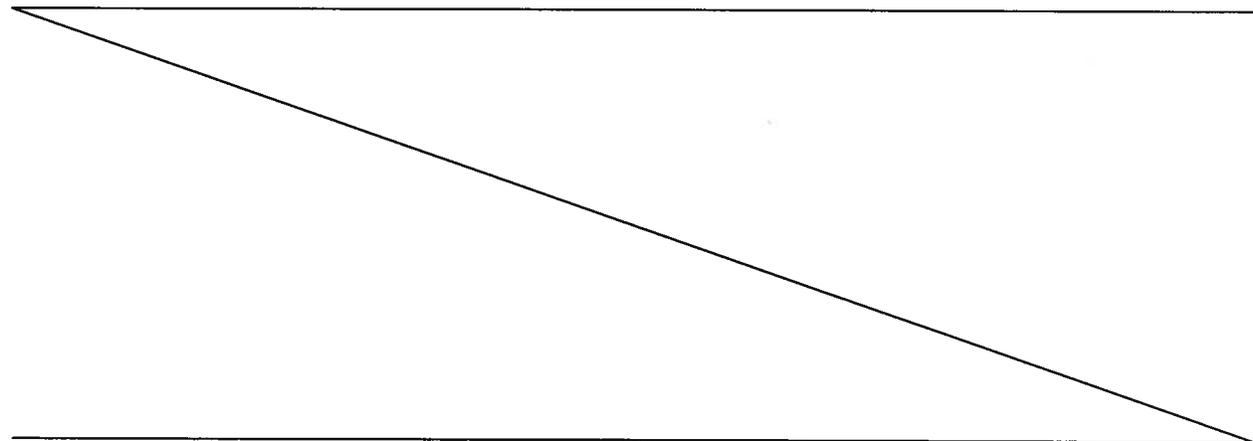
Motion: To Adopt Board Resolution No.26 Expressing Appreciation to Ms. Barbara E. Arashiro.

Director Beaver moved and Director Ignacio seconded.

Chairperson Thompson provided background information on Ms. Arashiro’s, executive assistant, tenure as acting executive director.

With no further discussion, Chairperson Thompson called the question.

Support: The motion carried unanimously.



RESOLUTION NO. 26

EXPRESSING APPRECIATION TO MS. BARBARA E. ARASHIRO

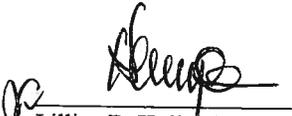
1. Barbara E. Arashiro is the Executive Assistant of the Hawaii Public Housing Authority.
2. With the departure of the Executive Director, Ms. Arashiro accepted the additional responsibilities as the Acting Executive Director.
3. In addition to her normal duties, Ms. Arashiro maintained effective contact with the Board, the Legislature, and representatives of the Department of Housing and Urban Development.
4. Ms. Arashiro directed emergency efforts during the KVH rock fall, mobilizing HPHA personnel, evacuating families, and making the arrangements required for the safety of the families.
She maintained appropriate contact with the media, and worked with the City and County Department of Water Supply for the rapid remediation of the problem.
5. Ms. Arashiro continuously demonstrated effective leadership during the interim period, fully staffing the monthly meetings of the Board of Directors.
6. BE IT RESOLVED that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 26 Expressing Appreciation to Ms. Barbara E. Arashiro on this 15th day of April 2010.
7. BE IT FURTHER RESOLVED that a copy of this resolution be transmitted to Ms. Barbara E. Arashiro, and placed in her personnel file, reflecting the sincere appreciation of the Board for her contributions to the Hawaii Public Housing Authority, and the citizens of the State of Hawaii.


Travis O. Thompson, Chairperson


R. Eric H. Beaver, Vice Chair


Matilda A. Yoshioka, Secretary


Linda L. Smith, Member


Lillian B. Koller, Member

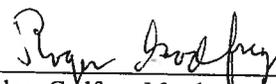

Sam Aiona, Member


Carol R. Ignacio, Member


Clarissa P. Hosino, Member


Rene Berthiaume, Member


Sherrilee K. Dodson, Member


Rodger Godfrey, Member

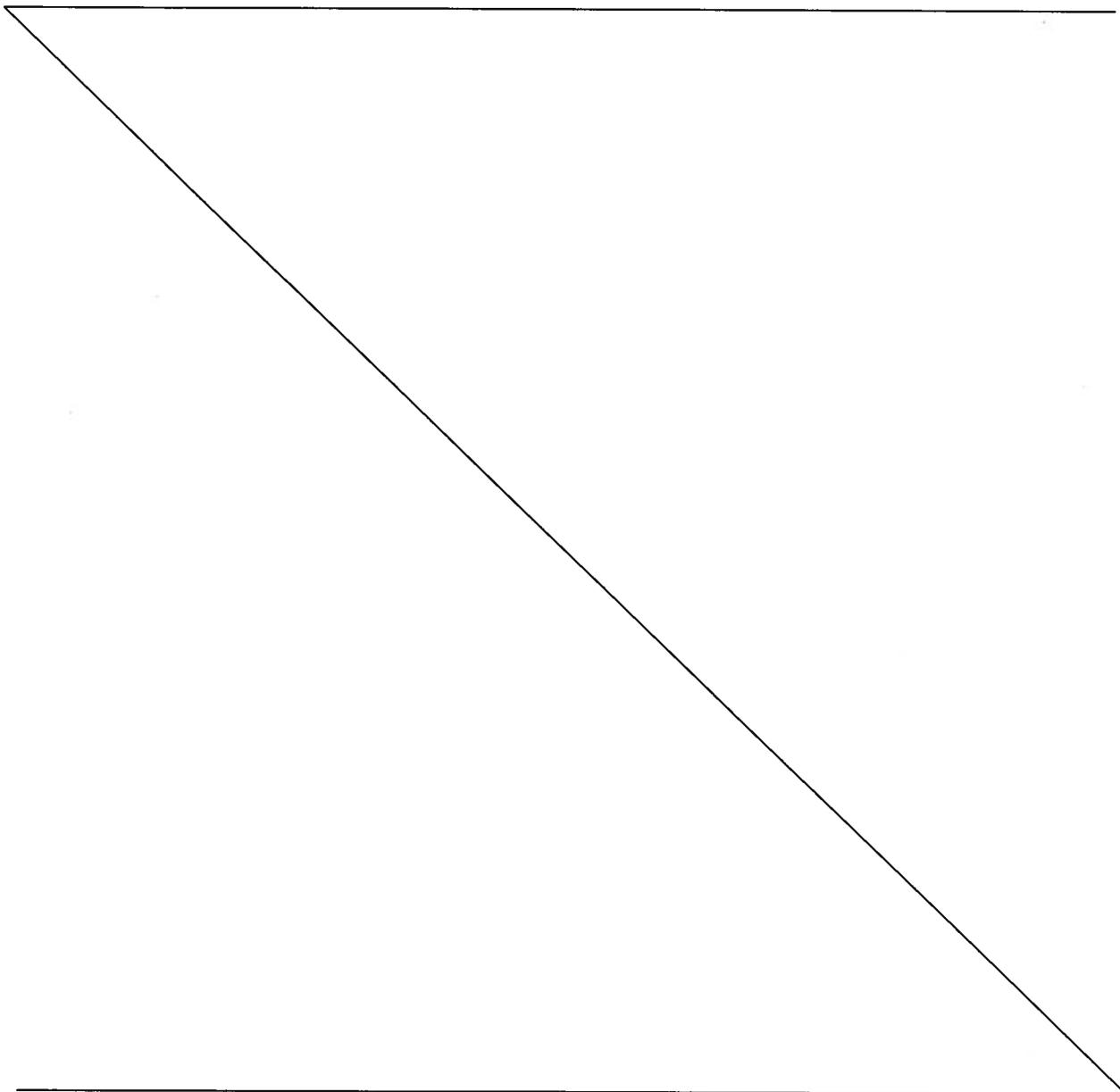
Motion: To Adopt Board Resolution No.25 Expressing Appreciation to Mr. Michael J. Hee.

Director Beaver moved and Designee Oliva seconded.

Ms. Wise reported that Mr. Hee has voluntarily come into the office after his retirement and provide support to the operations for several functions.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously.



RESOLUTION NO. 25

EXPRESSING APPRECIATION TO MR. MICHAEL J. HEE

WHEREAS, Mr. Michael J. Hee was the Private Management Contract Administrator for the Hawaii Public Housing Authority (HPHA) until his retirement in February 2010; and

WHEREAS, Mr. Hee was responsible for the oversight of State and Federal public housing properties and private management contracts of the Property Management and Maintenance Services Branch;

WHEREAS, Mr. Hee was often referred to as the "HPHA Historian" due to his 30 years of experience at the housing agency;

WHEREAS, Mr. Hee used his historical background and experience to assist other Branches and Staff Offices of the HPHA;

WHEREAS, even upon his retirement, Mr. Hee continued to volunteer and assist the HPHA to complete the operating subsidy calculation for the Federal Low Income Public Housing Program, often working a full day to complete the task; now therefore

BE IT RESOLVED that the Board of Directors of the Hawaii Public Housing Authority adopt Resolution No. 25 Expressing Appreciation to Mr. Michael J. Hee on this 15th day of April 2010; and

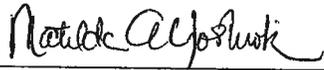
BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to Mr. Hee along with expressions of sincere appreciation for his contributions to the Hawaii Public Housing Authority and the citizens of the State of Hawaii.



Travis O. Thompson, Chairperson



R. Eric H. Beaver, Vice Chair



Matilda A. Yoshioka, Secretary



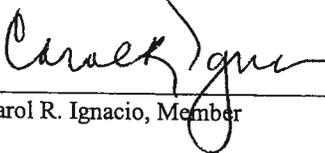
Linda L. Smith, Member



Lillian B. Koller, Member



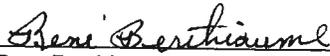
Sam Aiona, Member



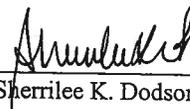
Carol R. Ignacio, Member



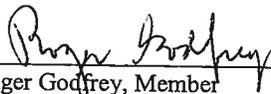
Clarissa P. Hosino, Member



Rene Berthiaume, Member



Sherrilee K. Dodson, Member



Rodger Godfrey, Member

Motion: To Adopt the Hawaii Public Housing Authority’s Policy Governing the Adoption of Board Policies and Establishment of Procedures.

Director Beaver moved, and Director Ignacio seconded.

Staff provided further explanation regarding the update of all administrative policies as it has been several years since this was done and the intent is not only to update but provide consistency and continuity. Staff also noted that once the policies had been updated and approved by the Board of Directors a new Administrative Manual would be issued to all employees.

Staff reported that this particular recommended Policy had been sent to the Department of the Attorney General (AG) for comment and approval and comments were incorporated into document presented.

Further discussion ensued regarding this particular Policy as Chairperson Thompson expressed concern regarding the inclusion of procedural functions within a policy. He wanted to ensure that this did not preclude the executive director from issuing “administrative memoranda “without first seeking board approval. Ms. Krislen Chun, deputy attorney general, stated that as written it does allow the executive director to issue the memoranda.

Director Smith identified and requested rewording of a “vote of a simple majority” to “majority as defined by law”. This is under Section II of the Policy explanation.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously with the rewording as recommended by Director Smith.

Motion: To Adopt the Hawaii Public Housing Authority’s Policy on Board Agenda.

Director Beaver moved and Director Ignacio seconded.

Staff stated that this series of Policy updates was again for consistency and continuity.

Board discussion ensued and Director Beaver stated that under Section II under the Policy heading that “or subcommittees” should be removed. The Board uses a Board Task Force structure.

Chairperson Thompson asked that under procedures the report section the word “achievements” be changed to “program status”.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously with the recommended changes.

Motion: To Adopt the Hawaii Public Housing Authority’s Policy on the Board of Directors’ Role and Interaction with the Staff.

Director Beaver moved and Director Berthiaume seconded.

Staff stated that unlike the previous two Policies update recommendations that this is a new policy.

Ms. Chun stated that should this policy be adopted it will need to go before the union for consultation.

Discussion ensued and the Board asked for several points of clarification. Chairperson Thompson asked if a Board member could be removed if not in compliance with this policy. Ms. Chun responded the statues state only the governor can remove a Board member after a hearing is held.

The question was posed if this addresses internal communication only or is it broad enough to cover external communication, e.g., press, legislators, etc., staff responded that was internal and specific to communication with the Board of Directors.

Director Smith asked if the policy complies with Hawaii’s whistle blowers statues because the section on communication with the Board states, “staff shall not make direct reports, inquires or contact with Board members, except at the request of the executive director or department heads”. Ms. Chun stated she will look into the statues to ensure compliance.

Motion: To Defer the Adoption of the Hawaii Public Housing Authority’s Policy on the Board of Directors’ Role and Interaction with the Staff to the next Board meeting.

Director Beaver moved and Director Hosino seconded.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously.

Motion: To Adopt the Hawaii Public Housing Authority’s Standards of Conduct for Employees and the Board of Directors.

Director Beaver moved and Director Smith seconded.

Staff stated this policy is to uphold the HPHA to the highest standards of ethical behavior and business practices.

Chairperson Thompson stated that is includes all the state and federal laws.

Ms. Chun stated that should this pass it will need to go before the union for consultation.

With no further discussion Chairperson Thompson called the question.

Support: The motion carried unanimously.

Motion: **To Adopt the Hawaii Public Housing Authority's Policy on Security of Confidential Information.**

Director Beaver moved and Director Smith seconded.

Staff stated this is an update of the policy and it was last updated in 2005.

Director Smith asked if this covers the state law of redacting personal information. Ms. Chun responded that the state law will supersede the policy.

Amended Motion: **To Authorize the Executive Director and Counsel to Make Adjustments as Necessary to the Policy on Security of Confidential Information to Reflect State Laws Enacted Since 2005.**

Director Beaver moved and Director Smith seconded.

With no further discussion Chairperson Thompson called the question on the amended motion.

Support: The motion as amended carried unanimously.

Chairperson Thompson called a recess at 10:05 a.m. and reconvened at 10:16 a.m.

Upon the start of the meeting, Ms. Wise announced a retaining wall collapsed at KVH. Initial reports were no one was hurt, staff left the meeting to assess the situation and more information is to follow.

Discussion:

Ms. Wise introduced Mr. Ray Adair of Nan McKay & Associates. He has been working with the HPHA staff over the prior three days to provide technical assistance on the accounting and budgeting process using asset management principles.

Mr. Adair detailed his expertise and experience in various aspects public housing. Nan McKay & Associates is contractor with HUD and they provide technical assistance to public housing authorities (PHA) on a variety of topics including conversion to asset management.

Mr. Adair stated that overall PHAs are having difficulty making the conversion to asset management and in particular, making the central office cost center (COCC) self-sufficient under asset management.

Chairperson Thompson asked what is included in the COCC. Mr. Adair responded the executive office, support staff, accounting, human resources (HR), information technology (IT), legal services, maintenance services, and general administration. Some IT, accounting and maintenance fees maybe charged to the asset management projects (AMPs).

The board asked additional questions regarding the schedule of fees used to charge out services to the AMPs. Mr. Adair explained that some services that are being charged to the AMPs are reasonable and others may not be. He underscored that when setting the fees there are four important things in charging fee for service: 1) what makes good business sense to offer as a fee for service, 2) establishing the market rent that makes sense, 3) determining what can be earned for billing out the service, and 4) finding out the cost to provide the service.

The Board asked whether the AMPS are tied to fees as determined by the fee schedule. Mr. Adair responded that it would be a policy decision of the HPHA. If the HPHA is allowing AMPs to hire outside, then the AMPs need to ensure timeliness, quality, and price are acceptable.

Personnel Update:

Director Smith asked how many positions have received permission to fill. Shirley Befitel, personnel supervisor, responded four positions received approval; however the Building Engineer V and Public Housing Supervisor V were frozen because of the Department of Human Services (DHS) reduction in force (RIF).

Director Smith asked if it possible to get reconsideration to unfreeze the Building Engineer V because it is highly unlikely that someone recently affected by the RIF would qualify for that position. Designee Oliva responded because it falls in the salary range it was frozen, but he is trying to move things forward. He believes the freeze will end early May.

Director Smith asked status of the Application Office regarding staffing. Staff responded that one person retired and one resigned which leaves three staff and one supervisor for the island of Oahu in the applications section. Board recommended that staff reexamine the application process for efficiencies.

Status of Various Projects:

Ms. Wise stated the staff is matching the items on the corrective action order (CAO) and the audit and putting together a spread sheet of items that need to be completed. She will be assigning staff to remedy each item.

Ms. Wise reported on the American Reinvestment and Recovery Act (ARRA). Ms. Arashiro reported that HUD stated that the Inspector General will most likely audit the HPHA because of the Homeless Prevention funds.

Director Smith asked that the HPHA invite Mr. Utu Langi, H5, attend the Board meeting to discuss the transition of the families at Puahala Homes and to provide a status on the families still on the program.

Staff provided a status update on the elevator modernization project. Staff pointed out that upon further research the previously published schedule had some inaccuracies. The updated status properly reflects the timetables. There are delays in Phase II, Phase III and Phase IV of the project. The delays span 4-23 months.

Chairperson Thompson asked if there was a way that the modernization project could be expedited to minimize the slips in the schedule. Staff stated that the manner in which the project was sent to bid was as one project therefore that is how it was awarded. There may be some negotiation room with the awarded contractor to move dates. Staff will get back to the Board.

Further discussion ensued regarding notification of the new schedule and staff responded a notice will be going out to all interested parties.

Curfew:

A status was given on the KVH curfew. The curfew became effective April 1 and cannot exceed 120 days. Board discussion ensued and Chairperson Thompson asked how the HPHA will remove the curfew at KVH. Staff explained that the curfew is providing an opportunity to meet with residents and service providers to see what we can do to continue the sense of safety that community is currently enjoying. The Kuhio Park Terrace (KPT) and the KVH resident association held a joint meeting to discuss ways in which they can better communicate and support each other's efforts.

The newspapers reported that the assailants were KPT residents however the police department has not been able to confirm that. The residents associations do not know the assailants. There are rumors this is gang related however we are unable to get confirmation from law enforcement.

Director Berthiaume asked if the State sheriffs or the Department of Public Safety is assisting and staff responded that Diane Taira, deputy attorney general forwarded information on to them.

Designee Oliva left at 11:48 p.m.

Chairperson Thompson called a recess at 11:48 a.m. and reconvened at 12:23 p.m.

Chairperson Thompson asked for reports from the various Board Task Forces that meet during the month.

Finance Task Force:

The Finance Task Force did not meet however Director Smith reported that the Finance Task Force received an unsolicited bid from Alvarez and Marsel that proposes to provide assistance to HPHA on various aspects of the operation including strategic planning.

Chairperson Thompson directed the Task Force to work with the executive director on the Corrective Action Order and reviewing and making recommendations on the recently received proposal from Alvarez and Marsel.

Human Resources Task Force:

Director Ignacio updated the Board on filling position at HPHA. Ms. Befitel reported that the HPHA is waiting for Governor's approval to fill one public housing supervisor and three maintenance staff positions for Kauai.

Chairperson Thompson asked the Human Resources Task Force to continue working on filling positions.

Board Training Task Force:

Director Berthiaume reported that the Board Training Task Force met and discussed the training needs of the Board. The program that the Task Force outlined has several modules and will take more than one day. The Task Force also discussed organizations available to provide training. The Task Force discussed the time commitment and how should this be scheduled.

Chairperson Thompson asked the Board Training task force to continue working on Board training regarding the budget and timing of the trainings.

Tenant Relations/Operations Task Force:

Director Yoshioka reported that the task force would like to be updated on four issues: 1) formation on resident associations, 2) standardizing of the house rules, 3) pilot project of elderly only designation, and 4) resident monitoring.

Chairperson Thompson asked that staff report at the next meeting on the four topics.

Chairperson Thompson asked that the Tenant Relations/Operations task force meet to review Ms. Wise's plan on improvement of operations with the HPHA.

Ms. Wise reported that HB 2561 will not help the HPHA with the sale of the Hana parcel. SB 2473 SD1, HD2 to permit grandparent residing in elderly housing to bring their minor grandchildren to live with them has passed and could have the potential to create a costly and

disruptive situation in elderly housing. Further discussion ensued and the Board discussed ways to mitigate the impact this may have in our elderly housing developments.

The Board acknowledged the growing number of intergenerational families however, this Bill no matter how well-meaning, will only create further disruption not only for the family but also the elderly community.

SB 2276 and SB 2278 regarding the open container and trespass bills have not been heard and the failure of the Legislature to schedule hearings “killed” them. Given the recent spate of violence and trouble it is not clear why the Legislature is not willing to schedule the Bills.

Director Beaver requested that an update on the KPT redevelopment be reported at the next Board meeting.

Director Smith requested that an update on the status of the legislative audit be reported at the next Board meeting.

Motion: To go into executive session at 1:23 p.m. pursuant to sections 92-4 and 92-5(a)(2), Hawaii Revised Statutes, to consult with the Board’s attorney on questions and issues pertaining to the Board’s powers, duties, privileges, immunities, and liabilities, as related to the Status of *Kalai v. State of Hawaii Department of Human Services’ Hawaii Public Housing Authority* (Civil No. 08-1-0221)

Director Beaver moved and Director Ignacio seconded.

Support: The motion was unanimously carried.

The Board reconvened from Executive Session at 1:33 p.m.

Chairperson Thompson reported that the Board discussed the Status of *Kalai v. State of Hawaii Department of Human Services’ Hawaii Public Housing Authority* (Civil No. 08-1-0221).

With no further business for the board to conduct Chairperson Thompson called for a motion to adjourn **Director Ignacio moved and Director Beaver seconded.**

That the meeting be adjourned at 1:35 p.m.

Support: The motion was unanimously carried.

MINUTES CERTIFICATION

Minutes Prepared by:

Taryn D. Chikamori
Taryn Chikamori
Secretary to the Board/Recording Secretary

MAY 20 2010
Date

Approved by the HPHA Board of Directors at their Regular Meeting on
May 20, 2010

Matilda Yoshioka
Matilda Yoshioka
Director/Board Secretary

5/20/10
Date