MINUTES OF THE ANNUAL AND REGULAR MEETING
OF THE HAWAII PUBLIC HOUSING AUTHORITY
HELD AT 1002 N. SCHOOL STREET, BLDG. L
ON THURSDAY, JULY 20, 2006,
IN THE CITY AND COUNTY OF HONOLULU, STATE OF HAWAII

The Board of Directors of the Hawaii Public Housing Authority met for their Annual and Regular Meeting at 1002 N. School Street, on Thursday, July 20, 2006 at 2:10 p.m.

The meeting was called to order by the Chairman Charles Sted and , on roll call, those present and absent were as follows:

CALL TO ORDER/ ROLL CALL

PRESENT: Director Charles A. Sted, Chairman
Director Clarissa Hosino
Director Carol Ignacio
Director Charles Ridings
Director Linda Smith
Director Travis O. Thompson
Director Matilda Yoshioka

Executive Director Stephanie Aveiro

EXCUSED: Director Eric Beaver
Designee Henry Oliva

STAFF PRESENT: Deputy Attorney General, Nalani Willson-Ku
Pamela Dodson, Executive Assistance
Michael Hee, Contracts Administration Section Chief
Patti Miyamoto, Compliance Officer
Dionicia Piiohia, Clerk Typist/OED

OTHERS: Patricia Deliz, Wilikina Apartments, Tenant
Lusia Wieckowicz, Wilikina Apartments, Tenant/ITOR

Chairman Sted declared a quorum present.

QUORUM

Director Smith moved, seconded by Director Hosino.

APPROVAL OF MINUTES SPECIAL MEETING 7/1/2006

That the minutes of the Special Meeting held on July 1, 2006 be approved as circulated.

The motion was unanimously carried.

Chairman Sted stated that the election of board officers held on July 1, 2006, needs to be held again at today's Annual Meeting. He first entertained a nomination for Chairperson.

ELECTION OF OFFICERS

Director Smith moved, seconded by Director Thompson

ELECTION OF CHAIRPERSON

That Director Sted be nominated as Chairperson.

The motion was unanimously carried.

Director Sted thanked everyone and said that he is pleased to serve.

ELECTION OF VICE CHAIRPERSON

Director Ridings moved, seconded by Director Hosino

That Director Thompson be nominated as Vice-Chairperson.

The motion was unanimously carried.

ELECTION OF SECRETARY

Director Smith moved, seconded by Director Ignacio

That Director Yoshioka be nominated as Secretary.

The motion was unanimously carried.

STATUS OF EXECUTIVE DIRECTOR SEARCH

Chairman Sted mentioned that the previously appointed task force consisted of Director Oliva, Director Hosino and Director Thompson. He asked Director Thompson, Chairperson for a status report on the search of an executive director.

Director Thompson said that they have received and reviewed approximately 18 resumes. The task force will compare notes and come up with 5 top candidates, do preliminary screening of those candidates and then make a recommendation to the Board. He believes that the Board should participate in the interviewing and selection of the top 3 candidates.

Director Thompson said that he is not aware if our Hawaii Public Housing Authority (HPHA) personnel staff advised people from the mainland that there is no relocation package and no assistance whatsoever either on interview basis or on a permanent basis. He needed to point that out to make sure those people were aware and to find out if they are still interested.

Ms. Aveiro said that the HPHA staff can start doing that.

Chairman Sted said that taking it a little bit further in terms of the process with the interview of the 3 candidates, he wanted the Board to pick a date that would work for everybody. For those who can make it, the interviews should proceed and keep moving.

Director Thompson mentioned that Shirley Befitel, Special Assistant, has come up with an additional list of standard questions. Each person you interview is asked about their management experience, or program administration background, their management background, their personal skills, human resources, and experience. He received this list yesterday and made some recommendations which he hopes to have incorporated.

Ms. Averio added that it was a good idea and also to shorten it.

Director Thompson personally thought that it would be appropriate to share the interview questions with the entire Board and to get their input too. He sees no reason why it should be only the task force's decision and appreciated if every Board member looks at the interview questions.

Ms. Aveiro said that the recommendation was that the entire Board should get to comment on the instrument.

Chairman Sted asked if the information was going to be sent out to the Board by e- mail.

Ms. Aveiro believes that it will be incorporated with Director Thompson's and Director Oliva's comments first. Once we have that, then we'll share it with all the final comments.

Director Thompson mentioned that the qualifications are 3 years of work experience in the field of housing, managerial experience at least 1 year, background and working knowledge of the U.S. Department of Housing and Urban Development (HUD) regulations, resident association communications, graduated from an accredited college, experience in federal housing and state programs, and property management experience. He added that every application he received, in reviewing them, half of the applicants have major deficiencies in the qualifications.

Chairman Sted asked if there were any comments on the subject.

Director Ridings commented, just a consideration, if it would it be possible to look into doing a video conference interview with any of those finalist who live on the mainland as opposed to bringing them to Hawaii for an initial interview.

Director Thompson answered that in the past, when we were seeking an executive director we actually did speaker phone interviews, not visual and that was used maybe 2 or 3 times.

Chairman Sted said that it will be checked out and mentioned that there was some issue with video conferencing verses telephone conferencing. But we'll check it out.

Ms. Aveiro commented that it had to do with board meetings.

Director Smith asked if applications are still being accepted or is there any deadline?

Ms. Aveiro said the news paper advertisement said July 17th was the last day to submit. They should be postmarked the 17th, and if we want to open it up again, it is up to the task force.

Director Thompson asked to go into Executive Session to discuss a matter relative to that.

EXECUTIVE SESSION

Director Thompson moved, seconded by Director Ridings

That the Board meet in Executive Session at 2:25 p.m.

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RECONVENED

Director Thompson moved, seconded by Director Ridings

That the meeting reconvened in regular session at 2:30 p.m.

Chairman Sted said that in order to increase the pool of potential candidates for the executive director position, the task force is going to approach other people in the community about their interest and in support of that, re-advertise and extend the period of accepting applications. There being no further discussion he moved to the next item on the Agenda.

APPOINTMENT OF TASK FORCE FOR FINANCE/ AUDIT AND ASSET MANAGEMENT

Chairman Sted felt that the task force for finance/audit and asset management should be considered as two separate task forces. He asked for legal counsel in adding a technology task force to the Agenda.

Deputy Attorney General Nalani Willson-Ku advised him that he would need to amend the Agenda with all voting affirmative.

Director Ignacio moved, seconded by Director Yoshioka

That the Board amend the Agenda to add appointments to a Technology task force.

There being no further discussion, the vote was unanimously carried.

Chairman Sted continued the business of appointing 3 task forces. First the Chair, pursuant to the By-Laws, appointed a task force for Finance and Audit. He asked Director Thompson to serve on this task force.

Director Thompson answered I will.

Chairman Sted asked if there are any volunteers for this task force.

Director Yoshioka and Director Ridings volunteered to serve on the Finance and Audit task force.

On the Technology task force, Director Ridings and Director Smith volunteered.

Chairman Sted asked for volunteers for the Asset Management task force. He explained we're using the term here with regard to what are all the assets, should some assets be sold, or should we continue to own. He continued to ask for volunteers for the Asset Management task force.

Director Smith asked Chairman Sted if he was going to continue to be on the committees. He answered yes

Director Ignacio volunteered.

Chairman Sted asked if Director Smith would like to serve. Director Smith answered yes.

Chairman Sted asked if there could be 4 members on this committee. Ms. Aveiro said that the Chairman is on all the committees, and that she remembered reading it somewhere but cannot recall where and that he was welcome to be on all the committees.

Director Thompson asked if Chairman Sted can be the Chair of the Asset Management task force.

Chairman Sted said that it will be researched after the meeting because that discussion came up before. And thinks it is okay with 4 on the committee.

Directors Sted, Smith, Thompson and Ignacio volunteered to be members on the Asset Management Task Force.

Corrected 8/17/06

APPROVE BOARD MEETING SCHEDULE FOR 2006

Chairman Sted said that there is an amended meeting schedule that was handed out.

Ms. Aveiro said that Maui and Kauai are included.

Director Thompson commented that most of the issues that are discussed are basically here and the staff is here and we're short on money.

Ms. Aveiro explained that we're proposing to go to the neighbor islands so that the new members can see the projects. We do have a request from the new members to see all of our projects, which means site tours.

Director Ignacio commented that there are some benefits when we reach out to the communities on the neighbor island because there are people who attend those meetings that wouldn't be able to come to Honolulu.

After discussing the change of locations of the Board meetings, Director Ignacio moved, seconded by Director Thompson

> That the month of October will be held in Maui, November in Honolulu, and in December on the Big Island in Kona.

The motion was unanimously carried.

DISCUSSION OF HPHA GOALS AND OBJECTIVES

Ms. Aveiro commented that with the time we spent today in our orientation / training, it is appropriate to start thinking of goals and objectives. Provide the guidelines the staff needs. We received a list of goals and objectives from Director Thompson and we included it with this For Information item mostly to start discussion. I don't know if we'll get to what our goals and objectives are with just one meeting.

Director Thompson said that it would be appropriate to take the package that HUD has and integrate those and then perhaps discuss it at our next meeting. But these were just from my heart, things that I felt we really need to be working on.

Ms. Aveiro asked if he was talking about HUD's Improvement Plan (IP), the 10 points.

Director Thompson said yes, the 10 points referring to financials and occupancy turnaround, which are the key elements. I did these goals and objectives after we had a meeting on the finances and one of the thoughts was how do we get out of this. Some of the steps we take to improve finances are a quicker unit turn around and better accounts receivable, etc.

Ms. Aveiro stated that they're very detailed things and that's fine but there's no out of the box kinds of thinking. Vacant unit turnarounds, work orders, those are the things we work on every day, but it doesn't discuss things like, should we privatize Kawailehua, nor could we, it doesn't discuss those items. Unless you want to wait for the Asset Management group meeting for that.

Director Yoshioka commented that part of it may be short term verses longer term and that's what we've got on this list. What we've got from HUD are some very immediate things, some with which we need to deal within the next 6 months and that's how I see this. But what I think I hear Ms. Aveiro talking about is also the importance of us looking a couple years out with those goals, which may be larger and very structural and quite different from what HUD wants, the nuts and bolts types of goals. So I sense what this is, are more short term, we need to include project basing and focus on this one.

Chairman Sted said that we have to strike a balance. We've got to set priorities, get organized, get our strongest leaders running with the key priorities, and put together teams for project plans. Some of it has got to be focused on short term and things that HUD is looking for. Also to start moving on some of the longer, deeper stuff. You cannot lose track of satisfying HUD.

Director Ignacio commented that HUD is framing the goals in a different way, but are the same issues we're dealing with, our occupancy and maintenance. So I don't see them as goals, I see them as articulated much clearer for us.

Director Thompson agreed. He asked Ms. Patti Miyamoto, Compliance Officer, to explain on how we stand on the score for 2006.

Ms. Miyamoto said for the Public Housing Assessment System (PHAS), we're about the same as last year, a little above standard.

Ms. Dodson commented that no Real Estate Assessment Center (REAC) inspection scheduled yet, we don't know when it's coming.

Ms. Miyamoto said that the key is that in June we need to submit to HUD our PHAS certification.

Chairman Sted commented that we could do this, we never got to do this with the combined organization. But now with being much more focused, a brand new board, a huge amount of knowledge and understanding on what is going on, which was a handicap to the previous Board. I would like to have the Board and the senior staff work together.

The new Directors had questions about the grievance and eviction process.

Director Smith said that it should be on our training and to walk through the new process.

Chairman Sted summarized that the item for discussion are goals and objectives and priorities. He asked the Directors take with them the documents, the HUD presentation, and anything else that they want to work with. Then they will do an exercise where they will put everything on the board with stickers and have a discussion to come out with some sense of priorities. It is going to be a strategic planning session.

EXECUTIVE SESSION

Chairman Sted asked Ms. Willson-Ku if she had anything to go over with the Board on any legal matters listed on the Agenda that required going into Executive Session.

Ms. Willson-Ku answered no, that the status was the same.

ADJOURN-MENT

Director Yoshioka moved seconded by Director Hosino

That the meeting be adjourned at 2:54 p.m.

The motion was unanimously carried.

MATILDA YOSHIOKA

Approved: AUG 17 2006