



HONOLULU AUTHORITY for RAPID TRANSPORTATION

## MINUTES

**Board of Directors Meeting  
July 21, 2011, 10:00 A.M.  
Mission Memorial Annex Conference Room  
550 South King Street  
Honolulu, Hawaii**

**PRESENT:**

Carrie Okinaga  
Ivan Lui-Kwan  
William "Buzz" Hong  
Don Horner  
Keslie Hui

Damien Kim  
Glenn Okimoto  
David Tanoue  
Wayne Yoshioka

**ALSO IN ATTENDANCE:**

Toru Hamayasu  
Ron Tober  
Gary Takeuchi  
Charles Bayne  
Lorenzo Garrido  
Harvey Berliner  
Pat Lee  
Michael Levine  
Kekoa McClellan

Jeanne Mariani-Belding  
Joseph Magaldi, Jr.  
Laura Figueira  
Simon Zweighaft  
Doug Chun  
Corinne Gallardo  
Frank Streed  
Maurice Morita

I. Call to Order by Committee Chair

At 10:00 A.M., the meeting of the Board of Directors was called to order by Board Chair Carrie Okinaga.

II. Public Testimony

No public testimony was offered.

III. Approval of Minutes from July 1, 2011 Board Meeting

Ms. Okinaga called for the approval of the minutes of the July 1, 2011 Board meeting. There being no objections, the minutes were unanimously approved.

#### IV. Report of Finance Committee

Finance Committee Chair Horner reported that the Finance Committee reviewed the Financial Policies at their last meeting on July 8, and will recommend changes to the full Board after the next committee meeting. Mr. Horner indicated that of these recommended changes one of the most critical is the introduction of a definition for "Baseline Budget."

Mr. Horner further reported that the Financial Committee will be reviewing the Financial Plan and Business Plan in more detail at their next meeting and would propose that the HART Board take action on the documents soon thereafter.

Mr. Horner closed his report by indicating that the Finance Committee expects to examine the 2013 budget within the next two months.

##### A. Action on April 2011 Financial Plan

Ms. Okinaga recommended deferring action on the Financial Plan. There being no objections, the Chair's recommendation was sustained.

#### V. Report of Human Resources Committee

Human Resources Committee Chair Hui reported that the committee met on July 8 to discuss the process for the selection for a permanent Executive Director/CEO, and that discussion on this process will be continued at the next HR Committee meeting.

Mr. Hui further reported that the committee considered draft job criteria for the permanent Executive Director/CEO, and will continue their review at the next HR Committee meeting.

Mr. Hui noted that the Board will have to consider at some point in the future how to pay for the Executive Director/CEO search process, as it was not budgeted in advance, and closed his report by stating that the committee reviewed the establishment of an Equal Employment Opportunity Policy for HART.

Board Member Hong asked how the Board would go about paying for an executive search firm.

Mr. Hui responded that the Interim Executive Director could transfer funds or the Board could amend the budget.

Mr. Horner stated that it would be considered a professional service, and estimated that such a search would cost around \$100,000. He also stated that the selection of the right Executive Director was the most critical task the Board currently faces.

#### A. Adoption of Equal Employment Opportunity Policy

Mr. Hui moved the adoption of Resolution 2011-07, Relating to the Equal Employment Opportunity Policy of the Board of Directors of the Honolulu Authority for Rapid Transportation. The motion was seconded by Mr. Horner. During discussion, it was noted that the policy was being reviewed by the FTA, and if that agency had suggested edits, then the Board might wish to amend the policy in the future. The motion passed unanimously, with eight votes in the affirmative, none in the negative, and thus, Resolution 2011-07 was adopted and the HART Equal Employment Opportunity Policy was approved.

#### VI. Report of the Audit/Legal Matters Committee

Audit/Legal Matters Committee Chair Lui-Kwan reported that the Audit/Legal Matters Committee met at 8:00A.M. on July 21 and heard briefings on the pending litigation and protests; past audits such as the 2009 City Auditor's report; and procurement for FY2012 audit service. Mr. Lui-Kwan also reported that advertising for the FY2012 audit service would hopefully occur in mid-August, proposals would hopefully be received in mid-September, and a selection would hopefully be made by mid-November.

Mr. Horner noted that audit service procurement would return to the Audit/Legal Matters Committee, and that HART staff would be attending the next meeting to provide more details on the RFP process.

#### VII. Report of the Interim Executive Director

Interim Executive Director Hamayasu stated that there are three top priority items in the current operation. They are: entry into the Final Design phase by October; support efforts for the lawsuits; and support efforts for the procurement protests. Mr. Hamayasu indicated that a significant amount of project resources are being spent on these activities; and the continuation of the contract procurement efforts.

Mr. Hamayasu then relayed information on current project events, including a meeting with LCC officials regarding LCC station design; a meeting with OIBC in anticipation of the draft consultation protocol for iwi kupuna discovery; a Section 106 meeting; a meeting with Rep. Manahan, Vice Speaker of the House to update him on events in his district; right of way offers in the Banana Patch area; and the project information booth at the Hawaii Lodging, Hospitality & Food Service Expo.

Mr. Hamayasu also provided information on lease costs for the HART office space at Ali'i Place, which are \$102,421 per month for 34,880 ft<sup>2</sup>. He stated that this is comparable to or less costly than other downtown locations, and provided insight into how the Ali'i Place location was selected. He further provided information as to the feasibility of locations in Leeward Oahu, which were found to be too small to house the HART staff and too expensive on a unit-cost basis.

Mr. Horner asked about parking in the Ali'i Place garage. Board Member Yoshioka replied that the City does not receive a special deal for parking by HART employees because the City does not own the parking in the building. Rather, City ordinances spell out what can be charged for public parking in the building.

Ms. Okinaga asked how long the lease would last.

Mr. Hamayasu replied that he will find out for the Board.

Board Member Kim asked how much total square footage is needed for office space.

Mr. Hamayasu replied that total need has not been determined, noting that even with fewer than the expected 136 FTEs at present, the project has maxed out both the 17<sup>th</sup> and 23<sup>rd</sup> floors, which contain approximately 18,700 and 16,200 square feet respectively.

Mr. Kim asked how many of the 136 FTEs need to be close to the City offices at Honolulu Hale.

Mr. Hamayasu replied that all senior management need to be close to the City and production staff often need to go to City offices. He also indicated that staff members often do need to travel to the construction sites.

Finally, Mr. Hamayasu reported on the current status of the GET revenue, stating that in the final quarter of FY11, GET revenues came in at \$49.8M, totaling \$179.1M for the fiscal year. This amount exceeded the \$159M forecasted for FY11.

Mr. Horner stated that these numbers are encouraging, and requested that Board members receive a written spreadsheet detailing these numbers.

Mr. Yoshioka echoed Mr. Horner's request and also requested a written report from the Interim Executive Director at the future board meetings, then thanked the Interim Executive Director for his presentation.

#### VIII. Briefing on Project Status and Contracts

Mr. Hamayasu introduced Lorenzo Garrido, Facilities Engineering Manager for the project, to present on the construction-related activities currently underway.

Mr. Garrido noted that as permanent construction is not authorized at this point, the only pre-construction activities currently underway are utility relocation by Kiewit Construction on a seven-mile stretch from East Kapolei to Pearl Highlands; geotechnical investigations consisting of 320 four-inch diameter borings; and the creation of foundation test shafts at several sites throughout the alignment to verify engineering assumptions. Mr. Garrido also reported that relocation of approximately 300 trees is occurring in concert with certified arborists, and that 50 trees have so far been relocated to the Waiawa Interchange, Keehi Lagoon, and the median of Nimitz Highway.

Mr. Hamayasu then introduced Harvey Berliner, Chief of Facilities Engineering for the project, to present a review of current active contracts. Mr. Berliner delivered a brief Power Point presentation.

Mr. Kim asked if any changes had been added to the PB Americas GEC-1 contract, and whether the \$168.7M contract total included those changes.

Mr. Hamayasu replied that the dollar figure includes the changes, and noted that while the contract was originally less than \$90M, the cost increased due to EIS-related delays.

Mr. Horner asked whether paying for LEED certification was a choice or a requirement.

Mr. Hamayasu replied that he believes that the City requires LEED certification by ordinance. Mr. Berliner replied that there is some threshold over which buildings must be LEED certified. Mr. Yoshioka indicated that the City requires silver-level LEED compliance, and requested that Corporation Counsel look into whether certification of such compliance is also required.

Mr. Horner asked whether the West Oahu Station Group Design contract had been included in the estimated Financial Plan.

Mr. Berliner replied that the project is in line with the estimated cost in the Financial Plan, but noted that station architecture costs are minimal, and that the larger design costs involve the guideway structures themselves.

Mr. Hong asked how communities along the alignment can be assured that their desires are reflected in the station design.

Mr. Berliner replied that there are various ways, and that the project is holding community meetings to show station design ideas to the public and take ideas back to the office. Mr. Hamayasu indicated that the project went to communities to see how they identify themselves and to find which elements they feel are reflective of their communities, and then returned with architectural drawings which incorporated this input. Later meetings were held to assess how well the architects met community desires.

Mr. Lui-Kwan asked about the reaction the project has received at these community meetings.

Board Member Tanoue noted that the public has been generally supportive at these architecture meetings.

Mr. Tanoue and Mr. Hui asked whether revenue-generating activities were considered as part of station design.

Mr. Berliner replied that revenue-generating activities would not occur within stations, but rather outside the entrances.

Mr. Lui-Kwan asked what DPP has been doing to advance TOD.

Mr. Tanoue replied that since 2007, DPP has been holding community meetings to develop TOD plans for every station area, but noted that unlike other systems on the mainland, there is very little excess land for the project to create TOD partnerships.

Ms. Okinaga noted that the TOD committee will be meeting on July 28 and will be taking up TOD-related matters then.

Mr. Okimoto noted the importance of working with the State DOT as the project embarks on the Airport Guideway contract.

Mr. Lui-Kwan asked how the State DOT feels about interagency coordination so far.

Mr. Okimoto replied that the project's coordination with the State has been fine but Federal involvement has complicated matters, pointing to rights-of-way over freeways and medians as examples.

Mr. Horner noted that the Financial Plan was based on 30% design, and asked how far along the first ten miles of the project are.

Mr. Hamayasu replied that while design is not complete, the risk of final design and cost is now with the contractor, so HART and the Federal Government can be confident about those numbers.

Mr. Hong commended the HART staff for their monthly progress report, and asked whether the project could meet the deadlines of an FFGA in 2012 and revenue service in March 2019.

Mr. Hamayasu replied that construction activity is expected to start on time, by the end of the year after entry into Final Design and the receipt of a Letter of No Prejudice.

#### IX. Briefing on Business Plan

Ron Tober, Senior Advisor to the project, delivered a Power Point presentation on the HART Business Plan, covering the topics of Business Plan Overview and Contents, Draft HART Mission and Vision, Proposed Authority Goals, Performance Measurement, Organizational Strategy, and Soft Costs.

Mr. Horner requested copies of the Seattle and Charlotte scorecard documents referred to in Mr. Tober's discussion, and asked for more information on performance bonds.

Mr. Berliner indicated that the construction elements of the project are covered by a 100% performance bond.

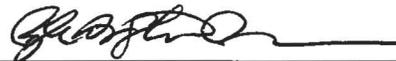
Ms. Okinaga stated that there is a high priority for HART staff to work on the Business Plan, and referred further action and recommendations to the Finance Committee.

Mr. Lui-Kwan thanked the Board Chair and Project Oversight Committee Chair for arranging the project status and contracts presentation.

X. Adjournment

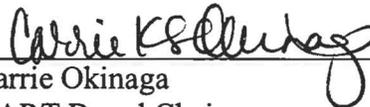
Mr. Hong moved for the Board to adjourn. Mr. Kim seconded the motion. There being no objections, the motion carried unanimously, and Ms. Okinaga declared the meeting adjourned at 12:25 P.M.

Respectfully Submitted,



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Tyler Dos Santos-Tam  
Board Administrator

Approved:



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Carrie Okinaga  
HART Board Chair

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AUG - 1 2011  
Date