



MINUTES

**Human Resources Committee
Ali'i Place, Suite 150
1099 Alakea Street, Honolulu, Hawaii
Thursday, April 2, 2015 9:30 A.M.**

PRESENT: Carrie Okinaga Donald G. Horner
Keslie Hui
Robert "Bobby" Bunda

ALSO IN ATTENDANCE: Daniel Grabauskas Gary Takeuchi
(Sign-In Sheet and Staff) Barbra Armentrout Joyce Oliveira
Jim Anthony Andrea Tantoco
Rose Pou Cindy Matsushita
Natalie Iwasa

EXCUSED: Michel Formby

I. Call to Order by Chair

Human Resources Committee Chair Carrie Okinaga called the meeting to order at 9:35 a.m.

HART Executive Director and CEO Daniel Grabauskas read his letter dated April 2, 2016 to the Committee, which requested that the Board forgo consideration of his annual bonus in its evaluation of his performance. A copy of the letter is attached hereto as Attachment A.

Ms. Okinaga thanked Mr. Grabauskas and said that the Board would consider his offer carefully.

II. Public Testimony on all Agenda Items

Ms. Okinaga called for public testimony.

Barbra Armentrout provided testimony in support of Mr. Grabauskas, and commended him for offering to forgo his bonus.

Dr. Jim Anthony testified that Mr. Grabauskas had done an outstanding job, and also lauded his decision not to accept his bonus, although he noted that it was well-deserved. Dr. Anthony noted that the Board has an obligation to support its Executive Director and CEO, and said that he hoped the Committee would provide a positive recommendation to the full Board.

Natalie Iwasa provided testimony that information provided by Mr. Grabauskas and the Board of Directors was inconsistent and incorrect, and did not add up. Ms. Iwasa questioned HART's transparency and said that she had many questions regarding information provided by HART.

Committee member Robert Bunda said that he would reserve his comments for a later time, noting his concern regarding the inconsistency of Ms. Iwasa's testimony at an earlier hearing.

Rose Pou testified that Mr. Grabauskas should not get a salary increase until the project is done, citing financial concerns.

III. Annual Evaluation of the Executive Director and CEO

Mr. Bunda thanked Dr. Anthony for his testimony. He asked whether the Committee would make its recommendation to the full Board. Committee member Donald G. Horner confirmed that was the case.

Ms. Okinaga said that the Committee and Board would be repeating the evaluation process from the previous year. Mr. Grabauskas had submitted his self evaluation to the Committee for consideration, and the Committee would make its recommendation to the full Board. The Board would vote on the evaluation and bonus, and decide on future evaluation metrics.

Dr. Anthony provided testimony that the Board should evaluate its position in its confidence in its Executive Director and CEO to the public, due to the critical nature of the relationship between Mr. Grabauskas and Board. Mr. Horner agreed.

Ms. Okinaga called for a motion to enter into execution session for the evaluation of the Executive Director and CEO. Committee member Keslie Hui moved to enter into executive session, and Mr. Bunda seconded the motion.

Ms. Okinaga said that the Committee would enter into executive session pursuant to Hawaii Revised Statutes Section 92-4 and Subsections 92-5(a)(4) and 92-5(a)(2) to consider the Annual Evaluation of the Executive Director and CEO, as consideration of

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matters affecting privacy are involved, and to consult with its attorneys on questions and issues pertaining to the Board's powers, duties, privileges, immunities and liabilities with regard to these matters.

IV. Executive Session

The Committee entered into executive session at 9:54 a.m.

The Committee reconvened in public session at 10:12 a.m.

Ms. Okinaga said that the Committee thanked the public for its input and participation. She said that the Committee continues to have the full confidence in the leadership of the HART Executive Director and CEO. She acknowledged that the Executive Director and CEO and the project had experienced an extremely challenging year. The Committee recommended that the matter of the bonus be deferred to the full Board, which would be meeting shortly.

V. Adjournment

There being no further business before the Committee, Ms. Okinaga adjourned the meeting at 10:12 a.m.

Respectfully Submitted,



Cindy Matsushita
Board Administrator

Approved:


for _____
Carrie K.S. Okinaga
Chair, Human Resources Committee

MAR 17 2016

Date

ATTACHMENT A



HONOLULU AUTHORITY for RAPID TRANSPORTATION

Daniel A. Grabauskas
EXECUTIVE DIRECTOR AND CEO

BOARD OF DIRECTORS

Ivan M. Lui-Kwan, Esq.
CHAIR

Donald G. Horner
VICE CHAIR

George I. Atta
Robert Bunda
Michael D. Formby
Ford N. Fuchigami
William "Buzz" Hong
Kestlie W.K. Hui
Damien T.K. Kim
Carrie K.S. Okinaga, Esq.

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Mr. Ivan Lui-Kwan, Esq.
Chair, HART Board of Directors
1099 Alakea Street, 17th Floor
Honolulu, Hawaii 96813

Dear Mr. Lui-Kwan,

The Annual Performance Objectives Review is a welcomed opportunity to highlight the good work and significant progress made by our team here at HART over the past year. And it is also an opportunity to discuss some of the challenges we face as a project.

We have come a long way this past year: We have built nearly three miles of guideway. Our Rail Operations Center is more than 65 percent complete. And we now have access to nearly 90 percent of all land needed to complete the project.

Yet, as the largest public works project in the state's history, we have our challenges. The costs of lawsuits and delays, lower-than-anticipated GET revenue, and higher costs due to an increasingly aggressive construction market will make 2015 one of our most fiscally challenging years to date.

Leading this organization is an honor. And I am proud of the work this team does daily. We have proactively identified and reduced costs; reassessed our future contracts, cost estimates and scope; and have managed to reduce our operating budget for the coming year.

The HART team and I are working diligently and responsibly to reduce costs and demonstrate that we are responding seriously to the public's call for fiscal austerity and self-discipline. For those reasons, I am respectfully asking the board to forego any consideration of a bonus in my review. Now simply is not the time.

Finally, I want the Board to know that we remain firmly focused on delivering this project. All of us at HART understand that building this project truly means building a better future for our island, and for Hawaii. You have my continued commitment and the commitment of our HART team, that we will work hard, continue to be transparent, and do our best each and every day to deliver the safe, reliable, high-quality transit system Honolulu deserves.

Mahalo,

Daniel A. Grabauskas
Executive Director and CEO