



HONOLULU AUTHORITY for RAPID TRANSPORTATION

MINUTES

Human Resources Committee Meeting

Kapolei Hale, Conference Room B
1000 Uluohia Street, Kapolei, Hawaii
Thursday, December 19, 2013, 9:00 am

PRESENT:

Carrie Okinaga
Keslie Hui
Robert Bunda

Michael Formby
Don Horner

ALSO IN ATTENDANCE:
(Sign-In Sheet and Staff)

Paul Migloiorato
Brandon Elefante
Jay McRae
Matt Caires
Russell Honma
Marcel Honore
Charlotte Kanda
Jeanne Mariani-Belding

Daniel Grabauskas
Diane Arakaki
Michael McGrane
Paul Romaine
Alan Wulkan
In-Tae Lee
Greg Rapp
Cindy Matsushita
Gary Takeuchi

I. Call to Order by Chair

HART Human Resources Committee Chair Carrie Okinaga called the meeting to order at 9:07 a.m.

II. Public Testimony on all Agenda Items

Ms. Okinaga called for public testimony. None was offered.

III. Approval of Minutes of January 24, 2013 Human Resources Committee Meeting

Ms. Okinaga called for the approval of the minutes of the January 24, 2013 Human Resources Committee meeting. All being in favor, the minutes were approved.

IV. Discussion of Staffing Plan

HART Chief Financial Officer Diane Arakaki and HART Budget Analyst Michael McGrane made a PowerPoint presentation to update the committee on the status of HART's staffing plan, which is still being developed. A copy of the presentation is attached hereto as Attachment A. Ms. Arakaki stated that staff had, at the Board's direction, examined HART's Financial Plan for staffing levels and costs over the next ten years. They consulted with HART's Core Systems staff, and examined comparable transportation systems that purchase services.

The study assumed an interim opening June 2017, and a full revenue service opening of March 2019. The study also assumed no further rail expansion, and rail operations independent of TheBus. Ms. Arakaki explained that staffing assumptions could change in the future depending on the recommendations of the newly-formed Oahu Transit Services (OTS)/Department of Transportation Services (DTS)/HART/Ansaldo working group, or on any expansion of the system.

Ms. Arakaki stated that while existing systems are all different, systems selected for the comparison were the most similar to HART. Those systems include Phoenix, Seattle, San Jose, New Jersey, Virginia, San Diego County, and San Diego. "Passive" systems such as the Virginia Railway Express purchase most services from contractors. By contrast, "active" systems such as the South Florida RTA provide a higher level of in-house service. Ms. Arakaki detailed the organizational charts for each system to illustrate the differences: Virginia Railway Express, an 80-mile system that manages an operations contractor, employs 37 people, which includes five expansion positions. South Florida, a three county system that covers 71 miles of track, employs 100 people and takes a more active role in operations.

Ms. Arakaki introduced a chart depicting the operating budget staffing levels of HART relative to other systems. Although the Full Funding Grant Agreement (FFGA) application depicts HART's operational staff as having 86 full time employees (FTEs), Ms. Arakaki stated the actual number would be less. Ms. Arakaki said that HART staff was updating the Staffing & Succession Plan (SSP), which is used to assure technical capacity during the project. The SSP update will integrate the system comparison information and the recommendations by the DTS/OTS/HART/Ansaldo working group.

Mr. Horner expressed his concern that HART would be overstaffed, as Ansaldo would be operating the system. Ms. Arakaki explained that the HART staffing numbers represent HART employees only, and do not include Ansaldo. Similarly, the staffing numbers for other systems do not include any operations contractors. Mr. Grabauskas clarified that the other agencies being compared are oversight agencies that manage operations, similar to what HART will do. Some manage more passively by contracting out more of the operations functions, while others manage more actively by participating in operations at a higher level.

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Mr. Horner stated that the 86 FTEs will depend on what services HART keeps in-house and what is contracted out. Mr. Grabauskas acknowledged that there is no perfect comparison between HART and any other transit system. HART will have to decide how engaged it wants to be in terms of oversight, even though it has a design-build-operate-maintain contract with Ansaldo.

Mr. Horner asked that the staffing numbers be broken down by the 15 core functions. Mr. Grabauskas agreed, and stated that, in light of the establishment of the joint working group, some functions performed by OTS may not be needed by HART. He also said that, for each function, HART would have to decide how active or passive it wanted to be.

Mr. Grabauskas pointed out that HART is fairly unique in that it while it already had an established bus system, it chose to create a standalone rail authority. Therefore, there is no other startup standalone rail system in existence, as most other transit authorities add rail to an already established bus system.

Mr. Bunda asked about the status of HART now. Mr. Grabauskas replied that while HART is currently very active, Ms. Arakaki was attempting to describe the agency when it is in operation. Mr. Bunda asked about the staffing for the project labor agreement, and Mr. Grabauskas said that there is an open position to oversee this area that is expected to be filled in the coming year.

Mr. Hui asked that staff provide a sense of context in the comparison. He asked for information on the size and scope of contracts, relative to the number of people needed to manage the contract. Committee member Michael Formby agreed. Mr. Grabauskas said he would get that information to the committee.

Mr. Formby said he would like to know whether any other organizations underwent a decision-making process over combining/not combining bus and rail. He also wanted to know the basis for any decision.

V. Discussion of Executive Director and CEO's Evaluation Process

Ms. Okinaga proposed that the Human Resources Committee follow the same process for evaluating the performance of the Executive Director and CEO as it did the previous year. Documents relating to that process were provided to members, and are attached hereto as Attachment B.

Ms. Okinaga stated that Mr. Grabauskas' self-evaluation would be due to the Board by March 31, 2014. A Human Resources Committee meeting would be held on April 3, 2014, at which public testimony would be heard. The committee would hold an executive session to discuss Mr. Grabauskas' self-evaluation, and the evaluation report for the Board's consideration. In addition, the Board would utilize the committee's comments to draft objectives for the coming year. At the April 17, 2014 Board meeting,

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public testimony would be heard, and the Board would enter into executive session. The Board would then take a public vote on the performance evaluation, bonus recommendation, and the following year's objectives.

Ms. Okinaga solicited comments and discussion from members, and there was none.

Ms. Okinaga stated that she would like to begin the discussion regarding the possible renewal of Mr. Grabauskas' three-year contract, which ends in 2015.

V. Executive Session

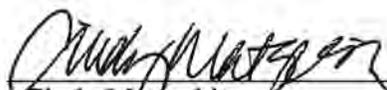
Ms. Okinaga called for a motion to enter into executive session to consider personnel matters affecting privacy and the Board's privileges, duties, immunities, and liabilities. Mr. Horner so moved, and Mr. Bunda seconded the motion, which carried unanimously. The committee entered into executive session at 9:39 a.m.

The committee re-entered into public session at 9:45 am.

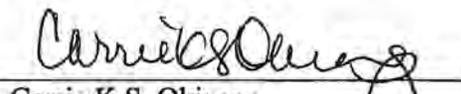
VI. Adjournment

Ms. Okinaga adjourned the meeting at 9:45 am.

Respectfully Submitted,


Cindy Matsushita
Board Administrator

Approved:


Carrie K.S. Okinaga
Chair, Human Resources Committee

APR 24 2014
Date

ATTACHMENT A

HART Human Resources Committee

Staffing Review

December 19, 2013

O&M Staffing Plan Review

Board Directed Staff to review Federal Grant Financial Plan for operational and staffing levels/costs.

Review Methodology

- Reviewed financial assumptions in the O&M Financial Plan
- Consulted with HART department heads relative to O&M responsibilities and staffing needs over the next 10 years
- Consulted with Core Systems and Operations staff
- Reviewed comparable systems with respect to cost and staffing levels
- Updated the Board Finance Chair, and now HR Committee

Review Assumptions

Base Assumptions:

- Interim Date: June 2017
- Revenue Service: March 2019
- No System Expansion
- Independent of The Bus

Review Assumptions

Staffing Assumptions could change going forward:

- Working with DTS,OTS, and Ansaldo for cost savings
- Extensions could change staffing levels

Review Findings

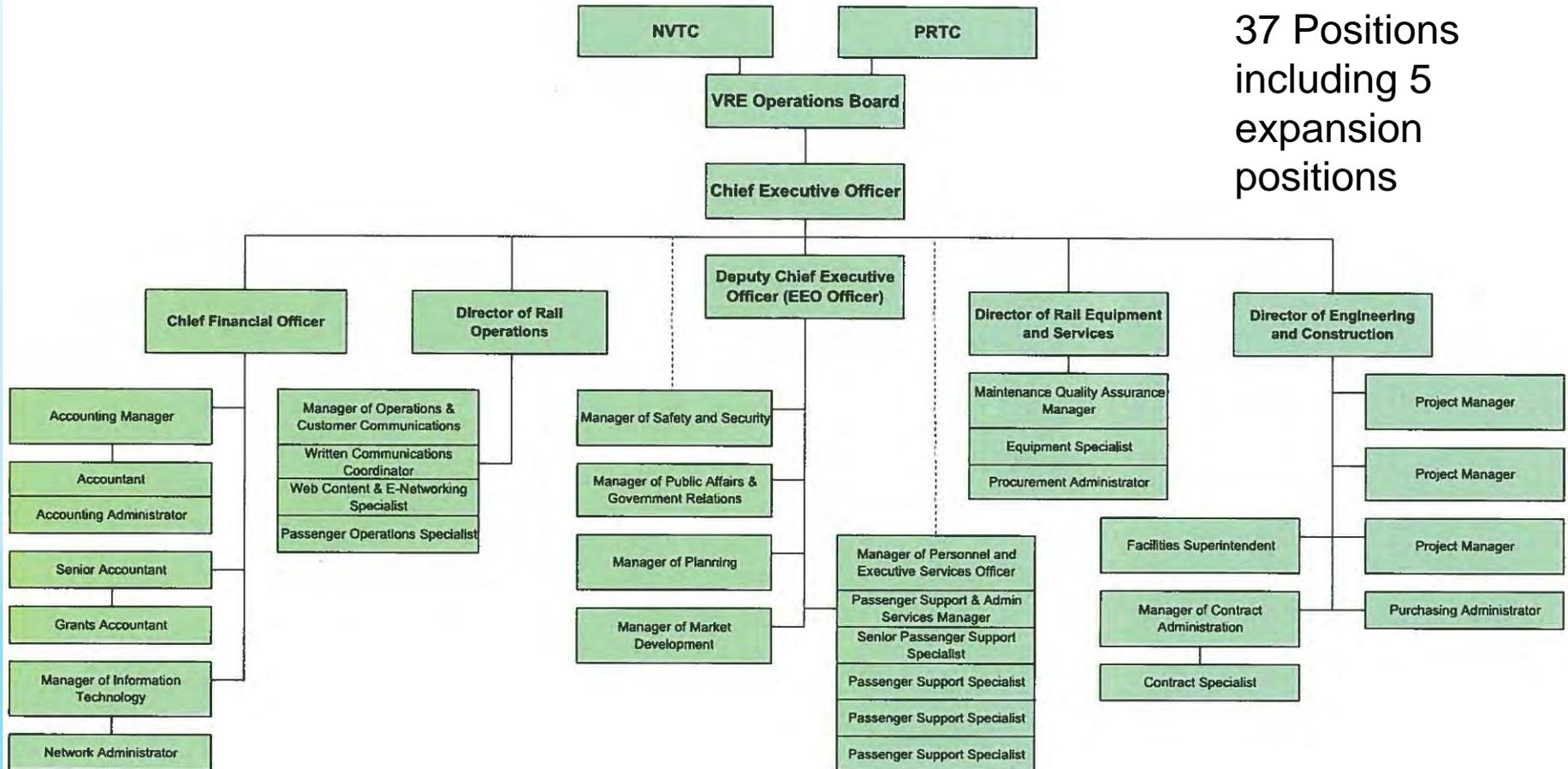
Organization and Staffing Levels:

- Every Rail System is Unique and faces different challenges
 - Purchase operations vs. direct operations, service miles, customer needs, rail mode, etc
- Reviewed 8 Rail Lines that purchase transportation services in Phoenix, Seattle, San Jose, New Jersey, Virginia, San Diego County, and San Diego
- Systems that purchase transportation services range from “Passive” to “Active”
 - Passive: Virginia Railway Express is privately operated and has 37 employees including 5 capital improvement staff
 - Active: South Florida Tri Rail is privately operated and has over 100 positions

Passive: Virginia Railway Express

(Virginia to DC, Commuter Rail)

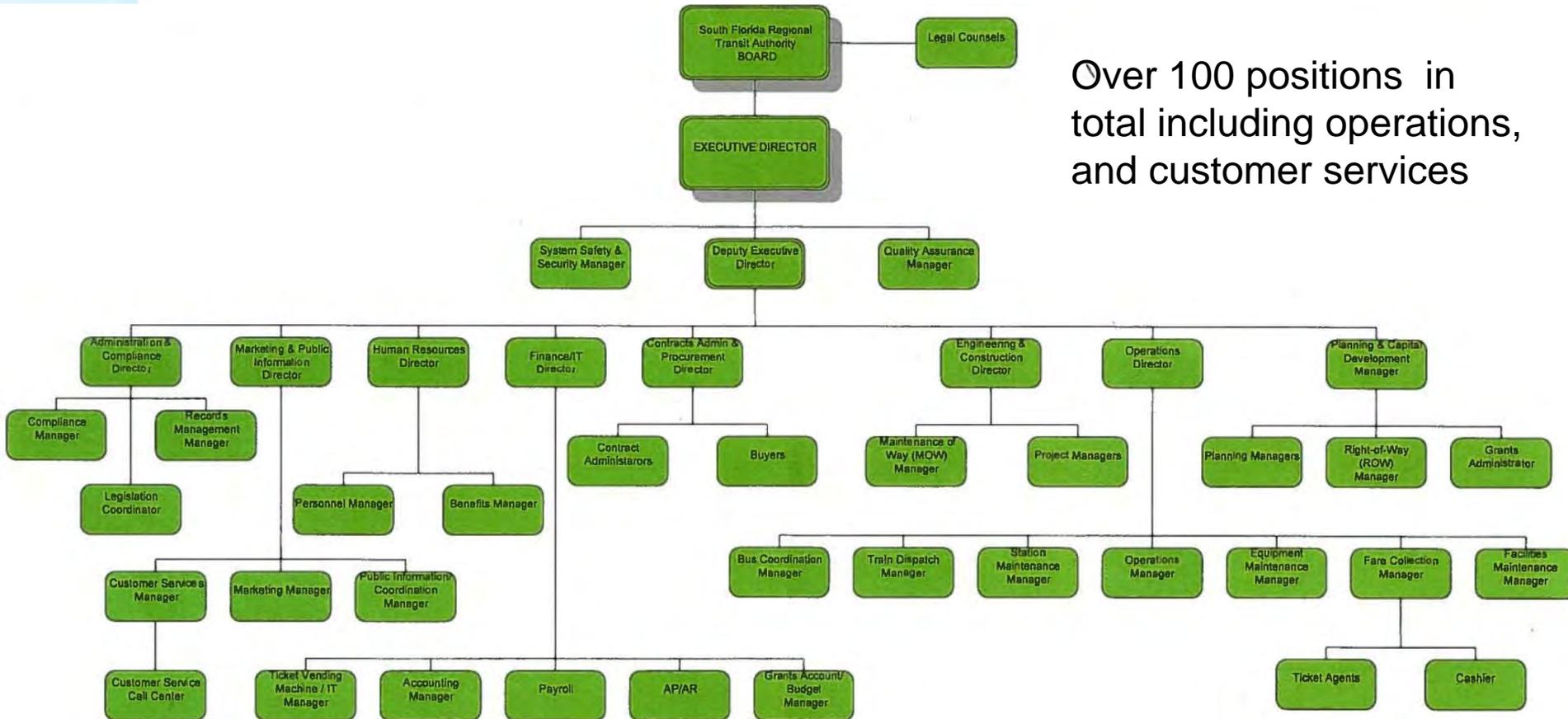
37 Positions
including 5
expansion
positions



Active: South Florida RTA: TRI Rail

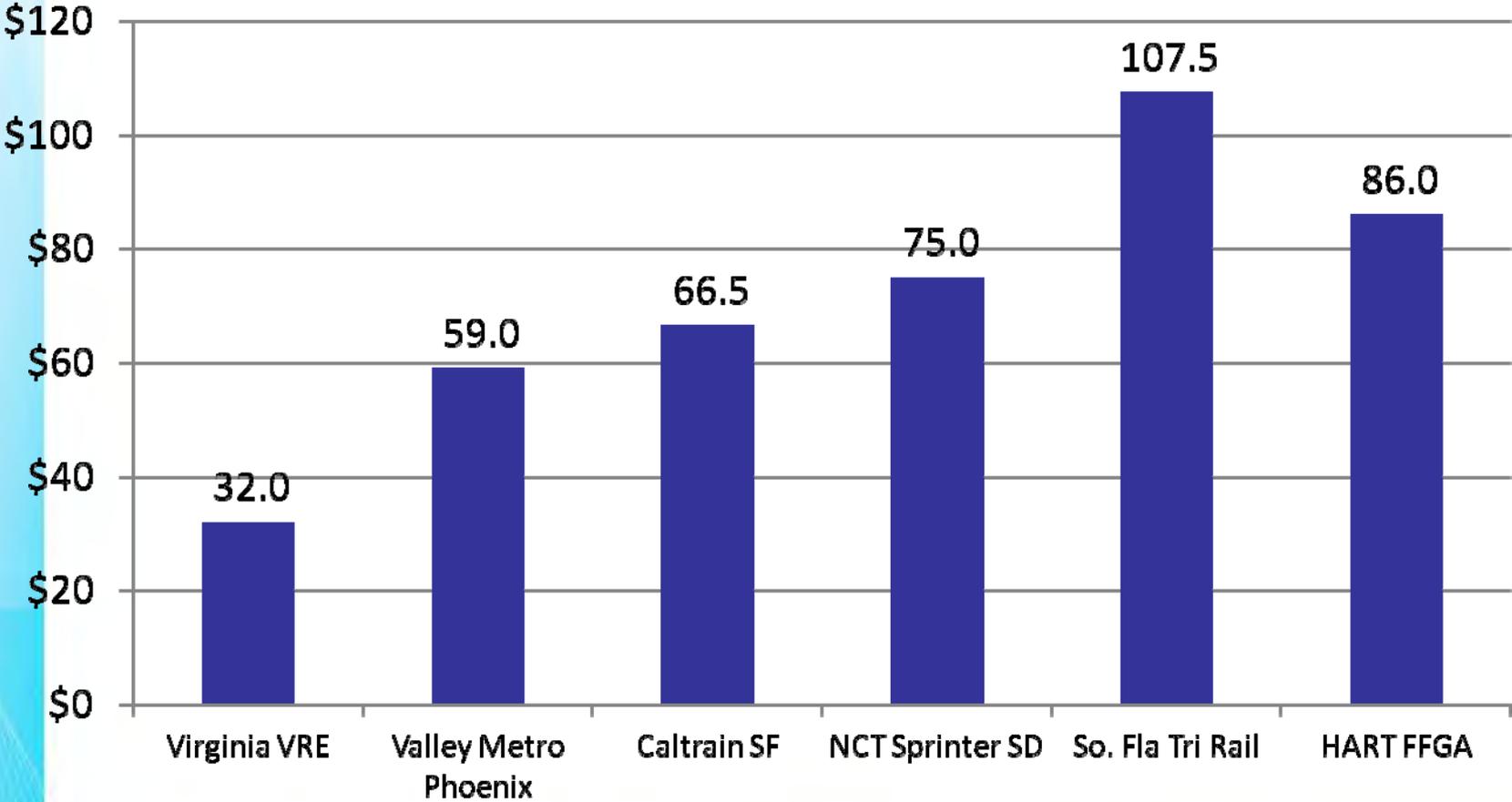
(Miami, Commuter Rail)

Over 100 positions in total including operations, and customer services



Operating Budget Staffing Levels

(Full Time Equivalent Position, excludes Security & CIP Staff)



Operating Staffing Comparisons

Positions	Virginia Railway Express	Valley Metro (Phoenix)	Caltrain (SF Bay)	North County (San Diego)	South Florida RTA (Miami)
Rail and Facility Operations	1.0	28.0	17.5	2.0	30.0
Rail Services	5.0	4.0	11.0	11.0	16.5
Communications and Business Dev.	4.0	-	14.0	14.0	7.0
HR, Risk, Safety and Training	4.0	5.0	3.5	8.0	3.0
IT	2.0	3.0	1.5	10.0	6.0
Finance, Budget, Grants	6.0	9.0	10.0	15.0	20.0
Contract Compliance & Procurement	4.0	5.0	5.0	6.0	9.0
General Management & Legal	6.0	5.0	4.0	9.0	16.0
Total	32.0	59.0	66.5	75.0	107.5

% of Total	Virginia Railway Express	Valley Metro (Phoenix)	Caltrain (SF Bay)	North County (San Diego)	South Florida RTA (Miami)
Rail and Facility Operations	3%	47%	26%	3%	28%
Rail Services	16%	7%	17%	15%	15%
Communications and Business Dev.	13%	0%	21%	19%	7%
HR, Risk, Safety and Training	13%	8%	5%	11%	3%
IT	6%	5%	2%	13%	6%
Finance, Budget, Grants	19%	15%	15%	20%	19%
Contract Compliance & Procurement	13%	8%	8%	8%	8%
General Management & Legal	19%	8%	6%	12%	15%
Total	100%	100%	100%	100%	100%

- Comparisons assist in defining a base operating organization
- Highlights areas for synergies with DTS, OTS and Ansaldo

Project Staffing Plan

- Staff is currently updating the Staffing & Succession Plan (SSP) reflecting changes since its last update in June 2012.
- The SSP is a planning tool used to assure technical capacity and capability is retained during critical phases of the project.

Next Steps

- Integration / Update of 2012 Staffing & Succession Plan
 - Ongoing and will be updated as assumptions change over time
- Continue discussions with the DTS, OTS, and Ansaldo working group to explore operational synergies
 - Updates to Board will be via periodic group updates
- Continue annual refinement of staffing levels

ATTACHMENT B

**Annual Performance Objectives
for
Daniel A. Grabauskas, Executive Director & CEO
Honolulu Authority for Rapid Transportation (HART)
Evaluation Period: April 2013 - March 2014**

Powers, Duties and Functions of the Executive Director:

As defined in the Revised Charter of the City and County of Honolulu Section 17-104, the Executive Director shall:

- a) Administer all affairs of the authority, including rules, regulations and standards adopted by the board.
- b) Have at least five years of fixed guideway system experience.
- c) Sign all necessary contracts for the authority, unless otherwise provided by this article.
- d) Recommend to the board the creation or abolishment of positions.
- e) Enforce the collection of fares, tolls, rentals, rates, charges, and other fees.
- f) Prepare payrolls and pension rolls.
- g) Maintain proper accounts in such manner as to show the true and complete financial status of the authority and the results of management and operation thereof.
- h) Prepare annual operating and capital budgets.
- i) Prepare and maintain a six-year capital program.
- j) Prescribe rules and regulations as are necessary for the organization and internal management of the authority.
- k) Recommend rules and regulations for adoption by the board.
- l) Request, and accept appropriations from the city, and request and accept grants, loans and gifts from other persons and entities.
- m) Administer programs promoting appropriate developments near transit stations, including compilation of city incentive programs.
- n) Review development projects having significant impact on the operation of the fixed guideway system.
- o) Plan, administer and coordinate programs and projects of the fixed guideway system that are proposed to be funded, wholly or partially, under federal or state law and required to be transmitted to the Oahu metropolitan planning organization.
- p) Attend all meetings of the Board unless excused.
- q) In addition to the general powers under this section, other general or specific powers may be conferred upon the executive director by ordinance, so long as the powers are consistent with the article of this Charter.

Annual Performance Review

After the significant milestones and progress achieved in Mr. Grabauskas's first year as Executive Director and CEO, for this second year, the Board continues to have high expectations. There are several critical milestones in the Honolulu Rail

Transit Project (H RTP) for the coming year, including resuming construction of the fixed guideway system and maintaining enhanced transparency and communication with the public and key stakeholders to build and to maintain the public's confidence in the management of and support for the rail project. To assess whether or not the Executive Director and CEO has accomplished these goals and successfully executed the duties and responsibilities of his position, the Board will evaluate performance in the following high priority areas.

ORGANIZATIONAL DEVELOPMENT

- Develop and implement a Human Resources staffing plan, which shall include projections for the years of operation starting in 2017;
- Ensure successful succession and employee development plans across all functions of the Authority, especially in light of key retirements expected over the next few of years. This includes identifying current opportunities for training of our employees by experienced consultants, and encouraging employees to take initiative and develop within the organization;
- Coach, train, and motivate staff; manage employee relations; manage the workflow and prioritization of projects and measure the performance of the agency and direct staff and take appropriate corrective action when necessary; review the work of staff and make effective suggestions and recommendations; recommend and implement corrective actions, discipline and termination procedures as appropriate/necessary;
- Ensure that processes, policies and practices are interpreted and applied consistently and effectively and that the Authority is accountable and compliant with all current and applicable HART, City, state and federal policies;
- Empower senior management and employees to lead their departments and functions effectively and efficiently; encourage senior management and employees to work together and across all functions of the organization, avoiding "stove-piping"; provide an environment where managers from each department are encouraged to work together and present directly to executive leadership;
- Ensure that effective cost-control measures are in place at all levels of the Authority; and
- Invite and encourage Board member participation in community events and senior staff meetings as appropriate.

PROJECT DELIVERY

- Implement the HART business strategy adopted by its Board and in accordance with HART's mission to achieve the vision for the H RTP through the successful accomplishment of HART's goals, including construction of the entire fixed guideway system on time and within budget;
- Manage the FFGA process and continue to retain and build the trust and confidence of the FTA;

- Responsibly manage the Authority's assets in order to optimize all funding sources available to HART;
- Identify areas for cost reduction and increased efficiencies and communicate those recommendations and creative solutions effectively to the Board and management, resulting in an organization that is run efficiently and cost effectively;
- Manage a capital project-oriented organization with an emphasis on financial management, safety, security, and public awareness as to the impacts that construction will have on residents, visitors, the environment and other stakeholders;
- Responsibly schedule, authorize, and manage the physical development of the H RTP;
- While maintaining focus on construction, facilitate efforts being made by the State and City and County governments in partnership with developers and landowners to advance transit oriented development that maximizes ridership and generates the highest return on investment, in furtherance of the H RTP and the City's development plans. In particular, develop and execute MOUs and MOAs with public and/or private land owners within close proximity of each planned transit station to access the station from their proposed development;
- Make satisfactory progress in the Disadvantaged Business Enterprise program;
- Maintain strong and consistent communication with and oversight over the DBOM contractor; and
- Balance the focus on on-time/within-budget construction milestones, with the long term vision of delivering future operation and maintenance of the system in a safe, clean, courteous, timely, dependable, and cost-effective manner.

STAKEHOLDER INTERACTIONS & COMMUNITY LEADERSHIP

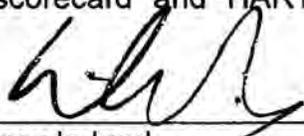
- Work effectively and persuasively with elected officials, local, state and federal agencies, the U.S. House of Representatives, the U.S. Senate, U.S. DOT/FTA, Transportation Security Administration (TSA), the governments of City and County of Honolulu and State of Hawaii, the University of Hawaii system, and the local business community, organized labor, public constituencies, NGOs, the press and other stakeholders;
- Attend and/or participate in professional group meetings and maintain awareness of new trends and developments impacting the agency's business activities;
- Further develop an understanding, appreciation, sensitivity and commitment to the social, cultural, economic, political and environmental needs of HART and the unique city it serves;
- Listen to stakeholder input and provide insight into the Authority's implementation of its capital program and policies and the Authority's current and future status and to assure maximum cooperation in building the best

possible fixed guideway transportation system for the City and County of Honolulu;

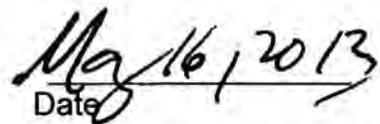
- Advocate for sustainable development and economic growth for the City and County of Honolulu and increased revenue for government and local businesses;
- Maintain on-going communication with the State of Hawaii's Department of Transportation and the City and County of Honolulu's Department of Transportation Services regarding the alignment of the fixed guideway system as it relates to grade crossings and capital intensive construction phases;
- Continually examine the Authority's performance as it relates to safety so that the design, construction and future operation result in delivery of safe, enjoyable and reliable service to all stakeholders; and
- Work with government officials, commercial and residential real estate developers and other businesses, and the public to develop initiatives to minimize use of real property taxes for operation of the mass transit system in the future.

BOARD INTERACTION

- Further develop a strong collaborative working relationship with an engaged 10-member Board of Directors; assist the Board in its policy-making duties by providing relevant information in a timely manner; assist the Board in short and long-term planning objectives; furnish information to include options and potential consequences, enabling the Board and its Committees to make informed decisions;
- Manage the resources of the Authority consistent with the Board's policies, project schedules and the financial plan, via actionable management plans that provide strategic direction for senior management to effectively execute these plans;
- Ensure materials for Board meetings are provided in a timely manner and in advance of Board meetings, and where possible, posted for public review; and
- Communicate regularly with the Board of Directors about internal operations, reports and external stakeholder communications, updating the "balanced scorecard" and "HART Facts" every three (3) months.



Acknowledged
Daniel A. Grabauskas
Executive Director & CEO



Date

MEMORANDUM

**TO: Board of Directors,
Honolulu Authority for Rapid Transportation (HART)**

**FROM: Daniel A. Grabauskas,
Executive Director and CEO**

**SUBJECT: Annual Performance Objectives
Evaluation Period April 2012 – March 2013
Self Evaluation**

DATE: 31 March 2013

Executive Director and CEO Opening Statement

I would like to state up front that I am proud of this past year's accomplishments, but also add that it is my belief that there is always room for job performance improvement. My hope is that this review will allow those areas of professional development needing improvement to surface so that I may work on them in the coming year. I would also like to reiterate my personal commitment to the taxpaying public and to the HART Board of Directors to aim for excellence in all that I do and, in every way possible, to encourage excellent performance from our HART staff, our many consultants and our contractors.

I wish to thank the members of the HART Board of Directors for the confidence they placed in me a year ago and for their support, guidance and direction during the last twelve months. A very special *mahalo* to Board Chair Carrie Okinaga for her tremendous leadership and unwavering support. My *mahalo* also for the support of former Mayor Peter Carlisle and Mayor Kirk Caldwell, and City Council Chair Ernie Martin and the members of the Honolulu City Council with whom I have had the privilege to work. Finally to the staff at HART, past and present, my gratitude for their hard work and support. I am only one member of a very outstanding team that has striven mightily to deliver the many accomplishments discussed here.

As directed by the HART Board's Human Resources Committee, in this document I report on the goals, milestones, and achievements *vis-a-vis* the evaluation criteria established upon my hire. I describe the status of relevant on-going activities, completed tasks, and significant accomplishments over the past 12 months that advance the mission of the organization and that address the specific goals I was given by the Board of Directors in March 2012.

I look forward to a robust dialogue with the Human Resources Committee and the Board of Directors regarding my performance this past year and goal setting for the coming year. *Mahalo*.

Status Report on Goals, Milestones, and Achievements

“In this first year, the Board has set high expectations for the Executive Director & CEO.”

There were several critical milestones in the project that were highlighted in the performance evaluation criteria. I am pleased to report the following:

- “Securing the required federal, state and city & county approvals for the commencement of construction” Construction Commenced April 23, 2012;
- “The preparation and timely submittal of the application for Full Funding Grant Agreement (FFGA) to the Federal Transit Administration (FTA)” Application Submitted June 29, 2012;
- “All efforts required for execution of the FFGA” Grant Award Executed December 19, 2012.

In addition a very high priority was placed on enhanced transparency and communication with the general public and key stakeholders to build and to maintain confidence in the management of and support for the rail project. I can say confidently that HART’s enhanced transparency is one of the hallmarks of this past year. The Board pronounced transparency a top priority and I have worked diligently and creatively with our staff to make HART a more open and accessible organization to elected officials, to the media, and ultimately to the people of the City and County of Honolulu.

Upon my arrival our team was doing many good things on this project and my goal was, and is, to foster the continuation of those often award-winning efforts. Community outreach through monthly Olelo programming, participation in numerous local events (both initiated by HART or as participants in many events and festivals, etc.), open and frequent HART Board and HART Board Committee meetings, newsletters, and our excellent website. However, there were areas identified early in my tenure where we could do more. There were also areas where spending less while doing more was not only possible but became an important mandate in order to re-gain public confidence in our outreach efforts -- and in the project as a whole. We eliminated unnecessary, duplicative, or ineffective expenditures from our public relations budget; no more coloring books or trinkets. The number of staff dedicated to public involvement was reduced from 23 to 9.5 full time equivalents (FTEs). We proactively instituted measures for greater transparency and increased the amount of information available to the public by adding 150,000+ pages of the administrative record to our website during my first month, and since then adding tens of thousands of pages of documents that were previously inaccessible or unavailable. The effort continues and new information is added every week.

Personally expressing HART's commitment to listen and respond to the public was an immediate and is an on-going priority for me. Over the past year I have personally presented to numerous organizations. As Executive Director and CEO, I have made well over 100 significant appearances: at press conferences and press availabilities, on live television and radio programs, at rotary clubs and chambers of commerce, at neighborhood boards, at HART-sponsored community outreach sessions along the alignment, in high schools and on college campuses, with numerous native Hawaiian organizations, before the City Council and various City Council committees, state legislative committees, at businesses large and small, community informational sessions, and in one-on-one settings with dozens of key stake holders -- not to mention almost every time I visit my grocery store. It is important that the Executive Director and CEO, on behalf of HART and the HART Board of Directors, be available and accessible to listen to the public's concerns and suggestions. At the HART Board's direction, I made this a top priority and have dedicated a significant amount of my time in these efforts.

"To assess whether or not the Executive Director & CEO has accomplished these goals and successfully executed the duties and responsibilities of his position, the Board will evaluate performance in the following high priority areas..."

1. ORGANIZATIONAL DEVELOPMENT

The HART organization is complex and has noteworthy demands for its size. When approaching the management of HART, we should not forget that it is an organization still in its infancy: a reality which creates its own challenges. Daily we must establish new systems and create new protocols for activities, setting precedent where there currently is none. Even as it was being born as a semi-autonomous body, HART was quickly evolving from a long-time planning organization, to a construction management organization overseeing the largest public works project in Hawaii's history, all while preparing to become an organization which will oversee the operations manager of the state's first-ever rail system. Working with HART staff and our consultants, I have significantly revamped and integrated the organizational structure of HART to meet today's needs while keeping tomorrow's challenges in sight. We have brought in new, talented personnel to lead our departments through these transitions: both for the work we face today and for the challenges ahead of us. I am working actively on succession planning for several key positions, as well.

Below is a recapitulation of authority reorganization and significant staff changes of the last twelve months:

- hired new (authority's first) Deputy Executive Director (Brennon Morioka);
- hired new (authority's first) Chief Financial Officer (CFO) (Diane Arakaki);

- worked with CFO to hire new accounting staff, Fiscal Officer (Bruce Sakihama), and Budget Analyst (Michael McGrane) to address first annual audit findings and build core budget and cost control management capacity;
- eliminated the positions of Chief Operating Officer and Deputy Project Officer for Administration and Control for cost reductions and flattening the organization;
- reduced public involvement staffing from 23 FTEs to 9.5 FTEs;
- created new position to consolidate Planning, Utilities, Permits and Right of Way for improved coordination and named first Director (Elizabeth Scanlon);
- named new (authority's first) Director of Operations and Maintenance (Duane Sayers) and elevated position to senior level staff;
- named new Utilities and Permits Manager (Darin Mar);
- promoted new Procurement/Contracts Officer (Paula Youngling)
- promoted new Director of Engineering and Construction (Lorenzo Garrido);
- promoted new Deputy Director of Engineering (In-Tae Lee);
- hired new Deputy Director for Construction (Rick Stead)
- replaced former and hired new Core Systems Director (Rainer Hombach);
- replaced former and hired new Project Controls Manager (David Sagherian) and also replaced and hired new the project controls staff (nearly a 70% turnover);
- moved Document Controls to report to Project Controls;
- moved Change Order Management to report to Engineering and Construction;
- Project Controls now reports to the Deputy Executive Director in order to enhance cross-agency coordination and re-emphasize the primacy of on-budget and on-schedule priorities;
- replaced and hired new authority Risk Manager (James McAloon);
- hired new Safety Specialist (Shawn Rainey) and hiring new Safety Certification Manager.

There are several human resources documents that map out where we are and where we are going, such as our new organizational chart and several FTA-mandated personnel related documents that describe required staffing capacity and need for the organization to meet federal standards. HART is meeting these requirements through many of the recent hires and or staff promotions. The long range future of the organization (both size and structure) is currently being reviewed. 'Where we are going' will be informed by the budget and human resources exercise that the Board of Directors has directed in our "look ahead" to 2020 which will be presented to the Board of Directors in July 2013.

This past year I encouraged both agency-wide and job specific training. In a new organization, and a relatively small organization, with a complex set of tasks it is imperative that all staff be informed of their roles and responsibilities as City and County employees and to be armed with the right skills for their specific job-related challenges. All staff have undergone prevention of sexual harassment and ethics awareness training. Many staff have had training on our construction management system (CMS), various computer-related trainings, and construction site safety. Specific trainings were made available, or required, for more specialized work in such departments as: procurement; quality assurance and quality controls; safety and security,

civil rights, various federal transit administration grantee requirements; environmental; legal; and human resources. The goal is to build in-house know-how so that HART staff has all the skills necessary to operate more independently and successfully.

Empowering Staff: In order to do as directed, to “empower senior management and employees to lead their departments and functions effectively and efficiently; encourage senior management and employees to work together and across all functions of the organization, avoiding stove-piping” I instituted weekly senior staff meetings and weekly one-on-one meetings with senior staff to enhance communication and coordination and break down silos at the authority. In addition, the re-organization has also enhanced cross-functional interactions. We still have a way to go for the type of cross-departmental collaboration found in the highest performing organizations, but this past year has seen the authority take solid, positive strides forward.

Cost Controls: Cost controls and budgeting challenges were identified as a priority during both the interview process as well as in initial meetings with the Federal Transit Administration’s project management oversight consultant. To meet these challenges I hired the authority’s first CFO in August 2012 and began the process with her of building the budget and finance department's capacity to effectively and efficiently monitor the operating and capital expenditures of the authority. In addition I have hired a new Project Controls Director who is charged with creating and leading an effective and robust project controls staff by the time we resume construction. This has been one of the highest priorities for me and I have worked closely and collaboratively with the FTA and their project management oversight throughout the process. Finally, while the first annual audit yielded findings related to reportings during the transition from DTS to HART, the over-all conclusions were favorable. Our goal is zero audit findings for 2014.

Safety: Safety is the top priority. From the first days that we went into construction, I personally visited the worksites for the monthly morning roll call to talk about safety with our contractor’s staff, and our own. Our safety and security officer and I meet weekly, or more often, focusing on a safe workplace and how we can build a safe and secure system, along with our partner Ansaldo JV. In addition, HART negotiated funding for the State Safety Oversight program with HDOT and has worked closely and collaboratively with HDOT to hire a nationally recognized consultant to assist in this role. Safety will be the top priority when we resume construction.

2. PROJECT DELIVERY

This past year, the HART business strategy was adopted by the Board through the business plan which was updated for this fiscal year 2013. It is currently being updated for fiscal year 2014.

Immediately upon joining HART, the staff was challenged to find areas for cost reduction and increased efficiencies. We communicated those recommendations to the Board’s Finance Committee. Within the first couple of months on the job we made recommendations for

reductions in the operating budget and also worked to build relationships with the Mayor and City Council to communicate these actions, with special effort amongst the Budget Committee of the City Council. I wish to acknowledge my appreciation for the leadership of City Council Budget Chair Ann Kobayashi and Transportation Chair Breene Harimoto who were instrumental in advancing a new look at our budget during City Council review. In the first review of the operating budget, these recommendations resulted in over \$1.5M reductions. Three staff positions were also cut from this fiscal year's budget. None of these efforts would have been successful without the guidance I received in these early days from HART Board leadership, particularly from the Finance Chair, Don Horner, to whom I owe a great deal during this transition year. Finally, in order to set an example of fiscal austerity, I imposed the same salary cut that other city and county department heads had taken and unilaterally reduced my salary by 5% for this fiscal year.

In many ways the project became re-focused, almost single-purposed for a period this past year, on the archeological inventory survey (AIS) work required to satisfy the Hawaii Supreme Court decision. I am pleased to report that each milestone that was established was met on time or ahead of schedule. Notably the AIS trenching activity was done nearly two months ahead of schedule and the AIS reports to SHPD have been delivered ahead of schedule as well. This all-hands-on-deck effort brought departments and staff together in a profoundly important way and has helped to set a tone of achievement even in times of great adversity that will serve us well in the future.

3. STAKEHOLDER INTERACTIONS & COMMUNITY LEADERSHIP

“Work effectively and persuasively with elected officials, local, state and federal agencies, the U.S. House of Representatives, the U.S. Senate, U.S. DOT/FTA, Transportation Security Administration (TSA), the governments of City and County of Honolulu and State of Hawaii and the local business community, organized labor, public constituencies, NGOs, the press and other stakeholders -- develop an understanding, appreciation, sensitivity and commitment to the social, cultural, economic, political and environmental needs of HART and the unique city it serves.”

As cited above, I maintained during the past year a strong commitment to listen and respond to the public and the people's representatives. I have been extremely accessible to the media to make our case for the project's many merits, as well as to work hard to dispel the many misrepresentations made during the intense heat of the recent elections. Television, radio, newspaper reporters and editorial boards have had unprecedented access to timely information over the past year, and HART's message was delivered in every story that we could get into. These activities allowed us to communicate with the public at-large, and to our many stakeholders, about what changes we were making to improve the project and project delivery.

I have spent considerable time personally reaching out to our elected officials, including to our congressional delegation over several visits to Washington, D.C. and interactions in-state; and with our federal partners at the Federal Transit Administration both in Washington, D.C. and their regional office in San Francisco as our federal funding application was being prepared and was under review. In state, former Senate President and Board member Bobby Bunda was generous with his time to introduce me to the state legislative process, key legislators, and to guide the Board's legislative review process this year.

Over the last 12 months I took seriously the need to "introduce myself" to many, many stakeholders in the business community, labor community, the political community, and other public constituencies. I have met with numerous key local developers and business leaders and have spoken to their professional organizations or at their businesses. In addition, with the introductions by Board members Damien Kim and Buzz Hong I was able to quickly form solid relationships with the leaders of many of the state's labor organizations.

I have worked closely with the Mayor and the City Council on matters relating to the project, understanding that the City and County of Honolulu is the federal grant recipient and principal proponent for the project. I have maintained weekly briefing meetings with the Mayor and Managing Director and periodic updates for the City Council Chair. A quick recap of three significant milestone events at Honolulu Hale demonstrates the time and intensity of effort expended by myself and our dedicated staff this past year.

Immediately as I arrived in Honolulu, considerable time was spent with the City Council on several critical matters. It was important to establish a strong working relationship with the members of the City Council quickly in order to advance the annual budget review process already underway, and to address several important bills relating to the full funding grant application. First, working with the City Council, we were able to achieve passage of HART's operating and capital budgets. Here I worked closely with City Council and particularly the Budget Committee chair and members to address several amendments to reduce the budget and the number of employees requested for the coming fiscal year. These recommendations were agreed to and passed by the HART Board. Next, the City Council was asked to support an increase to the borrowing capacity for City and County and agree, if necessitated by some unforeseen future circumstance, that up to \$450M would be used to fund any project shortfalls and complete construction. This critical vote was a prerequisite for approval of the full funding grant application by the FTA. Following many personal public appearances and working closely with the City Council chair and leadership, this agreement was approved and a positive vote by the council allowed us to file the application. Finally, following FTA review and recommendation for approval, a subsequent vote of the City Council was necessary to authorize execution of the grant agreement. The vote was taken, and by a strong 8:1 vote margin, the authorization was provided. The leadership of City Council Chair Ernie Martin was instrumental in these complex negotiations and critical votes.

As a newcomer to the island, I felt a special responsibility to reach out, to learn the local history, language, and specific regional and ethnic concerns about the project -- both its potentially negative impacts and how to mitigate or avoid them, and to create connections where none had existed between HART and various communities to demonstrate the positive impacts that will result once rail is built and operational. In particular, outreach to the Native Hawaiian community has been a top priority. Including the community in our project, seeking their *mana'o*, has been vitally important to the success of our project. Many early meetings arranged by Vice Chair Ivan Lui-Kwan with leaders of the Native Hawaiian community set a tone of renewal and openness with the community that continues to pay dividends. I would also like to acknowledge City Council Vice Chair Ikaika Anderson for his interest and advice in this critical area as well. As an example of our responsiveness to community concerns, we created and implemented a first-of-its-kind cultural monitoring program for the archeological inventory survey work of our project -- and we are working now to create a model cultural monitoring program for the period of construction. We made every effort to be as inclusive as possible with the cultural monitoring program, and reached out to include the plaintiff in the Supreme Court case and her *'ohana* in these efforts, as well as other cultural descendants with connections to the *ahupua'a* in which we were working.

There are two other key areas where I expended efforts to advance the authority's mission:

- Transit Oriented Development (TOD): I participate regularly in various state and city & county TOD forums and work with the Board's TOD Chair Buzz Hong and the TOD committee and others to advance the TOD-rail connections.
- Hawaii Department of Transportation (HDOT): I work very closely with HDOT and have developed a collaborative relationship with the HDOT Director and various deputy directors and key staff. My thanks to HDOT Director and HART Board Member Glenn Okimoto and HDOT Deputy Director Jadine Urasaki for their assistance this past year.

4. BOARD INTERACTION

[“Develop a strong collaborative working relationship with an engaged 10-member Board of Directors...”](#)

Board meetings, board committee meetings, and board member interactions and communications have been a center for much of my activity. I have spent considerable time discussing project issues with Board members and committee chairs regarding their areas of priority and interest. I have attempted to be accessible and available. I work to maintain an openness to suggestions to carry out Board policies and direction. I have also attempted to present, along with our staff, timely and accurate data and to offer recommendations as issues arose so that the Board had the benefit of both pertinent facts as well as professional opinion upon which to base decisions. In addition, I have made efforts at improved communication through the Executive Director's

Reports and with personal invitations to include and invite Board member participation at public events.

There has been much to react to this past year. Coordination of message and responses to the almost daily questions presented by candidates for public office and the media during the recent elections consumed an immense amount of time to assure that the HART Board and staff were offering consistent, timely responses. In addition, with the court rulings on the project's three significant legal challenges coming down rapid fire over the past 12 months, many important decisions had to be coordinated between legal counsel and the Board and the staff. In the hindsight of a year, I believe we can be proud of the decisions we made regarding these cases -- and appreciative of the outstanding legal support from Corporation Counsel. While these challenges were at times exhausting and nerve-wracking, they fostered a "strong collaborative working relationship with an engaged 10-member Board of Directors" that has laid a strong foundation for the future.

As importantly as reacting well to the inevitable adversity inherent in large public works projects, I believe a positive, *proactive* rhythm of staff and Board engagement continues to develop. Issues are being raised about the future of the project and the authority flowing freely between Board and staff. Issues are being brought forward regularly, in a proactive fashion such as: ways to enhance public communications, HART-OTS/rail-bus cooperation initiatives, customer service enhancements such as free wifi, additional seats and fare gates, fare policy planning, legislative engagement, capital budget reviews, managing delay claims, transparency of reporting change orders, and so on. While our team is still new and there is a lot to be done, as we approach the re-start of construction there can be observed a healthy energy between the Board and the staff that I work to foster regularly.

Communication can be a challenge with a volunteer Board with competing interests both professional and personal beyond the time that can be realistically dedicated to HART business. This requires the Executive Director and CEO to find as many ways as possible to keep the Board well informed. Communication with the Board members is formally done through the Executive Director and CEO reports and coordination of numerous staff presentations before the full Board and Committees. Informally, I have endeavored to meet or talk (or often text and email) on a regular basis with the Board Chair and Vice Chair, as well as committee chairs and members. While there have been improvements to the information provided to the Board, the timeliness of the information continues to be a challenge. It is a priority to improve this in the coming year. These are works in progress as HART turns two years old in July 2013 and as many new staff settle in to their duties.

Finally, my sincere thanks to Human Resources Chair Keslie Hui for leading this review process.

Proposal for 2013 - 2014 areas of focus

Continue to focus on the four (4) main categories above:

BOARD INTERACTION;
STAKEHOLDER INTERACTIONS & COMMUNITY LEADERSHIP;
ORGANIZATIONAL DEVELOPMENT; and
PROJECT DELIVERY.

PROPOSED PROJECT DELIVERY MILESTONES for APRIL 2013 - MARCH 2014

- Satisfy the requirements of the State Supreme Court decision:
 - Complete the AIS Report in 4 months or sooner.
 - Assist SHPD to review AIS reports within their allocated statutory period.
 - Acquire SMA permit as quickly as possible thereafter.
 - Acquire all other necessary permits that may have been contingent upon the SMA permit.
 - Resume construction in Phases 1 and 2 by September 30th, or as soon as possible thereafter.

- Satisfy the requirements of the Federal Court decision no later than 1Q 2014:
 - Traditional Cultural Properties (TCP) Report finalized.
 - Beretania Street Tunnel option analyzed.
 - Mother Waldron Park impacts analyzed, mitigated or eliminated.

- Minimize delay claims that has resulted from these two cases; complete negotiations on outstanding delay claims arising out of the delays and present recommendations to the Finance Committee and Board.

- To the extent possible and advantageous to the project budget and schedule, recommence construction in 3Q 2013 with a “clean slate” with contractors by negotiating settlement of all outstanding notice to proceed (NTP) delay claims arising out of the start of the project.

- Effectively utilize the delay period to acquire old and new permits, rights of entry, land acquisition, and other agreements necessary to limit or eliminate exposure to future delays and delay claims.

- “On time, On Budget” will be measured more accurately and precisely with new project controls and reported in a more meaningful way.

- Develop and implement a model Cultural Monitoring Program for the period of construction.

- Continue to develop Native Hawaiian Community and other key stakeholder relationships.

- Complete major staffing and agency reorganization.
- ‘Build Rail Better’ by working collaboratively with the Mayor and City Council under the direction of the HART Board of Directors.
- Establish more robust DTS-OTS-HART-Ansaldo cooperation on fare media/collections system; budget synergies; and operations intersects, etc.
- Grow more positive relationships with Mayor and City Council and establish positive relationships with new legislative leadership on the state and federal levels of government.
- Deliver significant contract milestones, and major contract awards expected over the next 12 months, to keep the project on schedule.
- Achieve zero findings in the authority’s 2nd annual audit, specifically addressing deficiencies identified in 2012’s audit report.

Performance Evaluation Report
Executive Director and Chief Executive Officer
Honolulu Authority for Rapid Transportation
April 2012 – March 2013

Introduction

Appointed by the Board of Directors (Board) of the Honolulu Authority for Rapid Transportation (HART), the Executive Director and Chief Executive Officer (Executive Director) receives policy direction from the Board and is responsible for planning, directing, and administering all of the affairs of HART, including running the day-to-day operations of the Authority. The Executive Director makes recommendations to the Board on budgets, policies, plans, and rules, and reports regularly on the performance of the agency.

Pursuant to Section 17-103.3(d) of the Revised Charter of the City and County of Honolulu 1973 (2000 ed.), the Board shall "[e]valuate the performance of the executive director at least annually; and submit a report thereon to the mayor and council."

Daniel A. Grabauskas was appointed by the Board as Executive Director and Chief Executive Officer of HART on March 1, 2012, and began service on April 9, 2012. This is the first annual evaluation of Executive Director Grabauskas.

Methodology

In evaluating the Executive Director, the Board considered the following performance factors: Leadership Qualities (effectiveness and competence; positive attitude and morale; personal and agency integrity; creativity; relationships; and openness and transparency) and Managerial Skills (organizational structure; delegation; personnel and staffing; budget and fiscal matters; communication skills; training and development; and community relations).

The following evaluation components were then applied to the performance factors:

FAILS TO MEET EXPECTATIONS	-	Results achieved do not meet required expectations and objectives
IMPROVEMENT REQUIRED	-	Results achieved do not meet required expectations and require improvement
MEETS EXPECTATIONS	-	Results achieved meet required expectations and objectives
EXCEEDS EXPECTATIONS	-	Results achieved exceed required expectations and objectives consistently
EXEMPLARY	-	Results achieved surpass required expectations and objectives without exception

The Board also considered the Executive Director's performance in meeting the annual performance objectives agreed to by the Board and the Executive Director for his first year in office.

Evaluation

The Board's evaluation of the Executive Director for the period April 2012 to March 2013 is as follows:

A. **Leadership Qualities.** The leadership qualities assessed by the Board are Effectiveness and Competence; Positive Attitude and Morale; Personal and Agency Integrity; Creativity; Relationships; and Openness and Transparency.

Mr. Grabauskas was scored very high by the Board for each of these leadership qualities, with all Board members rating the Executive Director's performance as achieving either "exceeds expectation" or "exemplary."

The Board members noted that the Executive Director has done an exceptional job in fostering an agency culture of transparency and integrity. This has translated into increased trust and support for HART and the Honolulu Rail Transit Project (Project). The result has been improved relationships with the City administration, the City Council, and the Federal Transit Administration (FTA), as well as with other stakeholders, including Native Hawaiian groups and individuals. The Executive Director has also maintained an outstanding working relationship with the Board.

Members of the Board also recognized Mr. Grabauskas' success in smoothly transitioning into an existing agency, and capably assuming command while promoting an energetic, team-oriented operation. He "hit the ground running," bringing a positive attitude and strong personal integrity to the job. Soon after beginning employment, the Executive Director voluntarily took a 5% reduction in his base salary in recognition of similar sacrifices being made by City workers and department heads. He was also able to effectively adapt to a new cultural environment with sensitivity.

The Executive Director's exceptional leadership qualities were demonstrated by his ability to confidently and ably direct HART during a period of particularly significant challenges. His first year in office included a mayoral election that focused on whether or not the Project should continue, as well as major rulings in State and Federal litigation concerning the Project. Throughout, Mr. Grabauskas provided positive, creative and effective leadership that kept the agency and the Project moving forward. By the end of the calendar year 2012, the Project was able to obtain a Full Funding Grant Agreement with the FTA that locked in \$1.55 billion in federal funding.

B. Managerial Skills. The managerial skills assessed by the Board are as follows: Organizational Structure; Delegation; Personnel and Staffing; Budget and Fiscal Matters; Communication Skills; Training and Development; and Community Relations.

As was the case with leadership qualities, Mr. Grabauskas received a very high rating from the Board for his managerial skills. With few exceptions, all Board members rated his performance in this area as "exceeds expectation" or "exemplary."

The Board was especially impressed with the Executive Director's strong communication skills, which were put to excellent use in improving community relations, reaching out to stakeholders, and directing the Authority. His outreach efforts to explain the benefits of the Project to diverse constituencies and to

respond to concerns about the Project were extensive and effective. With the City Council alone, in his first eight months on the job, the Executive Director attended at least 16 meetings, and responded to over 100 written and oral inquiries from Councilmembers. In all his various communication efforts, Mr. Grabauskas demonstrated himself to be experienced, knowledgeable and articulate.

The Executive Director's efforts to establish a sound organizational structure for HART also received positive reviews by Board members. They noted his restructuring of the agency into various working groups to more efficiently operate during the Project's current construction management phase. His hiring of a Deputy Executive Director, Brennon Morioka, and the delegation of authority to Mr. Morioka, were also important developments that strengthened the Authority's capabilities and allowed the Executive Director to better focus on many of the significant matters requiring his attention. HART's recent efforts to more formally engage Oahu Transit Services, the municipal bus operator, in discussions about possible cooperation and synergies were also seen as a significant positive development.

In terms of personnel and staffing, the Board strongly endorsed the Executive Director's efforts to identify and hire talented individuals for key positions in HART and to provide appropriate training and professional development opportunities within the Authority. Among these efforts was the beefing up of the agency's internal financial management capacity, including the hiring of a Chief Financial Officer and supporting professional staff. Some Board members noted a further need to strengthen HART's capabilities in this area, observing that although overall results in budget and fiscal matters have met expectations and objectives, continued improvement is important, as financial management and cost control will be essential to bringing the Project to completion on time and on budget. The Board also specifically noted and Mr. Grabauskas agreed that efforts to improve on the timeliness of Board communications and assistance were in order.

C. Performance Objectives. As noted previously, the Board and Mr. Grabauskas agreed to annual performance objectives for his first year in office. These objectives, attached to this report as Exhibit A, encompassed numerous specific items in the categories of organizational development, project delivery, stakeholder interactions and community leadership, and Board interaction. On March 31, 2013, the Executive Director submitted his self-evaluation report on his efforts to meet the agreed-to annual performance objectives. (See Exhibit B.) The Executive Director's submittal clearly explains how he met the objectives articulated for his first year on the job. Through the Executive Director's efforts, and the dedicated efforts of his entire HART team, to whom he gives well-deserved credit, great accomplishments have been achieved in the past year.

In summary, during the past evaluation period Mr. Grabauskas has ably led HART through many challenges, improving the Authority and achieving significant accomplishments. In doing so, he has exceeded expectations and demonstrated exemplary performance in many areas.

The Board will base its evaluation for the next review period in part upon the new annual performance objectives to be agreed to by the Board and the Executive Director. Beyond the achievement of those objectives, the Board's expectation is that Mr. Grabauskas will continue to demonstrate the same outstanding leadership that has characterized his service to date.

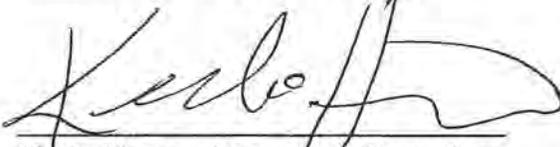
Conclusion

Executive Director Grabauskas is to be commended on an excellent first year as the chief executive officer of HART. He has demonstrated that he is an energetic, creative, resourceful and effective leader. In the future, he will be expected to maintain, if not surpass, the high standards he has established for his position.

APPROVED BY THE BOARD OF DIRECTORS OF HONOLULU AUTHORITY FOR
RAPID TRANSPORTATION THIS 16th DAY OF MAY, 2013.



Chair, Board of Directors



Chair, Human Resources Committee

**Annual Performance Objectives
for
Daniel A. Grabauskas, Executive Director & CEO
Honolulu Authority for Rapid Transportation (HART)**

Evaluation Period: April 2012 – March 2013

Powers, Duties and Functions of the Executive Director:

As defined in the Revised Charter of the City and County of Honolulu Section 17-104, the Executive Director shall:

- a) Administer all affairs of the authority, including rules, regulations and standards adopted by the board.
- b) Have at least five years of fixed guideway system experience.
- c) Sign all necessary contracts for the authority, unless otherwise provided by this article.
- d) Recommend to the board the creation or abolishment of positions.
- e) Enforce the collection of fares, tolls, rentals, rates, charges, and other fees.
- f) Prepare payrolls and pension rolls.
- g) Maintain proper accounts in such manner as to show the true and complete financial status of the authority and the results of management and operation thereof.
- h) Prepare annual operating and capital budgets.
- i) Prepare and maintain a six-year capital program.
- j) Prescribe rules and regulations as are necessary for the organization and internal management of the authority.
- k) Recommend rules and regulations for adoption by the board.
- l) Request, and accept appropriations from the city, and request and accept grants, loans and gifts from other persons and entities.
- m) Administer programs promoting appropriate developments near transit stations, including compilation of city incentive programs.
- n) Review development projects having significant impact on the operation of the fixed guideway system.
- o) Plan, administer and coordinate programs and projects of the fixed guideway system that are proposed to be funded, wholly or partially, under federal or state law and required to be transmitted to the Oahu metropolitan planning organization.
- p) Attend all meetings of the Board unless excused.
- q) In addition to the general powers under this section, other general or specific powers may be conferred upon the executive director by ordinance, so long as the powers are consistent with the article of this Charter.

Annual Performance Review

In this first year, the Board has set high expectations for the Executive Director & CEO. There are several critical milestones in the Honolulu Rail Transit Project (H RTP) including but not limited to securing the required federal, state and city & county approvals for the commencement

of construction, the preparation and timely submittal of the application for Full Funding Grant Agreement (FFGA) to the Federal Transit Administration (FTA), all efforts required for execution of the FFGA, and an enhanced transparency and communication with the public and key stakeholders to build and to maintain the public's confidence in the management of and support for the rail project. To assess whether or not the Executive Director & CEO has accomplished these goals and successfully executed the duties and responsibilities of his position, the Board will evaluate performance in the following high priority areas.

ORGANIZATIONAL DEVELOPMENT

- **Develop and implement a Human Resources Management Plan;**
- **Ensure successful succession and employee development plans across all functions of the Authority. This includes identifying current opportunities for training of our employees by experienced consultants, and encouraging employees to take initiative and develop within the organization;**
- **Coach, train, and motivate staff; manage employee relations; manage the workflow and prioritization of projects and measure the performance of the agency and direct staff and take appropriate corrective action when necessary; review the work of staff and make effective suggestions and recommendation; recommend and implement corrective actions, discipline and termination procedures as appropriate/necessary;**
- **Ensure that processes, policies and practices are interpreted and applied consistently and effectively and that the Authority is accountable and compliant with all current and applicable HART, City, state and federal policies;**
- **Empower senior management and employees to lead their departments and functions effectively and efficiently; encourage senior management and employees to work together and across all functions of the organization, avoiding "stove-piping"; provide an environment where managers from each department are encouraged to work together and present directly to executive leadership;**
- **Ensure that effective cost-control measures are in place at all levels of the Authority; and**
- **Invite and encourage Board member participation in community events and senior staff meetings as appropriate.**

PROJECT DELIVERY

- **Implement the HART business strategy adopted by its Board and in accordance with HART's mission to achieve the vision for the H RTP through the successful accomplishment of HART's goals, including construction of the entire fixed guideway system on time and within budget;**

- Submit the application for FFGA in a timely manner;
- Manage the FFGA process through successful execution of the FFGA;
- Responsibly manage the Authority's assets in order to optimize all funding sources available to HART;
- Identify areas for cost reduction and increased efficiencies and communicate those recommendations and creative solutions effectively to the Board and management, resulting in an organization that is run efficiently and cost effectively;
- Manage a capital project-oriented organization with an emphasis on financial management, safety, security, and public awareness as to the impacts that construction will have on residents, visitors, the environment and other stakeholders;
- Responsibly schedule, authorize, and manage the physical development of the H RTP; and
- Balance the focus on on-time/within-budget construction milestones, with the long term vision of delivering future operation and maintenance of the system in a safe, clean, courteous, timely, dependable, and cost-effective manner.

STAKEHOLDER INTERACTIONS & COMMUNITY LEADERSHIP

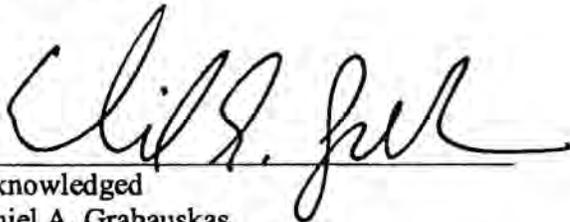
- Work effectively and persuasively with elected officials, local, state and federal agencies, the U.S. House of Representatives, the U.S. Senate, U.S. DOT/FTA, Transportation Security Administration (TSA), the governments of City and County of Honolulu and State of Hawaii and the local business community, organized labor, public constituencies, NGOs, the press and other stakeholders;
- Attend and/or participate in professional group meetings and maintain awareness of new trends and developments impacting the agency's business activities;
- Develop an understanding, appreciation, sensitivity and commitment to the social, cultural, economic, political and environmental needs of HART and the unique city it serves;
- Listen to stakeholder input and provide insight into the Authority's implementation of its capital program and policies and the Authority's current and future status and to assure maximum cooperation in building the best possible fixed guideway transportation system for the City and County of Honolulu;
- Advocate for sustainable development and economic growth for the City and County of Honolulu and increased revenue for local businesses and government;
- Maintain on-going communication with the State of Hawaii's Department of Transportation and the City and County of Honolulu's Department of Transportation Services regarding the

alignment of the fixed guideway system as it relates to grade crossings and capital intensive construction phases;

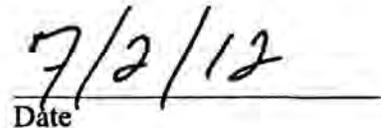
- Continually examine the Authority's performance as it relates to safety so that the design, construction and future operation result in delivery of safe, enjoyable and reliable service to all stakeholders; and
- Work with commercial and residential real estate developers and other businesses interested in real estate development and transit oriented development that maximize ridership and generate the highest return on investment, in furtherance of the City's development plans.

BOARD INTERACTION

- Develop a strong collaborative working relationship with an engaged 10-member Board of Directors; assist the Board in its policy-making duties by providing relevant information in a timely manner; assist the Board in short and long-term planning objectives; furnish information to include options and potential consequences, enabling the Board and its Committees to make informed decisions;
- Manage the resources of the Authority consistent with the Board's policies, project schedules and the financial plan, via actionable management plans that provide strategic direction for senior management to effectively execute these plans; and
- Communicate regularly with the Board of Directors about internal operations, reports and external stakeholder communications, updating the "balanced scorecard" every three (3) months.



Acknowledged
Daniel A. Grabauskas
Executive Director & CEO



Date

MEMORANDUM

**TO: Board of Directors,
Honolulu Authority for Rapid Transportation (HART)**

**FROM: Daniel A. Grabauskas,
Executive Director and CEO**

**SUBJECT: Annual Performance Objectives
Evaluation Period April 2012 – March 2013
Self Evaluation**

DATE: 31 March 2013

Executive Director and CEO Opening Statement

I would like to state up front that I am proud of this past year's accomplishments, but also add that it is my belief that there is always room for job performance improvement. My hope is that this review will allow those areas of professional development needing improvement to surface so that I may work on them in the coming year. I would also like to reiterate my personal commitment to the taxpaying public and to the HART Board of Directors to aim for excellence in all that I do and, in every way possible, to encourage excellent performance from our HART staff, our many consultants and our contractors.

I wish to thank the members of the HART Board of Directors for the confidence they placed in me a year ago and for their support, guidance and direction during the last twelve months. A very special *mahalo* to Board Chair Carrie Okinaga for her tremendous leadership and unwavering support. My *mahalo* also for the support of former Mayor Peter Carlisle and Mayor Kirk Caldwell, and City Council Chair Ernie Martin and the members of the Honolulu City Council with whom I have had the privilege to work. Finally to the staff at HART, past and present, my gratitude for their hard work and support. I am only one member of a very outstanding team that has striven mightily to deliver the many accomplishments discussed here.

As directed by the HART Board's Human Resources Committee, in this document I report on the goals, milestones, and achievements *vis-a-vis* the evaluation criteria established upon my hire. I describe the status of relevant on-going activities, completed tasks, and significant accomplishments over the past 12 months that advance the mission of the organization and that address the specific goals I was given by the Board of Directors in March 2012.

I look forward to a robust dialogue with the Human Resources Committee and the Board of Directors regarding my performance this past year and goal setting for the coming year. *Mahalo*.

Status Report on Goals, Milestones, and Achievements

"In this first year, the Board has set high expectations for the Executive Director & CEO."

There were several critical milestones in the project that were highlighted in the performance evaluation criteria. I am pleased to report the following:

- "Securing the required federal, state and city & county approvals for the commencement of construction" Construction Commenced April 23, 2012;
- "The preparation and timely submittal of the application for Full Funding Grant Agreement (FFGA) to the Federal Transit Administration (FTA)" Application Submitted June 29, 2012;
- "All efforts required for execution of the FFGA" Grant Award Executed December 19, 2012.

In addition a very high priority was placed on enhanced transparency and communication with the general public and key stakeholders to build and to maintain confidence in the management of and support for the rail project. I can say confidently that HART's enhanced transparency is one of the hallmarks of this past year. The Board pronounced transparency a top priority and I have worked diligently and creatively with our staff to make HART a more open and accessible organization to elected officials, to the media, and ultimately to the people of the City and County of Honolulu.

Upon my arrival our team was doing many good things on this project and my goal was, and is, to foster the continuation of those often award-winning efforts. Community outreach through monthly Olelo programming, participation in numerous local events (both initiated by HART or as participants in many events and festivals, etc.), open and frequent HART Board and HART Board Committee meetings, newsletters, and our excellent website. However, there were areas identified early in my tenure where we could do more. There were also areas where spending less while doing more was not only possible but became an important mandate in order to re-gain public confidence in our outreach efforts -- and in the project as a whole. We eliminated unnecessary, duplicative, or ineffective expenditures from our public relations budget; no more coloring books or trinkets. The number of staff dedicated to public involvement was reduced from 23 to 9.5 full time equivalents (FTEs). We proactively instituted measures for greater transparency and increased the amount of information available to the public by adding 150,000+ pages of the administrative record to our website during my first month, and since then adding tens of thousands of pages of documents that were previously inaccessible or unavailable. The effort continues and new information is added every week.

Personally expressing HART's commitment to listen and respond to the public was an immediate and is an on-going priority for me. Over the past year I have personally presented to numerous organizations. As Executive Director and CEO, I have made well over 100 significant appearances: at press conferences and press availabilities, on live television and radio programs, at rotary clubs and chambers of commerce, at neighborhood boards, at HART-sponsored community outreach sessions along the alignment, in high schools and on college campuses, with numerous native Hawaiian organizations, before the City Council and various City Council committees, state legislative committees, at businesses large and small, community informational sessions, and in one-on-one settings with dozens of key stake holders -- not to mention almost every time I visit my grocery store. It is important that the Executive Director and CEO, on behalf of HART and the HART Board of Directors, be available and accessible to listen to the public's concerns and suggestions. At the HART Board's direction, I made this a top priority and have dedicated a significant amount of my time in these efforts.

"To assess whether or not the Executive Director & CEO has accomplished these goals and successfully executed the duties and responsibilities of his position, the Board will evaluate performance in the following high priority areas..."

1. ORGANIZATIONAL DEVELOPMENT

The HART organization is complex and has noteworthy demands for its size. When approaching the management of HART, we should not forget that it is an organization still in its infancy: a reality which creates its own challenges. Daily we must establish new systems and create new protocols for activities, setting precedent where there currently is none. Even as it was being born as a semi-autonomous body, HART was quickly evolving from a long-time planning organization, to a construction management organization overseeing the largest public works project in Hawaii's history, all while preparing to become an organization which will oversee the operations manager of the state's first-ever rail system. Working with HART staff and our consultants, I have significantly revamped and integrated the organizational structure of HART to meet today's needs while keeping tomorrow's challenges in sight. We have brought in new, talented personnel to lead our departments through these transitions: both for the work we face today and for the challenges ahead of us. I am working actively on succession planning for several key positions, as well.

Below is a recapitulation of authority reorganization and significant staff changes of the last twelve months:

- hired new (authority's first) Deputy Executive Director (Brennon Morioka);
- hired new (authority's first) Chief Financial Officer (CFO) (Diane Arakaki);

- worked with CFO to hire new accounting staff, Fiscal Officer (Bruce Sakihama), and Budget Analyst (Michael McGrane) to address first annual audit findings and build core budget and cost control management capacity;
- eliminated the positions of Chief Operating Officer and Deputy Project Officer for Administration and Control for cost reductions and flattening the organization;
- reduced public involvement staffing from 23 FTEs to 9.5 FTEs;
- created new position to consolidate Planning, Utilities, Permits and Right of Way for improved coordination and named first Director (Elizabeth Scanlon);
- named new (authority's first) Director of Operations and Maintenance (Duane Sayers) and elevated position to senior level staff;
- named new Utilities and Permits Manager (Darin Mar);
- promoted new Procurement/Contracts Officer (Paula Youngling)
- promoted new Director of Engineering and Construction (Lorenzo Garrido);
- promoted new Deputy Director of Engineering (In-Tae Lee);
- hired new Deputy Director for Construction (Rick Stead)
- replaced former and hired new Core Systems Director (Rainer Hombach);
- replaced former and hired new Project Controls Manager (David Sagherian) and also replaced and hired new the project controls staff (nearly a 70% turnover);
- moved Document Controls to report to Project Controls;
- moved Change Order Management to report to Engineering and Construction;
- Project Controls now reports to the Deputy Executive Director in order to enhance cross-agency coordination and re-emphasize the primacy of on-budget and on-schedule priorities;
- replaced and hired new authority Risk Manager (James McAloon);
- hired new Safety Specialist (Shawn Rainey) and hiring new Safety Certification Manager.

There are several human resources documents that map out where we are and where we are going, such as our new organizational chart and several FTA-mandated personnel related documents that describe required staffing capacity and need for the organization to meet federal standards. HART is meeting these requirements through many of the recent hires and or staff promotions. The long range future of the organization (both size and structure) is currently being reviewed. 'Where we are going' will be informed by the budget and human resources exercise that the Board of Directors has directed in our "look ahead" to 2020 which will be presented to the Board of Directors in July 2013.

This past year I encouraged both agency-wide and job specific training. In a new organization, and a relatively small organization, with a complex set of tasks it is imperative that all staff be informed of their roles and responsibilities as City and County employees and to be armed with the right skills for their specific job-related challenges. All staff have undergone prevention of sexual harassment and ethics awareness training. Many staff have had training on our construction management system (CMS), various computer-related trainings, and construction site safety. Specific trainings were made available, or required, for more specialized work in such departments as: procurement; quality assurance and quality controls; safety and security,

civil rights, various federal transit administration grantee requirements; environmental; legal; and human resources. The goal is to build in-house know-how so that HART staff has all the skills necessary to operate more independently and successfully.

Empowering Staff: In order to do as directed, to “empower senior management and employees to lead their departments and functions effectively and efficiently; encourage senior management and employees to work together and across all functions of the organization, avoiding stove-piping” I instituted weekly senior staff meetings and weekly one-on-one meetings with senior staff to enhance communication and coordination and break down silos at the authority. In addition, the re-organization has also enhanced cross-functional interactions. We still have a way to go for the type of cross-departmental collaboration found in the highest performing organizations, but this past year has seen the authority take solid, positive strides forward.

Cost Controls: Cost controls and budgeting challenges were identified as a priority during both the interview process as well as in initial meetings with the Federal Transit Administration’s project management oversight consultant. To meet these challenges I hired the authority’s first CFO in August 2012 and began the process with her of building the budget and finance department’s capacity to effectively and efficiently monitor the operating and capital expenditures of the authority. In addition I have hired a new Project Controls Director who is charged with creating and leading an effective and robust project controls staff by the time we resume construction. This has been one of the highest priorities for me and I have worked closely and collaboratively with the FTA and their project management oversight throughout the process. Finally, while the first annual audit yielded findings related to reportings during the transition from DTS to HART, the over-all conclusions were favorable. Our goal is zero audit findings for 2014.

Safety: Safety is the top priority. From the first days that we went into construction, I personally visited the worksites for the monthly morning roll call to talk about safety with our contractor’s staff, and our own. Our safety and security officer and I meet weekly, or more often, focusing on a safe workplace and how we can build a safe and secure system, along with our partner Ansaldo JV. In addition, HART negotiated funding for the State Safety Oversight program with HDOT and has worked closely and collaboratively with HDOT to hire a nationally recognized consultant to assist in this role. Safety will be the top priority when we resume construction.

2. PROJECT DELIVERY

This past year, the HART business strategy was adopted by the Board through the business plan which was updated for this fiscal year 2013. It is currently being updated for fiscal year 2014.

Immediately upon joining HART, the staff was challenged to find areas for cost reduction and increased efficiencies. We communicated those recommendations to the Board’s Finance Committee. Within the first couple of months on the job we made recommendations for

reductions in the operating budget and also worked to build relationships with the Mayor and City Council to communicate these actions, with special effort amongst the Budget Committee of the City Council. I wish to acknowledge my appreciation for the leadership of City Council Budget Chair Ann Kobayashi and Transportation Chair Breene Harimoto who were instrumental in advancing a new look at our budget during City Council review. In the first review of the operating budget, these recommendations resulted in over \$1.5M reductions. Three staff positions were also cut from this fiscal year's budget. None of these efforts would have been successful without the guidance I received in these early days from HART Board leadership, particularly from the Finance Chair, Don Horner, to whom I owe a great deal during this transition year. Finally, in order to set an example of fiscal austerity, I imposed the same salary cut that other city and county department heads had taken and unilaterally reduced my salary by 5% for this fiscal year.

In many ways the project became re-focused, almost single-purposed for a period this past year, on the archeological inventory survey (AIS) work required to satisfy the Hawaii Supreme Court decision. I am pleased to report that each milestone that was established was met on time or ahead of schedule. Notably the AIS trenching activity was done nearly two months ahead of schedule and the AIS reports to SHPD have been delivered ahead of schedule as well. This all-hands-on-deck effort brought departments and staff together in a profoundly important way and has helped to set a tone of achievement even in times of great adversity that will serve us well in the future.

3. STAKEHOLDER INTERACTIONS & COMMUNITY LEADERSHIP

"Work effectively and persuasively with elected officials, local, state and federal agencies, the U.S. House of Representatives, the U.S. Senate, U.S. DOT/FTA, Transportation Security Administration (TSA), the governments of City and County of Honolulu and State of Hawaii and the local business community, organized labor, public constituencies, NGOs, the press and other stakeholders -- develop an understanding, appreciation, sensitivity and commitment to the social, cultural, economic, political and environmental needs of HART and the unique city it serves."

As cited above, I maintained during the past year a strong commitment to listen and respond to the public and the people's representatives. I have been extremely accessible to the media to make our case for the project's many merits, as well as to work hard to dispel the many misrepresentations made during the intense heat of the recent elections. Television, radio, newspaper reporters and editorial boards have had unprecedented access to timely information over the past year, and HART's message was delivered in every story that we could get into. These activities allowed us to communicate with the public at-large, and to our many stakeholders, about what changes we were making to improve the project and project delivery.

I have spent considerable time personally reaching out to our elected officials, including to our congressional delegation over several visits to Washington, D.C. and interactions in-state; and with our federal partners at the Federal Transit Administration both in Washington, D.C. and their regional office in San Francisco as our federal funding application was being prepared and was under review. In state, former Senate President and Board member Bobby Bunda was generous with his time to introduce me to the state legislative process, key legislators, and to guide the Board's legislative review process this year.

Over the last 12 months I took seriously the need to "introduce myself" to many, many stakeholders in the business community, labor community, the political community, and other public constituencies. I have met with numerous key local developers and business leaders and have spoken to their professional organizations or at their businesses. In addition, with the introductions by Board members Damien Kim and Buzz Hong I was able to quickly form solid relationships with the leaders of many of the state's labor organizations.

I have worked closely with the Mayor and the City Council on matters relating to the project, understanding that the City and County of Honolulu is the federal grant recipient and principal proponent for the project. I have maintained weekly briefing meetings with the Mayor and Managing Director and periodic updates for the City Council Chair. A quick recap of three significant milestone events at Honolulu Hale demonstrates the time and intensity of effort expended by myself and our dedicated staff this past year.

Immediately as I arrived in Honolulu, considerable time was spent with the City Council on several critical matters. It was important to establish a strong working relationship with the members of the City Council quickly in order to advance the annual budget review process already underway, and to address several important bills relating to the full funding grant application. First, working with the City Council, we were able to achieve passage of HART's operating and capital budgets. Here I worked closely with City Council and particularly the Budget Committee chair and members to address several amendments to reduce the budget and the number of employees requested for the coming fiscal year. These recommendations were agreed to and passed by the HART Board. Next, the City Council was asked to support an increase to the borrowing capacity for City and County and agree, if necessitated by some unforeseen future circumstance, that up to \$450M would be used to fund any project shortfalls and complete construction. This critical vote was a prerequisite for approval of the full funding grant application by the FTA. Following many personal public appearances and working closely with the City Council chair and leadership, this agreement was approved and a positive vote by the council allowed us to file the application. Finally, following FTA review and recommendation for approval, a subsequent vote of the City Council was necessary to authorize execution of the grant agreement. The vote was taken, and by a strong 8:1 vote margin, the authorization was provided. The leadership of City Council Chair Ernie Martin was instrumental in these complex negotiations and critical votes.

As a newcomer to the island, I felt a special responsibility to reach out, to learn the local history, language, and specific regional and ethnic concerns about the project -- both its potentially negative impacts and how to mitigate or avoid them, and to create connections where none had existed between HART and various communities to demonstrate the positive impacts that will result once rail is built and operational. In particular, outreach to the Native Hawaiian community has been a top priority. Including the community in our project, seeking their *mana'o*, has been vitally important to the success of our project. Many early meetings arranged by Vice Chair Ivan Lui-Kwan with leaders of the Native Hawaiian community set a tone of renewal and openness with the community that continues to pay dividends. I would also like to acknowledge City Council Vice Chair Ikaika Anderson for his interest and advice in this critical area as well. As an example of our responsiveness to community concerns, we created and implemented a first-of-its-kind cultural monitoring program for the archeological inventory survey work of our project -- and we are working now to create a model cultural monitoring program for the period of construction. We made every effort to be as inclusive as possible with the cultural monitoring program, and reached out to include the plaintiff in the Supreme Court case and her *'ohana* in these efforts, as well as other cultural descendants with connections to the *ahupua'a* in which we were working.

There are two other key areas where I expended efforts to advance the authority's mission:

- Transit Oriented Development (TOD): I participate regularly in various state and city & county TOD forums and work with the Board's TOD Chair Buzz Hong and the TOD committee and others to advance the TOD-rail connections.
- Hawaii Department of Transportation (HDOT): I work very closely with HDOT and have developed a collaborative relationship with the HDOT Director and various deputy directors and key staff. My thanks to HDOT Director and HART Board Member Glenn Okimoto and HDOT Deputy Director Jadine Urasaki for their assistance this past year.

4. BOARD INTERACTION

“Develop a strong collaborative working relationship with an engaged 10-member Board of Directors...”

Board meetings, board committee meetings, and board member interactions and communications have been a center for much of my activity. I have spent considerable time discussing project issues with Board members and committee chairs regarding their areas of priority and interest. I have attempted to be accessible and available. I work to maintain an openness to suggestions to carry out Board policies and direction. I have also attempted to present, along with our staff, timely and accurate data and to offer recommendations as issues arose so that the Board had the benefit of both pertinent facts as well as professional opinion upon which to base decisions. In addition, I have made efforts at improved communication through the Executive Director's

Reports and with personal invitations to include and invite Board member participation at public events.

There has been much to react to this past year. Coordination of message and responses to the almost daily questions presented by candidates for public office and the media during the recent elections consumed an immense amount of time to assure that the HART Board and staff were offering consistent, timely responses. In addition, with the court rulings on the project's three significant legal challenges coming down rapid fire over the past 12 months, many important decisions had to be coordinated between legal counsel and the Board and the staff. In the hindsight of a year, I believe we can be proud of the decisions we made regarding these cases -- and appreciative of the outstanding legal support from Corporation Counsel. While these challenges were at times exhausting and nerve-wracking, they fostered a "strong collaborative working relationship with an engaged 10-member Board of Directors" that has laid a strong foundation for the future.

As importantly as reacting well to the inevitable adversity inherent in large public works projects, I believe a positive, *proactive* rhythm of staff and Board engagement continues to develop. Issues are being raised about the future of the project and the authority flowing freely between Board and staff. Issues are being brought forward regularly, in a proactive fashion such as: ways to enhance public communications, HART-OTS/rail-bus cooperation initiatives, customer service enhancements such as free wifi, additional seats and fare gates, fare policy planning, legislative engagement, capital budget reviews, managing delay claims, transparency of reporting change orders, and so on. While our team is still new and there is a lot to be done, as we approach the re-start of construction there can be observed a healthy energy between the Board and the staff that I work to foster regularly.

Communication can be a challenge with a volunteer Board with competing interests both professional and personal beyond the time that can be realistically dedicated to HART business. This requires the Executive Director and CEO to find as many ways as possible to keep the Board well informed. Communication with the Board members is formally done through the Executive Director and CEO reports and coordination of numerous staff presentations before the full Board and Committees. Informally, I have endeavored to meet or talk (or often text and email) on a regular basis with the Board Chair and Vice Chair, as well as committee chairs and members. While there have been improvements to the information provided to the Board, the timeliness of the information continues to be a challenge. It is a priority to improve this in the coming year. These are works in progress as HART turns two years old in July 2013 and as many new staff settle in to their duties.

Finally, my sincere thanks to Human Resources Chair Keslie Hui for leading this review process.

Proposal for 2013 - 2014 areas of focus

Continue to focus on the four (4) main categories above:

BOARD INTERACTION;
STAKEHOLDER INTERACTIONS & COMMUNITY LEADERSHIP;
ORGANIZATIONAL DEVELOPMENT; and
PROJECT DELIVERY.

PROPOSED PROJECT DELIVERY MILESTONES for APRIL 2013 - MARCH 2014

- Satisfy the requirements of the State Supreme Court decision:
 - Complete the AIS Report in 4 months or sooner.
 - Assist SHPD to review AIS reports within their allocated statutory period.
 - Acquire SMA permit as quickly as possible thereafter.
 - Acquire all other necessary permits that may have been contingent upon the SMA permit.
 - Resume construction in Phases 1 and 2 by September 30th, or as soon as possible thereafter.

- Satisfy the requirements of the Federal Court decision no later than 1Q 2014:
 - Traditional Cultural Properties (TCP) Report finalized.
 - Beretania Street Tunnel option analyzed.
 - Mother Waldron Park impacts analyzed, mitigated or eliminated.

- Minimize delay claims that has resulted from these two cases; complete negotiations on outstanding delay claims arising out of the delays and present recommendations to the Finance Committee and Board.

- To the extent possible and advantageous to the project budget and schedule, recommence construction in 3Q 2013 with a “clean slate” with contractors by negotiating settlement of all outstanding notice to proceed (NTP) delay claims arising out of the start of the project.

- Effectively utilize the delay period to acquire old and new permits, rights of entry, land acquisition, and other agreements necessary to limit or eliminate exposure to future delays and delay claims.

- “On time, On Budget” will be measured more accurately and precisely with new project controls and reported in a more meaningful way.

- Develop and implement a model Cultural Monitoring Program for the period of construction.

- Continue to develop Native Hawaiian Community and other key stakeholder relationships.

- Complete major staffing and agency reorganization.
- 'Build Rail Better' by working collaboratively with the Mayor and City Council under the direction of the HART Board of Directors.
- Establish more robust DTS-OTS-HART-Ansaldo cooperation on fare media/collections system; budget synergies; and operations intersects, etc.
- Grow more positive relationships with Mayor and City Council and establish positive relationships with new legislative leadership on the state and federal levels of government.
- Deliver significant contract milestones, and major contract awards expected over the next 12 months, to keep the project on schedule.
- Achieve zero findings in the authority's 2nd annual audit, specifically addressing deficiencies identified in 2012's audit report.