



**REPORT OF PERMITTED INTERACTION GROUP
APPOINTED TO RECOMMEND NINTH VOTING MEMBER**

August 27, 2015

Section 17-105.2 of the Revised Charter of the City and County of Honolulu provides that the eight voting members of the HART Board of Directors shall appoint, by majority vote, the ninth voting member. Pursuant to Section 92-2.5(b) of the Hawaii Revised Statutes, on June 25, 2015, at a duly noticed meeting of the Board of Directors, the Board established a permitted interaction group (“Group”) consisting of Donald G. Horner, Damien Kim, Ivan Lui-Kwan, Michael Formby, and Ford Fuchigami. The purpose of the Group was to investigate and make a recommendation regarding the selection of the ninth voting member of the Board. The scope of the Group’s assignment was to advertise the position, generate qualified candidates, screen resumes, interview the candidates, and report its findings and recommendation to the full Board.

Following the June 25, 2015 meeting of the Board, a press release was issued that announced that HART was accepting applications for the ninth voting Board member position until Friday, August 7, 2015. See Attachment A. In addition, various news outlets announced the opportunity. An advertisement was also placed in the Honolulu StarAdvertiser. See Attachment B. Finally, the opportunity to submit an application was featured on the www.honolulutransit.org website, along with a link to a list of requested information.

On Friday, August 7, 2015, the Group met for the first time and discussed general attributes desirable for the ninth voting member. At that time, the Group members had a partial list of applicants; one application was received after the Group met. The members reviewed applications and accompanying materials from nine of the ten applicants. The applicants’ backgrounds are rich and varied; Group members are appreciative of the number and quality of the submissions, and for the applicants’ willingness to serve their community. The Group decided to interview all of the applicants.

On Thursday, August 14, 2015, the Group met for the second time to hold 20-minute interviews of each of the ten applicants. After the interviews were concluded, the Group discussed how well each candidate personified the general attributes discussed on August 7, 2015, with each Group member identifying his top candidates. The interviews proved very productive; Group members not only identified potential ninth voting Board members, but also became better acquainted with candidates who might assist the rail project in other capacities by sharing their valuable perspectives.

The Group also discussed its anticipation that, as in the 2011 selection of the ninth voting member, there would be media interest in the identity of the applicants. Accordingly, it was decided that the applicants would be asked whether they would permit their names to be released to the media, if requested.

On Thursday, August 27, 2015, the Group met for the third time to review and further discuss the applicant pool. Ford Fuchigami was excused. The four other members of the Group unanimously selected Terri Fujii as the candidate to recommend to the Board for appointment, for the following reasons:

- (1) Ms. Fujii is of the highest character and integrity, having served as the Managing Partner and Assurance Partner of Ernst & Young LLP, as well as audit partner with CW Associates, CPAs. Over the course of her 29-year career in public accounting, she has continued to earn the trust of her clients, as well as that of her colleagues.
- (2) Ms. Fujii's depth and breadth of experience speak to her independence of thought and decision-making, as desired by the Group. Ms. Fujii has dedicated her professional career to ensuring companies' financial information is accurate and transparent; she headed numerous audits for myriad organizations in various industries, which by definition requires objectivity. The Group feels that the Board will be well served by Ms. Fujii's ability to examine matters before the Board with a neutral eye, and make decisions with a focus on the taxpayers' best interests.
- (3) The Group believes that the Board and the public's strong interest in the project's financials warrant the addition of a member with a solid fiscal background. Ms. Fujii's 29 years of financial expertise will be invaluable in lending insight to the financial guidance of the project. Ms. Fujii holds bachelors and masters degrees in accounting; she is a certified public accountant, as well as a chartered global management accountant. In addition, her experience in financial analysis and feasibility studies will be instrumental in guiding the project once the new financial plan is in place.
- (4) The Group feels Ms. Fujii's strong commitment to community involvement will be an asset to the Board; she has been involved in nearly twenty different organizations, both as a member and an officer. These diverse organizations include professional groups, charitable organizations, and groups that support the arts, education, and healthcare. Most notably, Ms. Fujii has served as chair of the Hawaii State Public Charter School Commission. The group feels that the Board could benefit greatly from a member with Ms. Fujii's degree of dedication to public service.
- (5) The Group is confident that Ms. Fujii will honor her stated commitment of significant amounts of time serving as a HART Board member.

The Group is appreciative of the number and quality of applications it received. All applicants would have added value to the Board. Our recommendation of Ms. Fujii is based on the above considerations, and was made after conducting due diligence and multiple deliberations regarding which candidate would be the best addition to the Board.

Ms. Fujii's resume is attached hereto (See Attachment C), and she will be available for questions by the Board on September 24, 2015. The Board and the public will be free to conduct their own due diligence prior to the Board's vote on the Group's recommendation, at the next Board meeting.

The Group has determined that it will only disclose the names of the applicants who consent. The Group determined that the public's interest in knowing the identities of those not selected is outweighed by the privacy interests of those civic-minded individuals, and by the fact that the Group wishes to encourage people to apply in the future. The public will have every opportunity to comment on the Group's recommendation, and should the Board reject the Group's recommendation, any future recommendation to the Board will again be subject to public comment.

Respectfully submitted by:

Don Horner, Chair
Damien Kim, Vice Chair
Ivan Lui-Kwan, Finance Committee Chair
Michael Formby
Ford Fuchigami



NEWS RELEASE

HONOLULU AUTHORITY for RAPID TRANSPORTATION

FOR IMMEDIATE RELEASE

July, 17 2015

HART SEEKS APPLICANTS FOR VACANCY ON BOARD OF DIRECTORS

The Honolulu Authority for Rapid Transportation's (HART) Board of Directors is seeking applicants to fill a vacancy on the board for a term that expires June 30, 2018.

The HART Board of Directors, which was established by City Charter on July 1, 2011, is responsible for establishing policies pertaining to the construction, operation and maintenance of the rail transit system.

"We are looking for an individual who recognizes the importance of public transportation, who supports rail transit and who has a passion for public service," said HART Board Chairman Ivan Lui-Kwan. "We welcome applications and look forward to receiving a strong pool of well-qualified candidates."

Under the City Charter, HART Board members serve as part-time volunteers and have a policy-making role. The Board of Directors includes: three members appointed by the mayor; three members appointed by the Honolulu City Council; and both the city director of transportation services and the state director of transportation. They will collectively choose a ninth voting member of the board. The director of the city's Planning and Permitting Department serves as an ex-officio non-voting member of the board.

Applicants must submit the [HART Board Application Form](#), along with a cover letter and resume via email by **August 7, 2015 at 4:30 p.m.** (Hawaii Standard Time) to HART Board Administrator Cindy Matsushita at cmatsushita@honolulu.gov. Materials can also be mailed to: *HART Board Administrator, 1099 Alakea Street, Suite 1700, Honolulu, HI, 96813*, and must be postmarked by **August 7, 2015**. All applications must include your current mailing address and a daytime telephone number.

Media Contact: Jeanne Mariani-Belding (808)782-7080; cell (808) 489-2530

**HONOLULU AUTHORITY FOR RAPID TRANSPORTATION
SEEKING APPLICANTS TO FILL BOARD VACANCY**

The HART Board of Directors is seeking applicants to fill a board vacancy for a term that expires June 30, 2018. The HART Board of Directors is a volunteer board responsible for establishing policies pertaining to the construction, operation and maintenance of the rail transit system. Applicants must be registered voters in the City and County of Honolulu.

For information about the position and application details, please visit HART's website at: <http://www.honolulustransit.org/hart/hart-board-application.aspx>

Applications will be accepted until Friday, August 7, 2015 at 4:30 p.m. (Hawaii Standard Time).

For more information, please email Cindy Matsushita, HART Board Administrator at cmatsushita@honolulu.gov
(SA779550 7/26/15)



Terri Fujii
Honolulu, Hawaii

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Terri Fujii is an audit partner with CW Associates, CPAs and is a retired Office Managing Partner and assurance partner of the Honolulu office of Ernst & Young LLP. In her 29 years in public accounting, Terri led audit engagements in Hawaii in industries including healthcare, nonprofits, higher education, startup companies, airlines, retail, hospitality, real estate, insurance and state government. In those 29 years, Terri spent 10 years as part of Ernst & Young LLP's consulting practice.

Experience

Terri has led numerous audit and advisory engagements which include the following:

Financial and Internal Audits

- Managed the audits for a number of Hawaii's leading companies and nonprofit organizations in the healthcare, higher education, airlines, insurance, real estate, retail and hospitality industries. Also managed the OMB Circular A-133 audits and audits of the employee benefit plans for her clients.
- Managed the internal audit projects for one of Hawaii's larger health systems and one of Hawaii's larger banks.

Corporate Compliance and Governance

- Assisted clients in developing their corporate compliance programs including developing the compliance handbook and education sessions.
- Assisted clients in identifying potential corporate compliance issues and in conducting the investigation to quantify the issue and prepare information for the Office of Inspector General.
- Assisted clients with the implementation of the new requirements regarding corporate governance upon the issuance of the Sarbanes-Oxley Act.
- Assisted client in the preparation of policies and procedures.

Financial Analysis and Feasibility Studies

- Developed financial models to prepare five-year financial plans for proposed joint ventures and affiliations; evaluated the feasibility of new or expanded services and determined the fully allocated cost.
- Assisted clients in the development of business plans for new business opportunities in Hawaii.

Education and Certifications

- B.B.A., with honors, Accounting, University of Hawaii in May 1984
- Master's of Accounting, with distinction, University of Hawaii in December 1985
- Certified Public Accountant in the State of Hawaii
- Chartered Global Management Accountant
- Certified Healthcare Financial Professional through the Health Care Financial Management Association

Current instructor for the Shidler College of Business, School of Accountancy

Affiliations

- Member of the American Institute of Certified Public Accountants
- Member and Past President of the Hawaii Society of Certified Public Accountants
- Board Member of the University of Hawaii Shidler College of Business Pacific Asian Center for Entrepreneurship (PACE)
- Chair of the Shidler College of Business, School of Accountancy Advisory Council
- Member of the Shidler College of Business Advisory Board
- Board Member and Past Board Chair of Easter Seals Hawaii
- Past Board Chair of Easter Seals Hawaii Foundation
- Treasurer, Hawaii Cancer Consortium
- Board Member and Chair of Hospice Hawaii
- Board Member and Treasurer of Aloha United Way
- Board Member of Goodwill Industries of Hawaii
- Member and Past President of the Hawaii Chapter of the Health Care Financial Management Association
- Past Board Member of American Red Cross
- Past Board Member of Catholic Charities Hawaii
- Past Board Member and Treasurer of the Honolulu Zoological Society
- Past Board Member of the Honolulu Theatre Center
- Past President of the Honolulu Chapter of the American Society of Women Accountants
- Past Chair of the State Public Charter School Commission
- Previous appointed member of the Statewide Healthcare Coordinating Council of Hawaii's State Health Planning and Development Agency