

GRANTS REVIEW COMMITTEE MEETING

Hospice Maui
400 Mahalani St., Wailuku, HI 96793

September 12, 2006

8:30 a.m.–10:30 a.m.

MINUTES

PRESENT: Stephen Kealoha, Lee Stein, D. Kent Stewart, Kenneth Rothman
Christina Paleka, Carl Shelton, Susan Bendon, Cynthia Arruiza

EXCUSED: Albert Nyberg

STAFF: Edward Kushi, Jr., Deputy Corporation Counsel
Wendy Stebbins, Acting Grants Management Administrator
Sue Fukushima, Grants Management Operations Assistant
NaniLei Busby, Grants Management Clerk Typist

I. CALL TO ORDER – 8:32 a.m.

II. PUBLIC TESTIMONY - None

III. APPROVAL OF MINUTES

A. June 13, 2006 minutes were amended to include Cynthia Arruiza as a member present, Stephen and Carl as additional subcommittee members tasked to look into the size and stability of the GRC, and Ken to replace Kent as a subcommittee member of the timing issue.

B. MOVED/SECONDED/CARRIED (Cynthia Arruiza/Kent Stewart)

IV. NEW BUSINESS

A. Grant for Real Property - MACC

1. Karen Fisher introduced herself as President and CEO, and Art Vento as Executive Vice President and General Manager of Maui Arts and Culture Center. She explained that the Maui Arts and Culture Center currently has a 55 year lease with the county in the Keopuolani Park area and that they are looking

to extend the existing terms of their lease by redrawing the boundaries near where the roadways are in the park.

Art Vento explained how the center came into being in relation to how it integrated into the parks structure. Consequently as the park developed, little awkward triangular pieces of land became part of the park with no specific plan in mind. Art stated that they met with the director of Parks and Recreation and asked if they had any plans for these remnant pieces of land. The response was that there were no plans for it and if the MACC could make better use of it and take care of it instead of draining it from the county coffers they would be happy. Art elaborated on the proposed usage as written in their application and said they talked to the County Parks Department and Council Members and that everybody was in support of what they are doing.

The term of their current lease is for 55 years at a dollar a year. They are asking for an amendment to their current lease to include the additional land pieces. Art stated that they had gone to both Ed Kushi and JD Kim and had a lease drawn up and that terms have been agreed by both Corp Counsels.

- Kent asked what responsibility the MACC intends to take for improvement or overall maintenance.
- Art stated that it would be part of the lease that they will assume responsibility for the care and liability of the property.

2. Stephen entertained a motion and recommended approving the additional properties that they are looking at in conjunction with the Department of Parks and Recreation, and to add to the addendum the current lease that they have, one dollar a year for the remaining portion of the lease agreement.

- Kent moved that the wording as stated by Stephen be incorporated into a motion to approve this amendment. Susan seconded.
- Ed Kushi interjected a discussion and said that he did not see, in the documents, a fair market value.
- Art Vento stated that the fair market value is included in the full packet that was sent to Wendy Stebbins and the Grants Management Division. He said fair market value is set by a company called ACM. Ted Yamamura did an extensive evaluation of the fair lease value of the entire three parcels which is \$156.
- Ed Kushi stated that Council needs to know, and advised the committee members that they need to know what they are giving away.

- Stephen moved forward with the motion which was carried unanimously.

B. GMD Report

- Wendy stated that the idea of giving a report originated, mainly to open communications and give some kind of report that would include highlights and problems with different agencies.
- The GMD had to implement a new insurance requirement that the grantees had to comply with. Most of the grantees were able to comply, however, two or three of them have asked for waivers.
 - Stephen asked what the changes were and Wendy replied that the aggregate went from 1 to 2 million dollars, the defense cost had to be outside of the limit of liability, and the insurance company had to be rated as A- or better by AM Best or Standards Ratings. The grantees were asked to report to the division how much their insurance has raised, but to date no one has responded.
- The GMD's annual report was completed, and it briefly summarizes everything that happened throughout the year, including the hearings and the committee's process as well.
- Wendy gave a grant summary of the different categories that the GMD will fund throughout the year. The GMD receives request to execute smaller or different grants from different departments and throughout the year the grant load usually increases.
- Kihei Youth Center was given a deadline of August 15 to complete their audit which they were not in compliance with. Wendy said they needed to submit more material to the CPA and was taking longer than they expected.
 - Kent asked if she notified them that she'll be withholding funds pending their audit. Wendy answered affirmative and said that they had been notified several times of the department's terms. A letter was sent to them via the DHHC director asking for an explanation of why it was not completed. A response was received as well.
 - Stephen added a quick note to the committee, through reviewing the Charter/DHHC Rules and Regulations, that audits are required every three years.
 - Lee asked how many years has it been since they did their audit. Wendy replied that she thought it was in 2001 or 2002.

- Hana Arts's CPA is doing several nonprofit audits at the same time which is holding up their audit. They said their audit should be done by the end of September or early October and they are aware that they won't receive payment until their audit is done. Both audits will be reviewed by the County's Finance Department.
 - Ken asked when they received their last payment. Wendy replied that Kihei Youth Center received their last payment at the end of July/early August which was their final payment for fiscal year 2006.
 - Ken asked when were they officially aware that their audit was going to be required and wasn't it at the beginning of the year when they were starting to fill out their applications. Wendy answered affirmative and said she did received advice from the CPA to send out reminders about the county's audit requirements.
 - Lee voiced her concern asking what happens to the community members that aren't being served by them, because they've had these difficulties for over five years.
 - Ken commented that the committee has discussed concerns about them to begin with and asked if there were any plans to deal with it.
 - Wendy said that both the DHHC director and deputy director are well aware of what has been happening the past few years with Kihei Youth Center and that she has discussed alternative plans with them.
 - Ken asked if the Boys and Girls Club is interested in that area. Wendy said that she couldn't answer that question.
- This year the GMD will be handling Project Graduation, and planning for a 2007 Youth Conference. A meeting will be held with the youth centers in November to plan for the conference in 2007.
- Wendy will be attending a conference in Nashville, Tennessee in the beginning of November. She's really excited and is hoping to bring new and fresh ideas to help the GMD and the GRC as well.

C. Maui United Way Grant Review Process

Pam Tumpap served as the CEO for Maui United Way for four years. She recently resigned and is currently with the Chamber of Commerce. Pam was requested by the GRC to give a presentation on MUW's grant review process and because her former position is still vacant she felt it appropriate to accept.

Pam gave a presentation explaining the Maui United Way fund distribution process which she says has been refined over many years and is still being refined. Their current process is based on an assessment which breaks down the human services needs into a pie comprised of five areas—basic and emergency needs, youth development, family strengthening and parenting, education and health education, and person’s with disability and the elderly. They fund 32 health and human service agencies and programs.

They use 30 volunteers from the community to sit on their fund distribution panel and look for diversity when putting the panel together. Volunteers are divided into panels representing one of the five service areas. They are provided with an orientation and exercise where they do a quick training program and an exercise on scoring based on reading the grant, and are asked to do a disclosure and confidentiality statement for potential conflict of interest. Each panel has at least one financial advisor (someone who knows numbers) and their duties include reading all of the grants, scoring them—looking at assessing the agency on administration, board involvement, financial audits, and monitoring of reports—followed by site visits to the agencies and concluded with staff facilitated deliberations.

V. OLD BUSINESS

A. Site Visits

Susan pointed out that Al Nyberg’s site visit report was very thorough, beautifully written and time consuming, and asked if that was expected of the committee members. She explained that her report was not more than two pages long and that it stated her name, agency visited, date, who she spoke to, at what location, and comments.

Stephen acknowledged that Al did a tremendous job, however, it’s not an expectation of his to be that extensive... He said that he didn’t think there had to be one set way of how it has to be done.

Wendy asked the committee if they wanted their site visit reports to be distributed to the agencies. The committee discussed if and how it could be of value to the agency, however due to time constraints Stephen suggested deferring it to another time and bringing it up as an agenda topic for the next meeting.

B. Subcommittee Reports/Updates

1. Christina stated that their subcommittee was tasked to look at timing issues and that the following issues needed to be addressed.

- (1) Determining a deadline to submit fund recommendations to the Mayor for the next budget cycle. The subcommittee recommends October or November.
- (2) Determining the optimal time for the GRC Hearings and completion to better fit the county councils budget hearings schedule. The subcommittee recommends finishing by the end of March and be able to get it to council in time for review.
- (3) Determine an optimal time for submittal of grant applications by the applicant. The subcommittee recommends the beginning to mid November.
- (4) The subcommittee decided that it would highly recommend a three year grant cycle.

The committee was ready to entertain a motion to accept the recommendations however Ed Kushi advised, due to the Sunshine Law, that they could not vote until the next meeting, and that they need to include actions regarding the subcommittee on the agenda.

2. Stephen, Susan and Carl are on the subcommittee tasked to look into increasing the size of the GRC, decide on a recommendation to have the GRC terms expire in a month other than March, and decide on a recommendation to provide GRC members training on grant review and assessment and developing a set of ground rules to use during the hearing process and deliberations.

Increasing the size of the GRC and changing the termination date of March 31 will not be recommended because it would require a complete revision of the Ordinance and would also affect all other committees, boards and commissions. However they will recommend possibly providing a list to the Mayor of people ready and willing to serve in the event that a position needs to be filled.

VI. NEXT MEETING

- A. November 14, 2006, 8:30-10:30 a.m., Hospice Maui

VII. ADJOURNMENT – 10:30 a.m.

Submitted by: _____
NaniLei Busby, Grants Management Clerk Typist
DHHC, GMD