

June 18, 2024

Honolulu Authority for Rapid Transportation  
Board of Directors  
1099 Alakea Street  
Honolulu, Hawaii 96813

Aloha HART Board members:

In the HART Board Human Resources Committee meeting held on June 7, 2023, 46 pages of written testimony was provided to the Committee in favor of extending my employment contract. Additionally, there were individuals who provided public testimony in favor of me. The testimony received was from current HART employees, contractors who work with us on a daily basis, local business people and the general public, for which most of the testimony was from people that I do not even know. Furthermore, I received numerous unsolicited emails, letters, cards, phone calls, texts and messages supporting me. I am more than happy to provide the written communications if the board would find it beneficial.

In addition to the positive testimony, I believe that I have proven myself as an effective leader of this complex project during my three and a half years as its Executive Director. I inherited a very troubled organization, with terrible stakeholder relationships, a lack of positive progress in many areas, technical problems that had to be quickly addressed, a financial shortfall, ineffective communications and an inefficient and bloated organization. As any CEO in a turnaround-type situation, I made hard decisions to change the course of this project. Did everyone agree with my decisions? Absolutely not. But in the past three years, we have overcome many problems and have put this project in a better position that it has been in since its inception.

With the positive testimony provided at the Committee meeting, public comments from the Federal Transit Administration and Mayor Blangiardi in my favor, and my proven success as background, the Committee announced that there were 10 items of testimony from "current and former employees" for which the submitters had requested the testimony remain anonymous. It was stated in the Committee meeting that these 10 items had been reviewed by the Committee in Executive Session. And rather than the Committee making a recommendation to the Board to extend my contract, a recommendation was made by the Committee to forward the 10 pieces of anonymous testimony to the full Board. To me, this implied that the 10 pieces of anonymous testimony were significant enough to override all of the other testimony submitted and the positive progress that had been made under my watch when considering an extension to my contract.

Because of the apparent significance of these 10 testimonies, I requested, while keeping the identity of the individuals who submitted the testimony confidential, that information be provided to me regarding the content of this testimony in sufficient detail such that I can fairly respond. If this testimony is to be a determining factor in the decision about my employment, I should have the opportunity to understand it and to respond to it. The following information is the entirety of the information provided to me regarding these 10 testimonies:

## HART Employee Testimony Summary

The Board of Directors received verbal feedback from a total of ten employees, some of whom are still with HART and some of whom have left. All will be referred to herein as “employees.” The following were common themes expressed by employees.

- Ms. Kahikina has created, and continues to foster, a toxic work environment that has resulted in low morale and affecting the health of some employees.
- Ms. Kahikina micromanages, and involves herself in matters that Executive Directors/CEOs do not typically involve themselves with, such as approving all leave requests and reviewing all job applications.
- Ms. Kahikina berated, intimidated and harassed employees, and blamed other employees for her own mistakes.
- Ms. Kahikina has “favorites” among HART employees, and is inconsistent in how she handles staff matters such as promotions and compensation.
- Many employees are afraid to tell Ms. Kahikina the truth, as they fear retaliation; she either does not hear/acknowledge negative feedback, or reacts disapprovingly when employees express negative feedback.
- Ms. Kahikina has fired too many people and cut too many positions, with the work being taken up by expensive consultants.
- Many employees are afraid they will be fired.
- Large numbers of employees have quit in the last two years, with some taking jobs with less favorable terms, because they could not stand to work for Ms. Kahikina any longer.
- Ms. Kahikina does not appear to be concerned about losing so many employees, nor does she appear to be concerned about hiring additional staff.
- The loss of so many employees has resulted in a lack of institutional memory and work falling through the cracks. Remaining employees are asked to take on additional duties for which they may not have the training or experience; many are doing the work of multiple people and are close to “rock bottom,” with the extra work “killing” them.
- Former employees have indicated they remain dedicated to the project and would return to HART if Ms. Kahikina were no longer employed there.

My reaction and responses to the comments listed above are as follows:

1. Ms. Kahikina has created, and continues to foster, a toxic work environment that has resulted in low morale and affecting the health of some employees
  - a. I appreciate fair and constructive feedback, and I use it as a means of self-improvement. But this comment is very subjective and is too vague to fairly address. I also think it is unfair for a few past or present employees to take their personal feelings and extend those feelings to other employees. I have never been told that the health of employees has been affected in this way.
  - b. Other current employees obviously disagree as several employees have submitted unsolicited, positive written and oral testimony to the Board.
  - c. In fact, many employees have reached out to me during this trying time and have offered their support.
2. Ms. Kahikina micromanages, and involves herself in matters that Executive Directors/CEOs do not typically involve themselves, such as approving all leave requests and reviewing all job applications.
  - a. This statement is absolutely true. It's true that I get involved in the details of the project. Based on my observations, it's also true that prior HART CEOs did not get involved in a similar level of detail and if they had, the project may have been more successful in meeting some of its past challenges. Other examples of where I "micromanage" is that I scrutinize invoices and I insert myself in meetings when critical issues are being discussed. I also attend technical meetings, as necessary, to make sure roadblocks are eliminated and I utilize my relationships with stakeholders to ensure any and all issues are effectively addressed. I think that the volunteer Board members of this complex, taxpayer-funded project should view my involvement in the details of the project as a very positive attribute.
3. Ms. Kahikina berated, intimidated and harassed employees, and blamed other employees for her mistakes.
  - a. It is very easy for an anonymous person to make this very general statement. I would expect to have a very specific example to include dates/times/witnesses/subject of the berating, intimidation and harassment if someone is going to besmirch my reputation. My management style is to lead from the front and take the "hits" for my employees as stated by a current employee publicly in her testimony in front of the board and to not blame employees for my mistakes. I hold myself accountable and admit when I make mistakes.
4. Ms. Kahikina has "favorites" among HART employees, and is inconsistent in how she handles staff matters such as promotions and compensation.
  - a. I do not have favorites at HART but can understand why someone may perceive that to be the case. I meet with some staff more than others due to the nature of their responsibilities. But for each of the past several months, I have met with each HART staff member in a one-on-one meeting. Regarding promotions and compensation, I try to be as fair and consistent as I possibly can. I believe that when someone takes on additional responsibilities, it is only right to promote and compensate them within the boundaries of the City pay structure. I have fought for and promoted several staff members who stepped up into expanded roles and can provide several examples of this. Many times

these employees took on the additional responsibilities of a second employee or manager. But instead of the organization having to pay for two FTE's, they volunteered to take on the additional work for an increase in salary so it was a cost saving to HART and the tax payers. I can see how this can be misconstrued as "favorites" but if an employee is not willing to take on additional responsibilities or does not meet the qualifications for a higher position, they will not be promoted or receive higher compensation, other than annual salary increases. When I stepped into HART, there were many employees doing bare minimum work and some employees were in positions for which they did not qualify for and were being paid higher salaries than appropriate. Those inequitable situations have been corrected, which is more fair to all employees.

5. Many employees are afraid to tell Ms. Kahikina the truth, as they fear retaliation; she either does not hear/acknowledge negative feedback, or reacts disapprovingly when employees express negative feedback.
  - a. This comment seems very subjective. Again, it is very easy for an anonymous person to make this very general statement and to speak on behalf of how they believe others feel. From my very first day at HART, I made it clear that I do not want "yes men" in the organization because it does not benefit me nor the organization. In recent public written testimony from a current employee, it was stated that "Wow! Really! We were able to communicate anonymously without any fear of retaliation; voicing out what we all think is important for the team and the project. Our ideas were suddenly welcomed and we felt that we matter as part of the HART OHANA!" All suggestions, positive and negative, are covered in the All Hands with responses provided. After each employee survey was completed, all comments, positive and negative, were shared with responses. There have been many times when I have listened to feedback, either toward myself or the organization, and made changes based on the feedback. For example, a manager shared some critical feedback about me, I immediately made efforts to change my persona within the office. Employees have commented they notice the change. Based on feedback, I implemented biweekly one-on-one meetings with managers and quarterly meetings with each City employee. The topics discussed at each meeting include goals, future progression, succession, how they're doing, and how I can improve. I also established an Employee Engagement Committee to share concerns for each floor and how to address them, and how to improve employee morale throughout the organization. Bear in mind that not all feedback results in a change. There have been times when employees have complained about something without fully understanding the situation or why certain actions were taken.
6. Ms. Kahikina has fired too many people and cut too many positions, with the work being taken up by expensive consultants.
  - a. As mentioned earlier, when I first came into HART, I had to make some very difficult decisions including streamlining the organization. There were many silos, redundancies, employees placed in positions without the proper qualifications and others performing work that was not deemed necessary to the core function of HART which is to construct the system. At the time, there was a lull in construction so it was the appropriate time to streamline. Contractors have submitted written testimony how bloated the organization

was which was detrimental to decision making, delayed the project and increased costs in addition to causing confusion and contradictory decisions.

- b. In April 2021, there was a reduction of about 45% in City employees and approximately 30% in consultants. The independent cost estimate that was completed projected the cost savings of the streamlining to be several hundred millions of dollars.
  - c. I do admit that we need to ramp up our staffing as the construction for CCGS initiates within the next couple of years so we are actively recruiting now both from the city and consultant perspective.
  - d. As people leave the project for one reason or another, I am absolutely committed to replacing and increasing staff appropriately so the workload of each employee is not overwhelming.
7. Many employees are afraid they will be fired.
- a. This is a very opinionated comment and difficult to substantiate. The comments I have received during my one-on-one meetings with City staff members is not that they're afraid of being fired but that there is anxiety around the March/April timeframe when the personal services contract renewal process begins. One employee's suggestion for me was to notify everyone in March that all contracts would be renewed. I took this comment to heart and announced it verbally in an All Hands meeting on March 18, 2024.
8. Large numbers of employees have quit in the last 2 years, with some taking jobs with less favorable terms, because they could not stand to work for Ms. Kahikina any longer.
- a. This is a very opinionated comment and difficult to substantiate. HART has had staff leave for various reasons including pay, relocating to the mainland, expanding their family, and promises made by consultants (such as unlimited PTO). We have also been experiencing a very competitive employment market, both locally and nationally. Several former employees have actually requested the opportunity to return to HART but, in most cases, their former position was already filled or we could not meet their new salary requirements. One former employee, who left several months ago, is rejoining HART next month.
9. Ms. Kahikina does not appear to be concerned about losing so many employees, nor does she appear to be concerned about hiring additional staff.
- a. This is a very opinionated comment and not fair to assume to know my inner feelings. The anonymous person submitting this comment seems to be basing his opinion on appearances. I attempt to appear positive and professional, even at times when I am stressed or concerned. I am absolutely concerned about maintaining a good team to work on this project. I have been very concerned when certain people have left and I often personally speak to the person to understand their situation and whether they can be retained. I will admit that in some cases, I am not as concerned, either because of the person's job performance or because I know we have people to back them up. I am also absolutely concerned about, and involved in, recruiting efforts. The person submitting this comment may not "see" all the things that I do behind the scenes and often well into the evening. If they saw my actions, they may have a different opinion.
  - b. I frequently personally review job descriptions for posting and job applications (as was pointed out in #2 above). For certain positions, I am actively involved in the interview process. I actively participate in job fairs (as has been personally seen by at least one

Board member). Although my first preference is to hire City staff, I meet regularly with leadership of our consulting firms and inquire about potential personnel from their firms. I meet every 2 weeks with the HART HR staff to “push” them to recruit, recruit, recruit. They sometimes lose focus on other HR items but I pull them back to refocus on recruitment. I follow up consistently on the hiring of certain individuals when I believe the process is taking too long and we risk losing good candidates. I have personally written several justification memos that are needed by the City’s Department of Human Resources (DHR) for certain positions and salary compensation above the minimum. I often personally follow up with DHR if they sit too long on an applicant. These actions are not visible to most HART employees which could lead to someone thinking that “I appear” to not be concerned, but I can assure you that I am.

10. The loss of so many employees has resulted in a lack of institutional memory and work falling through cracks. Remaining employees are asked to take on additional duties for which they may not have the training or experience; many are doing the work of multiple people and are close to “rock bottom” with the extra work “killing” them.
  - a. I would like to understand what has fallen through the cracks. I am very proud of our team and I do not believe anything has fallen through the cracks. A specific example is requested. Additionally, provide specific examples of where employees are taking on additional duties that they are not trained in nor have experience. Provide specific examples where employees are close to “rock bottom” or the extra work is “killing” them as I would like to rectify that situation immediately.
  - b. As to institutional knowledge being lost – that is true anytime that any employee departs. So of course that comment is true. But that doesn’t mean that work falls through the cracks. We have been told by significant stakeholders that we have met every deadline they have put in front of us, which was a big change from HART’s historical pattern. By the way, if I am not retained, the organization will lose 4 years of hands-on institutional knowledge.
11. Former employees have indicated they remain dedicated to the project and would return to HART if Ms. Kahikina were no longer employed there.
  - a. As noted above, several former employees have actually requested the opportunity to return to HART but, in most cases, their former position was already filled or we could not meet their new salary requirements. One former employee, who left several months ago, is rejoining HART next month. See also the recent testimony that has been submitted to the Board from existing employees, both verbally and written, regarding me and what it is like to work at HART.

As noted above, most of these comments are subjective and are without enough detail for me to fully respond.

If the information from these 10 testimonies is presented to the Board with significantly more detail than what was provided to me, and if this information is a consideration in the decision regarding an extension to my contract, then I respectfully request additional information such that I can respond.

As I have stated to the Board in person, I believe that I have been very effective in leading this organization and that I can and desire to continue leading it. I have made tough decisions, some of which were not popular with certain employees. I have held the staff of HART and all of our consultants and contractors accountable for their work and their responsibilities, which was also not popular with certain employees. I must say that if the Board decides that I am not the best person to lead this project, then I truly don't understand what the Board is seeking in a leader.

Very truly yours,

Lori M.K. Kahikina, P.E.  
Executive Director and CEO