



KA HĀLĀWAI KŪMAU A KE KŌMIKE MO'OHĒLU KĀLĀ, 'OIHANA KĀLĀ,
A ME KE KIKOWAENA HĀLĀWAI O HAWAII
KE'ENA KULEANA HO'OKIPA O HAWAII

**BUDGET, FINANCE, AND CONVENTION CENTER
STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY**

HĀLĀWAI KELEKA'A'IKE
VIRTUAL MEETING

Pō'akolu, 25 'Okakopa 2023, 1:00 p.m.
Wednesday, October 25, 2023 at 1:00 p.m.

E ho'olele 'iwa'ia ka hālāwai ma o ka Zoom. Meeting will be live streaming via Zoom.
<https://us06web.zoom.us/j/86940211475>

E noi 'ia paha 'oe e kāinoa me kou inoa a leka uila paha. E 'olu'olu, e ho'okomo i kou inoa piha akā hiki nō iā 'oe ke ho'ohana i ka inoa kapakapa e like me kou makemake.

You may be asked to enter your name or email. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous.

Kelepona / Call In: (669) 444-9171
Helu Hālāwai / Webinar ID: 869 4021 1475

Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha. E kau palena 'ia ka hō'ike mana'o waha (ma ke kino a i 'ole ma o ka Zoom) he 'elima minuke ka lō'ihī no kēlā me kēia kumuhana. E kāinoa no ka hō'ike mana'o waha ma ke pākaukau ho'okipa ma ka lumi hālāwai. E kāinoa no ka hō'ike mana'o waha ma o ka Zoom ma o ke pihi "Q&A."

Members of the public may provide written or oral testimony on agenda items. Oral testimony (in-person or via Zoom) will be limited to five minutes for each testifier per agenda item. Signup for oral testimony via Zoom will be accepted through the Q&A feature on Zoom.

E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. E leka uila 'ia nā palapala Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai (he 48 hola ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ke kōmike a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai.

Written testimony received ahead of the preparation of the committee packet will be included in the packet. Email written testimony to Carole Hagihara-Loo at Carole@gohta.net or hand-deliver or send via postal mail to the Hawaii Tourism Authority office, 1801 Kalākaua Avenue, 1st Floor, Honolulu, HI 96815. Written testimony received after the issuance of the board packet (48 hours ahead of the meeting) will be distributed to the committee and available for public inspection at the meeting.

AGENDA

1. *Ho'omaka a Wehena*
Call to Order and Opening Protocol
2. *Kikolā*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *'Āpono Mo'olelo Hālāwai*
Approval of Minutes of the September 27, 2023 Budget, Finance, and Convention Center Standing Committee Meeting
4. *Hō'ike'ike, Kūkākūkā, a Ho'oholo No Ka Mo'olelo Kālā Kepakemapa 2023*
Presentation, Discussion, and Action on the Hawai'i Tourism Authority (HTA's) September 2023 Financial Report; Recommend Approval
5. *Hō'ike'ike, Kūkākūkā, a Ho'oholo No Ka Mo'olelo Kikowaena Hālāwai O Hawai'i Kepakemapa 2023*
Presentation, Discussion, and Action on the Hawai'i Convention Center's September 2023 Report and Update on the Hawai'i Convention Center's 6-Year CIP Plan; Recommend Approval
6. *Hō'ike'ike a Kūkākūkā no ke Kuleana Pāhana Hālāwai a me ke Kikowaena Hālāwai O Hawai'i*
Presentation and Discussion Regarding an Update of the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales
7. *Hō'ike'ike, Kūkākūkā a Ho'oholo no nā Kuleana a me nā Mana'o 'Ē A'e e Pili ana i ka Mo'ohelu Kālā HTA i Hāpai 'ia e nā Lālā o ka 'Aha'ōlelo, ka Papa Alaka'i, nā Limahana, nā Kāko'o, apwa.*
Presentation, Discussion, and Action on HTA Budget Issues, Comments, and Suggestions Raised by Legislators, Board Members, Staff, Stakeholders, etc.
8. *Hō'ike'ike, Kūkākūkā, a Ho'oholo No Ka Palapala A (Noi Makahiki Kālā 25)*
Presentation, Discussion, and Action on the Hawai'i Tourism Authority's and Hawai'i Convention Center's Form A Submittal (FY25 Supplemental Budget – Operating Budget Adjustment Request) Submitted to the Department of Business, Economic Development and Tourism (DBEDT)
 - a. *Wehewehe No Ka Palapala A*
Explanation of Form A

- b. *Ka'ina Hana Noi Kālā*
Supplemental Budget Request Process
- c. *Ho'okumu I Ka Hui Kūkā No Ke Noi Kālā*
Formation of Permitted Interaction Group (PIG) for FY25 Supplemental Budget Request
- d. *Ho'olālā Hālāwai Me Nā Lālā Papa Alaka'i*
Budget Briefing Schedule with Remaining Board Members

9. *Ho'oku'u* **Adjournment**

*** *'Aha Ho'okō: Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai i ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

*** **Executive Session:** The Board may conduct an executive session closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

Inā he lawelawe a mea like paha e pono ai ke kīnānā, e ho'oka'a'ike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila e like me ka wikiwiki i hiki, 'a'ole ho'i a ma 'ō aku o ka 'elua lā ma mua o ka hālāwai. Inā 'ike 'ia he noi i ka lā ma mua o ka hālāwai, e ho'ā'o mākou e 'imi i ka lawelawe a mea like paha, 'a'ole na'e ho'i e hiki ke ho'ohiki 'ia ke kō o ua noi lā. Ua noa pū kēia ho'olaha ma nā kino 'oko'a e like me ka mea pono.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808) 973-2289 or carole@gohta.net as soon as possible, preferably no later than 2 days prior to the meeting. **Requests made as early as possible have a greater likelihood of being fulfilled.** Upon request, this notice is available in alternative/accessible formats.

E like nō me ka 'ōlelo o ke Kānāwai Hawai'i i ho'oholo 'ia māhele 92-32.7, e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi e hiki ai ka po'e o ka lehulehu ke noho a komo pū ma nā hālāwai ma o ka ho'ohana 'ana i ka 'enehana pāpaho (ICT). Aia ana kēia 'enehana pāpaho ma ka papahale mua o ka lumi ho'okipa i mua o ke Ke'ena Kuleana Ho'okipa o Hawai'i ma ke Kikowaena Hālāwai O Hawai'i. 'O 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815 ka helu wahi.

In accordance with HRS section 92-3.7, the Hawai'i Tourism Authority will establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT). The ICT audiovisual connection will be located on the 1st Floor in the Lobby area fronting the Hawai'i Tourism Authority at the Hawai'i Convention Center at 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815.

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Approval of Minutes of the September 27, 2023 Budget, Finance, and Convention Center Standing Committee Meeting



Ke'ena Kuleana Ho'opipa O Hawai'i
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**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Wednesday, September 27, 2023, at 9:30 a.m.**

Virtual Meeting

MINUTES OF THE BUDGET, FINANCE & CONVENTION CENTER STANDING COMMITTEE MEETING

MEMBERS PRESENT:	David Arakawa (Chair), Kimberly Agas (Vice-Chair), James McCully, Blaine Miyasato, Mike White
MEMBER NOT PRESENT:	James Tokioka (Ex Officio, DBEDT Director)
NON-VOTING MEMBER:	Dylan Ching
HTA STAFF PRESENT:	Daniel Nāho'opi'i, Isaac Choy, Talon Kishi
GUESTS:	Teri Orton, John Reyes
LEGAL COUNSEL:	John Cole

1. Call to Order and Opening Protocol

Chair Arakawa called the meeting to order at 9:30 a.m.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Chair Arakawa did the roll call. All confirmed attendance and that they were alone.

3. Approval of Minutes of the May 23, 2023, Budget, Finance, and Convention Center Standing Committee Meeting

Mr. Choy said he would like to make a correction on the second paragraph of page 5, where it read, "He mentioned note 387," It should have read, "He mentioned \$387,000."

Chair Arakawa asked for, and made a motion to approve the May 23, 2023 minutes, and Ms. Agas seconded. Chair Arakawa did the roll call, and the motion passed unanimously.

4. Presentation, Discussion, and Action on the Hawai'i Tourism Authority's (HTA's) August 2023 Financial Report

Mr. Choy presented the Financial Report for August 2023. He began with the Balance Sheet as of August 31, showing the balances for each of the following funds:

Tourism Fund, Convention Center Fund, Convention Center Roof Repairs, Tourism Emergency Special Fund, and Federal Funds.

Mr. Choy reminded the meeting that the Tourism Fund was a liquid fund to be used for operations. Out of the \$60 million allocated by the Governor, \$9 million remained and was encumbered. \$64 million from last year's appropriation had not yet been posted, but this would be done as soon as the expenditure was carried out. Regarding the PMCM RFP, a protest had been received that morning from Cummings, and this would be handled immediately. The HCC roof repairs were proceeding on time and budget.

\$5 million remained from the TESH. Federal Funds were an EDA loan that was administered by Ms. Anderson.

Chair Arakawa asked Mr. Choy to remind the Committee what was meant when \$34 million of Convention Center Funds were described as "frozen." Mr. Choy replied that the government allocated two types of funds: General Funds and Special Funds. Special Funds were controlled by the legislature by giving an appropriation ceiling. Unfortunately, the ceiling for the HTA Special Funds had been specified in a bill that failed to pass. As a result, the funds had no ceiling, which was taken to imply a ceiling of zero, meaning that no expenditure could be made from that fund. This situation would be corrected.

Mr. Choy went on to explain that while the balance sheet could be imagined as the organization's engine, the income statement was an indicator of performance. During July and August, most of the expenditure had been carried out from the operating fund. \$11,000 had been spent for the evaluation of the Prince Lot event, the item labeled "Safety and Security" was \$35,000 for the VAST contract and \$804,000 for Branding and Marketing was expenses for the Korea and Japan contracts. Items labeled administrative costs referred to contracts to Anthology Group, IT services, and salaries and wages.

Mr. Miyasato asked if the financials presented actuals or budgeted. Mr. Choy reminded the Committee that the amounts shown in the Financial Report referred to actual expenses and income as opposed to the amounts that had been budgeted. The funds which were budgeted in respect of the vacant positions had been accrued as payable.

Mr. McCully asked whether the absence of a specific ceiling could be cleared by a resolution. Mr. Choy responded that the ceiling could be cleared only by the HTA Budget Bill or a separate piece of special legislation. The legislature must approve all money spent by state agencies. Even special funds must be appropriated either by the budget bill or by a separate bill, which would later be transferred to the budget bill.

Chair Arakawa asked what would happen to the former CEO's salary after September 15, when his resignation became effective. Mr. Choy replied that the salary would be frozen and remain in the tourism fund. The Board would decide whether the acting CEO would be eligible for this money. The CEO's salary had been budgeted, but the actual salary had been accrued up to September 15. The term "accrued" meant that expenses had been incurred but had not yet been disbursed. Mr. Choy reminded the Committee that the amounts shown in the budget were placeholders.

The Balance Sheet and Statement of Revenues and Expenditures were followed by Selected Management Disclosures. These notes were included because the Finance Report would be disseminated to members of the Board, key Senators, and members of the public, especially those who had asked questions in the past. This enabled the legislature to be fully informed about the financial situation of the HTA every month. The bank statement was also attached to prove that the declared funds were available.

The final two pages of the Finance Report concerned the HCC, and this had been prepared by the Convention Center staff. This report was also made available to members of the legislature every month.

Mr. Choy was still considering the expenses of the wildfire emergency and was concerned about the amount that had been incurred. The HCC might run short of funds in January since the third floor was still being used for accommodation by FEMA and DBEDT. Chair Arakawa asked whether reimbursement would take place. Mr. Choy replied in the affirmative but expressed his concern about the timing of reimbursement. The Finance Department was compiling an expenditure report for FEMA, which was due on October 10. The Chair proposed that in the future, the issue of FEMA reimbursement should be one of the selected management disclosures. Mr. Choy agreed and informed the Committee that a gap of two to three years between FEMA expenses being incurred and their reimbursement was not unusual.

Mr. McCully expressed his concern about the wide variances in the HCC income. Ms. Orton replied that income depended on the event type taking place. Corporate or Citywide events at which high food and beverage consumption caused a significant income increase.

Mr. Miyasato asked Mr. Choy to give further details about the reimbursement process. He stated that this was valid for every agency making use of the HCC, whether FEMA or DBEDT. The HCC, as an independent entity, would submit claims, after which an adjudication process

would occur followed by eventual payment. Since DBEDT was a state agency and FEMA a federal agency, the exact process would be different for each of them.

There were no amendments to the Financial Report, but Mr. Ching pointed out that his status was that of a non-voting member, so his vote should not be requested. Chair Arakawa reviewed the membership of the Committee and informed members that Dir. Tokioka had been excused from today's meeting, and Mr. McCully had obtained permission to be absent for part of the proceedings.

Chair Arakawa moved to accept the Financial Report without amendments. The motion was seconded by the Vice Chair and carried unanimously.

5. Discussion and Action on the FY25 Legislative Budget Request

The Fiscal Year 2025 Legislative Budget Request was from July 1, 2024 to June 30, 2025. Mr. Choy reminded the Committee that the state budget started every two years, and the 2025 fiscal year was supplemental, a request for the second year of the biennial budget. He reminded the Committee that for the first year, the budget allocation had been zero.

The information packet supplied to the Committee contained Form A, which government departments compiled to request funds and resources for future years. The case of the HTA was unusual because the budgets for 2024 and 2025 were zero, and they had to start from scratch. As an "Affiliated Agency," the HTA had to submit its budget requests to DBEDT.

Mr. Choy outlined the five-step process for submitting budget requests to the legislature.

Firstly, the HTA submitted Form A to DBEDT. At this point, the HTA would ask for everything they needed without regard to overall state policy. The budgeting scheme used was called "Program-based Budget," which was authorized by BED113 (tourism), and the HTA would ask for everything required to fulfill the program.

Having received the budget request from the HTA, DBEDT would then apply higher-level policy to follow the direction and priorities of the government. DBEDT might add or subtract to or from the budget based on policy considerations, whereas the HTA only considered departmental needs.

DBEDT would then transmit the modified budget to the Budget & Finance Department, ensuring that the available funds could cover the budget requests of all the departments. A meeting of all departments would be called at which budgets would be modified to conform to the available funds.

After approval by BNF, the state budget would be submitted to the Governor thirty days before the legislative session, on or about December 20. At this point, the budget would be policy-

oriented, and funds might be diverted from one department to another to conform to policy guidelines.

The Governor would then present the state budget to the legislature. After approval by the legislature, the HTA budget would be returned to the Board for final approval in May or June.

At the Chair's request, Mr. Choy verified that the budget being considered would come into effect on July 1, 2024, while in the short term, before July, \$60 million was available. This was a supplemental budget.

Chair Arakawa requested that subsequently, Mr. Choy present to the full Board a schematic showing the process by which the budget would be approved, and he promised to do so.

Form A began with a "lead sheet" showing the requested amount. This was followed by details of how the funds would be spent, divided into two sections: operating costs, mainly payroll, and other current expenses. The details of the payroll included both positions which were vacant at present and new positions which had been specified. The HTA was asking for \$66 million, but out of that sum, about \$55 million was for multi-year contracts, which were obligations for 2025 that had already been undertaken.

Mr. Choy was asked whether he anticipated salary changes and whether the legislature would accept the budget. He pointed out that as director of the taxation department, he was usually the highest-paid staff member. Other employees received a percentage of the director's salary depending on their administrative level. The salaries of some contract staff were defined as SRNA, "salary range not applicable," and these were determined by the Board. The position of the CEO was different from that of other positions because it was a contract position and did not include benefits such as ERS. Mr. Choy noted that the benefits of state employees accounted for 60% of their compensation. He believed all the HTA employees should be civil service members and subject to EUTF and ERS. That would enable the legislature and the public to assess whether salaries were appropriate.

It was pointed out that even though the HTA had not lost its independent nature, it had lost its exemption from procurement and lumpsum funding. The HTA was still an independent entity, and the Board must remember that the CEO was a contractor and not a civil servant. The CEO needed to be qualified to understand the tourist industry, and this skill set had to be adequately compensated. Determining the CEO's salary level was the decision of the HTA Board, but it had to be set against the general standards of the tourism industry.

Mr. Choy stated that the detailed chart showed salaries to be paid but also included provisions for incentives. Bonuses would be discussed at the next meeting and would be provided for the CEO, the CAO, the Chief Brand Officer, and the Public Information Officers. Bonuses were part of the contracting process. The Vice-Chair expressed the hope that in the interests of transparency, a line item would be included for the total amount available for bonuses and

which staff were eligible for bonuses. BNF paid for the 60% benefit package, while specially funded benefits were to be paid by the HTA.

Mr. White quoted information that bonuses were limited to 5% of salary after review at the end of the year. He felt that it was important for salary ranges to be carefully studied because the HTA was pulling people in from the private sector. In his opinion, the salaries being offered to the HTA staff were low in comparison with state departments such as the university. Given that tourism generated funds that paid salaries of other departments, they should not be seen to be skimping on salaries when they were trying to attract talent from the private sector.

In reply, Mr. Choy pointed out that the salaries of the HTA leaders were more than those of leaders of government agencies with thousands of employees. The HTA was one of the few state departments operating multi-year contracts, which were proving problematic because of the zero budget.

The proposed budget included an additional \$10 million designated as an Opportunity Fund, while \$2.5 million was likely to be carried over to 2025, implying that at least \$12 million would be new money above and beyond the multi-year contracts.

Mr. Miyasato pointed out that if the HTA were truly independent, it could request a lump sum from the legislature and only share details with the Board. This might happen in 2026, but for the 2025 budget, they had to present a detailed chart to the legislature. During the approval of the 2024 budget, the legislature had asked that funds to be used for destination management should be separated from funds used for marketing and branding. Mr. Choy stated that even if a lumpsum request was made, it was almost certain that the legislature would ask for a detailed breakdown, so it was beneficial to do so from the start.

Mr. Choy mentioned that it might have seemed strange that the proposed budget had been sent to DBEDT without involving the Board of the HTA. The reason for this was the short deadline for submission of the budget set by the Department of Finance. However, the Board could change the budget in testimony at the legislature in December, so there was enough time to review it and make modifications. Later in the meeting, a motion would propose the formation of a PIG which could examine the proposed budget in detail.

Mr. Choy had not changed the budget because of the wildfire emergency other than the additional \$10 million referred to earlier. Initially, they had asked for \$7 million because of the wildfire emergency expenses, but the final expense might be as much as \$50 million. When the proposed budget reached DBEDT, changes were unlikely, but at the level of BNF coordination, every department could be asked to take a percentage cut because of the general expenses due to the wildfire emergency. So, it was possible that the HTA could end up with drastic budget cuts because all departments might take cuts in their budgets due to the fire. It was hoped that

the \$10 million Opportunity Fund would redress some of the issues and provide funds for additional marketing.

Chair Arakawa proposed a motion to approve the FY2025 Budget request, which was seconded by the Vice Chair and moved unanimously.

6. Presentation, Discussion, and Action on the Hawai'i Convention Center's August 2023 Report and Update on the Hawai'i Convention Center's 6-Year CIP Plan

The Managing Director of the HCC, Ms. Orton presented the August 2023 update, comprising a detailed financial analysis, a list of recent and upcoming local and Citywide events, and a report on the six-year plan for repair, maintenance, and replacement projects.

She noted that the HCC had been used as an assistance center, operated in partnership with the HTA and the American Red Cross, to support evacuees from Maui due to the wildfire emergency. The HCC had provided temporary accommodation for nearly 300 evacuees until they could board flights, return home on their own, or find alternative lodging in Honolulu to complete their vacation.

The HCC had successfully hosted several significant local events, including the return of Comic Con Honolulu and the first-time Made in Hawai'i Festival. These brought in more than 58,000 attendees to the HCC, making up 87% of the 68,000 attendees hosted for August. The HCC welcomed the return of the first international Citywide event, which brought in 3,300 attendees and produced \$41.3 million in economic impact, \$4.8 million in tax generation for the state, and over \$800,000 in revenue for the HCC.

Ms. Orton presented a detailed financial analysis for August, showing a growth of almost \$2 million for August, mainly due to Citywide events that were hosted during that month. For the fiscal year ending in August, economic impact and tax generation stood at \$105 million and \$12 million, respectively. The gross revenue during August was more than \$4.9 million, \$1.3 million more than was budgeted, with a net income of \$946,000, \$1.5 million more than budgeted.

All this meant that the first two months of the new fiscal year had started better than was planned when the budget had been developed. Ms. Orton was grateful for Citywide events, which generated revenue and building contributions and supported local businesses. The data showed that the return on investment on every dollar spent resulted in almost \$26 returned to the state. Ms. Orton reiterated that Citywide events significantly impacted the economic health of the HCC.

It was vital to continue developing the Citywide market, and Mr. Reyes was actively engaged on this issue, knowing its impact on the HCC and jobs. From 2026 onwards, the HCC will face a challenge in firm event bookings. Citywide business impacted the bottom line of the HCC and reduced the need for subsidies from the state. It was important to allocate as many resources

as possible towards helping Mr. Reyes and his sales team. The budget had to provide for the right staff to attract long and short-term business. From 2026 onwards, short-term business was needed, and the HCC required staff who could encourage this type of business. The short-term sales position that had become vacant over a year required to be filled. Corporate businesses paid rent and bought beverages so that, with the right mix of corporate and offshore business, the budget of the HCC had a chance of breaking even.

The MCI team had a Brand Management Plan, hoping that funding would be provided to fill the vacant short-term seller position. From 2026 onwards, there were less than ten firm Citywide bookings per year, and they were already outside the booking window for future years such as 2026 and 2027. The HTA Board should be aware of the importance of giving Mr. Reyes and his team the necessary resources. Failure to fill openings at the HCC impacted employment, given that recruiting experienced and talented staff was already difficult. This skilled position could not ebb and flow as business rose and fell.

Chair Arakawa asked whether funding for Meetings, Conventions, and Incentives had been added to the previous year's budget. Mr. Reyes responded that \$800,000 had been added, of which a portion was to fund a fourth seller post. Before COVID there had been five short-term sellers, but Citywide planners rescheduled business events during the pandemic.

Mr. Reyes was in weekly communication with Ms. Orton, and he was aware that everyone had undergone budget cuts. MCI was operating at \$1.5 million less than previously. The existing three sellers worked hard to generate opportunities, but a fourth short-term seller was needed. \$800,000 had been discussed but was not disbursed for various reasons. MCI would operate with a \$4.5 million budget, which had remained the same for several years. Before this, the budget had been \$6 million, with five short-term sellers and \$1 million designated for the marketing flexibility fund (MFF). MFF referred to an incentive in the Citywide market to close business through a process of approval by various team members related to ratios of taxable income for the state. They were competing for business with other destinations.

Ms. Agas expressed her concern about the vacant position of short-term seller. She noted that the person recruited must have experience and relationships in the corporate world to obtain business from meeting planners. Mr. Reyes and his team were doing their best, but a seasoned seller with contacts to bring meeting planners to Hawai'i was required. She pointed out that even if the post were filled right away, the impact of a new person would not be felt for several years.

Chair Arakawa reminded the Committee that the Branding Standing Committee was to meet that afternoon and would be submitting information to the full Board meeting the following day. The HTA had been trying to fill the short-term seller position for months. He felt that amending the contract for the post might be a positive step and proposed working with Mr. Reyes and Mr. Monahan to make more progress.

Chair Arakawa proposed a motion to approve the report of the August update on the HCC. The motion was seconded by Ms. Agas and moved unanimously.

7. Presentation and Discussion Regarding an Update of the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales

This report was presented by Mr. Reyes, Senior Vice President and Chief Sales Officer for MCI. Mr. Reyes began by giving details of the objectives of the Mālama Maui campaign. \$600,000 had been allocated as follows: \$200,000 for business retention and development and \$400,000 for strategic partners. These funds would be spent between now and the end of December 2023.

The aim of retaining business was to relocate events to another part of Maui or another part of Hawai'i. An example was the Maui Invitational, which had been transferred to O'ahu with the potential of more invitationals but intended to bring this event back to Maui in subsequent years. Mr. Reyes also mentioned a meeting on the point of being transferred to San Francisco with the unintended consequence of additional transport costs. He thanked the HTA for making \$200,000 available as an incentive to retain this event in Hawai'i.

One of the MCI strategic partners was SITE, the Society of Incentive Travel Executives. Given that incentives represented 38% of the business, MCI was working directly with SITE as well as other major third-party planners.

Mr. Reyes presented data about Citywide room nights, which showed that August 2023 was at 168% of August 2022. He also gave updates on sales production, referring to a new volume of events and room nights for any future year, and consumption, referring to "On the books" (OTB) booked events and room nights in the year they occur. He presented a table showing the HCC booking trends up to 2030. He emphasized that recruiting an additional seller would expedite the booking process.

During August, eight Citywide events had been booked for future years. The team was still working on events for 2026 while being conscious that the standard booking window was seven years. The number of events on the books at present stood at 89% of the target. The team focused on 2028, and Mr. Monahan, Ms. Orton, and Mr. Ka'anā'anā were considering the number, type, and composition of events, bearing in mind that corporate events were the most lucrative.

Ms. Agas congratulated Mr. Reyes and his team on their work.

Chair Arakawa proposed a motion to approve the presentation. The motion was seconded by Ms. Agas and moved unanimously.

8. Presentation, Discussion, and Action on HTA Budget Issues, Comments, and Suggestions Raised by Legislators, Board Members, Staff, Stakeholders, etc.

Chair Arakawa explained that this item was for discussion rather than action and concerned a reference by Rep. Sean Quinlan, the Chair of the House Tourism Committee, to an email containing questions about the mission of the HTA. Mr. Nāho‘opi‘i was to arrange for this email to be retransmitted to the entire Board as soon as possible.

9. Presentation, Discussion, and Action on the Formation of a HTA Budget, Finance, and Convention Center Permitted Interaction Group (PIG)

Chair Arakawa pointed out that it was difficult to find time and resources to work on modifications to budget proposals, and the “Sunshine Law” prohibited informal consultations. He noted that the legislature had asked about the involvement of the HTA Board in budget proposals, so it was vital for transparency that the Board be seen to be fully informed and involved. He recalled that during the previous year's budget process, the legislature had refused to carry out lump sum appropriation and insisted on a detailed line-by-line analysis. There was reason to believe the process would be the same this year, and the Board needed to be fully prepared to justify every expense item.

Mr. Choy promised to give clarifications about the budget to individual Committee members by email if necessary. Given that the next budget session would be in December, he believed the HTA could prepare effectively. He supported the formation of the PIG to provide the Board with the requisite transparency.

Asked how the PIG would be related to a budget that had already been proposed to DBEDT, Mr. Choy stated that the PIG would go into the details. For instance, Form A listed various contracts, but some contracts had multiple purposes: a single contract could contain aspects of branding, destination management, and marketing. Regarding a possible perception that the PIG was carrying out the function of the present Committee, Mr. Choy cited the ability of the PIG to go into greater detail about individual budget items.

The Chair stated that the purpose of the PIG was not to hide anything because, eventually, every conclusion would become public. Only the discussion process would be private. The intention was to be able to make quick decisions in response to possible concerns of legislators and the policies and decisions of the Board. He reiterated that the PIG could not make decisions that the Board had not already approved. In a perfect world, the PIG would do the research, come to decisions, and present these decisions to the Board. The Board would trust the work of the PIG and implement its conclusions.

Mr. McCully reminded the Committee that serial one-on-one conversations contravened the Sunshine Law, and Mr. Cole confirmed this. The PIG would be the tool needed for transparency to the public and legislature.

Mr. White pointed out that approval could not be carried out in the first Board meeting. He asked about the range of decisions that could be made in the PIG without needing to be referred to the Board for a decision. He agreed that a detailed examination of the budget was needed because it would be required by the legislature.

Mr. Choy believed the PIG would be the forum for thrashing out numbers. The budget would become public when Mr. Nāhoʻopiʻi would appear before the Finance and Tourism Committees, and at this point, the public would realize that the HTA was prepared. The CEO had always given budget input, but this year, he would benefit from the calculations and analysis done by the PIG.

Chair Arakawa proposed the motion to recommend the creation of a PIG to the full Board. The motion was seconded by Ms. Agas and moved unanimously, apart from reservations by Mr. White, who hoped to have more information from Mr. Cole.

10. Discussion and Action on the Recommendation to Assign Board Members to the HTA Budget, Finance, and Convention Center Permitted Action Group (PIG)

Mr. Choy recommended that the PIG have the same members as the present Committee. Mr. Ching noted that he would not be available because of existing commitments. Dir. Tokioka would be excluded because, as director of DBEDT, he would subsequently review the budget.

Chair Arakawa moved that the PIG should consist of Mr. Arakawa, Ms. Agas, Mr. McCully, Mr. Miyasato, and Mr. White, with an additional member to be elected by the full Board. The motion was seconded by Ms. Agas and passed unanimously.

11. Adjournment

Chair Arakawa adjourned the meeting at 11:32 a.m.

Respectfully submitted,



Sheillane Reyes
Recorder

4

Presentation, Discussion, and Action on the Hawai'i Tourism Authority (HTA's) September 2023 Financial Report



The State of Hawai`i
Department of Business, Economic Development, and Tourism
Hawai`i Tourism Authority
Financial Statements
September 30, 2023

These financial statements have been prepared by HTA management (unless otherwise noted) for information purposes only. See notes to the financial statements.

Prepared by: Talon Kishi

Budget and Fiscal Officer

HAWAII TOURISM AUTHORITY

Hawaii Tourism Authority
Selected Management Disclosures
September 30, 2023

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**Hawaii Tourism Authority
Balance Sheet
As of September 30, 2023**

	Tourism Funds	Convention Center Funds	Convention Center Roof Repairs	Tourism Emergency Special Fund	Federal Funds	Total Funds
Assets						
General funds	55,645,097	11,000,000	-	-	-	66,645,097
Special funds (restricted)	15,443,150	36,549,872	-	-	-	51,993,022
Federal grants	-	-	-	-	14,024,372	14,024,372
Generabl obligation bonds	-	-	14,871,000	-	-	14,871,000
Cash and cash equivalents	-	-	-	1,095,806	-	1,095,806
Investments	-	-	-	4,072,870	-	4,072,870
Total assets	<u>71,088,247</u>	<u>47,549,872</u>	<u>14,871,000</u>	<u>5,168,676</u>	<u>14,024,372</u>	<u>152,702,167</u>
Liabilities and Fund Balances						
Fund balances						
Encumbered - General funds	40,755,916	4,595,643	-	-	-	45,351,559
Encumbered - Special funds	8,966,620	3,769,399	-	-	6,450,000	19,186,019
Unencumbered	21,365,711	39,184,830	14,871,000	5,168,676	7,574,372	88,164,589
Total fund balances	<u>71,088,247</u>	<u>47,549,872</u>	<u>14,871,000</u>	<u>5,168,676</u>	<u>14,024,372</u>	<u>152,702,167</u>
Total liabilities and fund balances	<u>71,088,247</u>	<u>47,549,872</u>	<u>14,871,000</u>	<u>5,168,676</u>	<u>14,024,372</u>	<u>152,702,167</u>

Hawaii Tourism Authority
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Month Ended September 30, 2023
Ending Fund Balance as of September 30, 2023

	Tourism Funds	Convention Center Funds	Convention Center Roof Repairs	Tourism Emergency Special Fund	Federal Funds	Total Funds
Revenues						
HCC Operations	-	1,223,283	-	-	-	1,223,283
Other Income	-	747,445	-	-	-	747,445
Change in fair value	-	-	-	2,443	-	2,443
Interest and dividends, net	79,414	111,619	-	13,933	-	204,966
Total revenues	<u>79,414</u>	<u>2,082,347</u>	<u>-</u>	<u>16,376</u>	<u>-</u>	<u>2,178,137</u>
Expenditures						
Destination management	-	-	-	-	-	-
Planning & evaluation	80,921	-	-	-	-	80,921
Workforce	-	-	-	-	-	-
Perpetuating Hawaiian culture	-	-	-	-	-	-
Sports	-	-	-	-	-	-
Safety & Security	-	-	-	-	-	-
Resident and Industry Communications	59,662	-	-	-	-	59,662
Branding	2,882,032	-	-	-	-	2,882,032
Convention Center Marketing	-	-	-	-	-	-
Administrative	32,029	-	-	1,058	-	33,087
Governance and org-wide*	43,227	-	-	-	-	43,227
Salaries and fringe	205,297	-	-	-	-	205,297
HCC operations	-	-	-	-	-	-
HCC repairs and maintenance	-	-	-	-	-	-
Total expenditures	<u>3,303,168</u>	<u>-</u>	<u>-</u>	<u>1,058</u>	<u>-</u>	<u>3,304,226</u>
Change in fund balances	<u>(3,223,754)</u>	<u>2,082,347</u>	<u>-</u>	<u>15,318</u>	<u>-</u>	<u>(1,126,089)</u>
Fund balances						
Beginning of month	<u>74,312,001</u>	<u>45,467,525</u>	<u>14,871,000</u>	<u>5,153,358</u>	<u>14,024,372</u>	<u>153,828,256</u>
Ending fund balance	<u>71,088,247</u>	<u>47,549,872</u>	<u>14,871,000</u>	<u>5,168,676</u>	<u>14,024,372</u>	<u>152,702,167</u>

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Selected Management Disclosures
September 30, 2023

Summary of Significant Accounting Policies

The Financial Reporting Entity

The Hawaii Tourism Authority (HTA or Authority) was established on January 1, 1999, by Act 156, Session Laws of Hawaii 1998. It was placed within the State of Hawaii, Department of Business, Economic Development, and Tourism, for administrative purposes only. The Authority is responsible for developing a strategic tourism marketing plan and developing measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and progress toward achieving the Authority's strategic plan goals. In addition, effective July 1, 2000, control and management of the Hawaii Convention Center (HCC) were transferred to the Authority from the Convention Center Authority (CCA) by Executive Order No. 3817. Effective July 1, 2002, the Center, by statute, became the responsibility of the Authority. The Center opened to the public in June 1998 and is used for various events, including conventions and trade shows, public shows, and spectator events. The Center offers approximately 350,000 square feet of rentable space, including 51 meeting rooms.

The Authority is governed by a board of directors comprising 12 voting members, including those recommended by the State Legislature. The Governor of the State appoints the 12 voting members.

Funds

The Authority's major funds are as follows:

Tourism Funds:

- **Tourism Special Fund (TSF)** – The Tourism Special Fund accounts for functions related to developing and promoting the tourism industry. Effective January 1, 2022, pursuant to Act 1 Special Legislative Session 2021, the TSF was sunset and discontinued the ability to expend any new funds. Funds encumbered as of June 30, 2021, can be spent.
- **General Funds** – The 2023 State legislature did not provide HTA an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$60,000,000 in general funds from Section 5 of Act 164, SLH 2023, to HTA on July 1, 2023. Funds will lapse on June 30, 2024.

Convention Center Funds:

- **Convention Center Enterprise Special Fund (CCESF)** – Under Section 201B-8, the Convention Center Enterprise Special Fund accounts for functions related to the operation and management of the Hawaii Convention Center (HCC). Unencumbered funds are unavailable to spend because the 2023 Hawaii State Legislature did not provide the CCESF an expenditure ceiling to fund the operations of the HCC.
- **General Funds (operations)** – The 2023 State legislature did not provide the HCC an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$11,000,000 in general funds from Section 5 of Act 164, SLH 2023, for the HCC on July 1, 2023. Funds will lapse on June 30, 2024.
- **General Funds (CIP)** - Pursuant to Act 164, SLH 2023, \$64,000,000 of general funds were provided for long-term repairs of the HCC rooftop terrace deck. HTA is awaiting approval from the Governor to release the funds. Funds will lapse on June 30, 2024.

Hawaii Tourism Authority
Selected Management Disclosures
September 30, 2023

- **General Obligation Bonds** – Pursuant to Act 248, SLH 2022, \$15,000,000 of general obligation bond funds were provided for the temporary repairs of the HCC roof repair and other items. The Governor authorized the release of funds on February 22, 2023. The funds will lapse on June 30, 2024.

Tourism Emergency Special Fund:

- **Tourism Emergency Special Fund** – The Tourism Emergency Special Fund accounts for functions related to maintaining a tourism emergency fund. Per Section 201B-10, revenues prescribed by Section 237D-6.5(b) and all investment earnings are credited to the fund’s assets. Funds are currently held at the Bank of Hawaii. Funds must be exclusively used to respond to a tourism emergency under Section 201B-9. On August 19, 2023, the governor declared a tourism emergency in the sixth emergency proclamation relating to the Maui wildfires. The Authority plans on spending approximately \$2.6M on an emergency marketing campaign for Maui.

Federal Funds:

- **Economic Development Administration (EDA) Tourism Grant** – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for the State of Hawaii) – The Authority was awarded \$14,024,372 on December 8, 2021. Grant rules required the approval of the Grant Administration Plan (GAP) before the commencement of work. EDA approved the Authority’s GAP on March 21, 2023. The Authority will share approximately \$7,200,000 of the grant with the Department of Land and Natural Resources (DLNR) to enhance and develop Hawaii’s outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027.

Basis of Accounting

The Governmental Funds’ financial statements are reported using the modified-cash basis of accounting.

Governance & Org-Wide Expenditures

Governance and organization-wide expenditures primarily consist of board meeting costs - including board member inter-island travel - audit expenses for the Authority and the HCC, HCC facility insurance, and employee fringe benefits.

Encumbrances

Generally, encumbrances are obligations in the form of purchase orders, contracts, or other commitments that only become liabilities once the performance of the conditions stated in the commitment.

Transient Accommodations Tax (TAT)

Under Section 237D-6.5, \$11,000,000 shall be allocated to the Convention Center Enterprise Special Fund annually. The annual TAT distribution has not been made to HTA as of October 19, 2023.

Investments

The Authority’s investments are reported at fair value.

The TSF and CCESF participate in the State’s investment pool program directed by B&F.

Hawaii Tourism Authority
Selected Management Disclosures
September 30, 2023

Employees' Retirement System of the State of Hawaii (ERS)

On June 30, 2022, management estimated the net pension liability of approximately \$5,733,000 for its proportionate share of the State's net pension liability. An actuarial valuation determined the net pension liability as of June 30, 2021.

For the year ended June 30, 2022, the Authority recognized pension expenses of approximately \$488,000. On June 30, 2022, management estimated the deferred outflows and deferred inflows of resources related to pensions of approximately \$590,000 and \$972,000, respectively. Based on last year's pension expense, management estimates the June 30, 2023, pension expense to be approximately \$500,000.

Hawaii Employer-Union Health Benefits Trust Fund (EUTF)

On June 30, 2022, management estimated the net other post-employment benefits (OPEB) liability of approximately \$4,989,000. An actuarial valuation measured the net OPEB liability as of June 30, 2021.

For the year ended June 30, 2022, the Authority recognized OPEB expenses of approximately \$115,000. On June 30, 2022, management estimated the deferred outflows and deferred inflows or resources related to OPEB of approximately \$212,000 and \$503,000, respectively. Based on last year's OPEB expense, management estimates the OPEB expense for June 30, 2023, to be approximately \$120,000.

Accrued Vacation

On June 30, 2022, management estimated the accrued vacation liability was approximately \$413,000, with a current liability of approximately \$129,000. Based on last year's accrued vacation liability, management estimates accrued vacation as of June 30, 2023, to be approximately \$420,000, with a current liability of approximately \$130,000.

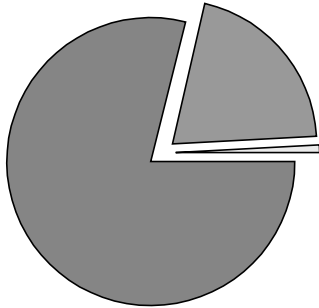
Use of Estimates

Preparing these financial statements required management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

Other Matters

HCC Rooftop Repair RFP – On July 17, 2023, HTA issued RFP 23-12 for the project manager/construction manager contract for the permanent repair of the HCC rooftop. HTA will issue an RFP for the construction portion of the project in the coming months.

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0.7%	Í ½ ¼	36,448.39
20.5%	Í ½ ¼ ½ ¼ ½ ¼ ½ ¼	1,059,357.49
78.8%	½ ¼ ½ ¼ ½ ¼	4,072,870.25
100.0%	½ ¼ ½ ¼	5,168,676.13

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Category	Amount	Percentage	Weighted Avg	Yield
Í ½ ¼	36,448.39	0.71	0	0.00
Í ½ ¼ ½ ¼ ½ ¼ ½ ¼	1,059,357.49	20.50	55,298	5.22
½ ¼ ½ ¼ ½ ¼	4,072,870.25	78.80	115,188	2.83
½ ¼ ½ ¼ ½ ¼	5,168,676.13	100.00	170,486	3.30

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Category	Amount	Percentage	Weighted Avg	Yield
CASH	4,542.32	4,542.32	12.46	
ACCRUED INCOME	31,906.07	31,906.07	87.54	
TOTAL CASH	36,448.39*	36,448.39*	100.00*	
CASH EQUIVALENTS				
CASH MANAGEMENT				
1,059,357.49	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	1,059,357.49	1,059,357.49	100.00
FIXED INCOME				
U S TREASURY OBLIGATIONS				
500,000	US TREASURY NOTES 2.875% 10/31/2023	499,441.73	499,020.00	12.25



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09/01/2023 through 09/30/2023
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585,000	US TREASURY NOTES 2.5% 01/31/2024	582,517.13	579,354.75	14.22
500,000	US TREASURY NOTES 2.25% 04/30/2024	495,520.45	490,800.00	12.05
500,000	US TREASURY NOTES NOTE 2.125% 07/31/2024	496,264.78	486,385.00	11.94
500,000	US TREASURY NOTES 2.25% 10/31/2024	483,947.75	483,360.00	11.87
550,000	US TREASURY NOTES 2.5% 01/31/2025	537,296.38	530,150.50	13.02
500,000	US TREASURY NOTES 2.875% 04/30/2025	488,984.38	482,265.00	11.84
525,000	US TREASURY NOTES 4.75% 07/31/2025	523,708.01	521,535.00	12.81
	TOTAL U S TREASURY OBLIGATIONS	4,107,680.61*	4,072,870.25*	100.00*
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Hawaii Convention Center
Facility
Income Statement
From 9/01/2023 Through 09/30/2023
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Direct Event Income								
Rental Income (Net)	408,528	266,686	141,842	217,010	933,096	713,240	219,857	682,512
Service Revenue	217,540	106,710	110,830	73,936	646,385	275,740	370,645	238,844
Total Direct Event Income	<u>626,068</u>	<u>373,396</u>	<u>252,672</u>	<u>290,946</u>	<u>1,579,481</u>	<u>988,980</u>	<u>590,502</u>	<u>921,356</u>
Direct Service Expenses	<u>283,186</u>	<u>211,564</u>	<u>(71,622)</u>	<u>114,679</u>	<u>910,217</u>	<u>621,655</u>	<u>(288,562)</u>	<u>440,431</u>
Net Direct Event Income	<u>342,882</u>	<u>161,832</u>	<u>181,050</u>	<u>176,266</u>	<u>669,264</u>	<u>367,325</u>	<u>301,939</u>	<u>480,924</u>
Ancillary Income								
Food and Beverage (Net)	986,259	614,873	371,386	138,749	3,496,585	2,046,658	1,449,927	838,819
Event Parking (Net)	87,532	104,432	(16,900)	80,995	301,463	291,737	9,726	227,355
Electrical Services	27,803	28,200	(397)	3,887	50,282	37,400	12,882	5,830
Audio Visual	67,292	20,503	46,789	20,211	173,389	91,537	81,852	76,497
Internet Services	8,171	0	8,171	0	28,246	0	28,246	0
Rigging Services	8,035	0	8,035	49,723	14,488	9,000	5,488	49,723
Total Ancillary Income	<u>1,185,092</u>	<u>768,008</u>	<u>417,084</u>	<u>293,565</u>	<u>4,064,453</u>	<u>2,476,332</u>	<u>1,588,121</u>	<u>1,198,224</u>
Total Event Income	<u>1,527,974</u>	<u>929,840</u>	<u>598,134</u>	<u>469,831</u>	<u>4,733,717</u>	<u>2,843,656</u>	<u>1,890,060</u>	<u>1,679,148</u>
Other Operating Income								
Non-Event Parking	0	433	(433)	564	870	1,299	(429)	648
Other Income	115,363	10,042	105,321	16,012	139,390	30,126	109,264	34,936
Total Other Operating Income	<u>115,363</u>	<u>10,475</u>	<u>104,888</u>	<u>16,576</u>	<u>140,260</u>	<u>31,425</u>	<u>108,835</u>	<u>35,584</u>
Total Gross Income	<u>1,643,337</u>	<u>940,315</u>	<u>703,022</u>	<u>486,407</u>	<u>4,873,976</u>	<u>2,875,081</u>	<u>1,998,895</u>	<u>1,714,732</u>
Net Salaries & Benefits								
Salaries & Wages	519,076	540,893	21,817	402,871	1,520,047	1,619,663	99,616	1,051,328
Payroll Taxes & Benefits	135,069	155,482	20,413	105,029	409,411	466,446	57,035	288,513
Labor Allocations to Events	(94,997)	(70,684)	24,313	(28,047)	(280,247)	(194,122)	86,125	(119,558)
Total Net Salaries & Benefits	<u>559,149</u>	<u>625,691</u>	<u>66,542</u>	<u>479,853</u>	<u>1,649,211</u>	<u>1,891,987</u>	<u>242,776</u>	<u>1,220,284</u>
Other Indirect Expenses								
Net Contracted Services	54,877	36,865	(18,012)	73,842	158,067	119,676	(38,391)	183,708
Operations	24,229	13,099	(11,130)	12,084	88,872	39,297	(49,575)	26,581
Repair & Maintenance	91,638	110,021	18,383	66,457	245,413	330,063	84,650	206,939
Operational Supplies	95,930	76,740	(19,190)	42,973	243,648	236,334	(7,314)	132,422
Insurance	30,151	30,073	(78)	16,905	92,105	92,791	686	59,912
Utilities	221,272	215,073	(6,199)	241,693	728,644	749,267	20,623	786,310
Meetings & Conventions	4,754	804	(3,950)	685	11,004	10,412	(592)	3,242
Promotions & Communications	0	6,266	6,266	2,616	0	18,798	18,798	10,245
General & Administrative	30,658	37,989	7,331	28,985	103,231	115,211	11,980	74,758
Management Fees	19,433	19,433	(0)	19,033	58,300	58,299	(1)	57,100
Other	512	4,733	4,221	2,882	15,970	14,199	(1,771)	5,437
Total Other Indirect	<u>573,456</u>	<u>551,096</u>	<u>(22,360)</u>	<u>508,155</u>	<u>1,745,254</u>	<u>1,784,347</u>	<u>39,093</u>	<u>1,546,654</u>
Net Income (Loss) before CIP Funded Expenses	<u>510,733</u>	<u>(236,472)</u>	<u>747,204</u>	<u>(501,601)</u>	<u>1,479,511</u>	<u>(801,252)</u>	<u>2,280,764</u>	<u>(1,052,205)</u>
CIP Funded Expenses	<u>312</u>	<u>0</u>	<u>312</u>	<u>0</u>	<u>601</u>	<u>0</u>	<u>601</u>	<u>0</u>
Net Income (Loss) from Operations	<u>511,044</u>	<u>(236,472)</u>	<u>747,516</u>	<u>(501,601)</u>	<u>1,480,112</u>	<u>(801,252)</u>	<u>2,281,364</u>	<u>(1,052,205)</u>
Fixed Asset Purchases	<u>7,036</u>	<u>25,000</u>	<u>17,964</u>	<u>57,956</u>	<u>30,074</u>	<u>75,000</u>	<u>44,926</u>	<u>90,715</u>
Net Income (Loss) After Fixed Asset Purchases	<u>504,008</u>	<u>(261,472)</u>	<u>765,480</u>	<u>(559,557)</u>	<u>1,450,038</u>	<u>(876,252)</u>	<u>2,326,291</u>	<u>(1,142,920)</u>

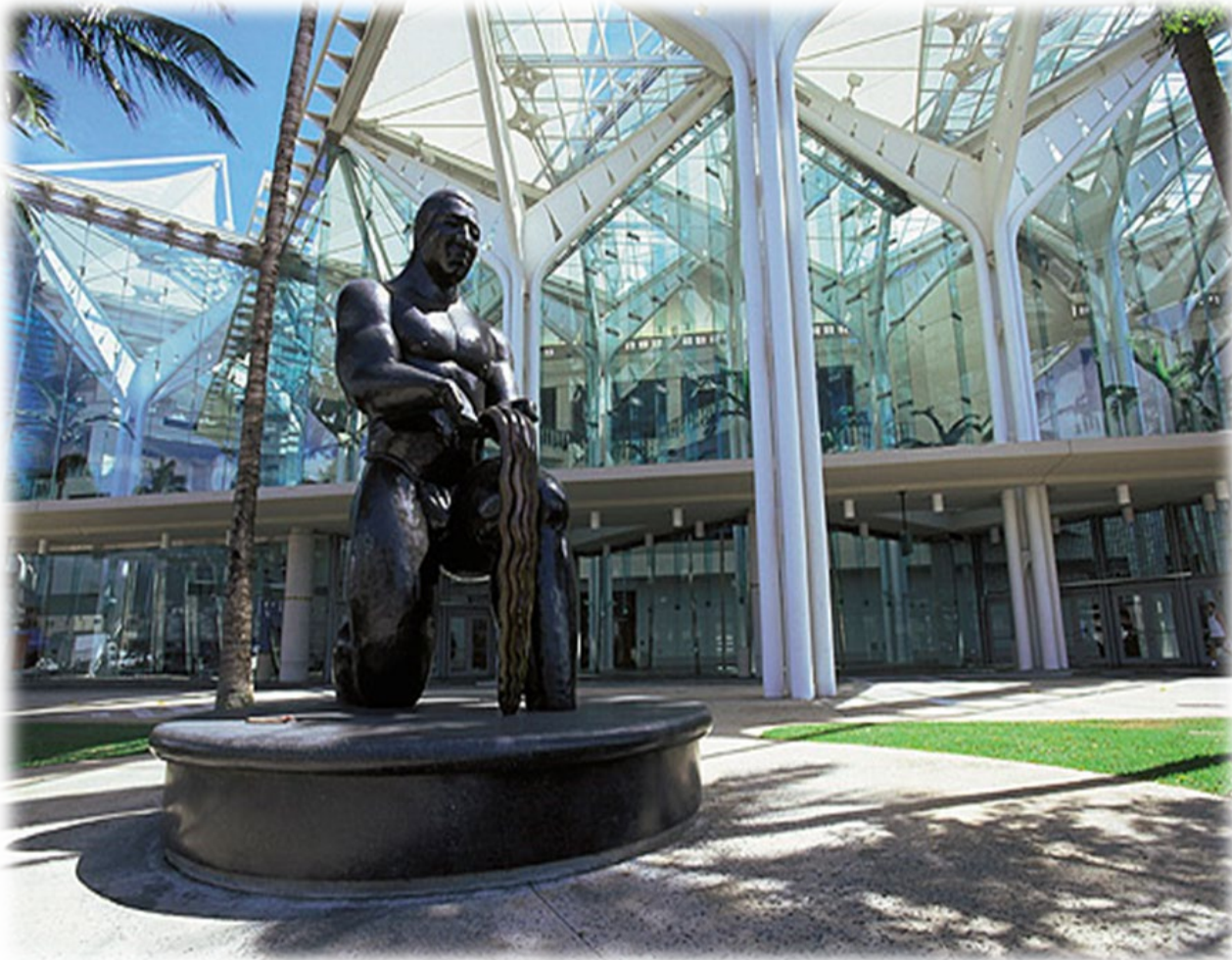
Hawaii Convention Center
Facility
Income Statement
From 09/01/2023 Through 09/30/2023
(In Whole Numbers)

	Current Month Actual	Current Month Budget	Variance	Current Month Prior Year	YTD Actual	YTD Budget	Variance	YTD Prior Year
Revenues								
Food & Beverage	1,735,257	1,225,530	509,727	308,186	5,317,455	3,931,370	1,386,085	1,514,373
Facility	951,724	557,420	394,303	473,915	2,326,315	1,502,269	824,046	1,355,563
Total Revenues	2,686,981	1,782,950	904,030	782,101	7,643,770	5,433,639	2,210,131	2,869,936
Expenses								
Food & Beverage	1,006,247	831,608	(174,639)	291,999	2,572,521	2,558,870	(13,651)	1,031,083
Facility	1,170,000	1,187,814	17,814	991,703	3,591,738	3,676,022	84,284	2,891,058
Total Expenses	2,176,248	2,019,422	(156,826)	1,283,702	6,164,259	6,234,892	70,633	3,922,141
Net Income (Loss) before CIP Funded Expenses	510,733	(236,472)	747,204	(501,601)	1,479,511	(801,252)	2,280,764	(1,052,205)
CIP Funded Expenses	312	0	312	0	601	0	601	0
Net Income (Loss) from Operations	511,045	(236,472)	747,516	(501,601)	1,480,112	(801,252)	2,281,365	(1,052,205)
Fixed Asset Purchases	7,036	25,000	17,964	57,956	30,074	75,000	44,926	90,715
Net Income (Loss) after Fixed Asset Purchases	504,009	(261,472)	765,480	(559,557)	1,450,038	(876,252)	2,326,291	(1,142,920)

5

**Presentation, Discussion, and Action on the
Hawai'i Convention Center's September 2023
Report and Update on the Hawai'i Convention
Center's 6-Year CIP Plan; Recommend Approval**

Hawai'i Convention Center



Update for
September 2023
For
(Oct 2023 meeting)

Financial Update

	Sep-23 Actual	FY 2024 Reforecast	FY 2024 Budget	Variance	FY 2023 Actual	FY 2022 Actual
Facility Number of Events	20	245	225	20	273	213
Facility Gross Revenue	\$2,687,000	\$21,813,800	\$18,480,200	\$3,333,600	\$14,446,500	\$7,256,700
Facility Gross Expenses	-\$2,183,000	-\$24,320,200	-\$23,812,600	-\$507,600	-\$18,412,200	-\$11,842,500
Facility Operating Income/(Subsidy)	\$504,000	-\$2,506,400	-\$5,332,400	\$2,826,000	-\$3,965,700	-\$4,585,800
Local S&M Gross Expenses	-\$71,700	-\$1,223,700	-\$1,223,700	\$0	-\$959,400	-\$522,600
HCC Operating Income/(Subsidy)	\$432,300	-\$3,730,100	-\$6,556,100	\$2,826,000	-\$4,925,100	-\$5,108,400

ROI September 2023 FYTD

HCC Revenue + State Revenue
+Tax Revenue
= \$135.6 M

HCC Expense + HVCB MCI
Expense = \$7.3 M

***ROI = For every dollar spent,
\$18.62 returned to the State***

Historical ROI:

09.23 - \$18.62 (1 CW)

08.23 - \$25.91 (1 CW)

07.23 - \$30.74 (4 CW's)

06.23 - \$4.19

05.23 - \$4.61

04.23 - \$4.58

03.23 - \$3.79

02.23 - \$4.24

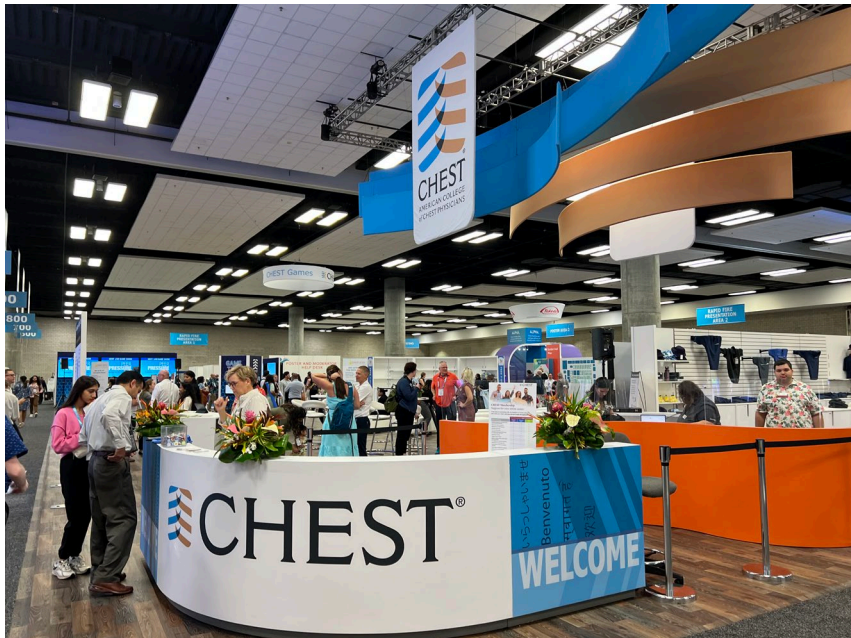
01.23 - \$4.75

12.22 - \$5.40

11.22 - \$6.88

Recent Events @ Hawai'i Convention Center

- 2023 Hawai'i Tourism Conference, Oct 2-3, 450 attendees
- CHEST 2023 Annual Meeting, Oct 8-11, 6,000 attendees (CW)
- PestWorld 2023, Oct 17-20, 3,500 attendees (CW)



Upcoming Local/Citywide Events

- 2023 Fall Honolulu National College Fair – NACAC, Oct 24, 5,000 attendees
- Hawaii Food & Wine Festival, Nov 5, 700 attendees
- 2023 Society for Social Studies of Science Annual Meeting, Nov 7-12, 1,000 attendees (CW)



4S 2023 HONOLULU

Sea • Sky • Land • Endangered Ecologies • Solidarities

NOVEMBER 8-11

Carbon Offset Program

- This is a first-of-its-kind Carbon Offset Program that provides meeting organizers with the opportunity to offset the carbon footprint of their meeting.
- Participating events include:
 - CHEST 2023 (42 trees)
 - 2023 International Conference on Machine Learning (36 trees)
 - 2023 Made in Hawaii Festival (12 trees)
 - 2023 Okinawan Festival (11 trees)



CHEST 2023 team @ Gunstock Ranch tree planting

Total Contributions	Partner Trees Planted
\$14,865.24	7,883
HCC Carbon Offset Trees Planted	
187	

8,056
Total Legacy Trees Planted



183.46
MTCO₂e
Carbon Offset

As of August 2023
(total carbon offset costs)

Recent HCC Awards

- EXHIBITOR 2023 Centers of Excellence winner
- 2023 Facilities & Destinations (F&D) Magazine Prime Site Award
- 2023 Smart Stars Best Convention Center – Smart Meetings magazine



GBAC STAR Accreditation



*Gold standard of high-performance in cleaning and maintenance for a hygienic indoor environment.

*Certified during the COVID pandemic reviewing HCC's preparation and response to infectious diseases and biohazard situations.

*Received recertification, involving a stringent 20 point review of procedures and performance standards.

*HCC continues sanitation standards and protocols to ensure a safe environment for guests and staff.

Community Outreach: KCC, HCC and HPU Presentation



Students and staff from Kapi'olani Community College, Honolulu Community College and Hawai'i Pacific University visited HCC for a presentation of our operations and back of house tour.

Repair, Maintenance and Replacement Projects Update

Repair, Maintenance and Replacement Projects

6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Priority	Prior Expenses to Sept 23	FY24	FY25	FY26	FY27	FY28	FY29	Total
001	Rooftop Terrace Deck Full Repair	\$ 64,000,000	1	\$ 119,663	\$ 1,880,337	\$ 30,000,000	\$ 32,000,000				\$ 64,000,000
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit Repair	\$ 7,706,791	1	\$ 65,705	\$ 7,641,086						\$ 7,706,791
013	Ballroom Roof Repairs	\$ 2,271,093	1	\$ 25,090	\$ 2,246,003						\$ 2,271,093
012	Parapet Roof Repairs	\$ 3,066,470	1	\$ 22,591	\$ 3,043,879						\$ 3,066,470
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 2,440,752	2	\$ 311,842		\$ 2,128,910					\$ 2,440,752
007	Kitchen Hood Control Panel Replacement	\$ 188,872	1	\$ 117,666	\$ 71,206						\$ 188,872
008	Pantry 348 Walk-in Refrigerator Replacement	\$ 135,443	1	\$ 46,597	\$ 47,166	\$ 41,681					\$ 135,444
009	Slate Tile Repair	\$ 2,142,108	1	\$ 159,818	\$ 1,982,290						\$ 2,142,108
010	Chiller Replacement	\$ 6,884,147	1	\$ 166,562	\$ 6,717,585						\$ 6,884,147
014	Lobby Water Feature	\$ 1,086,810	3	\$ 3,932			\$ 1,082,878				\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 2,973,864	1	\$ 31,164	\$ 2,942,700						\$ 2,973,864
022	Chill Water Pipe Reinsulation	\$ 677,894	1	\$ 197	\$ 667,697						\$ 667,894
023	Air Wall Repairs	\$ 400,000	1	\$ 16,155	\$ 383,845						\$ 400,000
024	Roll-up Door Replacement	\$ 225,000	2	\$ 23,656		\$ 201,344					\$ 225,000
025	Ballroom and Meeting Room Wallpaper Replacement	\$ 203,531	1	\$ 126,771	\$ 76,760						\$ 203,531
026	IT Network Upgrades	\$ 125,000	3	\$ -			\$ 55,000	\$ 70,000			\$ 125,000
027	Ice Machines Replacement	\$ 500,000	1	\$ -	\$ 500,000						\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	3	\$ -			\$ 375,000	\$ 375,000			\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	3	\$ 155			\$ 249,845	\$ 250,000			\$ 500,000
030	FB China and Equipment Upgrade	\$ 3,500,000	1	\$ -	\$ 3,500,000						\$ 3,500,000
031	Ala Wai Waterfall Repair	\$ 1,071,501	3	\$ 2,362			\$ 1,069,516				\$ 1,071,878
036	Water Intrusion Remediation	\$ 400,000	1	\$ 166,165	\$ 233,835						\$ 400,000
037	Exterior Security Camera Upgrade	\$ 231,348	1	\$ 155,504	\$ 75,844						\$ 231,348
041	Children's Courtyard Repair	\$ 329,162	1	\$ -		\$ 329,162					\$ 329,162
042	Kahakai/Atkinson Drywell Rehabilitation	\$ 351,113	3	\$ 775	\$ 350,338						\$ 351,113
043	Air Handler Unit 9 and 10 Replacement	\$ 401,382	3	\$ -		\$ 401,382					\$ 401,382
044	Fire Sprinkler Line Refurbishment	\$ 343,394	2	\$ -	\$ 100,000	\$ 125,000	\$ 118,394				\$ 343,394
045	Escalator and Elevator Refurbishment	\$ 15,865,737	1	\$ 5,028	\$ 6,900,000	\$ 2,640,000	\$ 6,320,709				\$ 15,865,737
046	LED Light Upgrade	\$ 4,781,506	1	\$ 58,765	\$ 4,722,741						\$ 4,781,506

Current project
Cumming-managed project
HCC-managed project
CM/PM - to be assigned



Repair, Maintenance and Replacement Projects

6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Priority	Prior Expenses to Sept 23	FY24	FY25	FY26	FY27	FY28	FY29	Total
048	Electrical Harmonics Testing	\$ 100,000	3	\$ -			\$ 100,000				\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 421,315	1	\$ 217,818	\$ 203,497						\$ 421,315
050	Main Kitchen Flooring Replacement	\$ 2,046,380	1/3	\$ -	\$ 50,000		\$ 1,996,380				\$ 2,046,380
051	PBX System Replacement	\$ 90,505	1	\$ -	\$ 90,505						\$ 90,505
052	Ride-on Sweeper Replacement	\$ 55,000	1	\$ 100	\$ 54,900						\$ 55,000
053	Forklift Replacement	\$ 175,000	1	\$ 86,702	\$ 88,298						\$ 175,000
054	Boardroom Upgrade	\$ 1,099,549	2	\$ 48,585			\$ 1,050,963				\$ 1,099,548
055	Elevator #2 Upgrade	\$ 250,000	3	\$ -			\$ 250,000				\$ 250,000
058	Kitchen Hood Fire Suppression System Replacement	\$ 341,407	1	\$ 18,770	\$ 322,636						\$ 341,406
060	Lobby Sail Repair and Maintenance	\$ 179,000	1	\$ 41,196	\$ 61,021	\$ 76,783					\$ 179,000
061	ADA Lift (#320) Replacement	\$ 165,000	1	\$ 387	\$ 164,613						\$ 165,000
064	F&B Equipment	\$ 1,266,870	1	\$ 12,640	\$ 1,254,230						\$ 1,266,870
065	Transformer Replacement	\$ 140,297	1	\$ 294	\$ 140,002						\$ 140,296
066	Kitchen Boiler Replacement	\$ 130,000	1	\$ -	\$ 130,000						\$ 130,000
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 11,048,647	1	\$ 15,441	\$ 4,415,590	\$ 6,617,616					\$ 11,048,647
069	Parking System Upgrade	\$ 528,382	1	\$ 28,382	\$ 500,000						\$ 528,382
070	Parking Garage Floor Sealing	\$ 250,000	1	\$ -	\$ 250,000						\$ 250,000
071	Access Control Upgrade	\$ 2,000,000	1	\$ -	\$ 1,000,000	\$ 1,000,000					\$ 2,000,000
072	Ride-on Scrubber Replacement	\$ 80,000	1	\$ -	\$ 80,000						\$ 80,000
073	Common Area Furniture Upgrade	\$ 200,000	1	\$ -	\$ 200,000						\$ 200,000
074	Ice Rink and Equipment	\$ 500,000	1	\$ -	\$ 500,000						\$ 500,000
075	Exterior Building Painting	\$ 5,876,960	1	\$ -	\$ 5,876,960						\$ 5,876,960
076	Main Kitchen Freezer Repair	\$ 500,000	1	\$ -	\$ 500,000						\$ 500,000
077	Interior Building Painting	\$ 7,000,000	2	\$ -	\$ 7,000,000						\$ 7,000,000
078	Pot Wash Machine Replacement	\$ 35,000	1	\$ -	\$ 35,000						\$ 35,000
079	Digital Signage Upgrade	\$ 6,150,000	1	\$ 20,390	\$ 3,129,610	\$ 3,000,000					\$ 6,150,000
080	Water Remediation	\$ 167,851	1	\$ -	\$ 167,851						\$ 167,851
081	Facility Equipment Replacement	\$ 1,000,000	1	\$ -	\$ 500,000	\$ 500,000					\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	1	\$ 43,956	\$ 300,000	\$ 656,044					\$ 1,000,000
083	FB Room Service Carts	\$ 100,000	1	\$ -	\$ 100,000						\$ 100,000
084	1901 Renovation	\$ 1,500,000	1	\$ -	\$ 1,500,000						\$ 1,500,000
	Legal Retainer	\$ 151,094		\$ 108,213	\$ 42,881						\$ 151,094
	GRAND TOTAL	\$ 168,101,175		\$ 2,269,037	\$ 72,740,906	\$ 47,717,922	\$ 44,668,685	\$ 695,000	\$ -	\$ -	

Repair, Maintenance and Replacement Projects

CUMMING GROUP Priority Projects

- *Kitchen Hood Control Panel and Fire Suppression Upgrade*
- *Slate Tile Repair*
- *Chiller Replacement*
- *Main Kitchen Dishwasher Replacement*
- *Ballroom Roof Repairs*
- *House Sound Audio Upgrade*
- *Ballroom Gutter, Foyer Transom Glass and Soffit Repair*
- *3rd floor and Exterior Planters Repair*
- *LED Lighting Upgrade*
- *Walk-in Refrigerator Replacement*
- *Main Kitchen Flooring Replacement*
- *Exterior Building Painting*
- *Main Kitchen Freezer Repair*
- *Interior Building Painting*
- *Pot Wash Machine Replacement*
- *Digital Signage Upgrade*

Repair, Maintenance and Replacement Projects Completed (since 2019)

- *Gutter Trough, Roof Membrane and Other Roof Repairs; \$8.3M, completed 2020*
- *Boiler Replacement; \$585k, completed 2020*
- *Ala Wai Waterfall Repairs; \$185k, completed 2020*
- *Chiller 4 Repairs; \$55k, completed 2020*
- *#320 Roof Repairs; \$1.4M, completed 2020*
- *Banquet Chairs and Facility Equipment Upgrade; \$2.25M, completed 2020*
- *Cooling Tower Replacement; \$3.2M, completed 2021*
- *Theatre LED Lighting Upgrade; \$77k, completed 2021*
- *Roof Overflow Drain Repairs; \$16k, completed 2021*
- *Jockey Chiller Repairs; \$28k, completed 2021*
- *ADA Lift Replacement, \$71.5k, completed 2021*
- *Emergency Generator Repairs, \$32k, completed 2021*
- *Window Repairs – Vandalism, \$177k, completed 2021*
- *Leak Repairs – December 2021 / January 2022, \$396k, completed 2022*
- *Chiller Repairs – \$69.3k, completed 2022*
- *Trellis Renovation - \$4.7M, completed 2022*
- *Lobby Glass Replacement - \$25k, completed 2022*
- *Security Camera, NVR, Access Control System - \$1.56M, completed 2022*
- *Kitchen AC Compressor Replacement - \$16.5k, completed 2022*
- *Event Stage ADA Ramp - \$41k, completed 2023*
- *Escalator #1 Handrail Replacement - \$64k, completed 2023*
- *Exterior Sign Refurbishment - \$50k, completed 2023*
- *Leak Repair Remediation - \$168k, completed 2023*

Mahalo Nui Loa

A close-up photograph of a sailboat's rigging. The image shows a complex network of white ropes and lines. In the foreground, a wooden boom is visible, with a pulley block attached. The background is slightly blurred, showing more of the boat's structure and some greenery. The text "Mahalo Nui Loa" is overlaid in the center in a white, sans-serif font.

6

Presentation and Discussion Regarding an Update of the Meetings, Conventions and Incentives Market Activity and Pace Report, and Hawai'i Convention Center Activity and Local Sales

GLOBAL MCI SALES UPDATE

HTA Budget, Finance & Convention Center Standing Committee Meeting

October 25, 2023

John Reyes,

Senior Vice President, Chief MCI Sales Officer



MĀLAMA MAUI UPDATE



MAUI RECOVERY

Budget Recap

October – December 2023

MCI	
Retention & Business Development	\$200,000
Strategic Partners	\$400,000
Total:	\$600,000

MAUI RECOVERY

Retention

- To date retained three MCI Groups for Maui

MCI Outreach

- Four Strategic Partnerships (SITE, Northstar Meetings, Helms Briscoe and HPN)
 - Working on two additional Strategic Partnerships
 - IMEX America 2023
 - 15,000 attendance
 - SITE Reception Meet Hawai'i Booth
 - On Site Media Interviews
- #EventProfessionals
Smart Meetings
NorthStar Meetings



Skift
MEETINGS

Destination

Maui Loses \$11 Million a Day as Visitors Stay Away

Rayna Katz
Topic: 07/24 - 08/01 EDT



- Advice from Meet Hawai'i on supporting the islands in wake of Lahaina fires
- Meeting professionals watching images of devastation from the city of Lahaina on the island of Maui may be asking if it is safe or even prudent to bring groups to the Hawaiian Islands now. Smart Meetings reached out to John Reynolds, senior vice president and chief sales officer of Meet Hawai'i, to ask how meeting planners can best support their counterparts in Hawaii right now.

SALES PRODUCTION UPDATE



DEFINITIONS

Sales Production

- New volume of events and room nights for any future year

Consumption

- On the Books (OTB)
- OTB booked events and room nights in the year they occur



CITYWIDE SALES PRODUCTION

September 2023 Year-to-Date (YTD)

Citywide Room Nights	Sept 2023	Sept 2022	Variance	2023 YTD	2022 YTD	Variance
Citywide Definite RN	0	0		91,977	40,572	+127%
Citywide Tentative RN	26,763	0		335,000	195,507	+71%

As reported in Meet Hawai'i Global draft MCI Status Report - September 2023



FUTURE PACE (Consumption)

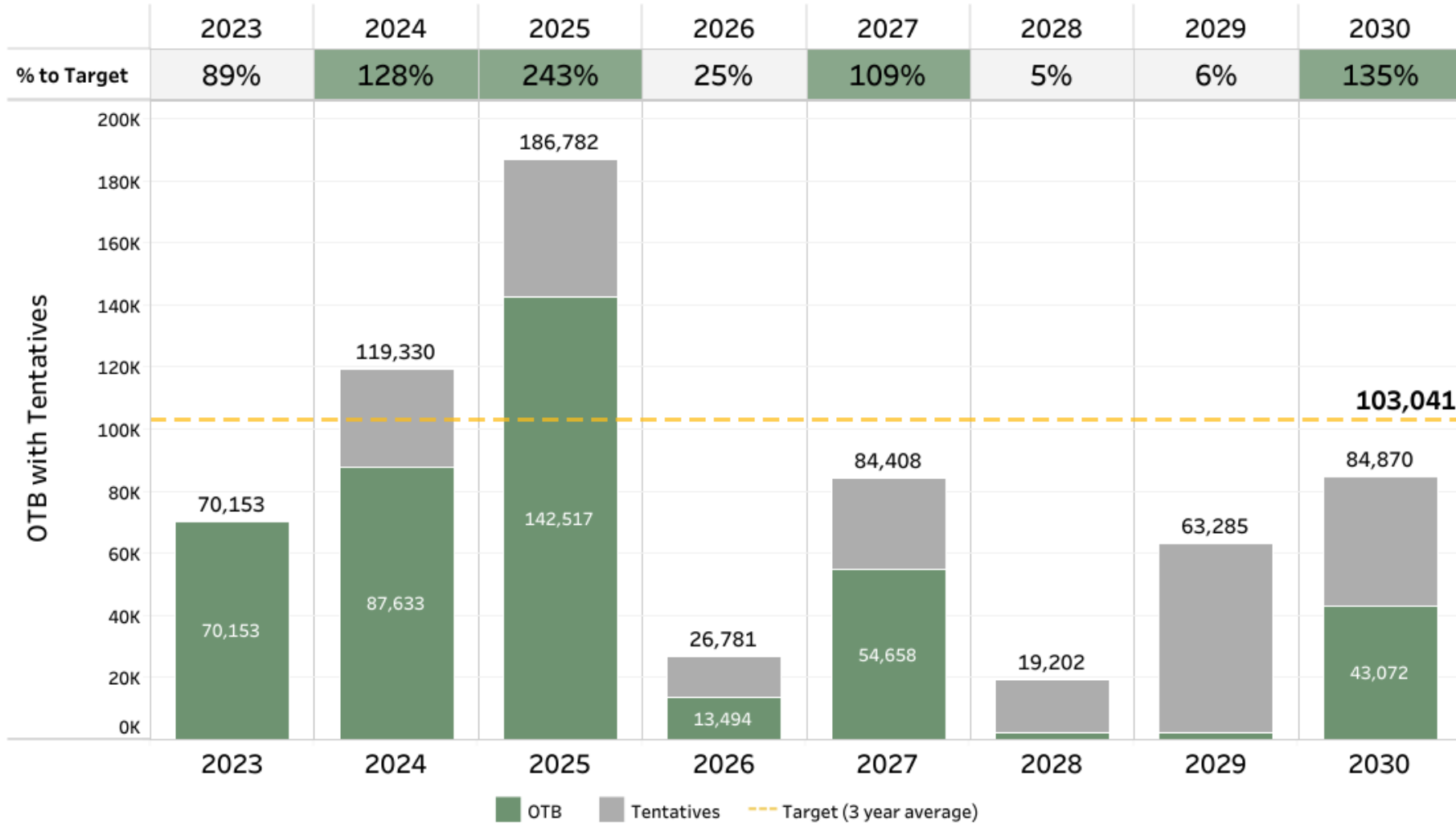
Citywide Events Booked at HCC



Hawai'i 8 Year Future Pace for Citywide

Number of events and room nights on the books against a 3-year average target. Data last refreshed on 10/21/2023 11:21 PM

● Citywide
○ Single Property



HCC BOOKING TREND (CONSUMPTION)

Calendar Year	09/20/23	10/10/23
2020	3	3
2021	0	0
2022	8	8
2023	15	15
2024	13	13
2025	10	10
2026	2	2
2027	4	4
2028	1	1
2029	1	1
2030	2	2
Total	59	59

Updated 10/10/23



Events Strategy

Sales Production

- Meet Hawai'i and HCC collaborating on Joint Event Goal for greater alignment
- Focused on hiring Corporate Citywide Seller (Book short-term corporate opportunities)
- CY 2024 introduced Citywide Team and Individual Event Goal
- Targeting Citywide Tentative Events for 2026 – 2030



Citywide Room Nights + Event Focus

CY	EVENTS OTB	EVENTS TARGET	EVENTS VARIANCE	% VARIANCE	Events LTB	EVENTS TENTATIVE	EVENT GOAL	FuturePace Definite RN
2024	13	9	4	+44%	13	9	28	127%
2025	10	7	3	+43%	18	8	28	242%
2026	2	5	(3)	-60%	26	3	28	25%
2027	4	4	0	0%	24	2	28	105%
2028	1	3	(2)	-67%	27	2	28	5%
2029	1	2	(1)	-50%	27	3	28	6%
2030	2	2	0	0%	26	3	28	135%



MAHALO!



8

**Presentation, Discussion, and Action on the
Hawai'i Tourism Authority's and
Hawai'i Convention Center's
Form A Submittal (FY25 Supplemental Budget –
Operating Budget Adjustment Request)
Submitted to the Department of Business,
Economic Development and Tourism (DBEDT)**

**FY 25 SUPPLEMENTAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

Department Priority: 1

Program ID/Org. Code: BED113-TO
Program Title: Hawai'i Tourism Authority

Department Contact: Talon Kishi

Phone: 808-973-2275

Request Category:

- Trade-Off/Transfer (+)___ (-) ___
- Conversion of Unbudgeted Positions X
- Fixed Cost/Entitlement _____
- Federal Fund Adjustment _____
- 2023 Wildfires Recovery _____
- Health and Safety, Court Orders,
Consent Decrees, Fed Mandates _____
- Full Year Funding for Eligible Positions X
- Second Year Funding X
- Other _____

I. TITLE OF REQUEST:

Description of Request:

The 2023 Legislature did not fund HTA for fiscal years 2024 and 2025. As such, HTA is seeking \$70,000,000 of second year cash flow for HTA. We also request the extension of 25.00 unauthorized positions for FY 25 as indicated in attachment A to this worksheet, of which 24.00 positions are exempt and 1.00 civil service, 20.00.00 positions filled and 5.00 vacant. Lastly, we request approval for 13.00 additional exempt positions for fiscal year 2025, making 38.00 total employees for HTA.

II. OPERATING COST SUMMARY

	FY 24 Request			FY 25 Request			FY 26	FY 27	FY 28	FY 29
	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
A. Personal Services	-	-	-	38.00	-	3,296,904.38	3,412,296.04	3,531,726.40	3,655,336.82	3,783,273.61
B. Other Current Expenses	-	-	-	-	-	66,618,412.00	68,950,056.42	71,363,308.39	73,861,024.19	76,446,160.04
C. Equipment	-	-	-	-	-	-	-	-	-	-
L. Current Lease Payments	-	-	-	-	-	-	-	-	-	-
M. Motor Vehicles	-	-	-	-	-	-	-	-	-	-
TOTAL REQUEST	-	-	-	38.00	-	69,915,316.38	72,362,352.46	74,895,034.79	77,516,361.01	80,229,433.64

By MOF:

A	-	38.00	-	69,915,316.38	72,362,352.46	74,895,034.79	77,516,361.01	80,229,433.64
B								
N								
P								
R								
S								
T								
U								
W								
X								

**FY 25 SUPPLEMENTAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

III. OPERATING COST DETAILS

A. Personal Services (List all positions)

	MOF	FY 24 Request			FY 25 Request			FY 26	FY 27	FY 28	FY 29
		FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
HTA Brand Manager, SRNA	A	-	-	-	1.00	-	75,417.66	78,057.28	80,789.29	83,616.91	86,543.50
HTA Director of Planning, SRNA	A	-	-	-	1.00	-	131,865.93	136,481.23	141,258.08	146,202.11	151,319.18
HTA Account Specialist, SRNA	A	-	-	-	1.00	-	65,783.79	68,086.23	70,469.24	72,935.67	75,488.42
HTA Brand Manager, SRNA	A	-	-	-	1.00	-	76,934.22	79,626.92	82,413.86	85,298.35	88,283.79
HTA VP of Finance, SRNA	A	-	-	-	1.00	-	150,835.33	156,114.56	161,578.57	167,233.82	173,087.01
HTA Procurement Specialist, SRNA	A	-	-	-	1.00	-	59,046.30	61,112.92	63,251.87	65,465.69	67,756.99
HTA Brand Manager, SRNA	A	-	-	-	1.00	-	76,934.22	79,626.92	82,413.86	85,298.35	88,283.79
HTA Procurement Manager, SRNA	A	-	-	-	1.00	-	86,195.17	89,212.00	92,334.42	95,566.12	98,910.94
HTA Public Affairs Officer, SRNA	A	-	-	-	1.00	-	153,843.58	159,228.11	164,801.09	170,569.13	176,539.05
HTA Senior Brand Manager, SRNA	A	-	-	-	1.00	-	117,446.20	121,556.82	125,811.30	130,214.70	134,772.21
HTA Executive Assistant, SRNA	A	-	-	-	1.00	-	88,992.10	92,106.82	95,330.56	98,667.13	102,120.48
HTA Brand Manager, SRNA	A	-	-	-	1.00	-	76,934.22	79,626.92	82,413.86	85,298.35	88,283.79
HTA Chief Brand Officer, SRNA	A	-	-	-	1.00	-	175,821.24	181,974.98	188,344.10	194,936.15	201,758.91
HTA Senior Brand Manager, SRNA	A	-	-	-	1.00	-	109,900.70	113,747.23	117,728.38	121,848.87	126,113.58
HTA Budget & Fiscal Officer, SRNA	A	-	-	-	1.00	-	107,737.74	111,508.56	115,411.36	119,450.76	123,631.54
HTA Contracts & Administrative Manager, SRNA	A	-	-	-	1.00	-	64,640.16	66,902.57	69,244.16	71,667.70	74,176.07
HTA Administrative Assistant, SRNA	A	-	-	-	1.00	-	52,209.36	54,036.69	55,927.97	57,885.45	59,911.44
HTA Chief Administrative Officer, SRNA	A	-	-	-	1.00	-	172,382.05	178,415.42	184,659.96	191,123.06	197,812.36
HTA Administrative Assistant, SRNA	A	-	-	-	1.00	-	62,004.83	64,175.00	66,421.12	68,745.86	71,151.97
HTA Brand Manager, SRNA	A	-	-	-	1.00	-	76,934.22	79,626.92	82,413.86	85,298.35	88,283.79
HTA President and CEO - vacant, SRNA	A	-	-	-	1.00	-	271,923.75	281,441.08	291,291.52	301,486.72	312,038.76
HTA Accounting Assistant (formerly Secretary II) - vacant and in process of filling, SRNA	A	-	-	-	1.00	-	66,297.60	68,618.02	71,019.65	73,505.33	76,078.02
HTA Administrative Assistant (Branding) - vacant and in the process of filling, SRNA	A	-	-	-	1.00	-	59,046.30	61,112.92	63,251.87	65,465.69	67,756.99
HTA Planner (Planning) - vacant and in the process of filling, SRNA	A	-	-	-	1.00	-	75,417.66	78,057.28	80,789.29	83,616.91	86,543.50
Chief Stewardship Officer (Destination Stewardship) - vacant and in the process of filling, SRNA	A	-	-	-	1.00	-	175,821.24	181,974.98	188,344.11	194,936.15	201,758.92
HTA Contracts Managers (Accounting) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	41,436.00	42,886.26	44,387.28	45,940.83	47,548.76
HTA Compliance Officer (Accounting) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	62,154.00	64,329.39	66,580.92	68,911.25	71,323.14
HTA Administrative Assistant (Compliance) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	29,523.15	30,556.46	31,625.94	32,732.84	33,878.49
HTA Administrative Assistant (Accounting) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	29,523.15	30,556.46	31,625.94	32,732.84	33,878.49
HTA Administrative Assistant (Accounting) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	29,523.15	30,556.46	31,625.94	32,732.84	33,878.49
HTA Public Information Specialist (Communications) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	37,500.00	38,812.50	40,170.94	41,576.92	43,032.11
HTA Administrative Assistant (Destination Stewardship) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	26,104.68	27,018.34	27,963.99	28,942.73	29,955.72

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HTA Administrative Assistant (Destination Stewardship) - vacant and need to create position, SRNA	A	-	-	-	1.00	-	26,104.68	27,018.34	27,963.99	28,942.73	29,955.72
HTA Destination Manager Maui County - vacant and need to create position, SRNA	A				1.00		76,934.00	79,626.69	82,413.62	85,298.10	88,283.53
HTA Destination Manager City & County Honolulu - vacant and need to create position, SRNA	A				1.00		76,934.00	79,626.69	82,413.62	85,298.10	88,283.53
HTA Destination Manager Kaua'i County - vacant and need to create position, SRNA	A				1.00		76,934.00	79,626.69	82,413.62	85,298.10	88,283.53
HTA Destination Manager Hawai'i County - vacant and need to create position, SRNA	A				1.00		76,934.00	79,626.69	82,413.62	85,298.10	88,283.53
HTA Destination Manager Molokai - vacant and need to create position, SRNA	A				1.00		76,934.00	79,626.69	82,413.62	85,298.10	88,283.53
Fringe Benefits											
Subtotal Personal Service Costs		-	-	-	38.00	-	3,296,904.38	3,412,296.04	3,531,726.40	3,655,336.82	3,783,273.61
By MOF											
A		-	-	-	38.00	-	3,296,904.38	3,412,296.04	3,531,726.40	3,655,336.82	3,783,273.61
B		-	-	-	-	-	-	-	-	-	-
N		-	-	-	-	-	-	-	-	-	-
B. Other Current Expenses (List by line item)											
Admin - includes overhead costs such as office supplies, and membership dues for industry associations and databases.	A	-	-	-	-	-	850,000.00	879,750.00	910,541.25	942,410.19	975,394.55
Branding - CON 23003 - USA MMA	A	-	-	-	-	-	15,204,991.00	15,737,165.69	16,287,966.48	16,858,045.31	17,448,076.90
Branding - CON 23004 - Japan MMA	A	-	-	-	-	-	6,500,000.00	6,727,500.00	6,962,962.50	7,206,666.19	7,458,899.50
Branding - New Contract # TBD - Island Chapters	A	-	-	-	-	-	3,200,000.00	3,312,000.00	3,427,920.00	3,547,897.20	3,672,073.60
Branding - New Contract # TBD - Island Support Services	A	-	-	-	-	-	1,375,000.00	1,423,125.00	1,472,934.38	1,524,487.08	1,577,844.13
Branding - CON 21019 - Oceania MMA	A	-	-	-	-	-	1,290,905.00	1,336,086.68	1,382,849.71	1,431,249.45	1,481,343.18
Branding - CON 24004 - Europe MMA	A	-	-	-	-	-	1,000,000.00	1,035,000.00	1,071,225.00	1,108,717.88	1,147,523.00
Branding - CON 23016 - Canada MMA	A	-	-	-	-	-	1,000,000.00	1,035,000.00	1,071,225.00	1,108,717.88	1,147,523.00
Branding - CON 20007 - Korea MMA	A	-	-	-	-	-	433,640.00	448,817.40	464,526.01	480,784.42	497,611.87
Branding - New Contract # TBD - Korea MMA	A	-	-	-	-	-	466,360.00	482,682.60	499,576.49	517,061.67	535,158.83
Branding - CON 24002 - Tourism Conference	A	-	-	-	-	-	300,000.00	310,500.00	321,367.50	332,615.36	344,256.90
Communication & Outreach - CON 20010 - Website Support Services	A	-	-	-	-	-	250,000.00	258,750.00	267,806.25	277,179.47	286,880.75
Communication & Outreach - CON 22001 - HTA Web Support	A	-	-	-	-	-	25,000.00	25,875.00	26,780.63	27,717.95	28,688.08
Destination Management - CON 23008 - Support Services for Destination Stewardship	A	-	-	-	-	-	9,245,852.00	9,569,456.82	9,904,387.81	10,251,041.38	10,609,827.83
Destination Management - New Contract # TBD - DMAP Implementation	A	-	-	-	-	-	1,000,000.00	1,035,000.00	1,071,225.00	1,108,717.88	1,147,523.00
Governance - includes board travel expenses, board meeting costs, and financial audit services	A	-	-	-	-	-	125,000.00	129,375.00	133,903.13	138,589.73	143,440.38
HCC Marketing - CON 22003 - Global MCI	A	-	-	-	-	-	5,500,000.00	5,692,500.00	5,891,737.50	6,097,948.31	6,311,376.50
Natural Resources - MOA 22012 - Hawaii Green Business Program	A	-	-	-	-	-	50,000.00	51,750.00	53,561.25	55,435.89	57,376.15

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Natural Resources - New Contract # TBD - STAH	A	-	-	-	-	-	50,000.00	51,750.00	53,561.25	55,435.89	57,376.15
Perpetuating Hawaiian Culture - MOA 21039 - Kahea Airport Greetings	A	-	-	-	-	-	700,000.00	724,500.00	749,857.50	776,102.51	803,266.10
Perpetuating Hawaiian Culture - CON 20195 - Newspaper Translation	A	-	-	-	-	-	500,000.00	517,500.00	535,612.50	554,358.94	573,761.50
Perpetuating Hawaiian Culture - Kona Harbor Greetings	A	-	-	-	-	-	61,000.00	63,135.00	65,344.73	67,631.79	69,998.90
Perpetuating Hawaiian Culture - Kahea Greeting - Kauai Harbor	A	-	-	-	-	-	54,000.00	55,890.00	57,846.15	59,870.77	61,966.24
Perpetuating Hawaiian Culture - Hilo Kahea Greetings	A	-	-	-	-	-	35,000.00	36,225.00	37,492.88	38,805.13	40,163.31
Planning - New Contract # TBD- Product Development Plan	A	-	-	-	-	-	350,000.00	362,250.00	374,928.75	388,051.26	401,633.05
Planning - New Contract TBD - Tourism Strategic Plan Update	A	-	-	-	-	-	300,000.00	310,500.00	321,367.50	332,615.36	344,256.90
Planning - New Contract TBD - Airline Route Development Program	A	-	-	-	-	-	250,000.00	258,750.00	267,806.25	277,179.47	286,880.75
Planning - CON 22004 - Festival and Event Valuations	A	-	-	-	-	-	180,000.00	186,300.00	192,820.50	199,569.22	206,554.14
Planning - New Contract # TBD - Program Evaluation	A	-	-	-	-	-	90,000.00	93,150.00	96,410.25	99,784.61	103,277.07
Planning - CON 21013 - Hawai'i Cruise Industry Consultant Services	A	-	-	-	-	-	89,000.00	92,115.00	95,339.03	98,675.89	102,129.55
Safety & Security - CON 21040 - Visitor Assistance Program O'ahu	A	-	-	-	-	-	370,000.00	382,950.00	396,353.25	410,225.61	424,583.51
Safety & Security - CON 21041 - Visitor Assistance Program Maui	A	-	-	-	-	-	55,000.00	56,925.00	58,917.38	60,979.48	63,113.77
Safety & Security - CON 21042 - Visitor Assistance Program Kaua'i	A	-	-	-	-	-	55,000.00	56,925.00	58,917.38	60,979.48	63,113.77
Safety & Security - CON 21043 - Visitor Assistance Program Hawai'i Island	A	-	-	-	-	-	170,000.00	175,950.00	182,108.25	188,482.04	195,078.91
Sports - New Contract # TBD - PGA	A	-	-	-	-	-	2,038,850.00	2,110,209.75	2,184,067.09	2,260,509.44	2,339,627.27
Sports - New Contract # TBD - LPGA	A	-	-	-	-	-	250,000.00	258,750.00	267,806.25	277,179.47	286,880.75
Sports - CON 24003 - Big West Conference	A	-	-	-	-	-	167,000.00	172,845.00	178,894.58	185,155.89	191,636.34
Travel - Board Meetings and Programs	A	-	-	-	-	-	190,000.00	196,650.00	203,532.75	210,656.40	218,029.37
Other - Opportunity Fund	A	-	-	-	-	-	10,000,000.00	10,350,000.00	10,712,250.00	11,087,178.75	11,475,230.01
Other - FY 2024 Carryover	A	-	-	-	-	-	2,696,814.00	2,791,202.49	2,888,894.58	2,990,005.89	3,094,656.09
Workforce - New Contract # TBD - Workforce Development	A	-	-	-	-	-	150,000.00	155,250.00	160,683.75	166,307.68	172,128.45
Subtotal Other Current Expenses				0			66,618,412	68,950,056	71,363,308	73,861,024	76,446,160
By MOF	A			0			66,618,412	68,950,056	71,363,308	73,861,024	76,446,160
	B			0			0	0	0	0	0
	N			0			0	0	0	0	0
C. Equipment (List by line item)											
Subtotal Equipment				-			-	-	-	-	-
By MOF	A			-			-	-	-	-	-
	B			-			-	-	-	-	-
	N			-			-	-	-	-	-

**FY 25 SUPPLEMENTAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

L. Current Lease Payments (Note each lease)											
Subtotal Current Lease Payments			-		-	-	-	-	-	-	
By MOF	A		-		-	-	-	-	-	-	
	B		-		-	-	-	-	-	-	
	N		-		-	-	-	-	-	-	
M. Motor Vehicles (List Vehicles)											
Subtotal Motor Vehicles			-		-	-	-	-	-	-	
By MOF	A		-		-	-	-	-	-	-	
	B		-		-	-	-	-	-	-	
	N		-		-	-	-	-	-	-	
TOTAL REQUEST		0.00	0.00	0	38.00	0.00	69,915,316	72,362,352	74,895,035	77,516,361	80,229,434

**FY 25 SUPPLEMENTAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

IV. JUSTIFICATION OF REQUEST

The legislature did not provide funding to HTA for fiscal years 2024 or 2025 in Act 164 SLH 2023. HTA should receive funding for the agency's mission to develop, coordinate, and implement state policies and directions for tourism and related activities. HTA is requesting \$69,812,515 for FY 2025. Branding contracts will cost approximately \$30.7M, which includes \$15.2M for USA marketing and \$10.7M for international markets. Marketing the Hawai'i Convention Center will cost approximately \$5.5M. HTA also plans to spend \$10.2M on destination management and destination stewardship contracts. The State must remain vigilant and proactive to keep Hawai'i a competitive tourism destination. Each potential visitor to the State must always examine the opportunity cost to visit Hawai'i instead of another destination. With systemic problems such as high cost of living, homelessness, and the degradation of public infrastructure and natural resources, Hawai'i's main economic driver continues to face many headwinds.

The Office of the Auditor's 2018 audit included vital recommendations for HTA's procurement and contract management processes. Five new positions will be assigned to the accounting department. These five new positions will provide HTA's accounting department with the additional human resources required to address the auditor's remarks and to help HTA comply with all applicable laws, rules, and regulations. Two new positions will be required to assist with HTA's destination management and stewardship programs, and one new position for additional support in public affairs.

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

Refer to the response to IV- Justification above.

VI. INFORMATION SYSTEMS AND TECHNOLOGY

N/A

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

None at this time.

VIII. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)

N/A

IX. EXTERNAL CONFORMANCE REQUIREMENTS

Following HRS 103D and related HAR requirements.

X. REQUIRED LEGISLATION (Please specify appropriate statutes; i.e., HRS)

None at this time.

XI. OTHER COMMENTS

None at this time.

FY 25 SUPPLEMENTAL BUDGET
 OPERATING BUDGET TRADE-OFF/TRANSFERS AND CONVERSION OF UNBUDGETED POSITIONS
 DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM - Hawai'i Tourism Authority

Prog ID	Org Code	Cost Element	Program Category - Contract Number - Contract Title	MOF	Psn No.	FTE (P)	FTE (T)	Note 1	
								FY 24 \$	FY 25 \$
BED113	TO	B	Admin - includes overhead costs such as office supplies, and membership dues for industry associations and databases.	A	N/A	N/A	N/A	-	850,000
BED113	TO	B	Branding - CON 23003 - USA MMA	A	N/A	N/A	N/A	-	15,204,991
BED113	TO	B	Branding - CON 23004 - Japan MMA	A	N/A	N/A	N/A	-	6,500,000
BED113	TO	B	Branding - New Contract # TBD - Island Chapters	A	N/A	N/A	N/A	-	3,200,000
BED113	TO	B	Branding - New Contract # TBD - Island Support Services	A	N/A	N/A	N/A	-	1,375,000
BED113	TO	B	Branding - CON 21019 - Oceania MMA	A	N/A	N/A	N/A	-	1,290,905
BED113	TO	B	Branding - CON 24004 - Europe MMA	A	N/A	N/A	N/A	-	1,000,000
BED113	TO	B	Branding - CON 23016 - Canada MMA	A	N/A	N/A	N/A	-	1,000,000
BED113	TO	B	Branding - CON 20007 - Korea MMA	A	N/A	N/A	N/A	-	433,640
BED113	TO	B	Branding - New Contract # TBD - Korea MMA	A	N/A	N/A	N/A	-	466,360
BED113	TO	B	Branding - CON 24002 - Tourism Conference	A	N/A	N/A	N/A	-	300,000
BED113	TO	B	Communication & Outreach - CON 20010 - Website Support Services	A	N/A	N/A	N/A	-	250,000
BED113	TO	B	Communication & Outreach - CON 22001 - HTA Web Support	A	N/A	N/A	N/A	-	25,000
BED113	TO	B	Destination Management - CON 23008 - Support Services for Destination Stewardship	A	N/A	N/A	N/A	-	9,245,852
BED113	TO	B	Destination Management - New Contract # TBD - DMAP Implementation	A	N/A	N/A	N/A	-	1,000,000
BED113	TO	B	Governance - includes board travel expenses, board meeting costs, and financial audit services	A	N/A	N/A	N/A	-	125,000
BED113	TO	B	HCC Marketing - CON 22003 - Global MCI	A	N/A	N/A	N/A	-	5,500,000
BED113	TO	B	Natural Resources - MOA 22012 - Hawaii Green Business Program	A	N/A	N/A	N/A	-	50,000
BED113	TO	B	Natural Resources - New Contract # TBD - STAH	A	N/A	N/A	N/A	-	50,000
BED113	TO	B	Perpetuating Hawaiian Culture - MOA 21039 - Kahea Airport Greetings	A	N/A	N/A	N/A	-	700,000
BED113	TO	B	Perpetuating Hawaiian Culture - CON 20195 - Newspaper Translation	A	N/A	N/A	N/A	-	500,000
BED113	TO	B	Perpetuating Hawaiian Culture - Kona Harbor Greetings	A	N/A	N/A	N/A	-	61,000
BED113	TO	B	Perpetuating Hawaiian Culture - Kahea Greeting - Kauai Harbor	A	N/A	N/A	N/A	-	54,000
BED113	TO	B	Perpetuating Hawaiian Culture - Hilo Kahea Greetings	A	N/A	N/A	N/A	-	35,000
BED113	TO	B	Planning - New Contract # TBD- Product Development Plan	A	N/A	N/A	N/A	-	350,000
BED113	TO	B	Planning - New Contract TBD - Tourism Strategic Plan Update	A	N/A	N/A	N/A	-	300,000
BED113	TO	B	Planning - New Contract TBD - Airline Route Development Program	A	N/A	N/A	N/A	-	250,000
BED113	TO	B	Planning - CON 22004 - Festival and Event Valuations	A	N/A	N/A	N/A	-	180,000
BED113	TO	B	Planning - New Contract # TBD - Program Evaluation	A	N/A	N/A	N/A	-	90,000
BED113	TO	B	Planning - CON 21013 - Hawai'i Cruise Industry Consultant Services	A	N/A	N/A	N/A	-	89,000
BED113	TO	B	Safety & Security - CON 21040 - Visitor Assistance Program O'ahu	A	N/A	N/A	N/A	-	370,000
BED113	TO	B	Safety & Security - CON 21041 - Visitor Assistance Program Maui	A	N/A	N/A	N/A	-	55,000
BED113	TO	B	Safety & Security - CON 21042 - Visitor Assistance Program Kaua'i	A	N/A	N/A	N/A	-	55,000
BED113	TO	B	Safety & Security - CON 21043 - Visitor Assistance Program Hawai'i Island	A	N/A	N/A	N/A	-	170,000
BED113	TO	B	Sports - New Contract # TBD - PGA	A	N/A	N/A	N/A	-	2,038,850
BED113	TO	B	Sports - New Contract # TBD - LPGA	A	N/A	N/A	N/A	-	250,000
BED113	TO	B	Sports - CON 24003 - Big West Conference	A	N/A	N/A	N/A	-	167,000
BED113	TO	B	Travel - Programs	A	N/A	N/A	N/A	-	190,000
BED113	TO	B	Workforce - New Contract # TBD - Workforce Development	A	N/A	N/A	N/A	-	150,000

BED113	TO	B	Other - Opportunity Fund	A	N/A	N/A	N/A	-	10,000,000
BED113	TO	B	Other - FY 2024 Carryover	A	N/A	N/A	N/A	-	2,696,814
Total								-	66,618,412

Note 2

Note 3

Note 1 HTA was not funded by the legislature for FY 2024 in Act 164 SLH 2023. Instead, HTA received a \$60,000,000 appropriation from budget proviso Act 164 SLH 2023 Part III Section 5.

Note 2 The opportunity fund will be utilized in markets with market share impact and retention opportunities. HTA will seek out conditions where these funds will have the greatest return on investment. Per HTA policies and procedures, any expenditure greater than \$250,000 will require Board approval. Setting aside approximately 15% of HTA funds for marketing opportunities and emergencies in the wake of the Maui wildfires will be prudent and serve the best interest of the State.

Note 3 To pay for services rendered at the end of fiscal year 2024.

Cost Element:

- A. Personal Services
- B. Other Current Expenses
- C. Equipment
- L. Current Lease Payments
- M. Motor Vehicles

FY 25 SUPPLEMENTAL BUDGET
 OPERATING BUDGET TRADE-OFF/TRANSFERS AND CONVERSION OF UNBUDGETED POSITIONS
 DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM - Hawai'i Tourism Authority

Note

Prog ID	Org Code	Cost Element	Item Description / Position Title	MOF	Psn No.	FTE (P)	FTE (T)	FY 24 \$	FY 25 \$	
BED113	TO	A	HTA Brand Manager	A	00124319	1.00	-	-	75,417.66	
BED113	TO	A	HTA Director of Planning	A	00124312	1.00	-	-	131,865.93	
BED113	TO	A	HTA Account Specialist	A	00124329	1.00	-	-	65,783.79	
BED113	TO	A	HTA Brand Manager	A	00124324	1.00	-	-	76,934.22	
BED113	TO	A	HTA VP of Finance	A	00124313	1.00	-	-	150,835.33	
BED113	TO	A	HTA Procurement Specialist	A	00124328	1.00	-	-	59,046.30	
BED113	TO	A	HTA Brand Manager	A	00124321	1.00	-	-	76,934.22	
BED113	TO	A	HTA Procurement Manager	A	00124326	1.00	-	-	86,195.17	
BED113	TO	A	HTA Public Affairs Officer	A	00124311	1.00	-	-	153,843.58	
BED113	TO	A	HTA Senior Brand Manager	A	00124316	1.00	-	-	117,446.20	
BED113	TO	A	HTA Executive Assistant	A	00124310	1.00	-	-	88,992.10	
BED113	TO	A	HTA Brand Manager	A	00124322	1.00	-	-	76,934.22	
BED113	TO	A	HTA Chief Brand Officer	A	00124308	1.00	-	-	175,821.24	
BED113	TO	A	HTA Senior Brand Manager	A	00124318	1.00	-	-	109,900.70	
BED113	TO	A	HTA Budget & Fiscal Officer	A	00124327	1.00	-	-	107,737.74	
BED113	TO	A	HTA Contracts & Administrative Manager	A	00124325	1.00	-	-	64,640.16	
BED113	TO	A	HTA Administrative Assistant	A	00124314	1.00	-	-	52,209.36	
BED113	TO	A	HTA Chief Administrative Officer	A	00124309	1.00	-	-	172,382.05	
BED113	TO	A	HTA Administrative Assistant	A	00124330	1.00	-	-	62,004.83	
BED113	TO	A	HTA Brand Manager	A	00124320	1.00	-	-	76,934.22	
BED113	TO	A	HTA President and CEO - vacant	A	00124306	1.00	-	-	271,923.75	
BED113	TO	A	HTA Accounting Assistant (formerly Secretary II) - vacant and in process of filling	A	00125064	1.00	-	-	66,297.60	
BED113	TO	A	HTA Administrative Assistant (Branding) - vacant and in the process of filling	A	00124315	1.00	-	-	59,046.30	
BED113	TO	A	HTA Planner	A	00124323	1.00	-	-	75,417.66	Note 3
BED113	TO	A	Chief Stewardship Officer	A	00124317	1.00	-	-	175,821.24	Note 3
BED113	TO	A	HTA Contracts Managers - vacant and need to create position	A	TBD	1.00	-	-	41,436.00	Note 2 50% of full-year salary
BED113	TO	A	HTA Compliance Officer - vacant and need to create position	A	TBD	1.00	-	-	62,154.00	Note 2 50% of full-year salary
BED113	TO	A	HTA Administrative Assistant (Compliance) - vacant and need to create position	A	TBD	1.00	-	-	29,523.15	Note 2 50% of full-year salary
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Total						38	-	-	3,296,904	

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Cost Element:

- A. Personal Services
- B. Other Current Expenses
- C. Equipment
- L. Current Lease Payments
- M. Motor Vehicles

FY 25 SUPPLEMENTAL BUDGET
 OPERATING BUDGET TRADE-OFF/TRANSFERS AND CONVERSION OF UNBUDGETED POSITIONS
 DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM - Hawai'i Tourism Authority

Note 1

Prog ID	Org Code	Cost Element	Program Category - Contract Number - Contract Title	MOF	Psn No.	FTE (P)	FTE (T)	FY 24 \$	FY 25 \$
BED113	TO	B	Admin - includes overhead costs such as office supplies, and membership dues for industry associations and databases.	A	N/A	N/A	N/A	-	850,000
BED113	TO	B	Branding - CON 23003 - USA MMA	A	N/A	N/A	N/A	-	15,204,991
BED113	TO	B	Branding - CON 23004 - Japan MMA	A	N/A	N/A	N/A	-	6,500,000
BED113	TO	B	Branding - New Contract # TBD - Island Chapters	A	N/A	N/A	N/A	-	3,200,000
BED113	TO	B	Branding - New Contract # TBD - Island Support Services	A	N/A	N/A	N/A	-	1,375,000
BED113	TO	B	Branding - CON 21019 - Oceania MMA	A	N/A	N/A	N/A	-	1,290,905
BED113	TO	B	Branding - CON 24004 - Europe MMA	A	N/A	N/A	N/A	-	1,000,000
BED113	TO	B	Branding - CON 23016 - Canada MMA	A	N/A	N/A	N/A	-	1,000,000
BED113	TO	B	Branding - CON 20007 - Korea MMA	A	N/A	N/A	N/A	-	433,640
BED113	TO	B	Branding - New Contract # TBD - Korea MMA	A	N/A	N/A	N/A	-	466,360
BED113	TO	B	Branding - CON 24002 - Tourism Conference	A	N/A	N/A	N/A	-	300,000
BED113	TO	B	Communication & Outreach - CON 20010 - Website Support Services	A	N/A	N/A	N/A	-	250,000
BED113	TO	B	Communication & Outreach - CON 22001 - HTA Web Support	A	N/A	N/A	N/A	-	25,000
BED113	TO	B	Destination Management - CON 23008 - Support Services for Destination Stewardship	A	N/A	N/A	N/A	-	9,245,852
BED113	TO	B	Destination Management - New Contract # TBD - DMAP Implementation	A	N/A	N/A	N/A	-	1,000,000
BED113	TO	B	Governance - includes board travel expenses, board meeting costs, and financial audit services	A	N/A	N/A	N/A	-	125,000
BED113	TO	B	HCC Marketing - CON 22003 - Global MCI	A	N/A	N/A	N/A	-	5,500,000
BED113	TO	B	Natural Resources - MOA 22012 - Hawaii Green Business Program	A	N/A	N/A	N/A	-	50,000
BED113	TO	B	Natural Resources - New Contract # TBD - STAH	A	N/A	N/A	N/A	-	50,000
BED113	TO	B	Perpetuating Hawaiian Culture - MOA 21039 - Kahea Airport Greetings	A	N/A	N/A	N/A	-	700,000
BED113	TO	B	Perpetuating Hawaiian Culture - CON 20195 - Newspaper Translation	A	N/A	N/A	N/A	-	500,000
BED113	TO	B	Perpetuating Hawaiian Culture - Kona Harbor Greetings	A	N/A	N/A	N/A	-	61,000
BED113	TO	B	Perpetuating Hawaiian Culture - Kahea Greeting - Kauai Harbor	A	N/A	N/A	N/A	-	54,000
BED113	TO	B	Perpetuating Hawaiian Culture - Hilo Kahea Greetings	A	N/A	N/A	N/A	-	35,000
BED113	TO	B	Planning - New Contract # TBD- Product Development Plan	A	N/A	N/A	N/A	-	350,000
BED113	TO	B	Planning - New Contract TBD - Tourism Strategic Plan Update	A	N/A	N/A	N/A	-	300,000
BED113	TO	B	Planning - New Contract TBD - Airline Route Development Program	A	N/A	N/A	N/A	-	250,000
BED113	TO	B	Planning - CON 22004 - Festival and Event Valuations	A	N/A	N/A	N/A	-	180,000
BED113	TO	B	Planning - New Contract # TBD - Program Evaluation	A	N/A	N/A	N/A	-	90,000
BED113	TO	B	Planning - CON 21013 - Hawai'i Cruise Industry Consultant Services	A	N/A	N/A	N/A	-	89,000
BED113	TO	B	Safety & Security - CON 21040 - Visitor Assistance Program O'ahu	A	N/A	N/A	N/A	-	370,000
BED113	TO	B	Safety & Security - CON 21041 - Visitor Assistance Program Maui	A	N/A	N/A	N/A	-	55,000
BED113	TO	B	Safety & Security - CON 21042 - Visitor Assistance Program Kaua'i	A	N/A	N/A	N/A	-	55,000
BED113	TO	B	Safety & Security - CON 21043 - Visitor Assistance Program Hawai'i Island	A	N/A	N/A	N/A	-	170,000
BED113	TO	B	Sports - New Contract # TBD - PGA	A	N/A	N/A	N/A	-	2,038,850
BED113	TO	B	Sports - New Contract # TBD - LPGA	A	N/A	N/A	N/A	-	250,000
BED113	TO	B	Sports - CON 24003 - Big West Conference	A	N/A	N/A	N/A	-	167,000
BED113	TO	B	Travel - Programs	A	N/A	N/A	N/A	-	190,000
BED113	TO	B	Workforce - New Contract # TBD - Workforce Development	A	N/A	N/A	N/A	-	150,000

BED113	TO	B	Other - Opportunity Fund	A	N/A	N/A	N/A	-	10,000,000
BED113	TO	B	Other - FY 2024 Carryover	A	N/A	N/A	N/A	-	2,696,814
Total								-	66,618,412

Note 2

Note 3

Note 1 HTA was not funded by the legislature for FY 2024 in Act 164 SLH 2023. Instead, HTA received a \$60,000,000 appropriation from budget proviso Act 164 SLH 2023 Part III Section 5.

Note 2 The opportunity fund will be utilized in markets with market share impact and retention opportunities. HTA will seek out conditions where these funds will have the greatest return on investment. Per HTA policies and procedures, any expenditure greater than \$250,000 will require Board approval. Setting aside approximately 15% of HTA funds for marketing opportunities and emergencies in the wake of the Maui wildfires will be prudent and serve the best interest of the State.

Note 3 To pay for services rendered at the end of fiscal year 2024.

Cost Element:

- A. Personal Services
- B. Other Current Expenses
- C. Equipment
- L. Current Lease Payments
- M. Motor Vehicles

FY 25 SUPPLEMENTAL BUDGET
 OPERATING BUDGET TRADE-OFF/TRANSFERS AND CONVERSION OF UNBUDGETED POSITIONS
 DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM - Hawai'i Tourism Authority

Note

Prog ID	Org Code	Cost Element	Item Description / Position Title	MOF	Psn No.	FTE (P)	FTE (T)	FY 24 \$	FY 25 \$
BED113	TO	A	HTA Brand Manager	A	00124319	1.00	-	-	75,417.66
BED113	TO	A	HTA Director of Planning	A	00124312	1.00	-	-	131,865.93
BED113	TO	A	HTA Account Specialist	A	00124329	1.00	-	-	65,783.79
BED113	TO	A	HTA Brand Manager	A	00124324	1.00	-	-	76,934.22
BED113	TO	A	HTA VP of Finance	A	00124313	1.00	-	-	150,835.33
BED113	TO	A	HTA Procurement Specialist	A	00124328	1.00	-	-	59,046.30
BED113	TO	A	HTA Brand Manager	A	00124321	1.00	-	-	76,934.22
BED113	TO	A	HTA Procurement Manager	A	00124326	1.00	-	-	86,195.17
BED113	TO	A	HTA Public Affairs Officer	A	00124311	1.00	-	-	153,843.58
BED113	TO	A	HTA Senior Brand Manager	A	00124316	1.00	-	-	117,446.20
BED113	TO	A	HTA Executive Assistant	A	00124310	1.00	-	-	88,992.10
BED113	TO	A	HTA Brand Manager	A	00124322	1.00	-	-	76,934.22
BED113	TO	A	HTA Chief Brand Officer	A	00124308	1.00	-	-	175,821.24
BED113	TO	A	HTA Senior Brand Manager	A	00124318	1.00	-	-	109,900.70
BED113	TO	A	HTA Budget & Fiscal Officer	A	00124327	1.00	-	-	107,737.74
BED113	TO	A	HTA Contracts & Administrative Manager	A	00124325	1.00	-	-	64,640.16
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Note 3

Note 3

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Note 5

Note 5

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- C. Equipment
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- M. Motor Vehicles

**FY 25 SUPPLEMENTAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

Department Priority: 1

Program ID/Org. Code: BED113-XC
Program Title: Hawai'i Convention Center

Department Contact: Talon Kishi

Phone: 808-973-2275

Request Category:

- Trade-Off/Transfer (+)___ (-) ___
- Conversion of Unbudgeted Positions
- Fixed Cost/Entitlement _____
- Federal Fund Adjustment _____
- 2023 Wildfires Recovery _____
- Health and Safety, Court Orders,
Consent Decrees, Fed Mandates _____
- Full Year Funding for Eligible Positions
- Second Year Funding X
- Other X

I. TITLE OF REQUEST:

Description of Request:

The 2023 Legislature did not provide HTA with an appropriation ceiling for the Convention Center Enterprise Special Fund (CCESF) for fiscal years 2024 and 2025. As such, we are seeking a \$14,000,000 expenditure ceiling for fiscal year 2025 for the CCESF.

II. OPERATING COST SUMMARY

	FY 24 Request			FY 25 Request			FY 26	FY 27	FY 28	FY 29
	FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
A. Personal Services	-	-	-	-	-	-	-	-	-	-
B. Other Current Expenses	-	-	-	-	-	14,000,000.00	14,490,000.00	14,997,150.00	15,522,050.25	16,065,322.01
C. Equipment	-	-	-	-	-	-	-	-	-	-
L. Current Lease Payments	-	-	-	-	-	-	-	-	-	-
M. Motor Vehicles	-	-	-	-	-	-	-	-	-	-
TOTAL REQUEST	-	-	-	-	-	14,000,000.00	14,490,000.00	14,997,150.00	15,522,050.25	16,065,322.01

By MOF:

A	-	-	-	-	-	14,000,000.00	14,490,000.00	14,997,150.00	15,522,050.25	16,065,322.01
B										
N										
P										
R										
S										
T										
U										
W										
X										

**FY 25 SUPPLEMENTAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

III. OPERATING COST DETAILS

	MOF	FY 24 Request			FY 25 Request			FY 26	FY 27	FY 28	FY 29
		FTE (P)	FTE (T)	(\$)	FTE (P)	FTE (T)	(\$)	(\$ thous)	(\$ thous)	(\$ thous)	(\$ thous)
A. Personal Services (List all positions)											
Subtotal Personal Service Costs		-	-	-	-	-	-	-	-	-	-
By MOF											
A		-	-	-	-	-	-	-	-	-	-
B		-	-	-	-	-	-	-	-	-	-
N		-	-	-	-	-	-	-	-	-	-
B. Other Current Expenses (List by line item)											
Convention Center Operations	B	-	-	-	-	-	5,545,696.00	5,739,795.36	5,940,688.20	6,148,612.28	6,363,813.71
Sales and Marketing	B	-	-	-	-	-	1,272,648.00	1,317,190.68	1,363,292.35	1,411,007.59	1,460,392.85
Repairs and Maintenance	B	-	-	-	-	-	7,181,656.00	7,433,013.96	7,693,169.45	7,962,430.38	8,241,115.44
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Subtotal Other Current Expenses				0			14,000,000	14,490,000	14,997,150	15,522,050	16,065,322
By MOF											
A				0			0	0	0	0	0
B				0			14,000,000	14,490,000	14,997,150	15,522,050	16,065,322
N				0			0	0	0	0	0
C. Equipment (List by line item)											
Subtotal Equipment				-			-	-	-	-	-
By MOF											
A				-			-	-	-	-	-
B				-			-	-	-	-	-
N				-			-	-	-	-	-
L. Current Lease Payments (Note each lease)											
Subtotal Current Lease Payments				-			-	-	-	-	-
By MOF											
A				-			-	-	-	-	-
B				-			-	-	-	-	-
N				-			-	-	-	-	-
M. Motor Vehicles (List Vehicles)											
Subtotal Motor Vehicles				-			-	-	-	-	-
By MOF											
A				-			-	-	-	-	-
B				-			-	-	-	-	-
N				-			-	-	-	-	-
TOTAL REQUEST		0.00	0.00	0	0.00	0.00	14,000,000	14,490,000	14,997,150	15,522,050	16,065,322

**FY 25 SUPPLEMENTAL BUDGET
OPERATING BUDGET ADJUSTMENT REQUEST
DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM**

IV. JUSTIFICATION OF REQUEST

The Hawai'i Convention Center is an amazing public asset that will require further investment to revive the HCC into a world-class convention center. Thus far, the legislature has invested \$79M towards the rooftop terrace deck and surrounding areas. Besides the rooftop project, the HCC has a deferred maintenance cost list totaling approximately \$69,000,000. The CCESF has approximately \$34.5M and should increase to \$46.5M by the end of the fiscal year. Increasing the appropriation ceiling from \$11M to \$14M will allow HTA to address the growing list of deferred maintenance projects that have been dismissed due to the lack of an appropriation ceiling. The HCC is both an important economic asset and a public facility for the state. This duality of utility was highlighted during the initial response efforts to the Maui wildfires. The HCC hosted a city-wide event while being prepared to assist and shelter up to 2,000 Maui evacuees. The legislature should prioritize investing in the HCC so that it can continue serving the state.

V. RELATIONSHIP OF THE REQUEST TO STATE PLAN OR FUNCTIONAL PLAN

Refer to the response to IV- Justification above.

VI. INFORMATION SYSTEMS AND TECHNOLOGY

N/A

VII. IMPACT ON OTHER STATE PROGRAMS/AGENCIES

None at this time.

VIII. IMPACT ON FACILITY REQUIREMENTS (R&M, CIP)

Refer to the response to IV- Justification above.

IX. EXTERNAL CONFORMANCE REQUIREMENTS

Following HRS 103D and related HAR requirements.

X. REQUIRED LEGISLATION (Please specify appropriate statutes; i.e., HRS)

None at this time.

XI. OTHER COMMENTS

None at this time.