



**REGULAR BOARD MEETING  
HAWAII TOURISM AUTHORITY  
Thursday, November 30, 2023, 9:30 a.m.**

**Hybrid In-Person & Virtual Meeting**

**Hawaii State Capitol**  
Conference Room 325  
415 South Beretania Street  
Honolulu, Hawaii 96813

**MINUTES OF THE REGULAR BOARD MEETING**

**MEMBERS PRESENT:**

Blaine Miyasato (Chair), Mahina Paishon Duarte (Vice Chair), David Arakawa (Zoom), Dylan Ching, Mufi Hannemann (Zoom), Stephanie Iona (Zoom), James McCully, Sherry Menor-McNamara, James Tokioka (Ex Officio, DBEDT Director), Mike White, Sig Zane (Zoom)

**MEMBER NOT PRESENT:**

Kimberly Agas

**HTA STAFF PRESENT:**

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Caroline Anderson, Ilihia Gionson, Iwalani Kaho'ohanohano, Jadie Goo, Maka Casson-Fisher, Talon Kishi, Carole Hagihara-Loo

**GUESTS:**

Representative Jackson Sayama, Representative Sean Quinlan, Kylie Butts, Jennifer Chun, Rebecca Crall, Jeffrey Eslinger, Erin Khan, Guillaume Maman, Monte McComber, John Monahan, Faith Rex, Teri Orton, Jay Talwar, Kainalu Severson

**LEGAL COUNSEL:**

John Cole

### **1. Call to Order**

Chair Miyasato called the meeting to order at 9:32 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**

Mr. Gionson did the roll call, and all members were confirmed in attendance. Members who attended via Zoom were by themselves.

### **3. Opening Protocol**

Mr. Casson-Fisher did the opening protocol and shared the history behind the November 28, Lā Kū'oko'a, the Hawai'i Independence Day. In this holiday season, he invited everyone to take the Action of Aloha cards to remind everyone that Aloha is found in everyday life.

### **4. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)**

There was no input on Permitted Interaction Groups.

### **5. Approval of Meeting Minutes of the October 26, 2023 Regular Board Meeting**

Mr. McCully made a motion to approve the minutes. Mr. Ching seconded. Mr. Gionson did the roll call, and the motion passed unanimously.

### **6. CEO Report**

Mr. Nāho'opi'i, the interim CEO of the HTA, presented a packet containing details of actions carried out by the authority during October and November. He explained that the three main focuses had been to improve processes, to encourage regenerative tourism, and to ensure stability of the economic driver. Mr. Choy has diligently improved the policies and procedures relating to financial and contract management. The packet presented by the CEO included policy changes that had been enacted and followed up by specifications of detailed procedures and staff training. Policies regarding procurement and contracts would be specified in the state auditor's report. The CEO had taken steps to ensure quality interactions with government officials from the legislature and departments and kept the Board, and the legislature informed biweekly of Ku'i Ka Lono by working with them on projects and advisory committees. He

participated in meetings with legislators and major stakeholders to understand the future development of the HTA.

Mr. Choy had revised payment procedures and made changes in contract management to ensure that deliverables were stated clearly and in a timely manner, deadlines were specified, and persons were put in place to monitor progress.

Mr. Nāho'opi'i stated his desire for the HTA to continue moving towards regenerative tourism so that the visitor industry would contribute more than it extracted from the community in the future.

The Board had approved changes in the functional structure of the HTA to separate marketing and branding from resident interactions such as stewardship and management, and this transition was continuing. Officially, as of the present month, Mr. Ka'anā'anā would focus on resident interactions, destination management, and its impact on tourism. As Senior Brand Managers, Ms. Goo and Mr. Kaho'ohanohano would take on the marketing role. The CEO would oversee the administration of that division.

The HTA was moving to a more island-based method of tourism management, which would be seen in the application for island-based managers in the FY2025 budget. Mr. Ka'anā'anā would also increase his involvement with specific island issues to create greater focus. Where the stability of the economic driver was concerned, the most critical aspect was the ability to respond to disasters such as the Maui wildfires. The erosion of visiting Maui had affected the entire statewide industry. At the international level, the state was slowly recovering from the disruption to tourism resulting from the pandemic.

The CEO handed it over to Mr. Talwar, who summarized the detailed marketing plan presented in the board packet. In August, the Chair had asked the authority to ensure a system would be in place for reliable communication about events in Maui. This began with information about what had occurred, followed by messages encouraging Maui visits, although not West Maui. At this time, many conflicting messages were circulating, including social media posts from celebrities, and clarity of communication was difficult. Mr. Talwar thanked the HTA for providing \$2.6 million for the U.S. disaster recovery plan to rectify this situation. Lahaina has been the hub for many restaurants, bars, shopping areas, and water sports activities. There was concern that visitors would be unaware of possible activities in other parts of Maui when they were invited to return. The marketing team decided to work on adjusting Maui's brand image to show different activities available so that even people who had previously visited the island would be surprised by the range of possible activities. This aimed to encourage residents and

returning visitors, targeting the mindful traveler who could be trusted to exhibit responsible behavior.

Mr. Talwar stated that the marketing team had worked closely with industry partners to develop material that could be used for digital delivery and messaging and talking points for sales teams. They had worked with their own owned media, e-newsletters, the GoHawaii app, websites, and communication, training, and education for the travel trade and MCI operatives. He pointed out that communication of the facts was important, and the HTA had assisted with messaging. Maui residents had been asked to speak about their homes and how they wanted the future to evolve. The HTA staff had attended a community meeting, which gave insights into the residents' feelings.

The public relations team had been pitching to people on their top 100 list. The Washington Post had provided unusual exposure by featuring a travel story on its cover. The previous day, there had been an article based on the relationship between travel and leisure, as well as on how to be a mindful traveler and how visiting Maui would help the people of Maui. Media blitzes had been carried out in Southern California and New York. Conde Nast Traveler Points of View Summit included high-end editorial staff and travel agents. This presented good editorial coverage opportunities and allowed some Maui residents to speak with the media. The public relations team had succeeded in arranging for Entertainment Tonight to spend a week in Hawai'i with coverage of Maui and O'ahu, which was right on the message.

Mr. White had taken part in 24 T.V. and radio interviews aired in Los Angeles, San Diego, Dallas, Phoenix, Seattle, Denver, and Sacramento. At the beginning of the social media campaign, people had supported Maui by sending goods, but it later became clear that finance was more important. Expanding the Maui brand by demonstrating different assets in various towns and experiences across the island was necessary. The people of Maui had been interviewed and allowed to speak for themselves.

The marketing team had skewed their regular media buy to emphasize Maui, beginning with travel updates explaining the best ways to assist and followed by the Mālama Maui series, which shared various activities that visitors could carry out in different parts of Maui, The Board viewed samples of the Kupa Aina series of eight social messaging videos in which residents shared their desire for the return of the mindful traveler.

Mr. Talwar recognized the partnerships of the HTA with the PGA Tour, the Champions Tour, the LPGA, and the NBC Golf Channel, all offering immediate help. Mr. Colin Morikawa, who was participating in the Sentry PGA Tournament, made a message for the HTA to use, and the

marketing team had put together some itineraries for him through his agent, hoping he would visit local restaurants. Mr. Morikawa had promised to donate part of his winnings to Maui.

The GoHawaii.com website and the GoHawaii app carried much information about Mālama Maui. A team had worked with Maui talent and photographers to produce 87 media clips, which would be made available to the global marketing teams, and 200 still photographs would be tagged for marketing use. The marketing team had increased the weight of media by educating travel agents on the best methods to encourage clients to help with Maui's recovery. The team had already trained 3,000 travel advisors. They had worked with key partners such as Alaska Airlines, Hawaiian Airlines, Southwest Airlines, Hilton, and others on a budget-matching basis, using an investment of \$250,000 from the HTA. Virtuoso and Signature travel agents were important partners whose clients were mindful travelers.

The immediate concern of the MCI team was how to maintain group business for hotels. Considering how this would reflect on them, clients had been reluctant to be the first to hold a meeting on Maui after the fires. Signature travel groups had arranged a meeting by coordinating with the travel trade team and had given positive comments. Of 23 groups that had been scheduled to hold meetings in West Maui, three were canceled, and 16 were held as scheduled. One of the largest scheduled events, a basketball tournament, was diverted to O'ahu, and accommodation was coordinated across several properties. Mr. Talwar gave details of the MCI team's work, including public relations support and direct sales.

Regarding the marketing campaign results, this was still in progress, but some data was available. Before the fires, there were already challenges in visitation to the state during May, June, and July, which meant that it entered the recovery program in a negative environment. From a global perspective, looking at statewide booking data, the market was "soft." This was due to the impact of the disaster on visits to West Maui. The number of visitors who stated that they intended to travel to the state and West Maui was slowly increasing but was still at a lower level than previously. A detailed survey was presented, showing that the main factors in this reduction were cost and respect for residents and victims of Lahaina, as well as concern for the visitors' safety. 15% of potential visitors had not realized that they could still travel to Maui, which showed the early messaging continued to have a negative effect. It was hoped that the marketing program would succeed in converting intent to travel into firm bookings.

Mr. McCully asked whether the marketing team knew the reasons for the drop from 19% to 11% intent to visit, combined with the decline in actual bookings compared with the previous year. Many travelers say traveling to other destinations, such as Japan, was cheaper because of the favorable exchange rate. The travel market is much more competitive at present. Ms. Chun

had been examining data to determine whether there was a psychological component due to the Maui tragedy, which would feature in the report on the disaster recovery.

Dir. Tokioka commented that one of the problems in the Maui emergency was the existence of many websites with conflicting messages, creating confusion. DBEDT had deleted links to many websites from its website. He asked whether the messages from people who had canceled their visits had been shared. Mr. Talwar responded that the Maui team had been given this information the previous day, and the same report would be presented at the annual meeting, which was to take place in the next few weeks. Mr. Monahan stated that the team intended to share this information with a select group.

Ms. Paishon Duarte thanked the leadership, chapters, and members of the HVCB for their responsiveness and for allowing residents' voices to be heard. She appreciated the Kupa 'Āina Mālama Maui media series and the MCI messaging.

Ms. Iona commended the marketing team and commented that it was important to continue their efforts despite budgetary concerns because there might be issues for which partners could give assistance. The budget was a concern at the statewide level, not only Maui. Mr. Talwar was thanked for his and his team's work by Mr. White and Mr. Zane. Mr. Hannemann appreciated the work that had been done as a solid foundation upon which continuing work could build. Positive reports and results were just the beginning. There must be Phase 2. The media had reported that tourism was rebounding, but this was not yet sustainable. Intent to travel and actual bookings were reduced, and they had far to go before recovering. He requested Mr. Nāho'opī'i and Mr. Gionson to get the word out about what the HTA was doing to stimulate the main market. Some hotel industry members had criticized the HTA for being insufficiently proactive and aggressive. It was important to inform the government, industry, and the community of the work being done by the HTA. He congratulated the Board and the HVCB for getting off to a good start.

Chair Miyasato agreed with Member Hannemann's contribution. He noted that Maui visitation seemed to have an uptick, suggesting that messaging specific to Maui had been effective. He asked for clarification on cost as a factor in declining intent to travel. Mr. Eslinger responded that this was about short-term rentals, which usually did not allow adjustments in booking dates.

Ms. Paishon Duarte asked about the source of the information that "by Thanksgiving, 90% of timeshares would be filled." The Chair replied that this had been stated in a Honolulu Star-

Advertiser by Ms. Allison Schaefer. This required confirmation. The Vice-Chair congratulated the HVCB and the HTA staff on their cooperation and teamwork.

Mr. Ching shared his doubts about the reliability of the 90% timeshare figure. Ms. Chun pointed out that there was a difference between timeshares and short-term vacation rentals. Timeshare owners were committed, and even during dire financial times, they continued to come to their properties. Mr. Nāho'opi'i asked the HTA staff to obtain data about the proportion and location of timeshares instead of short-term rentals.

The Chair thanked the HTA staff for the data they had already provided, which was important to enable the HTA to make good investment decisions to optimize income.

Mr. Nāho'opi'i pointed out that the other global marketing teams could utilize this data about the U.S. market. He stated that further details of specific activities were included in his report.

## **7. Board Chair Report**

Chair Miyasato stated that his primary concern was for the HTA to comply with the rules of engagement set out by legislative statutes and to act within these rules. More research was needed to discover exactly what the statutes allowed Mr. Nāho'opi'i to do. He would inform the Board when this had been carried out.

Regarding the organizational charts, the HTA was operating with two key positions at a deficit. The absence of these two key positions affected both committee meetings and the duties of the HTA staff. Committee meetings involved much preparatory work for staff and their regular duties, which needed to be addressed.

## **8. Report of the Disaster Response Permitted Interaction Group**

Vice-Chair Paishon Duarte presented the report of the Disaster Response PIG and stated she had been privileged to have acted as chair of this committee. She thanked the Board Chair, members, the HTA staff, collaborators, and members of public. The PIG comprised Vice-Chair White and Members Arakawa, Hannemann, Iona, and Menor-McNamara. The PIG was approved at the August 15 Board meeting, and it then held 15 weekly meetings starting from Tuesday, August 22, and ending with the last meeting on November 28. The committee's remit was to examine the timeline, purpose, and intent of using the Special Tourism Fund to respond to the Maui wildfire disaster.

An initial landscape analysis was carried out at the committee's first meeting to obtain a sense of what would be addressed and what gaps existed in knowledge or action, in order not to

duplicate work already being done. The committee developed a list of guest speakers who were chairs of tourism committees and industry, government or community leaders. Each guest speaker gave a 20- to 30-minute presentation, which guided the committee's possible next steps. On September 12, an invitation was issued for bids for planning services for messaging strategies and a tourism recovery plan. On October 18, an agreement was executed with SMS Research Marketing Services for \$99,000.

The committee worked together to efficiently and effectively complete the process in record time and promptly expend available funds. Information was collected diligently, and the final recommendations, developed with the support of SMS, were presented in alignment with the designated focus of the PIG.

Mr. Cole reminded the Board of the process designated for PIG, covering three Board meetings, of which this was the second. The PIG was formed at the first Board meeting, and at the second meeting, they reported and gave their recommendations. At this meeting, there could be no deliberations or decisions. These would occur at a future meeting, the third in the series of Board meetings. At the end of the present meeting, the PIG will be dissolved. The HTA staff planned to hold a public meeting to obtain input on the report, which would be reported to the Board at its next meeting, during which deliberations could take place and decisions could be made.

Mr. Nāho'opi'i reminded the Board that the Governor's declaration of a tourism emergency had permitted access to the Tourism Special Fund. This fund was to be utilized for the purposes stated in the statute: relief of visitors, costs of shelter and transportation, and sending back luggage that was left behind. Going forward, the Tourism Emergency Fund was used to alleviate economic disaster, promote economic recovery of tourism, and provide for the welfare of visitors. These were the considerations that were considered by the PIG when making their recommendations.

Ms. Paishon Duarte noted that at the most recent meeting of the PIG, Mr. Hannemann and Ms. Menor-McNamara were unavailable.

Ms. Faith Rex, the President of SMS Research Marketing Services, continued the presentation with a detailed report. She explained the timeline and key aspects of the plan, focusing on the recommendations.

The HTA had received multiple directives leading to the Maui economic recovery plan. This was not a freestanding program, but it was supposed to interact with the existing recovery plan and the Destination Management Action Programs already in operation. The recommendations did



not touch on how Lahaina was expected to look in the future. Ms. Faith Rex gave an outline as follows:

1. The HTA was to work with state and federal management officials to coordinate the next twelve months of tourist activity and tourism-related economic in the region, along with enhancing messaging about the appropriateness of traveling to non-impacted areas of Maui.
2. Actions were to take place in line with objective 21C, Joint Incident Action Plan, FEMA-DR-4724-HI, aiming for tourism and economic redevelopment with an emphasis on strategic public messaging.
3. On August 19, 2023, the Governor authorized the HTA to use monies in the Tourism Emergency Support Fund in collaboration with the Department of Budget and Finance to respond to the emergency and provide relief under section 2018-20, HRS.
4. The Maui Tourism Support Plan complemented the current HTA Strategic Plan, the Brand Marketing Plan, and the Maui Destination Management Plan.

During the planning process, the PIG examined how other destinations had recovered from natural disasters. Three major aspects were noted, affecting areas available to visitors. Firstly, many Americans had a poor grasp of geography and assumed that disaster conditions applied to the entire state or island. The second issue was the timeline, and the third was related to housing. On the mainland, displaced persons could move to nearby towns, but this was not possible on islands, where the return of the displaced persons was not always possible.

The research team conducted a series of interviews and discussions on Maui and O'ahu at state level to get input about what were considered the greatest challenges, the greatest opportunities, how success could be measured, and possible recommendations. In this way, a large range of input was gathered, but not all was relevant.

The following challenges were identified:

1. Housing availability was a primary concern for Lahaina residents, along with the availability of childcare and accessibility of work. A higher unemployment rate exacerbated the housing situation. Research has shown that almost 50% of households that lost the income from the primary earner also lost their primary residence within a year and had to move elsewhere. 20% moved to stay with family and friends, 70% moved to the mainland.
2. The forecast for visitor arrivals to Maui would probably be reduced through 2024.

3. The overall visitor count to the state was lower, and the forecast continued to show a reduction, implying that revenue to the state would be lower at a time when Maui had to be supported.
4. Small businesses were experiencing lower sales because of reduced visitors and the loss of stores.

An additional factor was the confusion in messaging. Residents stated that there was initially no information, and then there was too much information, most conflicting. Everyone had a website, and no one knew which website to believe. Messages did not always reach those who needed information. This mainly applied to communities with English as a second language, such as Filipinos and Pacific Islanders. Messages were not translated into their languages. The research team held a constructive meeting with the Filipino community and some service providers.

Many visitors did not understand the island's geography and believed that the affected area was larger than it was. As mentioned, many potential visitors did not make bookings because of the high cost of changing bookings and out of respect for Lahaina.

The research team designated the following measurable outcomes for recovery:

1. An increase in travel intent to Maui in 2024 and 2025 on the west and south sides.
2. Growth in the tourism economy throughout the state. It was important to reverse the decline since more revenue was needed to assist Maui's recovery.
3. Maui residents were to continue to be included in tourism recovery discussions. The HTA was to hold a community meeting in Maui next week.
4. More visitor industry jobs were to be created, increasing employment. The HTA was to work on this in collaboration with other departments and agencies.

The research team made the following recommendations for actions in order of priority. These were tabulated to show actions already underway but needing greater resources, actions to be initiated, and actions other groups or agencies were undertaking.

- 1a. The visibility of Hawai'i travel was to be increased in high-potential markets. This was already underway, but more funding was needed to ensure that all markets were reached, and the message was clearly conveyed. Canadians were to be targeted because of their affinity for Maui. January was an important month for decision-making, and the marketing teams were to ensure enough visibility. Mālama messaging was working, but it

was felt that the call to action was missing. An appeal to visit need not be out of sympathy or support.

1b. Businesses were to be supported, which continued to provide consistent messages to customers and potential visitors that Maui was open to visitors, thus overcoming the early messaging that discouraged visiting Maui. GoHawaii.com was to be reinforced, and confusion was minimized by concentrating on a single site for messaging. The HTA was to provide funding for marketing co-operatives in exchange for special rates and promotions. Maui businesses were to be assisted to attend trade shows. Many of these actions were already taking place and needed continued assistance.

2. Consistent messaging and outreach to all Maui residents and businesses were to be supported. Some of this work was being done by other groups such as Maui County, the state, many non-profit organizations, and the media and newspapers. Maui residents had complained about confusion via social media. Public Information Officers were to be trained in better messaging, using FEMA as the expert resource. It was noted that messages should be translated into other languages to ensure understanding by Filipinos and Pacific Islanders. The Maui office was already developing this but needed more assistance. Staffing was important since people needed job security to work well. Community outreach should be sponsored to meet with Filipinos and Pacific Islanders with explanations in their mother tongues. Maui non-profits were mostly staffed by volunteers and might need assistance for greater capacity building.
3. Maui small businesses experiencing significant sales reductions because of reduced visitor volume should be supported. Events promoting small Maui businesses should be sponsored, and websites offering Maui-made products during West Coast saturation visits might need technical assistance. The HTA could assist by including more events on the GoHawaii.com events calendar.
4. Tourism on Maui should be expanded to provide new activities for visitors and support Maui businesses. Capacity for regenerative tourism should be built up, and visitors should be introduced to areas they might not have visited before. Local fishermen, farmers, and business owners should be encouraged to work together to develop a package that could be marketed to tour operators. Hotel owners were to be reminded about the availability of cultural practitioners.
5. Owners of TVR properties should be encouraged to assist wildfire-impacted households lodged in tourism-type accommodations. This could be done by allowing Lahaina residents who had lost their homes to rent TVR properties for at least a year. The HTA

would facilitate communication for this process. Many other groups were working on this issue, and multiple websites were available for property owners and potential renters. Such issues had to be addressed in a respectful manner.

Mr. Nāho‘opi‘i commented that when this report had been presented at the final PIG meeting, there had been a discussion about which actions could be financed from the Tourism Special Emergency fund. The full report contained many actions, some of which were carried out by other organizations, while others did not need funding but only required coordination by the HTA staff. A draft budget had been prepared, showing the present vendor for each action and the proposed amount to be taken from the Tourism Special Emergency Fund.

The CEO reminded the Board that \$2.6 million from the Tourism Emergency Special Fund had been used for the U.S. Maui Recovery Plan #1, and an additional \$250,000 had been paid out for shelter and emergency response. The amount remaining in the fund was \$2.15 million, whereas the entire cost of the proposed actions was \$4.65 million. This meant that the balance of the funding would come from adjustments to the FY2024 budget.

The second phase of the U.S. Maui Recovery plan would take place in January, along with more saturation programs. The staff recommended that this could be funded with \$900,000 from the Tourism Emergency Special Fund and the remainder from budget adjustments to be discussed during the balancing of the FY24 budget. Under action 1b, the GoHawaii.com website and app were to contain more emphasis on Maui events.

	Action	Cost for Recommended Action	Proposed amount from TEF	Current vendors
1a	U.S. Maui Recovery Marketing Program	2,500,000	900,000	Hawai‘i Tourism USA
	Canada Maui Marketing Recovery Program	900,000	0	Hawai‘i Tourism Canada
1b	Enhancement of GoHawaii.com site and GoHawaii app	250,000	250,000	Hawai‘i Tourism USA
	The HTA subsidized booth space at various shows, including Maui emphasis	200,000	200,000	Hawai‘i Tourism USA

	Action	Cost for Recommended Action	Proposed amount from TEF	Current vendors
2	Develop and air local messages that Maui residents want to return to work full time	350,000	350,000	No current vendor
3	Support Maui-made products and develop additional events	150,000	150,000	Hawai'i Tourism USA
4	Create opportunities for visitors to explore different parts of Maui	300,000	300,000	Hawai'i Tourism USA
5	The HTA to work with the County and State to share updated programs for TVR	0	0	
	Total	4,650,000	2,150,000	

In action 1b, the HTA would pay for Maui businesses suffering from hardship to attend trade and travel shows. In action 2, T.V. and social media programs would support Maui residents and workers and encourage residents of other islands to visit Maui. Action 3 entailed opportunities for partnerships to take Maui-made products on the road. The Kilohana Collective and CBHA would cover part of action 4 to provide technical assistance and capacity building. More video was needed to show the attractions and activities that were still open, along with the enhancement of maps to encourage visits to different areas. Action 5 would involve working with the county, the mayor, and the Governor to enable a change of tax regulations and working directly with property owners, platforms, and associations. The HTA staff were to make direct contact with part-time residents and transient vacation owners, drawing information directly from the tax offices and encouraging outreach to industry partners.

During the revision of the FY24 budget, the reallocation of the \$2.15 million from the Tourism Emergency Special Fund will be shown.

Ms. Paishon Duarte asked members of the PIG to share their comments and questions. She noted that this encouraged the Board to examine the possibility of replenishing the \$5 million Tourism Emergency Special Fund. Both Mr. Choy and Mr. Cole had researched this question. When contacted by Mr. Choy, the Department of Budget and Finance had responded that under position 237D 6.5, \$5 million was to be made available each fiscal year, with replenishment provision from TAT revenues at the start of each fiscal year. The Governor had ultimate authority over how the HTA spent the emergency fund, and he would manage up to \$5

million each year through the allotment process. The fund was to be used in coordination with the Department of Budget and Finance and had to be spent during an emergency. The Governor's emergency proclamation would be in effect up to January 5.

Mr. White, the Vice-Chair of the PIG, urged the Board to focus on narrowing the HTA's response and providing good leadership on the issues for which it was responsible.

Mr. Hannemann thanked the Chair of the PIG for her effective leadership over a very short time with so many interactions. He was satisfied with the result of the PIG but noted that it was important to continue to build momentum. The U.S. BMP was to take place in two phases, and it was important to pivot the message from seeking mindful travel over to a message that the people of Maui needed to go back to work to restore a sense of normalcy and dignity in their lives. This was an important issue for the HTA and an urgent issue for many businesses. Mr. Hannemann noted that greater interaction with the Filipino and Pacific Island communities was needed. Filipino workers and residents formed a major part of the tourism industry and were less highlighted than they should be. There were many Tongans and Samoans in Maui. The language was often a barrier that caused people not to grasp the complexity of what the government asked them.

Finally, housing was vital, and it had to be part of the concept of the new normal. Housing came up in every discussion. The HTA should not make the excuse that housing was not its responsibility. Many hospitality workers were being lodged in hotel rooms, and moving them out of these rooms into long-term accommodation was important. The workers did not want to stay in hotel rooms permanently, and the rooms were needed to pay guests who would create revenue and employment. Mr. Hanneman was happy that the housing issue had been raised and hoped it would continue to be an important concern. He noted that childcare was another issue frequently mentioned during interactions.

Ms. Iona thanked the Chair and Vice-Chair of the PIG for their leadership and concurred with the conclusions put together by Mr. Nāho'opi'i and the staff. She was grateful for the collaboration of the HVCB and other partners. The HTA had compassion for residents and attempted to assemble a message that would sensitively address the needs identified by the research group and the HTA staff. She had family members concerned about Maui residents who felt their return to work was inappropriate. She was proud of the HTA's decisions and the hours of work staff had put into the report. She agreed with the budget and understood the importance of acting quickly to allow staff to take this forward. She appreciated Mr. Choy's guidance on financial and legislative matters.

Ms. Menor-McNamara expressed her thanks to everyone who had been involved in compiling this report and appreciated the recommendations. She recognized that local businesses needed support.

The Vice-Chair Paishon Duarte thanked Ms. Rex, Mr. Ka'anā'anā, Mr. Choy, and all the staff participating in all 15 PIG meetings. She repeated that no discussion was allowed during the present meeting. The following day, the report was to be posted on the HTA website and released to the press. Two weeks would be allowed for public comments and contributions. On December 4, a meeting at the Maui Arts and Cultural Center will be held for residents, the public, and business owners to express their questions and comments. It was important for the HTA to take measured action to allow focus and avoid wasting resources.

Mr. Nāho'opi'i stated that during the visit to Maui, he would directly present the information in the report to the Mayor and the county. Final discussions on the findings of the PIG would take place at the next Board meeting, after which a plan would be decided, and implementation would begin.

The Chair stated that there was a question on Zoom. Mr. Cole pointed out that questions were allowed only at the next Board meeting, but those questions could be passed on to the HTA staff during the scheduled public meetings. The Chair explained to the Zoom participant that this Board session did not allow for deliberations and discussions on the findings of the PIG. Chair Miyasato again thanked the Chair, Vice-Chair, and members of the PIG.

Mr. McCully asked about the emergency response mechanism and whether the HTA Tourism Emergency Fund made provision only for local emergencies. He noted that statute 237-B65 "Remittances," contained the phrase "in a manner sufficient to maintain a fund balance of \$5 million" which appeared to have some ambiguity, but he hoped that there would be clarification so that the statute would not be open to interpretation. Statute 2119-B stated that concerning national or global economic crises, no action could be taken without the express approval of the Governor. A policy shouldn't have to be needed to implement a law. Chair Miyasato pointed out that this appeared to refer to rules of engagement and called on Mr. Cole to provide guidance. He thanked Mr. McCully for raising this issue.

## **9. Discussion and Update on the Request to the Governor to Declare the Tourism Emergency for a Specific Time Period**

During the previous Board meeting, the HTA staff had asked for a second determination for a tourism emergency. The Governor had considered this in his most recent proclamation. This was to be based on recommendations by the PIG.

## **10. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets**

Ms. Chun gave details of the market conditions during October. She stated that a press release for October visitor statistics had been issued that morning, and DBEDT updates on the Maui wildfires were also available. The presentation compared statistics for October 2023 with those for October 2022 and 2019. Responding to a previous question regarding timeshare units in West Maui, Ms. Chun stated that according to the 2022 inventory, these comprised 26.1% of all units, without subtracting any units the wildfires might have destroyed.

Up to July 2023, expenditures had exceeded prior years, including 2019, but from August onwards, the impact of the Maui disaster caused expenditures to decline below the corresponding months in 2022. She noted that visitor expenditure was a key performance indicator (KPI) for the HTA. The trend for monthly visitor arrivals had lagged behind visitor arrivals in 2019. Most expenditure and visitation had been from the West of the U.S. However, there had been an increase in visitors from Japan representing a 44% recovery for the Japan market, the highest since the pandemic. Apart from Japan, every market has higher per person per day spending than in 2019, and this was another KPI for the HTA.

Analyzing the data by island, there had been increases in expenditure everywhere except Maui. The purpose of most visits was pleasure, and most lodging was in hotels.

During October, hotels were 74.5% occupied, a higher figure than in 2022 but still lower than in 2019. The average rate for the state was \$347, significantly higher than both 2022 and 2019. Occupancy for vacation rentals was 50%, and the average rate was much lower at \$265.

Ms. Chun presented charts showing the relative scale of room demand and nights sold. State TAT of \$59.9 million had been collected during October regarding September activity, a slow month. This was a reduction of \$11.3 million for FY2024 compared to FY2023. County TAT had not yet been posted.

There had been more scheduled non-stop airline seats in October 2023 than in October 2022, but the routes were different for different levels of seats. November had not seen any increase in service. Ms. Chun noted that these data for airlines referred to global travel compared with pre-pandemic levels. Spring bookings appeared to be more favorable. For the U.S., bookings for November and December were higher than the total for all markets. Up to the end of 2023, bookings from Japan were low, but those for the first three months of 2024 were higher. The window for airseat bookings was short, and there were few long-term bookings. Canada bookings for November and December were closer to the pre-pandemic level. Korea was also doing well, with February bookings ahead of pace. Ms. Chun also presented detailed data for Australia, New Zealand, and China.



The visitor satisfaction and activity survey for the third quarter was published that day and will be posted on the HTA website by the end of the present meeting. In general, visitors from all markets had been satisfied with their trip during this period, with very few expressing dissatisfaction. Visitors had high expectations of Hawai'i, and in most cases, these were met or exceeded. A minority of Oceania visitors said they would not recommend Hawai'i to others. Regarding the likelihood of revisiting Hawai'i during the next five years, this was a short interval for people who lived far away, so travelers from distant places were less likely to plan a return visit in the next five years.

Reactions of U.S. visitors to Maui after the fire were compared with reactions of U.S. visitors to Maui before the fire. The survey concentrated on U.S. visitors because this was the major market. Those who visited Maui after the fire were less satisfied, but most still had areas in which they were satisfied.

Chair Miyasato thanked Ms. Chun for her presentation and invited questions from Board members.

Mr. White pointed out that the three-month booking window for Japan was relatively short. Availability of air service appeared not to be a factor for this route. He noted that some travelers wanted specific schedules.

Mr. Nāho'opi'i gave an interpretation of the drop in April bookings. He pointed out that industry partners were trying to stabilize the industry. The window for Japan used to be longer but shorter at this time. There were many more direct bookings for Japan at the moment, and he believed that there would be more long-term bookings for Japan after the marketing campaign.

#### **11. Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE of their Meeting Held on November 20, 2023**

##### **a. Discussion and/or Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on HTA's Financial Report for October 2023**

Mr. Choy asked the Board to approve the financial statement for October 2023.

Chair Miyasato made a motion to approve the Financial Report. The motion was seconded by Vice-Chair Paishon Duarte and carried unanimously.

##### **b. Discussion and/or Action on the Recommendation by the Budget, Finance, and Convention Center Standing Committee on the Hawai'i Convention Center's October Financial Report and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan**

Ms. Orton gave a Financial Report on the HCC in October. She stated that this had been a good month, with 35 licensed events, ten more than budgeted. The HCC was doing well and was ahead of its budget in terms of revenue. It had come in at \$3 million under budget for the first four months of the financial year, and she hoped it would break even. Ms. Orton stated that the HCC was busy with city-wide and local events. More tentative bookings were coming in, and she had received several site inspections from prospective clients. From 2026 onwards, it still looked soft, but the marketing team did their best to fill the short-term sales position to get staffing back to the pre-pandemic level. It appeared that 2023, 2024, and 2025 would be good years. The budget for fiscal 2025 looked satisfactory, and fiscal 2024 seemed likely to be a prosperous year.

The leaks in the roof continued to be the greatest challenge for the center. Ms. Orton hoped that funding would be available to remedy this problem. Dir. Tokioka had been in the building during heavy rain the previous day and witnessed what occurred every time there was a flash flood warning. There were waterfalls everywhere, and in common areas, there were lines of up to fifty trash cans collecting rainwater, which made it difficult for conference delegates to move from place to place. Ms. Orton reported that so far, clients have been very understanding. Staff had informed them that there were leaks and that this was the rainy season, but the center administration was doing its best to address the leaks.

Mr. McCully asked if there was a Yelp category for conferences and conventions. Ms. Orton replied that she was unaware of such, but that the HCC staff sent out surveys to meeting planners and would shortly be introducing new software enabling them to survey attendees. Mr. Choy stated that he and Ms. Orton had visited the fishpond to view the construction method used for the roof, which was similar to that planned for the HCC. It was hoped that, eventually, the leaks would be eradicated.

Ms. Iona reminded the Board that hotel managers knew that refunds were required when guests expected service was not supplied, and asked whether Ms. Orton had experienced this situation with the HCC clients. She responded that refunds had sometimes been given in the past. Ms. Iona pointed out that if the legislature became aware that physical issues in the HCC were causing financial loss and embarrassment to the center staff, they might understand the need for roof repairs more. Ms. Iona thanked Ms. Orton for the good work being done by herself and her team.

**c. Discussion on Form A (F.Y. 25 Supplemental Budget Request to DBEDT) and Form B (B&F and Governor's Budget to Departments)**

Mr. Choy reported that a request had been made for a CIP of \$64 million for repairs to the roof of the HCC. The legislators understood the implications of the leaks in the roof to the HCC,

which was one of the jewels of Hawai'i. Mr. Choy congratulated Ms. Orton and her team for keeping it fully booked, and he was confident that those in charge of finance would listen and vote for the money.

Mr. Choy informed the Board that item 11c was a discussion point raised by the Chair of the BFCC, Member Arakawa, and would be brought up later in the meeting.

**d. Discussion and/or Action on HTA Budget Issues, Comments, and Suggestions Raised by Legislators, Board Members, Staff, Stakeholders, etc.**

Mr. Nāho'opi'i stated that the Chair of the Budget, Finance, and Convention Center Standing Committee, Member Arakawa, would deal with this discussion point later.

**12. Report and Update of the BRANDING STANDING COMMITTEE of their Meeting Held on November 20, 2023**

The Chair of the Branding Standing Committee, Mr. Hannemann, presented the meeting report at which they had discussed incremental funding requests. The committee appreciated the presence of Mr. Ka'anā'anā to give explanations about the implications of changes in funding. It was important to preserve funding for U.S. marketing, even though an expected \$22 million had been reduced to \$14.35 million. Incremental funding was important to build on the existing momentum.

The committee discussed a proposal to search for sponsors for naming rights for the HCC, with details presented by Mr. Willkom. Ms. Orton and Ms. Menor-McNamara explained the advantages and disadvantages of this move, which could generate between \$500,000 and \$750,000 per year, enhancing the appeal of the center and financing digital signage. Mr. Hanneman stated that the major obstacle was that state statutes forbade rebranding state structures. The two ways to solve this problem were to cancel the designation of the HCC as a state entity or appeal to the legislature for a change in legislation.

This possibility had first been discussed eight years ago, and Mr. Hannemann intended to conduct further investigations on its feasibility. This was particularly relevant given the present challenges of the HCC infrastructure as well as the competitive nature of the convention center market.

**13. Report and Update by the HO'OKAHUA HAWAI'I STANDING COMMITTEE of their Meeting Held on November 21, 2023**

Ms. Paishon Duarte, the Ho'okahua Hawai'i Standing Committee Chair, presented a report of their recent meeting. She thanked the Chair of the Budget, Finance, and Convention Center Committee for his input. The committee had examined recommendations about incremental funding, and these would be discussed later in the Board meeting.

The committee had agreed to host up to four weekly meetings before the opening of the 2024 legislative session. The two purposes of these meetings were, firstly, to obtain input from the public, industry leaders, and residents about models and strategies that were already effective in fostering regenerative tourism, and secondly, to enable members of the public or community leaders to suggest initiatives which would strengthen the tourism industry and develop regenerative tourism. Similar actions were already being taken at the level of DMAP and planning efforts, and these meetings would complement existing measures by acting as an additional channel for the community to provide their best ideas.

Mr. Nāho'opi'i noted that the HTA staff welcomed new information that would enable them to identify organizations carrying out effective work that could be funded and whose capacity could be developed. He suggested that rather than organizing four committee meetings, a consultant or Kilohana could be hired to carry out the functions envisaged. This would be more practical for the HTA staff because they were responsible for implementing the official rules regarding meeting agendas.

Chair Miyasato agreed with this alternative possibility, as did Mr. Ching. Mr. Zane believed that Mr. Nāho'opi'i's solution would ensure that a more orderly result would be obtained.

Mr. McCully asked for more clarification and pointed out that the advantage of open sessions was that they allowed faster feedback to the community at large about the work and mission of the HTA. On the other hand, he felt that this idea fell within the purview of the governance study, of which Vice-Chair Paishon Duarte was also the chair. The Ho'okahua committee was a component of the governance study, which aimed to define the purpose of the HTA over the next twenty years. Mr. McCully also mentioned that it was important to know with whom the HTA would work since this would define the process.

Ms. Paishon Duarte thanked all those who had contributed and appreciated their ideas. She pointed out that a further benefit of the proposed public meetings would be enabling community members to appreciate the efforts being carried out by the HTA, since there was an unfortunate idea in some sectors that the HTA was ineffective.

Chair Miyasato expressed hope that the Ho'okahua committee would keep the governance committee informed about the mechanics of accomplishing its task.

Mr. Nāho'opi'i reminded the Board of the importance of ensuring that all outreach, contracts, and programs were for the benefit of the HTA and Hawai'i tourism in general.

Dir. Tokioka reminded the Board that the title of the committee that had been mentioned was the Governance Committee and not the Governor's committee.

#### **14. Discussion and/or Action on Funding of the Additional Marketing Services Approved by the Board to Address Recovery in FY24**

Mr. Nāho'opi'i spoke about the budget adjustments to accommodate the marketing funding request. The Branding Standing Committee mentioned that there was approval from the Board to have additional marketing funding both for Maui's recovery and overall recovery. As was mentioned, there was less budget allocated in FY2024 than in previous years. With market conditions, some of the staff and the vendors felt there needed to be additional funding to address some of the softness in markets. The first section under request showed the \$2.6 million the Board approved for the U.S. Maui recovery program. He explained the two columns on the spreadsheet. The first one went through the various committees and was vetted by the BFCC, Ho'okahua, and the Branding Standing Committee. The second column was the staff's final recommendation. The discussion was for the Board to make any necessary adjustments. The first section about requests is the money the HTA needed to increase to address some of the budget for FY2024.

The staff recommended that the funding come from the Tourism Emergency Special Fund for the \$2.6 million for the U.S. Marketing Recovery Program #1. For the Canada Maui Recovery Marketing Program, the request was \$1.5 million. Action will not happen until December or January. They recommend that for the rest of the seasonal period, they can affect change for \$900,000. The request for the Japan Recovery Program was for \$2.5 million for the 2024 calendar year. Since they only have to balance the FY2024 budget, they did some calculations, and the recommendation is to fund \$1.35 million through 2024.

MCI requested a new staffing position for \$350,000 for the whole year. For the first six months, \$175,000 is needed for salary and benefits for that position.

The U.S. Maui Recovery Marketing Program #2 needed to continue the momentum they had started to build. January is a critical component for booking for the rest of the year. \$2.5 million was asked, and staff recommended \$2.5 million. \$900,000 would come from the Tourism Emergency Fund, and the rest would come from adjustments to their current budget. The Disaster Response Plan was for \$2.1 million. Not including the \$900,000, they need an additional \$1.25 million in disaster response planning, which would come from the Tourism

Emergency Fund. There is a current funding deficit. Their original ask was for \$64 million, which included administrative costs, employment salaries, etc. In the end, they only received \$60 million from the government funding, so the HTA needs to make the shortfall for the \$4 million, which is an adjustment of programs.

He spoke about program savings. They are programs with leftover money from contracts that worked under budget. Or from funding from community events where funding was not collected. On Maui and throughout the state, they did not want to adopt any events during September. There is \$130,000 for the island chapter contract, some related to not having an E.D. for Hawai'i. All the surfing events are complete, with \$75,000 left over for the year. The U.H. Athletics Partnerships requests and activities were fulfilled. Mr. Ka'anā'anā clarified that they could not support a request made for an activity that did not align with the HTA's marketing.

For the visitor impact program, there is \$10,000 left over. In total, there is \$1 million left over. For program adjustments, they made changes or restricted some funding. Some of the contracts are programs they have not contracted yet, so they will hold off doing it for the next six months. For Air Route Development Consulting, they intended to hire a separate consultant. However, they will continue to include professional services in the route development in the GSS, which is included in the RFP. For DMAP implementation programs, they requested funding for implementation of new DMAP activities that would have been identified through the DMAP. Due to the Maui wildfire disaster, they could not start the planning cycle. They will not start it now as discussing tourism is a touchy subject. It will be delayed to the beginning of the following year. They are not able to fund any new activities. There is funding in FY2025 to implement the identified activity.

Chair Miyasato asked about the sensitivity of the lack of housing and tourism. Mr. Nāho'opi'i said that, in general, DMAP addresses impact areas, and they will identify some of the problem areas. 'Ōlelo Hawai'i is continuing. They budgeted \$500,000 and are recommending \$125,000 and saving \$375,000. Global Support Services was budgeted for a higher number, but they will trim it by not doing the GoHawaii.com website that needs a refresh and some other services. Some of the enhancements for GoHawaii.com may come from the Emergency Special Funds.

For the evaluation of special events, they feel they can skip one year for the large signature and sporting events. On the Campaign Effectiveness, they have the first year through the campaigns and they have already done the program for the year. They will discontinue for a period and then pick it up in FY2025. The original proposal was to cut the session for the Hawaiian Culture Initiative, Marketing Support for Sales Mission, and Ma'ema'e Toolkit. The staff recommended

retaining the programs at the funded amount and will not cut them. People need to understand cultural values.

There is an additional \$52,500 for the PGA, which they thought they could cut but cannot at this point. For LPGA, they found the event has moved to August 2024, so there is a savings with that. In total, they could find a savings of \$3 million. Other funding sources are the \$100,000 from the Marketing Opportunity Fund and the \$4.75 million from the Tourism Emergency Fund. They received an EDA grant, which is supplemental to their existing budget, but many of the programs are similar so that they will pivot slightly. They will utilize the money in the EDA grant to pay for the U.S. Marketing program. The last one, payroll salaries, would have a saving of \$500,000. Mr. Choy said there are only two available positions, the administrative one and the Branding Stewardship position. Everything else was frozen for now. Chair Miyasato asked if the Chief Bra Officer and CEO were still in the budget. Mr. Nāho'opi'i could not confirm this.

Chair Miyasato asked what role Mr. Ka'anā'anā was filling. Mr. Nāho'opi'i said he is still in the same position, including destination stewardship and brand activities. If he has restricted his work to just the stewardship portion of his position description, Mr. White said they should discuss the search and hiring of the CEO but said they cannot go through the process of putting out the request for interest. Mr. Hannemann said it will have to go through the BFCC approval process and the Governor's. The legislature will go through the process. Chair Miyasato said they were unaware and surprised about not being able to proceed with the CEO position. Mr. Cole said the budget needs to be reviewed by the department, then the Governor, who is the administrative supervisor. They cannot tell if they can proceed with the CEO, but the budget restrictions prevent this. Chair Miyasato said that every time he asked if there was a budget for a CEO, it was confirmed to be in place. Mr. White said none of them were notified about the status of the CEO appointment. Mr. Hannemann said they should not have to wait for a Board meeting to get the information regarding hiring a CEO as this is a priority. They must get the data in real time. Mr. Hannemann said this must be cleared up before the end of the year. They need to go to the legislature with their goals, priorities, and objectives.

Mr. Choy apologized for the lack of information. Mr. Choy said it was a restriction on hiring, but Mr. Nāho'opi'i said it was a restriction on spending. He apologized if his interpretation was wrong. Everyone had their own opinions and interpretations. Mr. Hannemann said they have a hiring freeze at the moment. There was a lot of confusion between everyone. The vote for hiring a CEO was on the day's agenda. Mr. Hannemann said this item had been discussed at length in the Administrative Audit Committee. Mr. White said it comes down to the process question and how they can go forward to make it happen. All the staff are working overtime and in a situation where they need a good team working in the same direction, but they do not

have the capacity to do what they need to do. He reiterated how much the HTA generates in state taxes and TAT, so the case can be made that the HTA needs to have the "horsepower" to run it.

Mr. Kishi said that he assumed they would not rehire a CEO in the budget cut, so he cut Mr. De Fries's salary when he was last paid. So, if they need to rehire the CEO and the Chief Brand Officer, he will need to adjust the savings slightly, maybe \$100,000, so it would be \$400,000 instead of \$500,000. Mr. Nāho'opi'i showed the funding surplus. The deficit was \$444,000, now they have a deficit of just under \$100,000. Chair Miyasato reiterated their previous discussion about the Chief Stewardship role and questioned which positions Mr. Ka'anā'anā would fill. Mr. Nāho'opi'i said they are trying to submit approval to create two chief officer positions for brand and stewardship. Mr. Nāho'opi'i said he had also just heard about the hiring freeze. He is unsure what is holding up the paperwork. Mr. Nāho'opi'i made a motion to accept the revision and the reallocation. Mr. White made a motion, and Mr. McCully seconded. Mr. Ching thanked everyone for the work to get to this point.

Ms. Paishon Duarte thanked the staff for reworking the budget. She asked for the next steps and where the cuts would come from. Mr. Nāho'opi'i said it does not have to go to another committee, as it was documented in the meeting. Mr. Nāho'opi'i said they had a request from the BFCC chair that since there had been so many changes in the fiscal year and contracts, they will have another BFCC meeting with the current funding in all the budget line items for FY2024 to show where everything was adjusted.

Mr. Choy asked if the HTA would ask the BNF Director and the Governor to fund the CEO position. Mr. Nāho'opi'i said they would vote on that later. He said if the Board approves the current budget, they can go ahead and start to contract some of the programs. Some things will be identified in the Disaster Response PIG program, but for others that have been identified, they will go ahead with that. Mr. Gionson did the roll call, and the motion passed unanimously.

#### **15. Report and Update by the ADMINISTRATIVE & AUDIT STANDING COMMITTEE of their Meeting Held on November 22, 2023**

- a. Response from the State Auditor on the Status of Implementation of Audit Recommendations (Report No. 18-04 (Follow-up Report No. 22-09)**
- b. Discussion and/or Action on Initiating a Search and Hiring Process and Compensation for the Hawai'i Tourism Authority's President and CEO and Chief Brand Officer Positions\*\***

Mr. White referred to the meeting pack with positive feedback from the auditor's office. Mr. Choy noted that the auditing process is continual, not a one-shot deal. He said HTA got a 93% for its score. He explained about the 7%: findings one and two could not have been done



because they needed additional help in terms of staffing. Findings six wanted more inspections and reviews of the procurement procedures, which they are doing. In the other findings, 10, 12, and 14, the legislature auditor wanted them to audit 100% of the billing from the expenses from the HCC; Mr. Choy did a sampling of 25 expenditures and found no discrepancies. Therefore, they found no reason to look at 100% of expenditures. Should they have done that, they would need additional staff.

Mr. White said it is important for the Board to request to fill a position during the hiring freeze or hold off. Mr. McCully said they must be ready to go as soon as the freeze stops. Ms. Iona asked about the CEO search and said they should go ahead with that in the meantime. She said they need to move and not sit back and wait if they want effective leadership. Dir. Tokioka said it is up to the Board to hire the position and make that request to the BFCC and the Governor. Ms. Iona said if they handled the business correctly, they would be helping the BFCC director fill all his other problems. Mr. White clarified that the vote is not to fill the CEO position but to have a search first for a selection of candidates. Chair Miyasato read out the agenda item.

Mr. White directed the Board members to the meeting packet in which he prepared the salary comparisons of the following categories:

Out of the individuals who earn state salaries, there are 240 people earn more than \$200,000. The average salary for the CEO of Hawai'i non-profit organizations is \$300,000; and \$133,000 for the CFO. The average salary for a CEO in the Visitors and Convention Bureau (VCB) is \$534,072, CMO is \$241,090, and CFO is \$219,436. He also noted that the CEO salary for Nashville CVB was over \$1 million.

When comparing the visitor count in other VCBs in 2022, Hawai'i had 9,234,000 visitors, and although we are second lowest in visitor count, we were fourth place in total spending. Hawai'i had the highest number of spending per visitor at \$2,133. Hawai'i had three times more spending and significantly more taxes per visitor than the average of destinations listed. We are the second highest in taxes generated. Mr. White reiterated that the Board needs the full support of a good team.

Chair Miyasato thanked Mr. White for gathering the data. Mr. Choy said for the following year's budget request, they asked for 38 positions for personnel. BNF only gave them 25. Mr. Choy said the leader cannot replace the 13 staff positions that were not granted. He would prefer looking at the operations on a daily basis and having them start staffing their positions before the leadership. A holistic discussion and analysis had to be made on whether they should spend \$300,000 for one person or many people to fill the gap. Mr. White said one does not exclude the other. Mr. Choy said the discussion was unrealistic and that they should focus on filling all the positions. Mr. White said they should be fighting for a CEO and filling all 38 positions.

Dir. Tokioka said the information that is not included in Mr. White's report is how much the highest executive in state government receives. Chair Miyasato said that because of the HTA, they have generated a lot of revenue for the state of Hawai'i. Mr. Choy said the statute has originally contemplated TAT could sole source funding, but when that funding became general funds from the legislature, it has an oversight responsibility over the spending of all funds in the HTA, so HTA is technically funded. The previous year, the legislature zero funded the HTA. He said they must listen to those who are funding the HTA. They could vote for sole source funding again, but if they ask Mr. Cole for the statute, the funds are not sole sources, and HTA is not independent. The legislature has a fiduciary responsibility to oversee the HTA spending, and salary is one of those things that the legislatures will determine, not the HTA Board. Chair Miyasato asked if the CEO's salary was in the \$60 million and asked if the way the HTA spends the money is up to the purview of the Board. Mr. Choy confirmed that as correct but said the BNF statute could restrict certain spending as they are in control. He said they needed the money for the Maui emergency. Mr. Choy said the HTA does not have the autonomy they think they have because the funding method has changed. Mr. White said they need to be judicious in discussing this and said Dir. Tokioka is providing a clear view of where they stand. Chair Miyasato said it is important to understand the rules of engagement so they can function correctly. He said it feels like they are being dismantled internally, and they need to fix it. Ms. Paishon Duarte said the Chair's report has always been very clear. Ms. Iona asked about the Maui recovery solution and why they are spending the emergency funding to recover Hawai'i. They are doing that because it is the HTA's job. The HTA has to keep moving forward as a business, and as an authority, it needs to pave the way for culture and various programs and do what is right.

Mr. Arakawa said Mr. White's research is excellent, and they should use it for the CEO search. Based on the political reality, the HTA's job is to earn back the trust of the legislature and the public. Part of that is getting the house, policies, and procedures to answer the legislature's questions.

Dir. Tokioka said if they are going to do a search it is important for those that would be applying to know the salary range. Mr. White agreed. Mr. Ching said those with suggestions should come up with a motion. He said leadership is important within any business. He found it difficult to make a motion without all the information. Mr. McCully said they must be ready with a funded budget to present to the market for a CEO. Ms. Paishon Duarte said they need to get information in place instead of relying on second and third-hand information so they can make informed decisions. Chair Miyasato said it is easy to politically misstep without all the correct information, which would make the HTA appear disrespectful of the process, where that is not the case. He asked if they should defer it for another month. Mr. McCully said Mr. Nāho'opi'i is

capable of handling them. He said they must proceed in good faith. Mr. Ching said they should gather all the necessary information this month and reconvene. Chair Miyasato said they all have different views and need all the puzzle pieces to be put together but must not defer for too long. Mr. Arakawa agreed that they would take a month and meet with the relevant stakeholders to devise a proper motion.

**c. Discussion of Various Personnel Issues\*\*\***

The Board went into the Executive Session, pursuant to HRS § 92-5 (a) (2), which involves a discussion of personnel matters. During the executive session, the Board decided to defer this agenda item.

**16. Presentation, Discussion and/or Action on the FY25 Supplemental Budget\*\*\***

This agenda item was deferred.

**17. Adjournment**

Mr. McCully made a motion to adjourn, and it was seconded by Ms. Menor-McNamara. The motion was passed unanimously. The meeting was adjourned at 2:33 p.m.

Respectfully submitted,



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Sheillane Reyes  
Recorder