



Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 8



David Y. Ige
Governor

John De Fries
President and Chief Executive Officer

**ADMINISTRATIVE AND BUDGET COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Thursday, March 24, 2022, at 9:30 a.m.**

**In-Person Meeting
Hawai'i Convention Center
Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815**

MINUTES OF ADMINISTRATIVE AND BUDGET COMMITTEE MEETING

MEMBERS PRESENT:	George Kam (Chair), David Arakawa (Vice Chair), Keone Downing, Kyoko Kimura, Kimi Yuen,
MEMBER NOT PRESENT:	Dylan Ching
HTA STAFF PRESENT:	John De Fries, Keith Regan, Kalani Ka'anā'anā, Marc Togashi, Maka Casson-Fisher, Carole Hagihara
GUESTS:	Representative Jackson Sayama, Erin Khan
LEGAL COUNSEL:	Gregg Kinkley

1. Call to Order and Pule

Chair Kam called the meeting to order at 9:30 a.m. Mr. Casson-Fisher opened the meeting with a pule.

2. Approval of the Minutes of the December 20, 2021, Committee Meeting

Chair Kam asked for a motion. Ms. Yuen made a motion and Ms. Kimura seconded. Chair Kam did a roll call and the motion passed unanimously.

3. General Update and Overview of Audits on the Hawai'i Tourism Authority

Mr. Regan reminded the Administrative and Audit Standing Committee that there are certain audits that are performed on the HTA at different time periods. Annually there is the financial and single audit, performed in conjunction with and through the direction of the Legislative auditor/office of the auditor.

HTA recently received the March 18th letter included in packet, describing some of the work about to begin. This is done annually - Mr. Togashi and his team work closely, providing information to the auditor and the agency that has been hired to perform the particular audit.

Mr. Regan said, in addition the Hawai'i Revised Statutes is included, section 23-13, referring to the additional audit that is conducted every five years by the Legislative auditor. The Statute identifies the parameters of that audit. The last one that was conducted was 2018. Mr. Regan spoke about the 2018 audit, and that there have been communications with the auditor as they have closed out that audit and there are no other issues raised from the auditor's office.

Chair Kam said they do not need a motion to approve. Chair recognized Representative Jackson Sayama who just joined the meeting.

Mr. Arakawa clarified that there are two types of audits; the annual financial audit and the HRS 23-13 management and financial audit of contracts/agreements. He said they are not due for one for the next couple of years. He mentioned on the 2018 audit there was a list of issues to follow up on and said they have complied with and reported on all of them, and they are good on all three audits. Mr. Regan said there were 27 items identified in the 2018 audit to his team, with Mr. Togashi, worked closely with the auditor's office to complete. There were no other questions.

4. Discussion, Recommendations and/or Action Regarding the Annual Evaluation of the HTA President & Chief Executive Officer's Performance ***

Chair Kam said this was spoken about at the last meeting and Ms. Yuen had given him assignments to work on.

a. Review of Job Description

Chair Kam said the job descriptions are and other related documents are in the meeting packet.

b. Review of Contract

Chair Kam referred to the compensation contract in the meeting packet 4b1. He said they also asked for an amended employment agreement which him and Mr. De Fries approved. Mr. De Fries' base salary was \$270,000 that he asked to waive to \$250,000. The compensation package also spelled out a 5% annual increase. Mr. De Fries also waived the \$13,500 increase this year; in sum Mr. De Fries has waived \$33,500 while keeping his base pay at \$250,000. Chair Kam said Mr. De Fries asked to keep the length of his employment agreement the same, which will expire on September 15, 2023.

c. Evaluation of the President & Chief Executive Officer

Chair Kam spoke about the State of Hawai'i Employee Performance Appraisal form from DHRD in the meeting packet. He said the CEO annual review evaluation form was a prior evaluation from the prior CEO, which is used as a guideline for Mr. De Fries' evaluation.

Mr. De Fries handed out an updated draft of the Strategic Plan and the Economic Futures document. Chair Kam mentioned the bylaws is available as well. Chair Kam asked Mr. De Fries to speak about what he is looking for this year.

Mr. De Fries updated the Committee on the compensation adjustment from \$270,000 to \$250,000. Back in July 2021, a personnel action form was filed with DBEDT and DHRD to make the adjustment and reduce the salary. In that action form was action related to Mr. Regan, Mr. Togashi, Mr. Ka'anā'anā and himself. He said after he noticed on his W-2 form that the full \$270,000 was on it, he notified Mr. Regan at that time. He mentioned that everyone else's adjustments were made back in July 2021, but his was not. So effectively the State had overpaid him as of August 2021, when the payroll adjustment would have been effective.

Mr. De Fries said the adjustment is being corrected now and the funds that were overpaid will be deducted. He said this was done for several reasons: the top five executives at HTA are operating at a lower cost than it has been in the past and that was part of their objectives. He mentioned that back in September 2020 when the HTA hired him, the budget was \$79 million, and then the HTA took a 24% cut to \$60 million.

Mr. De Fries brought the original book back because the origin of the term Mālama Ku'u Home goes back to this particular document, and at the time what he was looking for was a deeper reason why he would want to jump into the middle of tourism in the midst of a pandemic.

Mr. De Fries spoke about the 8-week process discussed with Ms. Yuen, Mr. Arakawa and Chair Kam on the Committee. He said over the 8 weeks there were interviews by various people and he learned things about himself. Mr. De Fries said he grew up in the tourism industry, and Waikīkī became the hub of their industry and resort destination. When competing for CEO, Mr. De Fries looked at the image on the cover and saw the fishing grounds of his family, and it took him to a deeper place where Mālama Ku‘u Home became the mantra at that time. He said when coming from a neighbour island and competing for a role in Honolulu, he automatically had a chip on his shoulder because Honolulu looks to neighbour islands like a place of privilege, where things are given.

Mr. De Fries referred to the first page of the book; he stated that he wanted something the HTA could find a universal agreement on, instilling a sense of pride, and responsibility that could come together. He said this Mālama Ku‘u Home theme, translated as caring for my beloved home, is a state of mind or a call to action. It is a visceral affirmation while it acknowledges the inherent capacity for all human beings to feel rooted to and be responsible for the places of origin, or the places where they reside and call home.

He cautions people when he speaks publicly - they have a Hawai‘i Mālama campaign that is a promotion, but that differs from this particular theme which he continues to advocate as being important to everyone regardless of sector. In September 2019, the strategic and early plans were being developed, one year before he stepped in at HTA, Mr. Ka‘anā‘anā had asked him if he would be one of the reviewers of the strategic plan. He did it in concert with John M. Knox & Associates. He was concerned about the woman who was interviewing him had not heard of the Aloha+ Challenge and Hawai‘i Green Growth because in July 2014, Neil Abercrombie, the Governor at the time, the four mayors and OHA had signed on to the Aloha+ Challenge, six goals in sustainability that Hawai‘i would strive for, to achieve by 2030.

Mr. De Fries was glad to see it embedded in the final strategic plan. He mentioned his mentors in the book who had a big influence in various corners of the community, and he happened to be at the June 2020 meeting when HTA as a Board, became signatories to the ‘Āina Aloha Economic Futures’ declaration.

He referred his notes on page 9 to the Convention Center. He said in his time with HTA they have had multiple discussions, and Hawai‘i has become a United Nations local 2030 hub. Yesterday, the Hawai‘i Business Roundtable expressed its concern about where HTA was at the Legislature relative to HTA's budget. At the time he believed these could be sources that could identify potential international meetings that could help drive business into the Convention Center.

He referenced his global meetings mecca that had to do with looking at subject matter, fields of study, that Hawai'i is recognized as a world leader whether in the sciences, Indigenous knowledge, astronomy or geology.

Looking back over the one and half years, he is excited about the relationship built with each of the entities and said it will be great to engage with the congressional team to see when the next time the HTA could get APEC back in Hawaii.

Mr. De Fries referred to a list of achievements he made, compiled by the HTA staff, since joining HTA. He said it is obsolete in his mind, as they have to make sure they have funding for fiscal 2023. So whatever past accomplishments have happened, it was a team effort, and he is grateful for it, but it is important to stay focussed in the moment.

He drew attention to the Mālama Ku'ū Home document broken into four quarters. Starting with Q1, he said the picture of the DMAPs of the four islands signifies the body of work that is rooted to the strategic plan. HTA has spent a lot of time and energy trying to explain to people how all of that is a seamless relationship between the pillars, all of which constitute the branch strategy for Hawai'i, and while it looks like a simple image, it is a deep body of work.

Mr. De Fries said when he speaks publicly, it's about the strategic plan because it represented a higher consciousness and broader awareness of what tourism means to Hawai'i. He mentioned that the four pillars of tourism were named as hotels, airlines, activities, and retail back in 1973. Things have shifted now; HTA's DMAPs were recognized as a pioneering work in a recent webinar he and Ms. Yuen attended.

He mentioned that community engagement is not everybody's cup of tea, and in the course of a typical week, there are people in the business community who struggle with the idea that the community has something to offer, because they are so used to mandating the things they want in business. He said if he were in HTA office ten years ago, there would be a specific audience that was largely industry related, whether operating the industry within the State, or the markets, and both of them are very much present and important.

Mr. De Fries said the HTA is now having to speak and conduct themselves in an environment where the audience is intense and integrated, and it is no longer about talking to industry colleagues only. He said the minute anyone from the team begins to deliver one message to the industry, and something separate to the community, they will find themselves struggling. To refine the art and ability to speak in ways to motivate and inspire the markets as well as the local community is going to be increasingly more important going forward.

He spoke about the Q1, Q2, Q3, and Q4 in the Mālama Ku‘u Home document, which is additional to anything else they are responsible for. The pivotal part of the first quarter is the proposed \$60 million budget and 25 positions for the HTA, increased expenditure ceiling as well as the CIP request for the Hawai‘i Convention Center. He said they are also approaching the sunset of Safe Travels restrictions, the COVID call center, and the visitor assistance programs. He hopes they are winding down permanently.

He mentioned top of the mind is the MMA for the U.S. market RFP, and the Smart Destination Hawai‘i concept has been introduced at the Board level. It still lacks a clear definition. He mentioned that the Entrepreneur’s Foundation of Hawai‘i has expressed a deep interest in joining HTA in collaboration. They are willing to put up funds to conduct an RFP, with local tech firms, to advance work at HTA, whether in the strategic plan or in DMAPs.

He said they also recently learned that while they are sunsetting Safe Travels, which was essentially built around a Department of Health set of priorities, HiEMA, the ETS, the DOA, DOH and DOD airports want to look at what HTA learned. They are curious as to what is going to be the next technology solution in the event they have to reactivate a system of accounting for the movement of local people and the influx of visitors as they move.

He said they are on a parallel track for what they call Smart Destination Hawai‘i. He said HTA does not have enough details but has been invited to certain meetings and will keep the Board updated. He is glad to see that happen, as they do not want to be caught flat footed, especially with the events in Ukraine and the implications with cyber warfare, etc. He mentioned the importance of an information hub.

He spoke about the second quarter on the Mālama Ku‘u Home document. Their goal is to come out of the Legislative session with the support that would fully fund the proposed budget. In addition to that, he said they must continue to strengthen their relationship with all the key legislators. It is more important today as in August 2022 at the primary election. HTA is also being asked/mandated to examine the public/private partnership for this Hawai‘i Convention Center. It is built around a previous study that was done in 2019 or 2020, and HTA needs to show meaningful progress in that particular area.

In the second quarter, they intend on getting the MMA RFP issued and the contract awarded, and then if everyone keeps moving forward, especially around golden week, second week of May, to accelerate support for the Japan market. In addition to that, they expect all four county mayors to enter an MOU with HTA which will embed their commitment to DMAPs going forward.

In the third quarter, HTA envisions convening, like last year, one on one meetings with Legislators, and albeit it time consuming, is extremely important. He said there is much they learned last time and look forward to going forward. They are developing 2023 goals and objectives for the Legislative session in 2023. HTA will examine the viability of restoring HTA's dedicated funding source, TAT, Tourism Special Fund and the State procurement exemption, to see if there is interest among the Legislative leaders.

He said at the same time it will be important that they pull their stakeholder partners together, HLTA, HHA, the Hawai'i Executive Collaborative has become extremely vigorous in their interest, as has the Hawai'i Business Roundtable and all the community organisations that have supported HTA in the past. Mr. De Fries hopes Hawai'i Green Growers will do a presentation to the Board, possibly as early as May 2022, as it will introduce its model of sustainability business forum. At the moment that forum is comprised of about 24 organisations, some of whom are tourism related, such as Hawaiian Airlines, Outrigger, Alaska Airlines, etc. There has been increased interest in the visitor industry to join the sustainability business forum. The concern with SBF is the number of tourism enterprises that would end up dwarfing the rest of the business community, so the idea is to model the SBF with a sustainability tourism forum and when the Legislative session is adjourned, it would be the appropriate time to bring this forward into a formal agenda.

Quarter four, HTA needs to align themselves and keep eyes on the KPI's that are identified in the strategic plan. He pointed out that one KPI is not visitor arrivals, which is turning out to be an important metric. He mentioned the new ideas in the 2023 Legislative session: what HTA would like to do with key Legislatures is open up the conversation about whether the TAT can be a line item allocated in ways that the community can feel the contribution that tourism is making, as opposed to taking \$600 million into the general fund. Can HTA assign that \$600 million in daylight, in public, in ways that are meaningful, such as affordable housing, elderly care, increased cultural events, televised sporting events?

Mr. De Fries asked if they could do that by isolating on the contribution made by the visitor industry and the tax revenue that comes from that. Whether they can make that case effectively remains to be seen, but it is something HTA feels strongly about that will give the general public a tangible connection to the benefits that tourism generates.

Chair Kam said this is a draft of the President and CEO evaluations and his intent is, once they approve it and agree on a draft, they send it out to all the Board members for their assessment, and then HTA can share what Mr. De Fries shared, and work from that. Chair Kam asked Mr. Regan to share how he compiled the documents.

Mr. Regan said in the packet are two samples of performance evaluations, one is a standard State supervisors' evaluation form, and the other is a previous evaluation of a previous CEO that was conducted. He said they combined the two as the draft. He said certain things came out of the standard State form, in terms of terminology. What they wanted to do is have something similar to DHRD's form in the way that other State employees are evaluated and can be somewhat similar in nature.

He spoke about the four pillars also captured in the draft CEO evaluation form, and the reference column shows where it is connected to different initiatives HTA has aligned themselves with, e.g. 'ĀAEF stands for 'Āina Aloha Economic Futures declaration, SP stands for HTA Strategic Plan. He said they have taken areas where Mr. De Fries and the team is responsible for and put it into the evaluation. He said the evaluation category called Administrative is based on Mr. De Fries position description, and what he is expected to do.

Chair Kam asked if there were any questions about the draft. He also told Ms. Yuen that he tried to incorporate everything that was discussed previously. Ms. Yuen said she appreciated it and one of her questions was how the evaluation was done before as she has never seen how the previous President and CEOs had been evaluated on. She found it interesting that HTA's example talks about meet or exceed the 7.27 million arrivals which is not a criterion. She hopes it gets shared with the rest of the Board members.

Chair Kam said he wants the Board members to be involved in grading it, so will send them the draft. Ms. Yuen agreed and said it can also be a quick summary for them to see. She said this is important because the world, industry, technology and everything else has changed since HTA was conceived of. She thanked him for the draft. She thinks it is essential to evaluate the current President and CEO in a different way than HTA may have done in the past.

Mr. Regan said it is a team effort putting it together. Mr. De Fries further explained that it is a team effort that did not include him as he should not be tampering with his own evaluation, as it is important for the Board to get it right moving forward, as it will affect the future leaders HTA is looking for.

Chair Kam said the last time they spoke at the previous meeting, they agreed HTA will do a quarterly update where they can add, amend or delete, so it is a constant dialogue in discussion, and they can all be aligned in the voyage together.

Ms. Kimura appreciated the report and said the Board members should be a bit more objective. She said the description of the items can be subjective. Ms. Kimura said they should put some measurements, like a percentage in the resident sentiment survey or the

number of the total spending, etc. She asked if they want weight on each item as some are important, and some are not.

Chair Kam said they can work through that, but it will be through the different committees, but says he is open to that.

Mr. Arakawa applauded the effort that went into the draft and said they should consider incorporating the State form. Being the head of a state department, this is how Mr. De Fries is judged in the State system. He said they must take a look at the leadership measures/performance categories. Secondly, he agreed with Ms. Kimura that there can be some objective measures. He said issues such as resident sentiment survey, visitor satisfaction should be added. He said it could be a graph as well to show the performance from Mr. De Fries time of start and how it carried on through the time he was CEO.

Mr. Arakawa mentioned the resident sentiment survey should be the first. He said whatever is important should be at the top. He said they must also look at their KPI's and what they are going to measure Mr. De Fries' performance on. He said goals reached and the evaluation process should be included, which is fair for Mr. De Fries and future CEOs. He stressed the importance of transparency.

Chair Kam said those are all good points.

Mr. Downing said all the evaluations are mostly subjective and they could have a list that everyone adds to, but this evaluation is going to be evolving because as the islands evolve so will they with what is important. He said the evaluations must be kept simple so they spend their energies in the doing and not planning how they are writing evaluations. The Board can create a framework. He said it is impossible to accommodate every issue and the Board has to be sensitive to what is important in the evaluation forms. He said it must be kept simple as the Board knows what they are working towards.

Chair Kam said it is good input and they must find the balance of what is quantitative to show where they are. He said their values are important and they must find a happy medium to keep it simple.

Mr. Ka'anā'anā said when talking about the resident sentiment survey, it is a survey made up of over one hundred separate questions on various topics and cautioned the Board to be careful with this. Looking at the key drivers affecting this, they often tend to be things that are outside HTA, the Board, the CEO and staff, such as traffic, cost of living, etc. Therefore, he urges them to be specific if they include those measures. He said residents tend to use

tourism as a scapegoat for all the issues in the State that are not directly affected by the CEO's performance.

Mr. Arakawa asked if the resident sentiment survey should be taken off, but Mr. Ka'anā'anā said no, as it is a key performance indicator, not an ultimatum and the KPI helps guide them. Mr. Arakawa asked again if it should be removed, as the HTA is not responsible for those things.

Mr. Downing agreed that it is important but must not read into it too much. He said the energy put in by the resident is an important piece, and some of the issues they can deal with as a Board, but other things are not in HTA's realm to handle, but it is something they can share with the Legislature to share with someone in their district.

Mr. Ka'anā'anā reiterated that it is good insight for HTA to know what the basis of their concern is, as when they are in meetings with DOT, DLNR, etc. understanding the landscape in its holistic way helps HTA make better decisions about issues HTA has control over.

Mr. Arakawa agreed with Mr. Downing and Mr. Ka'anā'anā, but said he was using that as a measure for visitor satisfaction up to now, as a measure of their contractors, but said they have to determine how they fit in, and how they hold contractors accountable for educating tourists about how they should act, and how to educate the industry to reduce the impact on the communities.

Mr. Downing said it has nothing to do with the form for the CEO, but it is important information for them as a Board.

Ms. Yuen agreed with this unless it was in the CEO's kuleana to direct the contractors.

Chair Kam said everything in regard to tourism is their kuleana, whether a legal right or authority, as that is how they build up tourism.

Ms. Yuen said what has been lost is how much all of the agencies are working together to sort this out, but everything is related, and it is complex to unlink the issues that are in the resident sentiment survey. She said it is a group effort, not just for tourism, and the impact of what they do spreads everywhere, and they want to address all issues no matter whose Kuleana it is.

She mentioned over the years bridges have been built with sister agencies, State or city and they all help each other. This is how they are laying out the priorities to manage the impact of tourism from the ground up, based on what each community needs addressed.

Ms. Yuen said that community action only happens at the speed of trust, which is important for everyone as a whole. She said the fact that HTA has gone out with the effort to talk to the community to find out what each individual community's issues are, and then work together with everyone who is involved, to deal with them, says a lot about HTA. Destination Managers are trying to do everything they can in cooperation with all related public agencies, and she said it is fantastic that everyone is working together as a team. She said the momentum they are creating at HTA is monumental.

Ms. Yuen liked Mr. Arakawa's idea and suggested listing top goals for the CEO to work on in the next year. She said prior to this there were no roadmaps or DMAPs and it will evolve over time. She reiterated the importance to get past the blame game and get everyone working together. She said the agencies must get coordinated at the staff level.

Mr. Downing agreed with Ms. Yuen about what DMAPs has done and said it is the first time he has seen HTA wants to collaborate with other agencies; it goes back to Mr. De Fries doing a great job. They all want to work together for the State of Hawai'i. He said mistakes will be made but that is how they learn. He wants to help with the vision for his children and grandchildren.

Ms. Kimura said the resident sentiment survey needs to be kept in the evaluation of KPI, not only for the CEO, and should not remove it. She said even if they do not have full control, if the residents are not happy with the traffic, they do have ways they can try help control it.

Ms. Yuen agreed and said there are lots of mobility solutions which they are working on in other areas.

Chair Kam said it is always challenging when, as an agency, they get blamed for things which are out of their control, but said they can work together and bring the partners in.

Ms. Yuen reiterated what Mr. Downing said about needing to hear where the problems are so HTA can help work on it.

Chair Kam agreed that anything to do with tourism goes back to Mālama Ku'u Home and said it is still their kuleana.

Mr. De Fries said they are all learning their way through this, as back in August 2021, the Board approved the change management plan, and the organizational chart was designed in a trans disciplinary way where HTA is working with teams, recognizing all four pillars are interwoven into a single brand strategy.

Mr. De Fries said on the organizational chart there is Mr. Ka'anā'anā, senior brand manager and brand manager, and that is how they have been functioning, recruiting, hiring and training. He said

yesterday in a Legislative hearing they mentioned there has to be someone in charge of each, like a State agency would function. He said this can be done, but the give and take and what is happening between Board approval/direction, Legislative approval/direction is still something they are trying to balance, but both are important. They have to do what they must to get the work done.

Mr. Arakawa said this is not part of the evaluation but asked when they approved the organizational chart and trans disciplinary concept as HTA was an autonomous agency. After July 2021 they are like every other State department, so HTA has to make position descriptions more specific. For every employee, list their top two, so everyone would know who the go-to person for which issue is. This way the employees know their job position and will give better direction to HTA staff.

Mr. Downing asked if there can be a position but leave it empty.

Mr. Arakawa said this is not under their control, but sometimes the funds for a certain position is moved somewhere else and the position cannot be filled because there is no funds for the relevant position.

Chair Kam asked if they could work on the updates and revisions, and present it to the Board, or if they want another meeting first to get the draft updated.

Ms. Kimura said they should each send a proposed revision to the staff to summarize and then send it back to the Board members.

Mr. De Fries said there is time, and it is not a rush.

Chair Kam reiterated they do not want to rush this. He wants to know the appropriate path forward. He wants to make sure the other Board members have the time to evaluate before he presents it to the Board.

5. Overview of the Hawai'i Tourism Authority's Organization Chart

Mr. Regan brought attention to the organizational chart in the meeting packet for review; how it was presented to the Board in the past, during the changed management plan discussions whereby the Board approved the structure.

Chair Kam asked Mr. Regan to point out what job positions are still open, and Mr. Regan confirmed there are four positions open - Senior Brand Manager and Brand Manager under the Branding Section, Secretary two position, under the planning section, and the Procurement Manager position, under finance section. Chair Kam asked if Secretary two is on Mr. Regan's side and he confirmed. Position number 107927E is vacant and 117227E, Brand Manager is vacant.

6. Confirmation of Hawai'i Tourism Authority Board Members and Assistance Provided to Nominees by the Hawai'i Tourism Authority to Prepare a Nominee for Confirmation Hearings

Chair Kam said the due date is March 31, 2022, and there are 8 members of the Board that can be either held over, reconfirmed or turned down. Those decisions are made by the Governor, the House speaker and the Senate President, and the confirmation is done by the Senate. He said when HTA knows, they want to make sure they are tooling up the candidates as much as possible whether being reconfirmed, newly appointed, so that they are well equipped. Mr. Arakawa felt there were lots of issues previously and they got "blasted." Mr. Arakawa said this was put on the agenda, so that once the applicants/nominees are identified, HTA can go into prep mode and give the materials to review beforehand, so they know what to expect.

He asked if that would be helpful for new people, and Mr. Downing confirmed it would be, especially now with DMAPs. Mr. Downing said they have pivoted and some of the nominees did not even know about DMAPs.

Mr. Regan said commitment from the team is important if there is a nominee, and they will reach out to the nominee and offer if they would like an overview or briefing on HTA. If they accept the offer, they will go through the presentation with them, to show them all HTA's activities, and DMAPs, etc. to help better prepare them.

Chair Kam said it will be helpful to do this as a heads up. Chair Kam said on the House side, Ms. Yuen and Mr. Chun are either confirmed, held over or changed. On the Senate side, Mr. Atkins is termed out, but it could be held over or exchanged, Mr. Alameda can be reconfirmed, changed or held over. And on the Governor side, Mr. Downing is reconfirmed, held over or exchanged, Chair Kam is termed out, held over, and Ms. Kimura is held over, changed, or reconfirmed. Chair Kam said they want to do everything they can to prepare.

Mr. Arakawa asked about Mr. Downing, and Chair Kam said Mr. Downing is up as he took over for Rick Fried who was held over three times, so he is one year and if he wants to reconfirm, he can.

7. Review, Discussion and Action on Hawai'i Tourism Authority's Policies and Procedures

a. Hawai'i Tourism Authority's Annual Legislative and Operational Budgeting Policies

Chair Kam deferred to Mr. Regan. Mr. Regan said for the awareness they have included some documents that provide information on the policies, and some will need to change, like the Annual Legislative Policy, which they are working with Budget, Finance and Convention Center, to be aligned with the new Legislative process that HTA is involved in. He said they followed the Legislative policy, and in the current session, from a timing perspective, going forward, they have to recalibrate overall.

Chair Kam said it will evolve and they will have to update it.

Mr. Togashi said this is something they have been working on and been in discussions with the Budget Committee. He said the intention is to shift the timing as Mr. Regan alluded to, where they will now be budgeting with the Board as far in advance as 18 months, to even 30 months as it is a bi-annual budget.

Mr. Regan mentioned that the materials in meeting packet 7a3, the draft of Legislative Fiscal Year Budget Process, gives an idea of the timeline.

b. Hawai'i Tourism Authority's Procurement Policies and Procedures

Mr. Regan said HTA is now required 103D, the State Procurement Statute as well as the associated Hawai'i Administrative Rules, as well as various circulars, opinions and directives that come out the State procurement office. Therefore, although HTA has the procurement policies and procedures, rather than continue to maintain two systems, it is recommended that HTA suspend their internal procedures as it relates to procurement and redirect the team to utilise 103D. as other departments follow as it relates to procurement. So that HTA does not run into issues where their policies and procedures do not align with State requirements, which could then cause issues with the auditor. Mr. Regan said he reached out to DBEDT about this, and they said they do not have separate policies and procedures.

Chair Kam said they will suspend the current policies and procedures and when Mr. De Fries gets it back, it will be available.

Mr. Arakawa asked if the HTA makes a recommendation, for agenda items 7a and 7b, that they recommend the suspension of the policies and procedures and comply with what State Departments have to comply with. Mr. Arakawa asked if it needed a Board recommendation.

Mr. Regan recommends it be part of the agenda item, which is on the Board agenda, so it is a formal process, and everyone is aware.

Mr. Arakawa made a motion for two agenda items, to allow HTA to suspend the prior procurement legislative and operating budget policies, and HTA procurement policies and procedures, and start working with the new ones, and recommend to the Board that the Board adopt the same position. Ms. Kimura seconded.

Chair Kam did a roll call and the motion passed unanimously.

c. Hawai'i Tourism Authority's Legislative Policies and Procedures

Mr. Regan said they do not have formal Legislative policies and procedures.

Mr. Arakawa said it was put on the agenda for discussion purposes and does not need a vote, but in prior meetings and PIG meetings, they had comments from the House and Senate that they do not discuss certain things with them. Mr. Arakawa and Mr. De Fries discussed that they should make time during the meeting for comments, so the legislators can say what is on their mind.

Mr. Arakawa said Mr. De Fries and Chair Kam must decide on how they will handle it if a legislator asks for a meeting, and they can decide. Mr. Regan said the HTA makes a resolution on an annual basis that authorizes Mr. De Fries and his team to present policy positions, and although there is not a formal policy in place, he said in the future for the next meeting, HTA could incorporate what Mr. Arakawa mentioned about meetings.

Mr. Arakawa said this can be postponed as the resolution is in place for now.

d. Hawai'i Tourism Authority's Industry Relations Policies

Mr. Arakawa said this was discussed and they should consider a time in HTA's meeting to have other tourism agencies, such as Mufi Hannemann from HLTA and John Monahan from HVCB, to provide their agency update. He asked Mr. De Fries' and Chair Kam's recommendation. Ms. Kimura mentioned that HLTA's board meeting conflicts with HTA's Branding Standing Committee meeting on March 30, 2022, which is unusual because HLTA's board meeting is usually in the morning. HLTA had to change its board meeting date and time in March to coincide with its Hawaii Hotel & Restaurant show on March 30 and 31, 2022.

Chair Kam said they can work on scheduling meetings going forward so there are no conflicts between different agencies.

e. Hawai'i Tourism Authority's Communications Policies

Mr. Arakawa said this is an internal discussion where Mr. De Fries, his staff and HTA can decide what they want to do, but primarily it is perhaps an understanding or policy to get ahead of issues. He commended the HTA staff has been doing a good job preparing a white paper prior to a foreseeable major issue to be raised by the Board or other industries. Mr. Arakawa encouraged the staff to keep up the good work, and make it a priority.

Mr. Arakawa said that instead of Ms. Yuen or him raising the issue, staff must be already on it and prepared such documents on hand.

Mr. Ka'anā'anā said it is important to know there are a lot of things happening with three staff in particular, himself, Ms. Anderson and Ms. Gionson. They have been dealing with the Board of Water Supply or their contractor, etc. He will update this during the Board meeting next week that they have met with the Board of Water Supply and their contractor Honeywell, who has been doing the conservation programs directly with the Board of Water Supply customers. He said that through their partnership with Hawai'i Green business program, Gail Suzuki-Jones from the energy office has been coordinating to make sure HTA's efforts is within the scope with Hawai'i Green business and coordinate with the Board of Water Supply. He said Ms. Gionson has been working with Kathleen on the messaging and Ms. Anderson has been working with them as well. He said they have been helping facilitate a meeting between the Board of Water Supply with HLTA and HHA members in particular.

Mr. Arakawa asked if anyone asked about a moratorium on hotel rooms, but Mr. Ka'anā'anā said he is not aware of this. Mr. Arakawa said that can be for discussion as there is a moratorium on housing units. So if tourism is down, and hotel units are not occupied, they can supply water only to the rooms occupied. If they put this in place, it will help with the summer surge.

Mr. Ka'anā'anā said his earlier conversation with Mr. Manuel from the Commission on Water Resource Management, as they have jurisdiction to regulate water and who gets how much. So, the conversations with Board of Water supply are great, but ultimately HTA needs to understand that the Commission on Water Resource Management has a role.

Chair Kam said that is their kuleana in all of this - finding the balance, so they can be great hosts and making sure they are taking care of natural resources.

8. Review, Discussion, and Action on Requests for Information and Research Received by the Hawai'i Tourism Authority

Chair Kam said having this process must be clear. He asked Mr. Regan to share more.

Mr. Regan said there are clear guidelines they need to follow as it relates to information that is being requested, UIPA, OIP, set certain standards and expectations. He said HTA follows all State and Federal requirements to provide information that is requested, and they go through a process to make sure the information that is requested is public in nature, so if there is a need to redact any kind of personal identifying information, like social security numbers, etc, those are taken out.

He said they do track these requests, and there are time limits to respond, and HTA follows those.

He reminded everyone that when they get a Legislative request, it is handled the same way as a UIPA request. He said if there are questions or concerns, they run it by the Deputy Attorney General for guidance to ensure compliance.

Chair Kam asked if there were questions.

Mr. Arakawa said their responses are evolving and asked if that can be a third bullet item, after mentioning they follow the law. Secondly, they consult if there is an issue, they do not have policy and procedure on, and thirdly, they are working with various people who ask on how HTA is dealing with requests. Mr. Arakawa said they have been great in responding to requests.

9. Discussion, Review, and Action on Agency Relations of the Hawai'i Tourism Authority Related to State Departments, County Departments, and Federal Departments

Mr. Regan spoke about DMAP and said Ms. Yuen mentioned how they interact and engage with State, County, Federal agencies and departments who are partners. He said it is clear that HTA are actively engaging and communication and have excellent relationships with these agencies. Chair Kam said this is about defending all the accusations in 30 seconds.

10. Discussion, Review, and Action on the Authority, Standing Committees, Investigatory Committees, and Permitted Interaction Groups

Mr. Regan said they have put together a list of all the Standing Committees, as well as the Investigative groups that have been authorised by the Board, including a brief description of the responsibilities of those committees and groups. It also includes the listing of the members, including the chair, vice chair, first vice chair, second vice chair, if applicable, and when the Committees were adopted, and the Committee members assigned.

Mr. Regan said for awareness, the Chair of the Convention Center Investigative Committee is Mr. Rafter, the first Vice Chair is Ms. Yuen, and the second Vice Chair is Mr. Arakawa, according to their records.

Mr. Regan said all this is in the meeting packet and Chair Kam said it is publicly available online. Mr. Arakawa asked if they would consider a new business agenda item. Chair Kam said this should be in the Board meeting.

11. Adjournment

Ms. Yuen made a motion to adjourn, and Ms. Kimura seconded. The motion passed unanimously.

Chair Kam adjourned the meeting at 11:43 a.m.

Respectfully submitted,



Sheillane Reyes
Recorder