



Ke'ena Kuleana Ho'opipa O Hawai'i
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
hawaiitourismauthority.org

**SPECIAL BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, July 13, 2023, at 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

MINUTES OF SPECIAL BOARD MEETING

MEMBERS PRESENT:

Mike White (Chair), Kimberly Agas (Zoom), David Arakawa, Mahina Duarte, Stephanie Iona, James McCully, Blaine Miyasato, James Tokioka (Ex Officio, DBEDT Director)

MEMBER NOT PRESENT:

Dylan Ching, Sherry Menor-McNamara, Ben Rafter, Sig Zane

HTA STAFF PRESENT:

John De Fries, Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Caroline Anderson, Ilihia Gionson, Jadie Goo, Maka Casson-Fisher, Iwalani Kahoohanohano, Irina De La Torrie, Carole Hagihara, Talon Kishi, Dede Howa

GUESTS:

Laci Goshi, John Monahan, Nathan Kam, Kylie Butts, Alison Schaefer, Jeffrey Esslinger, Kainoa Daines, Bobbie Okimoto, Lei Ann Field, Jessica Lani Rich, Chris Sadayasu, Teri Orton, Alex Wong, Dennis Suo, Lawrence Liu

LEGAL COUNSEL:

John Cole

1. Call to Order

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

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

Mr. Gionson did the roll call, and all members were confirmed in attendance except for Mr. Ching, Ms. Menor-McNamara, Mr. Rafter, and Mr. Zane, who was excused. The Member who attended via Zoom was by herself.

3. Opening Cultural Protocol

Mr. Casson-Fisher did the opening cultural protocol.

Mr. De Fries welcomed the two new Board members and commented that, in many aspects, the achievements of local people leveraged the reputation of the Hawai'i brand. An example was the success of Iam Tongi in the 2023 American Idol.

Mr. De Fries also mentioned the participation of Gov. Green and Ms. Celeste Connors, the Executive Director of Hawai'i Green Growth, at a United Nations forum on Sustainable Development Goals (SDG). The Board was reminded that in past times, hundreds of thousands of people lived in Hawai'i with a sustainable food culture based on the traditional Hawaiian model of ahupua'a, a social economic division of land from mountain to ocean. In the present day, the Aloha Plus Challenge was a data-driven approach to track sustainable development goals and embed them in policies. Gov. Green believed that Hawai'i could be a bridge for other countries to emulate.

Mr. De Fries went on to cite the victory of Allisen Korpuz at the U.S. Women's Open Golf Championship. He reminded the Board that such achievements were made possible by unsung heroes in the background, citing "the mother of Hawai'i junior golf", Mary Bea Porter-King, who was to be inducted into the Hall of Fame at Waimea Golf Course. Mr. De Fries recounted how Ms. Porter-King and her caddy had saved a drowning child whilst retrieving a lost ball.

4. Mahalo to HTA's Outgoing Board Members: George Kam and Keone Downing for their Service to the Hawai'i Tourism Authority

This item was deferred.

5. Welcome to HTA’s New Board Members: Blaine Jay Miyasato for a Term Ending June 30, 2026, and James Kunane Tokioka, Ex Officio Voting Member

Each serving Board member in turn introduced themselves to the two new board members. Mr. Ka’anā’anā gave a traditional musical greeting.

6. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(c)

No member reported any permitted interaction.

7. Update on the Destination Management Action Plan Implementation for Hawai’i Island

Ms. Anderson began by expressing her appreciation for everyone responsible for the success of DMAP on the Island of Hawai’i, especially the Steering Committee and the county's personnel. The presentation was continued by Ms. Rachel Kaiama, the Destination Manager of the Island of Hawai’i Visitors’ Bureau.

Ms. Kaiama thanked the Board for the opportunity to be part of the meeting and reminded them that in 2019 Hawai’i had received ten million visitors, but the COVID pandemic had caused a drastic “rethink” by the Hawai’i tourism industry. Without this reappraisal, there would have been many more problems and financial difficulties in the management of hotspots.

Initially, the state had two good examples of tourism management, Hawai’i Volcanoes National Park and Halama Bay. There were now many more examples of effective management of visitor facilities and parking systems. These were sustainable programs that supported the stewards of the area.

2018 saw the creation of the Pono Pledge, which received the Silver Telly Award in 2022, along with the recognition that indigenous knowledge was inspiring, heartfelt, and uplifting. Whilst messaging to encourage changed behavior was often seen as negative, the Pono Pledge was a more welcoming approach. Following the Pono Pledge, the County and the State of Hawai’i created strategic plans to complement each other in fulfillment of Malama Hawai’i which had been created by the HTA. Ms. Kaiama referred to several programs that various island chapters had cooperated to carry out.

The Steering Committee had formulated ten actions and 43 sub-actions for the DMAP's, and the Board was given a detailed account of the progress of the DMAP for the Island of Hawai'i.

Ms. Kaiama cited the example of Polulu which was nearing the end of Phase 1 and starting Phase 2. The HTA had provided funding in collaboration with the Department of Land and Natural Resources. IHVB DMAP had provided funding for a four-month salary gap for Polulu stewards when federal funds had been delayed. Kohala and Polulu were working with the DLNR to increase sustainability and generate revenue for the community.

In collaboration with the County Department of Parks and Recreation, the DMAP's supported the replacement and renovation of interpretive signage at Waipi'o Valley. Community development meetings were in progress, and the Steering Committee was to participate in process training. During the first quarter of 2023, IHVB awarded \$124,000 for three community events or festivals.

In collaboration with the County of Hawai'i, IHVB had recently awarded a contract for a pilot program to promote knowledge of the Hawaiian Culture, which would eventually be implemented by stewards. This would advance Actions G and B and touch on Action A5. A media blitz had been launched the previous day.

IHVB had worked with the HTA at Imiloa Center in Hilo, to engage with residents, and to encourage visitors to learn more about the Hawaiian Culture. Residents had been asked about their experiences of sharing Hawaiian cultural values with visitors, and these had been shared on social media. The Board heard a clip of a radio spot that had featured Hawai'i Horse Owners and publicized the Hawai'i Rodeo.

As Destination Manager of IHVB, Ms. Kaiama presented the DMAP to several organizations and events, including the Hawai'i Chamber of Commerce Economic Development Committee, the Hawai'i Island PR College Luncheon, and the First Annual Climate Fair. Gov. Green had been the keynote speaker at the Chamber of Commerce Luncheon and IHVB presented him with a Pono Pledge cap.

In upcoming events, the DMAP was working with the County Department of Research and Development Tourism Office on community-based programs and projects and would focus on assessing the community culture-based education contract. An RFP would shortly be released for pilot stewardship programs for Pohoiki working with the county.

It was clear that community-led and land-based efforts made the best use of resources to impact communities and advance DMAP actions building community capacity to create authentic visitor experiences and offer economic diversification for resident stewards.

An RFP was soon to be released through the HTA, IHVB, and County of Hawai'i for the lineal descendants of coastal communities. During May, the IHVB met community leaders on location to address the concerns of rural hotspots. Community leaders were concerned about the proposed reopening of highways in 2024, which would increase visitor access without a community stewardship program or master plan to protect their natural and cultural resources. They were concerned about encroachment on private lands and visitor access to parking, drinking water, and toilet facilities, as well as the negative impact on the resident community of greater visitor access. Local communities were prepared to work with the HTA to alleviate these concerns, and 24 probable hotspots were listed. Ms. Kaiama cited several examples where lineal descendants had worked with authorities to allow visitor access whilst protecting cultural and natural resources.

The IHVB was concerned to improve local food hubs and was working with writers to create stories about food hubs and the benefits of buying fresh food. The target group was resort residents who were here six months of the year but were unaware that food hubs were available. It was hoped to create radio communication initiatives on the importance of food hubs.

The IHVB had collaborated with the DLNR to provide funding to buy seeds for tree planting as windbreakers in Waimea. These would help contain brushfires and provide a positive outcome for the community and tourism.

Ms. Kaiama concluded by informing the Board that in implementing the DMAP, the IHVB had realized that a solution in one area was not always appropriate in a different area. It was vital to work through the communities to achieve a regenerative tourism approach. Communication was essential and should ideally be carried out through an integrated approach (video, social media, online articles, press releases, messaging). It was important to be ready to partner with existing programs, cultural practitioners, local stewards, and State and County agencies.

Ms. Kaiama congratulated the HTA on their resilience during recent challenging years and thanked Ms. Anderson and her team for their cooperation and assistance.

Ms. Duarte asked Ms. Kaiama to define the relationship between the HTA and the IHVB. Ms. Kaiama responded that the HTA had been vital in enabling the IHVB to partner with County and State agencies in achieving the DMAP actions. Ms. Duarte expressed the hope that Ms. Kaiama would inform herself and Mr. McCully, as residents of Hawai'i Island, about the DMAP activities in their local communities so that they could participate in them.

8. Presentation on the Governance Study Proposal

Mr. Nāho'opi'i presented a revised proposal regarding an independent study of governance for the HTA. The package distributed to Board members contained a detailed proposal to request a tender by an independent consultant to examine how limitations on resources and personnel could be addressed and to develop a more formal system of coordination and enforcement capabilities either through legislation or through changes in the structure of the HTA. This consultant would also facilitate discussions among stakeholders to identify problems and suggest solutions.

The changes which had been made to the original proposal focused more on governance and less on aspects such as organizational structure, job positions, job structures, how the HTA would operate in relations with the legislature, other agencies, industries, and stakeholders, and how this would affect its current structure.

The revised proposal focused on the functions to be included in the overall mission of HTA and whether changes in statutes were needed in order to delineate the boundaries between the various functions. In addition, the study would consider whether other functions should be added to the remit of HTA if these functions were not being carried out by other agencies.

The purpose of this study would be to determine whether an alternative tourism governance system was necessary, as well as to identify areas needing reform and propose policies ensuring better governance. In addition, the study would identify key performance indicators along with processes for monitoring them, as well as researching appropriate organizational structures and recommending improvements to cross-functional processes, technology solutions, and process design.

In terms of timeframe, it was proposed to issue an RFP for contracted services in July 2023 so that data collection and assessment would begin before the end of July 2023.

Recommendations were to be drafted by the end of September 2023 and reviewed by stakeholders during October 2023 to ensure that their points of view had been accurately captured so that final recommendations would be produced before the end of October 2023. The HTA was to provide recommendations to the State Legislature, the County government, the tourism industry, and community stakeholders in November 2023.

The methods for carrying out this study were also specified; the most important part of the process is to evaluate existing performance and outcomes from the point of view of all stakeholders. It was intended that both group discussions and one-on-one conversations would take place to identify the concerns of stakeholders. The fact that the study was to be carried out by an independent agency would enable frankness on the part of the stakeholders.

\$300,000 had been budgeted for the study by a previous Board decision, based on recommendations from Mr. Nāho'opi'i; however, it was likely that the final expenditure would be lower. Similar studies had been carried out for other tourism authorities, such as that of the

State of Oregon, Vail, and an Australian destination. The staff of the University of Hawai'i had also worked on similar studies and had made proposals.

Chair Kam enquired whether this study of governance would rectify aspects of the HTA which had previously been identified as requiring improvement, particularly those relating to trust.

Mr. Nāho'opi'i responded that the HTA had often aspired to carry out more functions concerning state-wide tourism planning, but their recommendations were not always carried out, either because they had to be followed up by other agencies or because they required more coordination than that allotted to HTA. He believed that this study would provide the clarity needed for greater sustainability. Mr. Nāho'opi'i reminded the Board that the study would not consist simply of an independent group coming in and making a report; the HTA staff would be working with both the consulting group and the stakeholders to understand what their issues and recommendations were. He felt this process would be even more important than the printed report. In previous years governance studies had been proposed in order to improve organization and augment coordination with other agencies. If better coordination was the major issue, the study might determine how this related to situations where an RFP was issued without being sufficiently scrutinized and whether this was related to trust issues.

Ms. Duarte felt that the Board would benefit if Mr. Nāho'opi'i shared examples of issues relating to governance, and the processes and outcomes of better governance. It had been her understanding that members of the legislature hoped that the HTA would "put its house in order." The governance study would have the effect of conducting a voluntary internal audit which would strengthen existing systems and policies to reinforce and secure the reputation of the HTA.

The Governance Committee would work with Mr. Nāho'opi'i and his staff to obtain contributions from community leaders as to their aspirations for the tourism industry. It was noted that two members of the original committee were no longer part of it. This meant that the original committee must be dissolved and a new one formed incorporating replacements for these two members. The Committee would concern itself with relations with the legislature, and what was to be learned from the heads of tourism, agriculture, and health departments, as well as the Finance Department and the airline industry. The Committee would emphasize openness and transparency.

Chair Kam asked that community consultation and the creation of trust should be added to the list of deliverables, even though community consultation had been listed as one of the methods of the study. He also pointed out that the HTA was to be audited by the State this year, so it was important that the work done by the Governance Committee, Mr. Choy, and Mr. Nāho'opi'i should not duplicate what would be done by the State.

Mr. Miyasato reminded the Board of the importance of defining what was to be measured and what would be the ultimate expectation of this study. He asked whether improved governance

would necessarily improve trust issues. There had been occasions in the past when the HTA had failed to deliver the actions that had been promised or had failed to listen to feedback about past actions. An example is the failure to apply for funding for the HCC. The purpose of the proposed study would be to avoid such problems in the future.

Mr. Nāho'opi'i stated that part of the study process was to identify what could have been done better and whether internal policies should be changed rather than external laws.

Under State regulations, an RFP would be published, and a selection committee would determine the successful bidder under a competitive bidding process. Mr. Arakawa mentioned trust issues with the legislature and said they need to satisfy the legislature, so the study is necessary to ensure that the HTA can continue to function to oversee tourism in the State.

Chair Kam pointed out that some of the suggestions had been made previously, in 2005, 2015, and 2007. The existing statute 201(b) mandated the HTA only to do marketing by working with hospitality and tourism businesses, but the statute needed to be modified to include destination management allowing the HTA to collaborate with communities and federal, state, and county authorities as well as departments of land and transportation. It was hoped that the governance study would cause Statute 201(b) to be amended so that the HTA could become a successful destination management agency.

Mr. Tokioka pointed out that whilst there were Board members and the HTA staff who could carry out a study of governance for free, it was important for the credibility of the final report that the agency carrying out the study would have the trust of the legislature. He also emphasized the importance of the solidarity of Board members to support all Board decisions.

Ms. Iona made a motion to approve the request for a governance study, and Mr. McCully seconded. The motion passed unanimously.

9. Presentation, Discussion and/or Action on the Adoption of Quality Assurance Policy and Quality Control Program and Procedures

Mr. Choy started his presentation on quality assurance by affirming that it was his job to make sure that HTA's house was in order, to make sure that there was strong internal infrastructure, and that words like mismanagement waste, fraud, and abuse would not be uttered by legislators when describing the HTA administration.

Mr. Choy pointed out that a strong internal quality control infrastructure was necessary to ensure that the internal administrative processes of the HTA were in order. Achieving quality was a challenging problem for any organization. It is always easy to merely admonish employees for substandard work or to criticize organizations for poorly defined goals. But It was

clear that these simplistic remedial methods did not improve either quality or morale. A systemic approach was needed to obtain quality in any organization, and it is this systemic approach to quality control I hoped to implement at the HTA.

Mr. Choy presented policy and procedural changes to HTA to achieve quality.

Mr. Choy presented six elements of quality control:

1. Tone from the top was the most important element of quality control, and this included the Board.

2. Relevant ethical standards must be followed. This implied adherence to all regulations and laws applicable to HTA.

3. Acceptance and continuation of client relationships and projects. Mr. Choy pointed out that on occasion the HTA had taken on projects outside their competence, and it was necessary to be prepared to decline such projects.

4. Human resources. Every organization needed great employees and these employees should be nurtured, trained, managed, and fairly compensated. For example, If employees could only complete their assignments by working into the early hours of the morning, something was wrong and there were systemic issues that needed to be addressed. He suggested that perhaps inadequate staffing could be the systemic problem.

5. Project performance. Checklists are a great tool to ensure that performance was as expected. Mr. Choy further stated that checklists represented the minimum expectation for employees to follow. Performance beyond the following checklists was expected from HTA staff.

6. Monitoring and inspection. Monitoring was an ongoing process to ensure work was up to standard before delivery. Inspection referred to a different process that was carried out retrospectively to assess how the work had been done.

Mr. Choy reminded the board in the case of the HTA, the inspections for HTA were done by the internal auditors, legislative auditors, and independent CPA firms.

Mr. Choy continued the conversation by giving some examples of failures of quality control:

Personnel did work that had not been reviewed; management was unaware of the procedure required; best practices had not been considered; market research had not been done for a procurement; vendor compliance was missing from a contract; performance criteria had been missing in engagements.

These examples were symptoms of a systemic problem, and the causes of these failures had to be diagnosed and, if possible, remedied. All the above examples had been findings of the legislative auditor of 2022.

Mr. Choy repeated in order to resolve these issues, the tone at the top of the HTA had to be sharper, more conscientious, and deliberate in the pursuit of quality. It was important to remember that the HTA was a government agency and should adhere to the required standards of staffing and bureaucratic processes.

Chair Kam pointed out that the trust issue with the legislature started with the 2018 audit which found the issues which Mr. Choy mentioned. Ms. Duarte had referred to the importance of putting the HTA house in order during the previous discussion, and quality control would enable this to take place and thus regain the trust of the legislature.

Mr. Tokioka expressed his concern about the distance between the Board and legislators, and the fact that the word “mismanagement” had been used. He reminded the Board that they were responsible for policy even though the CEO had much power. He noted that he was not advocating micromanagement.

Mr. Choy stated that, currently, the administration of HTA was divided into policies and procedures. It was the task of the Board to determine policy, while the HTA staff executed procedures.

Mr. Arakawa asked whether the HTA had ever taken on a project which was outside their area of competence. Mr. Choy referred to a project for which a million dollars had been allocated about ten years ago to work on homelessness in resort areas. This was outside the kuleana of the HTA. Another example was a project to clean up trails in park areas, which was also outside the competence of the HTA, and which resulted in the HTA being admonished by the legislature the following year. In both cases, the funds would have been better used by being given directly either to DHSS or DLNR to carry out the work.

On the other hand, the HTA had taken on a project for buoys, funded by an EDA grant which could be obtained only by a tourism organization, so in that case the HTA had to find a way to apply and supervise the grant. It was important to note that where federal funds were concerned, the result of misuse was to be forced to return the money because federal law had been violated. These were all cases where the tone from the top of the organization was important in not allowing the HTA to be stretched outside its kuleana.

Ms. Duarte asked what provision would be made for assessing whether an action had been adequately performed. Mr. Choy did not fully understand the question but stated that the law

would have to be followed. (In answering the question for the record an action is adequately followed when provisions of law, regulations, contracts, and standards are complied with. The provision for not complying should also be stated within these pronouncements.)

Mr. Choy continued, that each element of quality control was assessed by a specific part of the organization. The system would define what remedial actions would have to be performed. Mr. Choy emphasized that quality control deficiencies are always fully documented and available to anyone who wished to inspect them.

Mr. Tokioka supported the suggestion by Ms. Duarte that there should be a liaison person to work with the Board. Mr. Choy pointed out that this fell within the responsibility of the Audit and Administration Committee of the Board.

Mr. Miyasato noted that Board meetings took place twice a year and the report of the Audit and Administration Committee was a major part of these meetings. As far as legislative sessions were concerned, it was important for the Board to be on target. The Board would consider how often the Audit Committee would report to the Board.

The proposal was moved, seconded, and carried unanimously.

Chair Kam thanked Mr. Choy and noted that successful quality control would require focus and some additional staff.

- 10. Presentation, Discussion and/or Action on the Reallocation of Fiscal Year 2023- 2024 Funding Request**
- 11. Presentation, Discussion & Action on Adjustment of EDA Projects**
- 12. Discussion and/or Action Regarding Transition and Reorganization Update**

Chair White reported that after a healthy discussion in the Executive Session regarding personnel and competitive issues, there was no action required at this time.

13. Adjournment

The motion to adjourn was moved, seconded, and carried unanimously. Chair White adjourned the meeting at 1:49 p.m.

Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

Sheillane Reyes
Recorder