



**HĀLĀWAI KŪMAU A KE KŌMIKE HO'ŌKELE A HŌ'OIA  
KE'ENA KULEANA HO'OKIPA O HAWAII**

**ADMINISTRATIVE AND AUDIT STANDING COMMITTEE MEETING  
HAWAII TOURISM AUTHORITY**

**Po'ahā, Malaki 24, 2022 ma ka 9:30 kak.  
Thursday, March 24, 2022 at 9:30 a.m.**

**Kikowaena Hālāwai O Hawaii**

Lumi Papa Ho'okō A  
1801 Alaākea Kalākaua  
Honolulu, Hawaii 96815

**Hawaii Convention Center**

Executive Boardroom A  
1801 Kalākaua Avenue  
Honolulu, Hawaii 96815

*'O ka ho'opakele i ke ola o ka lehulehu ka makakoho nui. E maliu ana ke ke'ena i ke kuhikuhina a nā loea o ke kū kōwā, ka uhi maka, me nā koina pili olakino 'ē a'ē. Koi 'ia ke komo i ka uhi maka a me ke kū kōwā ma nā ke'ena a ma nā hālāwai.*

*Koi 'ia ka hō'ōia i kou olakino maika'i ma mua o ke komo i ke Kikowaena Hālāwai O Hawaii ma ka 'īpuka o waena o ka hale ho'okū ka'a. E pāpā 'ia ke komo 'ana o ke kanaka nona ka piwa ma luna a'ē o ka 100.4°F. Inā 'ōma'ima'i 'oe, e 'olu'olu, e 'imi i ke kauka nāna e kōkua iā 'oe.*

*No nā kānaka a pau e komo ana i kēia hale, koi 'ia ka hō'ike 'ana i ke kāleka lā'au ko'oko'o a i 'ole ka hō'ike COVID-19 'ole i loko o nā lā 'ehiku ma mua pono o ke komo.*

**The safety of the public is of the utmost importance. Pursuant to expert guidance, HTA will be following strict physical distancing, facial coverings, and other health-related requirements. Face coverings and physical distancing are required in HTA offices and meetings.**

**Entrance to the Hawaii Convention Center requires a health screening at the center parking garage entrance. Persons with a temperature of over 100.4°F will be denied entry.**

**Anyone entering this facility are required to provide proof of vaccination or proof of a negative COVID-19 test result within 72 hours of entering our facility.**

**Papa Kumumana'o**

**AGENDA**

1. *Ho'omaka A Pule*  
Call to Order and Pule
2. *'Āpono i Ka Mo'o'ōlelo Hālāwai Kōmike o Kekemapa 20, 2021*  
Approval of the Minutes of the December 20, 2021 Committee Meeting



3. *Nū Hou Laulā a me ka Nā'ana i Nā Hō'oiā No Ke Ke'ena Kuleana Ho'okipa o Hawai'i*  
General Update and Overview of Audits on the Hawai'i Tourism Authority
4. *Kūkākūkā, 'Āpono A Ho'oholo No Ka Loiloi Kūmakahiki I Ka Pelekikena A Luna Ho'okele*  
Discussion, Recommendations and/or Action Regarding the Annual Evaluation of the HTA President & Chief Executive Officer's Performance \*\*\*
  - a. *Nā'ana Wehewehena Kūlana Hana*  
Review of Job Description
  - b. *Nā'ana Palapala 'Aelike*  
Review of Contract
  - c. *Ka Hō'ike Loiloi o ka Pelekikena & ka Luna Ho'okele*  
Evaluation of the President & Chief Executive Officer
5. *He Nā'ana Laulā o Ko Ke Ke'ena Kuleana Ho'okipa o Hawai'i Pakuhi Pā'oihana*  
General Overview of the Hawai'i Tourism Authority's Organization Chart
6. *E Hō'oiā I Ka 'Āpono o Nā Lālā Papa o Ke Ke'ena Kuleana Ho'okipa o Hawai'i, A Me Ka Hā'awi 'Ana I Ke Kōkua I Nā Kānaka I Hāpai Inoa 'Ia, I Hiki Ke Ho'omākaukau Iā Lākou No Nā Hālāwai Ho'olohe I 'Āpono 'Ia*  
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
7. *Ka Nā'ana, Ke Kūkākūkā, a me Ka Hana Pili I Ko Ke Ke'ena Kuleana Ho'okipa o Hawai'i Mau Mana'o Ho'okō a me Nā Ka'ina Hana*  
Review, Discussion and Action on Hawai'i Tourism Authority's Policies and Procedures
  - a. *Ko Ke Kuleana Ho'okipa o Hawai'i 'Aha'ōlelo Kūmakahiki a me Nā Mana'o Ho'okō Mo'ohelu Kālā Hana*  
Hawai'i Tourism Authority's Annual Legislative and Operational Budgeting Policies
  - b. *Ko Ke Ke'ena Kuleana Ho'okipa o Hawai'i Mana'o Ho'okō Ki'i a me Nā Ka'ina Hana*  
Hawai'i Tourism Authority's Procurement Policies and Procedures
  - c. *Ko Ke Ke'ena Kuleana Ho'okipa o Hawai'i Mana'o Ho'okō 'Aha'ōlelo a me Nā Ka'ina Hana*  
Hawai'i Tourism Authority's Legislative Policies and Procedures



- d. *Ko Ke Ke'ena Kuleana Ho'okipa o Hawaii'i Mau Mana'o Ho'okō Pilina 'Oihana*  
Hawaii Tourism Authority's Industry Relations Policies
- e. *Ko Ke Ke'ena Kuleana Ho'okipa o Hawaii'i Mau Mana'o Ho'okō Ho'oka'a'ike*  
Hawaii Tourism Authority's Communications Policies
8. *Ka Nā'ana, Ke Kūkākūkā, a me Ka Hana Pili i Ke Noi 'Ikepili a me Ka Noi'i Mai Ke Ke'ena*  
*Kuleana Ho'okipa o Hawaii'i*  
Review, Discussion, and Action on Requests for Information and Research Received by the  
Hawaii Tourism Authority
9. *Ke Kūkākūkā, Ka Nā'ana, a me Ka Hana Pili i Nā Pilina 'Oihana o Ke Ke'ena Kuleana Ho'okipa*  
*o Hawaii'i Ma Ka Pō'aiapili o Nā Māhele Moku'āina, Nā Māhele Kalana, a me Nā Māhele*  
*Pekelala*  
Discussion, Review, and Action on Agency Relations of the Hawaii Tourism Authority Related  
to State Departments, County Departments, and Federal Departments
10. *Ke Kūkākūkā, Ka Nā'ana, a me Ka Hana Ma Ka Mana, Nā Kōmike Kūmau, Nā Kōmike*  
*Kolokolo, a me Nā Hui i 'Ae 'Ia e Launa*  
Discussion, Review, and Action on the Authority, Standing Committees, Investigatory  
Committees, and Permitted Interaction Groups
11. *Ho'oku'u*  
Adjournment

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

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



# HAWAII TOURISM AUTHORITY

Hawai'i Convention Center  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815  
kelepona tel 808 973 2255  
kelepa'i fax 808 973 2253  
kahua pa'a web hawaiiitourismauthority.org

David Y. Ige  
Governor

John De Fries  
President and Chief Executive Officer

*Kono 'ia ka lehulehu e nānā mai i ka hālāwai a ho'ouna mai i ka 'ōlelo hō'ike kākau 'ia no kēlā me kēia kumuhana i helu 'ia ma ka papa kumumana'o. Hiki ke ho'ouna mai i nā 'ōlelo hō'ike kākau 'ia ma mua o ka hālāwai iā [carole@gohta.net](mailto:carole@gohta.net) a i 'ole ho'ouna i ka leka i Ke'ena Kuleana Ho'okipa O Hawai'i, 1801 Kalakaua Avenue, Honolulu, HI 96815 - Attn: Carole Hagihara-Loo. Inā pono ke kōkua ma muli o kekahi kīnānā, e ho'omaopopo aku iā Carole Hagihara-Loo (808-973-2289 a i 'ole [carole@gohta.net](mailto:carole@gohta.net)), he 'ekolu lā ma mua o ka hālāwai ka lohi loa.*

Members of the public are invited to view the public meeting and provide written testimony on any agenda item. Written testimony may be submitted prior to the meeting to the HTA by email to [carole@gohta.net](mailto:carole@gohta.net) or [by postal mail to the Hawai'i Tourism Authority, 1801 Kalākaua Avenue, Honolulu, HI 96815 - Attn: Carole Hagihara-Loo](#). Any person requiring an auxiliary aid/service or other accommodation due to a disability, please contact Carole Hagihara-Loo (808-973-2289 or [carole@gohta.net](mailto:carole@gohta.net)) no later than 3 days prior to the meeting so arrangements can be made.

*E like nō me ka 'ōlelo a ke Kānāwai 220, e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi e hiki ai ka po'e o ka lehulehu ke noho a komo pū ma nā hālāwai ma o ka ho'ohana 'ana i ka 'enehana pāpaho (ICT). Ma ke 'ano he ho'omana'o, e loa'a ana nō he makakoho e hui kino ai ma ka Lumi Ho'okō A, ma ka pae ho'okū ka'a ma ka Hale 'Aha. 'O 1801 Kalakaua Avenue, Honolulu, Hawaii, 96815 ka helu wahi.*

In accordance with Act 220, the Hawaii Tourism Authority will not establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT) because there will be an in-person option for members of the public and board member to view and participate in the meeting. As a reminder, the in-person option will be available in Executive Boardroom A on the parking level at the Hawaii Convention Center at 1801 Kalakaua Avenue, Honolulu, Hawaii, 96815.

## **2**

Approval of Minutes of the December 20, 2021  
Committee Meeting



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 AUDIT STANDING COMMITTEE MEETING  
HAWAII TOURISM AUTHORITY  
Monday, December 20, 2021, at 2:30 p.m.**

**Hawai'i Convention Center  
Executive Boardroom A  
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

**IN-PERSON MEETING**

**MINUTES OF THE ADMINISTRATIVE & AUDIT STANDING COMMITTEE**

**MEMBERS PRESENT:** George Kam (Chair), Kimi Yuen, Dylan Ching, Kyoko Kimura, Keone Downing

**MEMBER NOT PRESENT:** David Arakawa

**HTA STAFF PRESENT:** John De Fries, Keith Regan, Kalani Ka'anā'anā, Carole Hagihara

**GUESTS:**

**LEGAL COUNSEL:** Gregg Kinkley

**1. Call to Order and Pule**

Chair Kam called the meeting to order at 2:39 p.m. Mr. Ka'anā'anā opened the meeting with a pule. Mr. Ka'anā'anā opened the cultural protocol. He talked about the water and its significance.

Chair Kam mentioned in section three in the bylaws about the administrative and audit standing committee. He said they established this committee for the purpose of reviewing existing policies, making findings and recommendations to modify, create, amend, and replace existing policies relating to the administration of the authority, and establishing criteria and making recommendations related to the evaluation of the

president and chief executive officer, and the committee should also be responsible for the establishment and the proper execution of internal audit controls by consulting with authorities, external auditors, to determine whether the internal controls have been properly executed, ensuring that financial statements are timely, prepared and accurate, and that the statements will properly report financial information necessary for the fiscal operation of the authority and then establish and enforce of code of conduct to ensure financial integrity of the Authority's management of public funds. The committee shall also be responsible for the matters relating to legislative and government affairs. He said they're responsible for a lot and that this year was important for everyone to come together to meet.

**2. Discussion, Recommendation and/or action regarding the review of any existing HTA Policies Relating to the Administration of HTA**

Chair Kam said this will always be on the agenda. He said this is the essence of what the committee is.

**3. Discussion, Recommendations and/or action regarding the annual evaluation of the HTA president & CEO's performance**

Chair Kam said that he wanted to open up to the members since it's the first time the group is meeting. He said this is the annual meeting, and the performance of Mr. De Fries was either satisfactory or unsatisfactory. He said it's important to get all Board feedback and the plan moving forward, the strategic plan, in terms of what they're doing.

Ms. Yuen asked if there were any CEO evaluation documentations from the past that they can use.

Mr. De Fries decided to take a 20% voluntary salary reduction and elected not to take the 5% annual salary raise to build a strong team. It is a three-year agreement, and he has done one year already. He appreciates everyone's support over the past 15 months. He said the HTA model that has been in place for 22 years was totally deconstructed and that they lost their dedicated funding source: the tourism special fund and the procurement exemption. He said there were about eight resignations in the 14-month period, which is a big number. He said much of it was accelerated right after what happened at the legislature where people started to see that the future of HTA was in question. He says he has a lot of confidence in the team they put together, and he is

more excited about the direction they're going in and the challenges they will face.

Chair Kam said this will be an open discussion with Mr. De. Fries and what his accomplishments have been the past year and also to let the Board know that it's been satisfactory, and things should remain as is.

Ms. Kimura said there needs to be goals set for next year. She said they should have a description of questions, how much he has achieved or not achieved. She said they appreciated Mr. De Fries' declining the salary increase.

Mr. Ching said it's hard to evaluate this during the pandemic and agreed to the general grades of satisfactory/dissatisfactory. He said it's important to move forwards because if they spend a lot of time looking back, then they'll be in a place again taking criticism, but having the plan the community talked about, something they can grade will help them to move forward.

Chair Kam suggested a quarterly evaluation update review so that they constantly are adjusting their sale based on the conditions they present. He said it's important they stay close and create an administrative committee that is fully supportive of the organization, providing the right tools and making sure they're in alignment and stay on course with the voyage.

Mr. De Fries said the CEO role is not like the role it was five years ago due to the strategic plan or altering of the hierarchy of what it has become. He said when the strategic plan was adopted, it altered the leadership that is required to pull that off and the requirements that they would be looking for. He said there's every reason to come to grips with what happened in the past and then focus on the present and going forward because it's still evolving. He said they need to be even more nimble, more responsive, more creative and more collaborative going forward.

Mr. Downing said they need to look forward and he said they need to believe the executive administration is pushing the same thing described in DMAPs. He said they need to realize that it is going to evolve. He said that being a member is not about the money. It's about wanting to achieve the goals and leave the place a better way for all future generations.

Ms. Kimura asked if the CEO evaluation on the regular Board meeting agenda is on Thursday and Chair Kam confirmed it is part of the agenda. Chair Kam said they should all be working together for what the voyage looks like for 2022 and it needs to



incorporate everything that they're talking about, so that it can be a roadmap moving forward. He said maybe before the next Board meeting, they can have a Zoom meeting to approve and finalize that for the year moving forward. He said that based on what they've discussed they all agree from the past year on what Mr. Dr Fries' accomplishments were.

Mr. De Fries said it will be a consolidation of all of the standing committee policies that come out where they're going to have policies related to the legislature that they're going to convey to him to be able to execute on behalf of HTA. He said as they get clarity on each, they'll integrate them. He said the foundation is the strategic plan and the extensions into the community are the DMAPs. He mentioned the problem they have at Red Hill with the Navy contamination, and he said the water contamination issue will skew the resident sentiment survey.

Mr. Ka'anā'anā said that part of the problem is they have generally in communicating the work that happens at the agency is they refer things at a very high level, they talk about resident sentiment and as composite score, but they never get into the details of the actual score. He mentioned one of the things concerning him as they dig deeper into the resident sentiment survey, on about page 23, the qualitative responses that they get from people who took the survey, they say things like they're stuck in traffic all the time, or their roads are poor, or their cost of living is too high. None of those things are directly within the HTA's purview to fix or improve yet they've placed it upon themselves in the strategic plan as a metric of their success.

Chair Kam agreed and said he doesn't want to create a measurement that's unattainable or has no correlation to the HTA's performance as an organization.

Mr. Ching said he heard rumors about who would be part of the evaluation; there was legislature, community, hotels and all of that. He said he thought it should be the Board: who have been appointed and vetted at the legislature, which is put there from the community. The staff should evaluate in a way where they can get feedback from the staff because that's always a good sign of leadership.

Chair Kam said the industry matters, the legislature matters, the community matters, but it's the admin committee, the Board, the staff, the leadership that they're trying to work together to find the pathway forward.

Ms. Kimura said the committee all agrees to keep Mr. De Fries on and asks that everyone agrees.

Chair Kam agreed with Ms. Kimura and that he's going to work on what they're going to do for the upcoming year for 2022 inclusive of the strategic plans and their four pillars. He agreed what Ms. Kimura said that they all agree that this year was satisfactory.

Mr. Ching spoke about possible discussions over having Mr. De Fries getting the increase anyway as they all think he deserves it.

Chair Kam said that they're unsure of their budget for the coming year and that Mr. De Fries was also considering that possibility when he turned down the increase pay and therefore, he graciously declined.

Ms. Yuen mentioned the Aloha pledge and their rubrics, and she was hoping there was a way they could make use of those as it's established, and it speaks to everything in their strategic plan and makes it an easy way to check the boxes. She said they need to find a way to better integrate those things they're trying to protect. She said tourism always gets scapegoated and she wants to see more data driven metrics. She says they have to have their own data to refute what people assume is happening or what appears in social media. She said to give the media better sound bites every year, what their industry is doing to change and be better for Hawai'i.

Mr. Ka'anā'anā spoke about the assessment tool. He said he helped author it and it is valuable in the sense and perspective that the entity using it can adjust it if it feels the need, and it's not set in stone. He said it's also used for weighting different things, so if anyone feels it's important to weight different aspects of the assessment, they prefer not to take elements of the 10 as they might get a zero or negative score in those elements but those are for awareness. He said that all their branding has a golden sunrise or sunset, a green mountain range of watershed forest in every single ad.

Chair Kam said they should all discuss the evaluation process and then come back together as a group and run it by everybody. He also asked for Mr. De Fries for an updated Mālama Ku'u Home and then follow that up with the quantitative assessment.

Mr. Ka'anā'anā mentioned that the assessment tool can be modified to support their vision. He mentioned Ms. Chun and a lot of the reporting that she does are legacy reports and there are a few additions, media, and some other ones, the dashboards, symphony dashboards. They need to involve Ms. Chun more for research. He said they have to think about what they're measuring and how they're measuring it to match the new vision. He said right now there's a little bit of not perfect alignment, not maybe

misalignment, but they're not perfect. He mentioned that they don't track anything that he is aware of under Ms. Chun that reports out industry specific statistics for what they identify in the strategic plan for water waste and electricity consumption, the three they identified in the strategic plan. He said it's places like that they envision where they are going, what they are measuring, and how they assess. Mr. De Fries or the CEO has to bring those measures into alignment.

Chair Kam said they're still in transition with research and he said DBEDT's plan on meeting with Ms. Chun to integrate everything. He said from what he understands it looks like DBEDT is more about the economy and the economics of everything compared to HTA is more about the brand.

Ms. Yuen said there are a lot of contracts for evaluation under Ms. Anderson and if they have the rubric, they can disseminate that to them, and then it's just a matter of collecting from them, then hopefully it gets easier too to collect and track the data that they want.

Mr. Ka'anā'anā said Eugene Tien in DBEDT doesn't like Uber Media.

Chair Kam asked if a motion is needed, but Mr. Kinkley said not needed.

#### **4. Presentation, discussion, recommendations and/or action regarding the 2022 legislative issues**

Chair Kam said they have a permitted interaction group that deals with legislation, so it's important to understand those dynamics. What they really wanted to do and what they handed out, was a resolution, and the resolution basically incorporates all the things that they might need. He said what they do every year as a Board, is they vote to give John permission to speak on behalf of HTA.

Mr. Downing asked if the standing committee that is set up for the legislative speak on their own or do they go through Mr. De Fries. Chair Kam confirmed it's either Mr. De Fries or himself. The committee consists of Mr. De Fries, Chair Kam, Mr. Arakawa, Mr. Atkins, Mr. Alameda and Mr. Chun, with designate Mr. De Fries speaking on behalf of HTA. He also said the PIG was formed as things are moving, and that they can react or respond quickly, but they don't have any legislative authority.

Mr. Ka'anā'anā wanted to flag something. He recognized that a lot of it is structured around focusing on the strategic plan and DMAPs but spoke about taxes and fees. He

said the Board also authorized the 'Oahu Destination Management Action Plan, which expressly supports the green fee, which is in conflict with their discussions, so it's important that staff understands how to reconcile those differences.

Chair Kam said they need to clarify the "Green Fee."

Mr. Regan doesn't think the modification of the resolution is necessary. He said it is the Board that helps to set the policy direction right, and in terms of the legislation that they are going to push forward on, they're going to have those discussions with the PIG and those are going to take place in the PIG at the committee level, if there is conflict or if they need clarification necessary. He also mentioned user fees as user fees are in alignment with what they're talking about, and Chair Kam confirmed this.

Mr. Ka'anā'anā mentioned the strategic plan that was developed in 2019, and adopted in 2020, and that the world has changed. He said DMAPs were created in the middle of the pandemic, and they don't always exactly discreetly align.

Mr. Downing mentioned with regards to fees that visitors allocate their spend per day so regardless of this they will still end up spending their money.

Mr. Ka'anā'anā said it is driven by bills that make it or don't make it right.

Chair Kam said at that time they can either oppose, support or abstain.

Chair Kam confirmed the current version of the document in front of them is the one going to the Board for approval.

Motion to approve the draft, Ms. Kimura motioned and Ms. Yuen second.

## 5. Adjournment

Meeting adjourned at 4:22 pm.

Respectfully submitted,



---

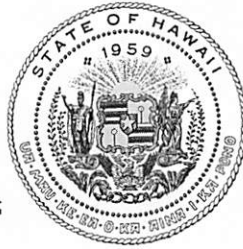
Sheillane Reyes  
Recorder

# **3**

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

## **3a**

2022-03-18 LTR to HTA Follow-up and  
Objectives Letter to Auditee



March 18, 2022

**VIA EMAIL** (JDefries@gohta.net)

The Honorable John De Fries  
President and Chief Executive Officer  
Hawaii Tourism Authority  
1801 Kalākaua Avenue, 1<sup>st</sup> Floor  
Honolulu, Hawaii 96815

**Re: Financial and Single Audits of the Hawaii Tourism Authority and Hawaii Convention Center**

Dear President De Fries:

In response to Request for Proposals No. RFP-2022-005 Financial and Single Audits of the Hawaii Tourism Authority and Hawaii Convention Center, we received four proposals. We have completed our evaluation of the proposals received and have selected Accuity LLP (Contractor). This letter serves as communication of the audit objectives and audit scope for the financial and single audits of the Hawaii Tourism Authority (HTA) and the financial audits of the Hawaii Convention Center (HCC) for the fiscal years ending June 30, 2022, 2023, and 2024. We will route a Memorandum of Understanding including HTA's and HCC's responsibilities and Accuity LLP's responsibilities for the audits as well as cost reimbursement terms upon execution of the contract.

**Audit Objectives**

The objectives of the audits are:

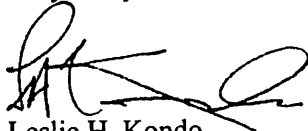
1. To provide a basis for an opinion by the Contractor as to whether the financial statements of HTA are fairly presented, in all material respects, in accordance with accounting principles generally accepted in the United States of America.
2. To provide a basis for an opinion by the Contractor as to whether the special-purpose financial statements of HCC are fairly presented, in all material respects, in accordance with the financial reporting provisions of the contract agreement between HTA and the management company for HCC.
3. To report on HTA's and HCC's internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts, and grant agreements, including applicable provisions of the Hawaii Public Procurement Code (chapter 103D, Hawaii Revised Statutes) and procurement rules, directives and circulars, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

collected and accounted for in accordance with the laws, rules, regulations, policies, and procedures of the State of Hawai'i, and if applicable, the federal government. The audits shall include all fund types.

3. In connection with the financial audits, the Contractor will consider the internal controls over financial reporting as a basis for designing the Contractor's audit procedures over accounting of revenues, expenditures, assets and liabilities. The Contractor shall report and make appropriate recommendations for improvements for any significant deficiencies and material weaknesses identified in HTA's and HCC's financial accounting systems and procedures.
4. Ascertain and report on the adequacy of internal controls over compliance in providing assurance that federal programs are being managed in compliance with the applicable federal laws and regulations.
5. Assist HTA in the preparation of its financial statements and notes in accordance with the accounting and financial reporting requirements promulgated by the Governmental Accounting Standards Board and assist HTA in the preparation of HCC's special-purpose financial statements and notes in accordance with the financial reporting provisions of the management contract agreement. In accordance with *Government Auditing Standards*, HTA and HCC accepts responsibility for the financial statements and notes and is in a position to make informed judgments about them. HTA and HCC shall:
  - a. Designate a qualified management-level individual to be responsible and accountable for overseeing the drafting of the financial statements and notes.
  - b. Establish and monitor the performance of the drafting of the financial statements and notes.
  - c. Make all decisions that involve management functions and accept full responsibility for such decisions.
  - d. Evaluate the adequacy of the financial statements and notes.
  - e. Prepare management's discussion and analysis.

If you have any questions, please contact Ms. Lauren Kawajiri, Administrative Deputy Auditor, at (808) 587-0822 or email: [lauren.kawajiri@hawaii.gov](mailto:lauren.kawajiri@hawaii.gov).

Very Truly Yours,



Leslie H. Kondo  
State Auditor

cc: Keith Regan, Chief Administrative Officer, Hawai'i Tourism Authority ([keith@gohta.net](mailto:keith@gohta.net))  
Marc Togashi, Vice President, Finance, Hawai'i Tourism Authority ([marc@gohta.net](mailto:marc@gohta.net))



4. To ascertain whether expenditures and other disbursements have been made and all revenues and other receipts to which HTA and HCC are entitled have been collected and accounted for in accordance with the laws, rules, regulations, policies, and procedures of the State of Hawai'i.
5. To provide a basis for an opinion by the Contractor as to whether HTA has complied with compliance requirements described in OMB's *Compliance Supplement* that could have a direct and material effect on each of its major federal programs in accordance with the Single Audit Act Amendments of 1996, including whether the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.
6. To report on the internal control over compliance of HTA for the purpose of expressing an opinion on compliance with requirements of laws, regulations, contracts and grants that could have a direct and material effect on each major federal program in accordance with the *Uniform Guidance*.
7. To ascertain the adequacy of the financial and other management information reports in providing officials at the different levels of HTA and HCC with the proper information to plan, evaluate, control, and correct program activities.

### **Audit Scope**

The scope shall include audits of HTA's financial statements and HCC's special-purpose financial statements, as well as consideration of internal control and compliance with laws, regulations, contracts, and grants. The Contractor shall:

1. Conduct audits of the financial statements of HTA for the fiscal years ending June 30, 2022, 2023, and 2024, in accordance with the U.S. Government Accountability Office's *Government Auditing Standards* ("*Government Auditing Standards*"), in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants, and shall include sufficient testing of the financial data to provide the Contractor with a basis to report on the fairness of the financial statements, on the propriety of the expenditures and on the accuracy of the accounting of all revenues and other receipts, to which HTA is entitled have been collected and accounted for in accordance with the laws, rules, regulations, policies, and procedures of the State of Hawai'i, and if applicable, the federal government. The audits shall include all fund types.
2. Conduct audits of the special-purpose financial statements of HCC for the fiscal years ending June 30, 2022, 2023, and 2024, in accordance with generally accepted auditing standards as prescribed by the American Institute of Certified Public Accountants, and shall include sufficient testing of the financial data to provide the Contractor with a basis to report on the fairness of the financial statements, on the propriety of the expenditures and on the accuracy of the accounting of all revenues and other receipts, to which HCC is entitled have been

**3b**

HRS 23-13

**[§23-13] Hawaii tourism authority; audit.** (a) The auditor shall conduct at least every five years a management and financial audit of all contracts or agreements awarded by the Hawaii tourism authority to a major contractor to determine if the authority and its major contractors are in compliance with all relevant programmatic and financial requirements. The first audit shall be conducted within one year of July 1, 2002. These audits shall include but not be limited to a review of the following:

- (1) The responsibilities, services, and activities of all major contractors;
- (2) The propriety of expenditures;
- (3) Compliance by all major contractors with any laws and rules that may be in effect;
- (4) The management and oversight of all major contractors by the authority; and
- (5) Any additional audit issues that the auditor deems appropriate.

(b) The authority and any private companies or agencies receiving state funds shall fully cooperate with and provide assistance to the auditor as needed with respect to its audit, and shall respond promptly to the auditor's requests in conducting this audit, including providing for records and other information requested in the course of the audit.

(c) The authority shall compensate the auditor for expenditures incurred by the auditor in conducting the management and financial audit.

(d) The auditor shall submit its findings and recommendations to the legislature no later than twenty days before the convening of the regular session following the year in which the audit is conducted.

(e) For purposes of this section, "major contractor" means any contractor to whom a contract or agreement has been awarded that is valued in excess of \$15,000,000. [L 2002, c 143, §1]

#### **Revision Note**

"July 1, 2002" substituted for "the effective date of this Act".

[Previous](#)

[Vol01\\_Ch0001-0042F](#)

[Next](#)

## **4**

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

# **4a**

## Review of Job Description

Hawai'i Tourism Authority  
**PRESIDENT AND CHIEF EXECUTIVE OFFICER**  
Position Description

**I. IDENTIFYING INFORMATION**

Position Number: 107900  
Department: Business, Economic Development and Tourism (DBEDT)  
Division: Hawai'i Tourism Authority  
Geographic Location: O'ahu

**II. INTRODUCTION**

This position as President and Chief Executive Officer (CEO) is offered by the Hawai'i Tourism Authority (HTA), which is administratively attached to the State Department of Business, Economic Development and Tourism (DBEDT). The HTA was established by Act 156, Session Laws of Hawai'i, 1998 (Chapter 201B, HRS) and delegated the general statutory responsibility for managing, marketing and supporting the tourism industry for the State of Hawai'i, and to also manage the marketing, operations, usage and maintenance of the Hawai'i Convention Center.

As the State of Hawai'i's lead entity and advocate for the tourism industry, HTA formulates and implements:

- Short and long-range tourism policies and plans;
- Advises the private sector and coordinates all agencies on tourism-related activities;
- Conducts market development-related research;
- Establishes public informational programs; and
- Monitors complaints.

HTA is responsible for the development, management and coordination of plans approved by HTA's Board of Directors to help ensure a sustainable tourism economy and achieve the state's vision for tourism to:

- Honor Hawai'i's people and heritage;
- Value and perpetuate Hawai'i's natural resources;
- Engender mutual respect among all stakeholders;
- Support a vital and sustainable economy; and, provide a unique, memorable and enriching visitor experience.

The President and CEO is responsible for implementing the policies and instructions of HTA's Board of Directors and administering the activities of HTA by planning, organizing, directing, coordinating and reporting its work.

**III. MAJOR DUTIES AND RESPONSIBILITIES**

95%

- A. Board of Directors: Schedule, develop agenda for and attend meetings of the Board of Directors, and provide the Board with information, comments and recommendations on a wide range of subjects of concern to HTA.
- B. State Government: Represent HTA in communication with the Governor and the Legislature.

Position Description: HTA President and CEO  
Position Number 107900 (June 22, 2020)

- C. Contract Negotiations: Represent HTA in contracts and negotiations with entities, such as destination marketing businesses.
- D. Direct Studies: Direct staff and consultants in developing and/or studying proposals, including economic feasibility, financing requirements and arrangements, and the costs, benefits and risks inherent in the specific projects or project proposals.
- E. Procurement: Oversee and direct, as necessary, the preparation of requests for proposals, solicitations for bids, and other activities related to the acquisition of professional services. Evaluate responses and make recommendations to HTA's Board of Directors on accepting or rejecting such proposals and bids. Direct the drafting of requests for services, memoranda of understanding, and contract documents.
- F. Program and Resource Management: Supervise and participate in developing critical path analysis and establish work schedules and programming resources to carry out programs and projects approved by HTA's Board of Directors.
- G. Community and Industry Relations: Maintain close working relations with public and private organizations involved in efforts to attract, support and develop tourism for Hawai'i.
- H. Public Relations: Provide information to the public about HTA and speak before private and public groups to share information and obtain comments and suggestions.
- I. Program Evaluation: Participate in identifying problems, issues, objectives and criteria for evaluating the effectiveness of contracts and programs as approved by HTA. Provide policy recommendations on appropriate actions to revise programs.
- J. Administration: Administer HTA's business operations, including:
  - Direct the drafting and updating of HTA's bylaws, administrative rules and development rules;
  - Develop internal policies and procedures governing the staff's work;
  - Develop and implement approved budgets for HTA's operations and for its projects;
  - Provide for the development of expenditure plans, accounting and internal controls, and cash flow management;
  - Direct the development of office systems to handle and maintain HTA's correspondence and records;
  - Direct and participate in the preparation of periodic and special reports, including HTA's annual report for the Governor and Legislature;
  - Direct the preparation of public notices and advertisements;
  - Maintain custody of HTA's personal property and direct the preparation of periodic inventories;
  - Coordinate fiscal business management matters with DBEDT's Fiscal Office and with appropriate state agencies; and
  - Initiate and direct other activities required in ensuring the proper operation of HTA.

Position Description: HTA President and CEO  
 Position Number 107900 (June 22, 2020)

- K. Personnel Management: Manage the personnel of HTA, including:
  - Making recommendations to HTA’s Board of Directors on hiring staff and consultants;
  - Provide orientation and training to staff;
  - Maintain discipline;
  - Evaluate performance of subordinates;
  - Resolve grievances;
  - Approve leave requests; and
  - Coordinate appointments and other personnel actions.
- L. Travel: Requires travel to meetings, conferences and other forums as designated by HTA.
- M. Other Duties: Perform other job-related duties as required. 5%

Supervises	
Position No.	Title
107925	HTA Director of Hawaiian Cultural and Natural Resources
107929	HTA Executive Assistant
107927	HTA Vice President of Marketing and Product Development
107912	HTA Chief Administrative Officer
107923	HTA Director of Community Enrichment

**IV. CONTROLS OVER THE POSITION**

The President and CEO works under the administrative direction of HTA’s Board of Directors, acting through its chairperson and designated officers. This is a non-civil service, exempt, excluded position that is not eligible for benefits as provided by the HRS 88.

**V. REQUIRED LICENSES, CERTIFICATES, ETC.**

N/A

**VI. RECOMMENDED QUALIFICATIONS – EDUCATION AND EXPERIENCE**

- A. Knowledge
  - Knowledge of the hospitality/travel industry and the unique channels of distribution for Hawai‘i (travel retailers, wholesale tour operators, airlines, etc.);
  - Asia/Pacific market experience, particularly Japan; and
  - Understanding of the economic structure of Hawai‘i.



Position Description: HTA President and CEO  
Position Number 107900 (June 22, 2020)

B. Skills/Abilities

- Effective written and oral communications skills;
- Ability to communicate effectively with the general public, legislators, government employees and agencies, community members and organizations, tourism industry stakeholders, and partners in HTA's major areas for destination marketing.
- Ability to establish and maintain amicable working relationships with the staff, Board of Directors and general public.

C. Education

- Undergraduate degree from an accredited four-year college or university, or equivalent executive level experience.
- Experience as an administrator, including at least 15 years in fiscal and personnel management and organizational culture development in a leadership capacity.

**VII. TOOLS, EQUIPMENT & MACHINES**

Personal computer and peripheral equipment/software, and tools.

**4b1**

John De Fries

Compensation Contract

## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is entered into this 16<sup>th</sup> day of September, 2020, effective thereon by and between the HAWAI'I TOURISM AUTHORITY, STATE OF HAWAI'I ("HTA"), by and through its Board of Directors, and JOHN DE FRIES ("CONTRACTOR").

WHEREAS, the Board of Directors of the HTA, having selected and approved the Contractor to fill the role of the President and CEO of the HTA, pursuant to section 201B-2(f), Hawai'i Revised Statutes; and

WHEREAS, based upon negotiations with CONTRACTOR and for other good cause, the HTA desires to enter into an employment agreement with Contractor;

NOW, THEREFORE, in consideration of the promises in this Agreement, the HTA and CONTRACTOR agree as follows:

1. **EMPLOYMENT.** Unless otherwise provided by law, this Agreement is for a three (3) year period to begin on September 16, 2020 and shall continue thereafter until September 15, 2023 ("Employment Period"), subject to the termination provisions set forth below.

2. **DUTIES AND EVALUATIONS.**

2.1 **Duties.** Upon his appointment, the CONTRACTOR shall have the statutory title of President and Chief Executive Officer. The CONTRACTOR agrees to fulfill the duties and act in accordance with the authority vested in or delegated to the executive director for the HTA as provided under Chapter 201B, Hawai'i Revised Statutes, as amended, and to devote full-time, undivided attention, skill, and best efforts during normal business hours to the business of the HTA, except for absences for reasonable vacations and illness. The CONTRACTOR's duties and responsibilities are those specified by applicable laws and regulations and as further defined or otherwise determined by the HTA Board of Directors ("Board"). The CONTRACTOR is also responsible for the execution of board policies and the overall operations of HTA. The CONTRACTOR shall perform his duties and responsibilities in accordance with the standards of conduct and rules established by the State of Hawai'i for its employees and in accordance with ethical business practices.

**Evaluations.** The CONTRACTOR shall receive annual evaluations of his performance under this Agreement. The performance evaluation will be conducted by an Administrative Standing Committee of the Board and shall be based upon measurement criteria established by the Board.

2.2 **Contractor Evaluation.** The Administrative Standing Committee shall evaluate the CONTRACTOR's performance under this Agreement using measurement criteria established by the Board. Based upon an unfavorable evaluation of the CONTRACTOR's performance during the initial evaluation period as defined by and pursuant to the recommendation of its Administrative Standing Committee, the Board shall have the sole discretion to terminate this Agreement for cause or without cause pursuant to section 4.1 of this Agreement.

3. **COMPENSATION AND BENEFITS.**

3.1 **Limitation Provided by Law.** Notwithstanding any provision in this Agreement to the contrary, the CONTRACTOR's compensation and benefits package, provided below, shall be limited to the maximum amount and restrictions authorized by applicable state law and rules, as provided in Section 201B-2(f), Hawai'i Revised Statutes.

3.2 **Compensation.** During the Employment Period, the CONTRACTOR shall receive the following compensation and benefits:

3.2.1 **Base Salary Compensation.** CONTRACTOR shall receive a base salary of TWO HUNDRED SEVENTY THOUSAND AND NO/100 DOLLARS (\$270,000.00) on an annual basis payable in two equal monthly installments. Such base salary amount shall be subject to an annual increase of FIVE PERCENT (5%) for each full year of employment. For purposes of this annual base salary increase only, the first full year of employment shall be deemed to end on September 15, 2021.

3.2.2 **Benefits.** Notwithstanding any provision in this Agreement to the contrary, the CONTRACTOR shall not be entitled to any retirement or pension benefits provided to employees of the State of Hawai'i in the manner described in Chapter 88 of the Hawai'i Revised Statutes. Unless otherwise specifically provided herein, the CONTRACTOR shall be provided the same benefits granted to appointed employees of the State of Hawai'i with a similar employee classification as the President/CEO for the HTA and are exempt excluded employees of the State of Hawai'i, including, without limitation, benefits related to the observance of holidays; vacation leave and sick leave, including the earning and accumulation of said leave during the Employment Period; and, any previously approved leave of absence from employment with pay, including family leave authorized by law, funeral leave, and leave for jury or witness duty.

3.3 **Protocol Fund.** To the extent authorized by law, the CONTRACTOR may expend funds in the Protocol Fund established under Section 201B-11(c)(1), Hawai'i Revised Statutes, and pursuant to State administrative and fiscal

policies for its use. The CONTRACTOR shall be reimbursed for all out-of-pocket expenses incurred for protocol purposes or which are reasonably and necessarily incurred in the performance of his duties hereunder, upon receipt of appropriate accounting and documentation, in accordance with the fiscal procedures and policies established by the HTA. The Protocol Fund is for reimbursement of Contractor's own funds and is not compensation.

#### **4. Termination and Resignation.**

**4.1 Termination.** The Board shall be entitled to terminate this Agreement and the CONTRACTOR's employment hereunder at any time for cause or without cause. The CONTRACTOR acknowledges and agrees that any decision by the Board to terminate the CONTRACTOR, whether it is for cause or without cause, shall be final and binding and shall not be appealable; and, that this Agreement shall be terminated by operation of state law, as it may be amended from time to time and after the execution of this Agreement, or upon the repeal of Chapter 201B, Hawai'i Revised Statutes, or any section thereof applicable to the Board's authority to appoint an executive director.

**4.1.1 Termination for Cause.** If the Board terminates this Agreement for cause, the HTA shall not be required to pay the CONTRACTOR any severance payment. The CONTRACTOR acknowledges, agrees, and hereby waives any claim for damages, including consequential damages, for any termination for cause. For purposes of this Agreement, any termination for cause shall include, without limitation, any willful or negligent breach of duty, including fiduciary duty, to the detriment of the HTA by the CONTRACTOR; any failure to devote his full time and attention to the business of the HTA; any acute alcoholism or drug addiction that interferes with the performance of the CONTRACTOR's duties; demonstrated and documented acts of willful misconduct, sexual harassment, dishonesty or fraud; violation of any personnel or ethical rules, policies, opinions, or directives established by the State of Hawai'i and its departments or agencies, that are related to the proper conduct or performance of its employees; conviction of a crime involving moral turpitude; demonstrated and documented acts of clearly and repeatedly refusing to implement, abide, or execute the policies or directives of the Board; any significant acts or statements which bring the HTA into disrepute or adversely affects the integrity or credibility of the HTA or the HTA's ability to promote Hawai'i as a favorable visitor destination; any act or conduct violating the terms of this Agreement; and, any other conduct identified by the Board upon an evaluation of the CONTRACTOR's performance. Any termination for cause under this section 4.1.1 must be approved by a vote of the Board, with seventy-five percent (75%) of the members to which the board is entitled voting in favor of termination. Any such action for a vote cannot occur more than once every thirty (30) days.

4.1.2 **Termination without Cause.** If, at any time while this Agreement is in effect, the HTA wishes to terminate this Agreement for reasons other than for cause, the HTA shall pay the CONTRACTOR, as severance, a maximum amount equal to six (6) months' base salary; provided that if the termination shall occur during the final six (6) months of the employment Period, the severance payment shall be equal to the total base salary for the remaining months within the Employment Period. Any severance payment shall be paid to the CONTRACTOR either in a lump sum payment or in equal monthly installments made throughout the severance period. Unless otherwise authorized by the Board, the CONTRACTOR shall not be entitled to receive any benefits after the date of the CONTRACTOR's termination.

4.2 **Resignation.** The CONTRACTOR may resign or terminate his responsibilities or employment under this Agreement at any time by giving the HTA at least 90 days' written notice of his intention to terminate. During the 90-day notice period, the CONTRACTOR shall continue to receive his salary and benefits and shall work at his position to the extent he is requested to do so by the HTA.

5. **Confidentiality.**

The CONTRACTOR acknowledges and agrees that in the course of CONTRACTOR'S employment by HTA, CONTRACTOR will acquire confidential and proprietary information, which includes but is not limited to information regarding HTA's tourism strategy, marketing initiatives, operations, and information provided by the HTA's contractors (the "Confidential Information"). The CONTRACTOR understands and agrees that during and after the Employment Period, he shall maintain the confidentiality of the Confidential Information, which shall remain the exclusive property of HTA.

6. **Miscellaneous.**

6.1 **Notice.** Any notice or other communication required or permitted hereunder, shall be in writing and shall be deemed to have been duly given on the date of service if served personally or three (3) days after the date of mailing, if mailed by first class mail, postage pre-paid, and addresses as follows:

To: CONTRACTOR:  
John De Fries  
President and Chief Executive Officer  
Hawai'i Tourism Authority  
Hawai'i Convention Center  
1801 Kalakaua Avenue  
Honolulu, Hawai'i 96815

To: HTA:  
Hawai'i Convention Center, First Level  
1801 Kalakaua Avenue  
Honolulu, Hawai'i 96815

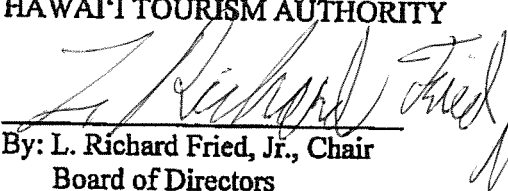
- 6.2 **Amendment and Modification.** The parties acknowledge and agree that this Agreement may be amended from time to time to reflect any modification of this Agreement, including provisions related to the amount of the base salary compensation and the term of this Agreement. Upon the prior mutual Agreement of both parties, the parties reserve the right to amend or modify this Agreement in writing as a supplemental agreement. No term, condition, or provision of this Agreement shall be deemed waived or unenforceable unless specifically deleted or amended in writing.
- 6.3 **Entire Agreement.** This Agreement constitutes and contains the entire agreement of the parties and supersedes any all prior negotiations, correspondence, representations, understandings, or agreements between the parties regarding any provision of this Agreement, nor shall there be any estoppel to enforce any provisions of this Agreement, except by a written instrument of the party charged with waiver or estoppel.
- 6.4 **Headings.** The headings appearing at the beginning of the several sections contained herein have been inserted for identification and reference purposes and shall not be used to determine the construction or interpretation of this Agreement.
- 6.5 **Interpretation; Severability.** If, for any reason, any provision of this Agreement should be held invalid in whole or in part, such invalidity shall not affect such provisions to the extent such provisions are not held invalid and shall to the full extent consistent with law continue with full force and effect.
- 6.6 **Governing Law.** Notwithstanding any provision to the contrary, this Agreement shall be subject to and governed by the laws of the State of Hawai'i, as it may be amended from time to time after the execution of this Agreement.


6.7 Counterparts. This Agreement may be executed by fax or electronically and in counterparts.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first set forth above.

HAWAI'I TOURISM AUTHORITY

CONTRACTOR

  
By: L. Richard Fried, Jr., Chair  
Board of Directors

  
John De Fries

APPROVED AS TO FORM:

  
Deputy Attorney General



**4b2**

John De Fries

Amendment to Employment Agreement

## AMENDMENT TO EMPLOYMENT AGREEMENT

This AMENDMENT TO EMPLOYMENT AGREEMENT ("Amendment") is made this 1st day of September, 2021, to the Employment Agreement (the "Agreement") dated September 16, 2020 between the HAWAI'I TOURISM AUTHORITY, STATE OF HAWAI'I ("HTA") and JOHN DE FRIES ("CONTRACTOR").

The following provision of the Agreement is hereby amended effective August 16, 2021:


**3.2.1. Base Salary Compensation.** CONTRACTOR shall receive a base salary of TWO HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$250,000.00) on an annual basis payable in two equal monthly installments. Such base salary amount shall be subject to an annual increase of FIVE PERCENT (5%) for each full year of employment. For purposes of this annual base salary increase only, the first full year of employment shall be deemed to end on September 16, 2021.

It is mutually agreed by both parties that the intent of this Amendment is to allow for the continued employment of CONTRACTOR with amended terms as allowed under Section 6.2 of the Agreement. Except as set forth in this Amendment, the Agreement is unaffected and shall continue in full force and effect in accordance with its terms. In the event of a conflict or apparent conflict between the terms and conditions of this Amendment and those of the Agreement, the terms and conditions of the Agreement will prevail.

IN WITNESS WHEREOF, the parties have signed this Amendment on the date above first written, and to be effective on the date heretofore stated.

HAWAII TOURISM AUTHORITY

CONTRACTOR

By   
Board Chair

*John De Fries*

\_\_\_\_\_  
John De Fries

**4c1**

State of Hawaii Employee Performance Appraisal



**State of Hawai'i**  
**EMPLOYEE PERFORMANCE APPRAISAL**

HRD 526-E (7/01)

*Section #1*

---

Name of Employee \_\_\_\_\_ Position Title \_\_\_\_\_

---

Social Security No. \_\_\_\_\_ Position No. \_\_\_\_\_ Salary Range/Step \_\_\_\_\_ Bargaining Unit \_\_\_\_\_

Click here for list \_\_\_\_\_

---

Department \_\_\_\_\_ Division/Branch \_\_\_\_\_

*Section #2* **PERFORMANCE APPRAISAL CATEGORIES & EXPECTATIONS**  
(Complete this section by the beginning of the rating period.)

a. Goals/Projects: List any specific goals/projects, unless noted on other documents, to be accomplished during this rating period.

---



---



---



---

Supervisor's Signature \_\_\_\_\_ Date \_\_\_\_\_

b. I understand that my employment with the State in this position is 'at-will.' As such, I am not entitled to the rights and protections of an employee who has membership in the civil service to include, but not limited to, the '7 Tests for Performance' in Section 76-41, HRS, grievance under a collective bargaining agreement (or the Merit Appeals Board) for an adverse action taken due to substandard performance, etc.

Employee's Signature \_\_\_\_\_ Date \_\_\_\_\_

*Section #3* **OVERALL RATING**  
(Complete at the end of the appraisal period)

Appraisal:  Annual  Partial Annual

Appraisal Period: From: \_\_\_\_\_ To: \_\_\_\_\_

**Exceeds Expectations**  
 **Meets Expectations**  
 **Does Not Meet Expectations**

*Section #4* **SIGNATURES UPON COMPLETION OF PERFORMANCE APPRAISAL**

<p>Employee's Acknowledgement/Comments:</p> <p>My performance for the rating period has been discussed with me. I understand that I may rebut this rating by attaching my comments.</p> <p>My signature does not necessarily mean agreement.</p> <p>(Check if comments attached.) <input type="checkbox"/></p>	<p>Supervisor's Certification:</p> <p>This rating was discussed with the employee on the following date:</p> <hr/> <p>Supervisor's Signature _____ Date _____</p> <p>Signature of Reviewing Officer _____ Date _____</p> <p>Signature of Appointing Authority _____ Date _____</p>
<p>Employee's Signature _____ Date _____</p>	

Page intentionally left blank

Appraisal Period:

XXX-XX-

From: \_\_\_\_\_

To: \_\_\_\_\_

Name of Employee \_\_\_\_\_

Social Security No. \_\_\_\_\_

**Section #5 PERFORMANCE CATEGORIES  
FOR SUPERVISORS**

(BLUE COLLAR; WHITE COLLAR; REGISTERED PROFESSIONAL NURSE; INSTITUTIONAL, HEALTH & CORRECTIONAL WORKER; FIREFIGHTER; PROFESSIONAL & SCIENTIFIC)

Significant Categories are noted by "\*"

**FINAL RATING**

**Expectations**

Exceeds	Meets	Does Not Meet
---------	-------	---------------

**SUPERVISOR'S COMMENTS**

At the end of the rating period, use this column to make any general comments on the employee's performance.

**\*QUALITY OF WORK UNIT OUTPUT**  
1 Usually: work unit completes assigned work in accordance with work expectations. For example, work unit output is usually accurate, neat, and/or complete.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**\*QUANTITY & TIMELINESS OF WORK UNIT OUTPUT**  
2 Usually: work unit produces amount of work expected; completes work on schedule.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**THE CATEGORIES BELOW MAY AFFECT THE RATINGS FOR QUALITY, QUANTITY & TIMELINESS**

**SUPERVISION**  
3 Usually: monitors work unit progress, provides adequate direction, training, and coaching to staff; takes/recommends the appropriate corrective and/or disciplinary action when needed; provides needed help and/or training for employees with performance problems; encourages career growth for staff members; and/or provides equal opportunity/treatment in all aspects of supervision.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**APPRAISING SUBORDINATES**  
4 Usually: follows performance appraisal policies, guidelines, and procedures; communicates performance expectations at the beginning of the rating period; oversees and monitors employee performance; and/or rates subordinates (or recommends ratings) objectively, on time, and on work expectations.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**PLANNING, ORGANIZING, SETTING PRIORITIES**  
5 Usually: prioritizes assignments satisfactorily to minimize crisis situations; shows foresight to prevent potential problems and works in contingencies when making short- and/or long-range plans; proposes and reviews benchmarks to monitor work progress and makes work plan adjustments as needed; and/or follows up on assignments.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**RELIABILITY & INITIATIVE**  
6 Usually: accepts responsibility; is flexible and, when requested, adjusts to varying job situations; and/or initiates work independently, as required for the job.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

**PERFORMANCE CATEGORIES  
FOR SUPERVISORS**

Exceeds  
Meets  
Does Not  
Meet

**SUPERVISOR'S COMMENTS**

**7 RELATIONSHIPS WITH OTHERS**  
Usually: works well with supervisor, team members, and/or others on assignments; accepts suggestions for improvement; is cordial when serving the public; and/or provides information, help, and/or coverage to others when needed.

**8 SAFETY & USE OF EQUIPMENT**  
Instructs and monitors subordinates to follow safety rules and regulations.

**CHECK ADDITIONAL CATEGORIES BELOW IF APPLY TO EMPLOYEE**

**9 FINANCIAL/BUDGET**  
Usually: prepares budget/financial plans according to rules/policies/deadlines; tracks and adheres to budget; makes sound decisions that consider cost/benefit; shows innovation in reducing expenses; and/or maximizes resources and minimizes costs in achieving objectives.

**10 MISSION COMMITMENT**  
Usually: displays understanding of mission and goals of the department and/or work unit; and/or positively reinforces, supports, and pursues the attainment of established goals.

**11 COMMUNICATION**  
Usually: demonstrates oral and/or writing skills required for the job; and/or demonstrates open communication by sharing information and encouraging subordinate participation/feedback.

**12 JOB KNOWLEDGE**  
Usually: demonstrates knowledge of theoretical, practical, and/or routine aspects of present job in accordance with work expectations; works with minimal direction; applies the correct instructions, guidelines, policies, procedures, and rules to assigned work; remains up-to-date on current trends in the profession; offers ideas, concepts, techniques, and/or creative solutions; and/or seeks new approaches to simplify and/or improve procedures, techniques, and processes.

**13 PROBLEM SOLVING & DECISION MAKING**  
Usually: identifies and clearly defines problems as they occur; accumulates and analyzes relevant information; uses discretion/judgment to select workable solutions to problems; presents alternative solutions when making recommendations; and/or gets opinions of others, when needed.

**14 OTHER (Add, if needed)**







**4c2**

CEO Annual Review Evaluation



**CEO ANNUAL REVIEW EVALUATION**

Evaluation Period from [redacted] through [redacted]

		<b>RATING</b>	
		Rating Scale 1 - 5 5 = Exceeds Expectations 1 = Did Not Meet Expectations	Weighted Score
<b>OVERALL STRATEGIC DIRECTION (50%)</b>			
<b>Objective: To effectively lead organization to achieve targets in HTA Strategic Plan</b>			
Goals/Measurements	Met or exceeded 7.27 million arrivals		
Goals/Measurements	Met or exceeded \$12.07 billion in total visitor statewide spending		
Goals/Measurements	Met or exceeded \$177.50 Per Person Per Day spending		
<b>INTERNAL POLICY MANAGEMENT (15%)</b>			
<b>Objective: To effectively lead and manage key organizational initiatives.</b>			
Goals/Measurements	Formal adoption of written policies for personnel, finance and procurement		
Goals/Measurements	Formal adoption of procedures for personnel, fiscal, and contract management		
Goals/Measurements	Formalize the procurement process for the issuance of request for proposals for marketing contractors in the various MMAs that will include performance measures to be achieved by the contractors		
Goals/Measurements	Formalize the budget process that is aligned with the HTA Strategic Plan		
Goals/Measurements	Formalize a process to update the HTA Strategic Plan targets		
Goals/Measurements			



Formalize outcome-based action plans or processes to strategically implement the HTA Strategic Plan			
<b>Goals/Measurements</b>			
Establish HTA as a knowledge based organization within the industry, community and both the Legislative and Executive branches			
<b>Goals/Measurements</b>			
Favorable independent external audit of HTA's financial condition without any deficiencies noted in a management letter			
<b>EXTERNAL STRATEGIC POLICY DIRECTION (20%)</b>			
<b>Objective: To effectively advocate for the support of the statewide Tourism Strategic Plan and the HTA Strategic Plan by the Legislative and Executive Branches and within the county government.</b>			
<b>Goals/Measurements</b>			
Ensures that deposits into and appropriations from the Tourism Special Fund remain intact and without legislative provisions			
<b>Goals/Measurements</b>			
Ensures that no legislation restricting or limiting HTA's current statutory authority is enacted			
<b>Goals/Measurements</b>			
Successful enactment of legislative measures to support new and additional tourism development programs or funding			
<b>Goals/Measurements</b>			
Proactively respond to recommendations of the Legislative Auditor, Resolutions adopted by the Legislature, and to respond to any questions, concerns or directives from the Governor			
<b>Goals/Measurements</b>			
Proactively support tourism initiatives under the supervision and control of the various departments and agencies within the Executive Branch			
<b>Goals/Measurements</b>			
Actively liaise with the state Legislature, Governor, and the various county Mayors and Council members to implement the statewide Tourism Strategic Plan			
<b>EXTERNAL OUTREACH AND COMMUNICATION (15%)</b>			
<b>Objective: To effectively represent HTA with all stakeholder groups.</b>			
<b>Goals/Measurements</b>			
Actively demonstrates a positive leadership role as the lead representative of the tourism industry as viewed by the community, government, and all visitor stakeholders at the local, national and international levels			
<b>Goals/Measurements</b>			
Effectively represent HTA in the local, national and international levels			
<b>Goals/Measurements</b>			



Successful management of HTA's role with APEC and in a manner that will transform the world's view of Hawai'i as a destination	
<b>Goals/Measurements</b>	
Play a leadership role in the management, implementation and coordination of the US-China Travel Summit	
<b>Goals/Measurements</b>	
Consistently demonstrates a proactive position on tourism issues and concerns, both externally and internally, and to avoid a perception of being reactive to known existing conditions	
<b>Goals/Measurements</b>	
Monitor the hotel labor negotiations and prepare an appropriate plan in response to any immediate need for action	
<b>Goals/Measurements</b>	
Respond positively and immediately to an economic or natural crisis in a manner that will maintain the stability and future direction of the visitor industry	
<b>Goals/Measurements</b>	
Proactively responds to criticism and complaints against the visitor industry in a positive and non-argumentative manner	
<b>Total (100%)</b>	<b>Total</b>



# 5

## General Overview of the Hawai'i Tourism Authority's Organization Chart

APPROVED / DISAPPROVED:

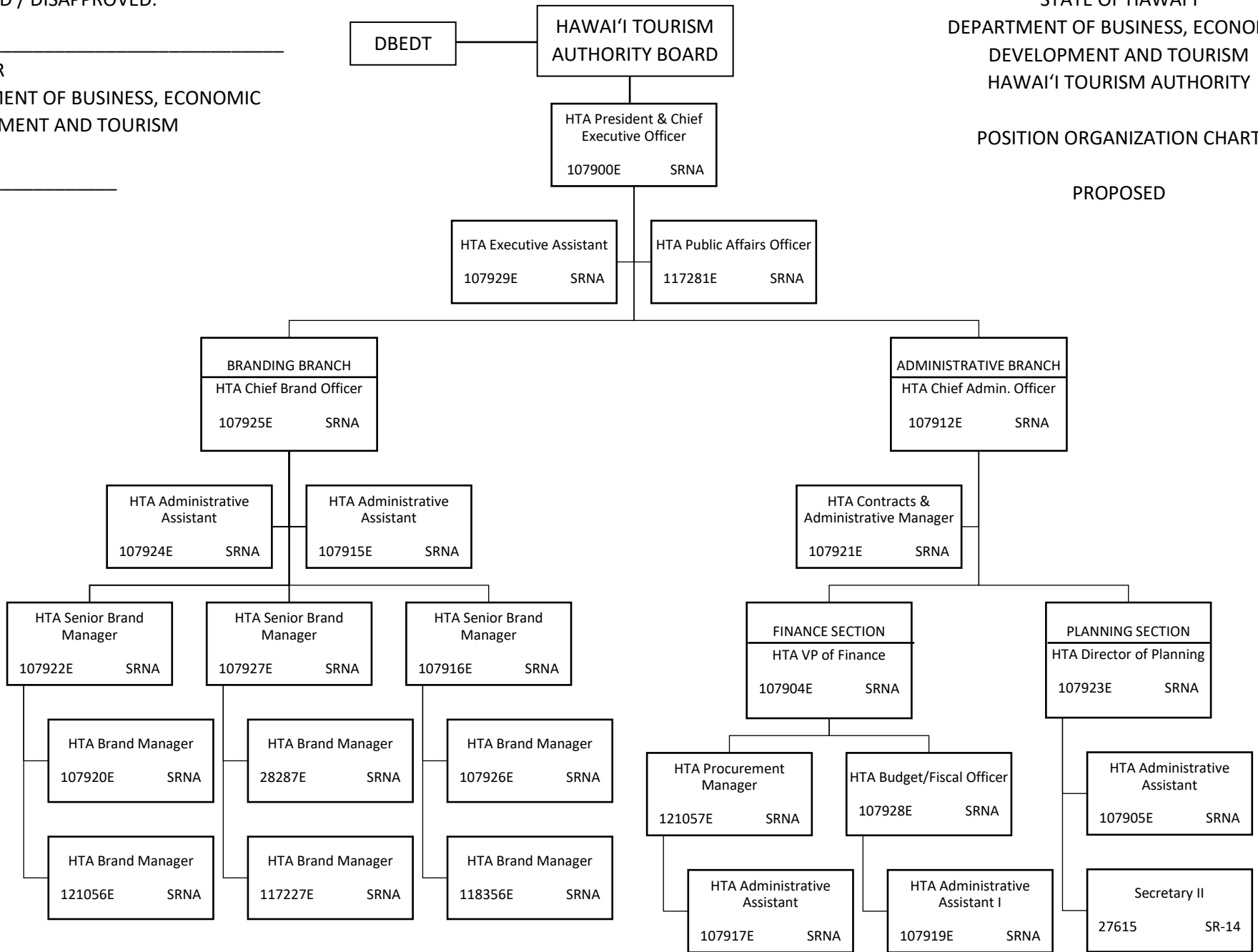
DIRECTOR  
DEPARTMENT OF BUSINESS, ECONOMIC  
DEVELOPMENT AND TOURISM

DATE

STATE OF HAWAI'I  
DEPARTMENT OF BUSINESS, ECONOMIC  
DEVELOPMENT AND TOURISM  
HAWAI'I TOURISM AUTHORITY

POSITION ORGANIZATION CHART

PROPOSED



E = Temporary Exempt Positions, NTE 06/30/22

# **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



**§201B-2 Hawaii tourism authority; establishment; board; president and chief executive officer.**

(a) There is established the Hawaii tourism authority, which shall be a body corporate and a public instrumentality of the State, for the purpose of implementing this chapter. The authority shall be placed within the department of business, economic development, and tourism for administrative purposes only.

(b) The authority shall be headed by a policy-making board of directors that shall consist of twelve members; provided that:

(1) The members shall be appointed by the governor as provided in section 26-34, except as provided by this section;

(2) The members shall include at least one representative each from the city and county of Honolulu and the counties of Hawaii, Kauai, and Maui;

(3) Three members shall be appointed by the governor from a list of three names submitted for each appointment by the president of the senate, and three members shall be appointed by the governor from a list of three names submitted for each appointment by the speaker of the house of representatives; provided that if fewer than three names are submitted for each appointment, the governor may disregard the list;

(4) At least six members shall have knowledge, experience, and expertise in the area of accommodations, transportation, retail, entertainment, or attractions, and at least one member appointed by the governor shall have knowledge, experience, and expertise in the area of Hawaiian cultural practices; provided that no more than three members shall represent, be employed by, or be under contract to any sector of the industry represented on the board;

(5) The governor shall make appointments to ensure the fulfillment of all requirements of paragraphs (2) and (4); provided that upon the occurrence of a vacancy subject to paragraph (3), the governor shall notify the president of the senate and the speaker of the house of representatives of any unfulfilled requirements pursuant to paragraphs (2) and (4), and the president of the senate or the speaker of the house of representatives, as appropriate, shall submit nominees who fulfill those requirements; and

(6) No person who has served as a member of the board of directors of the Hawaii Visitors and Convention Bureau shall be eligible to sit as a member of the board of directors of the Hawaii tourism authority until at least two years have expired between the person's termination from service on the Hawaii Visitors and Convention Bureau board and the person's appointment to the authority's board of directors.

(c) Members shall be appointed by the governor for terms of four years; provided that membership on the board shall not exceed eight consecutive years; provided further that each member shall hold office until the member's successor is appointed and qualified.

(d) The board shall elect a chairperson from among the members.

(e) Seven members shall constitute a quorum and a minimum of seven affirmative votes shall be necessary for all actions by the authority. The members shall serve without compensation, but shall

be reimbursed for expenses, including traveling expenses, necessary for the performance of their duties.

(f) The board shall appoint one person to serve as president and chief executive officer, exempt from chapters 76 and 88 who shall oversee the authority staff; provided that the compensation package, including salary, shall not exceed fifteen per cent of the 3.5 per cent authorized for administrative expenses under section 201B-11(c); and provided further that the compensation package shall not include private sector moneys or other contributions. The board shall set the president and chief executive officer's duties, responsibilities, holidays, vacations, leaves, hours of work, and working conditions. It may grant other benefits as it deems necessary. [L 1998, c 156, pt of §2; am L 2000, c 253, §150; am L 2002, c 143, §2 and c 148, §19; am L 2003, c 3, §3; am L 2004, c 10, §7 and c 58, §§6, 14(2); am L 2005, c 22, §§46, 50 and c 235, §4; am L 2006, c 306, §1; am L 2007, c 187, §2; am L Sp 2009, c 5, §§4, 12; am L 2010, c 102, §5; am L 2015, c 46, §1]

### **Attorney General Opinions**

Subsection (c) is constitutional, with regard to the use of the phrase "appointed and qualified" to describe when a successor's appointment terminates a holdover member's position. Att. Gen. Op. 16-3.

[Previous](#)

[Vol04\\_Ch0201-0257](#)

[Next](#)

# **7**

## **Review, Discussion and Action on Hawai'i Tourism Authority's Policies and Procedures**

# **7a1**

#400-51 Legislative Budget Policy

Operations

# Legislative Budget Policy



---

## Policy Purpose

The purpose of this policy is to establish guidelines and procedures to facilitate the development of budgets for submission as part of the Executive Biennium Budget of the State of Hawaii or the Executive Supplemental Budget of the State of Hawaii.

---

## Policy Provisions

- 1) Upon request, the staff may provide a report to the Board regarding a proposed biennium budget to the Governor as part of the preparation of the Executive Biennium Budget of the State of Hawaii.
- 2) Upon request, the staff may provide a report to the Board regarding a proposed supplemental budget, as needed, to the Governor as part of the preparation of the Supplemental Budget of the State of Hawaii.
- 3) The preparation and submission of budgets and documentation (such as program descriptions, evaluations, and performance measures) to the Governor shall consider previous legislative testimony, budget instructions submitted to the Authority by the State and the Operating Budget.
- 4) Budget preparation procedures and timelines shall be designed, in consultation with the Board, to facilitate the timely submission of budgets to the Governor.
- 5) To the extent required by law or any Executive Memorandum to develop or implement the executive budget, the Authority shall fulfill requests for documentation or requests for information to support the proposed legislative budgets in a timely manner.

---

## Responsibilities

**Responsible Officer:**  
Chief Administrative Officer

**Policy Owner:**  
Board of Directors

---

## Approvals

Prepared:



---

Keith A. Regan  
Chief Administrative Officer

3/27/19  
Date

Reviewed and Recommended for Approval:

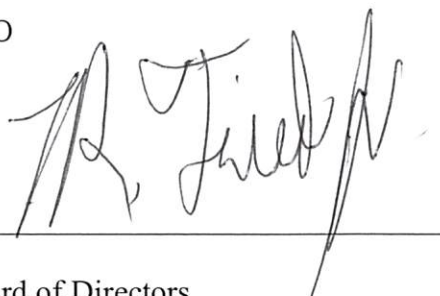


---

Chris Tatum  
President & CEO

3/28/19  
Date

Approved:



---

Rick Fried  
Chair, HTA Board of Directors

3/28/19  
Date

## **7a2**

#400-50 Operating Budget Policy

# Operating Budget Policy



---

## Policy Purpose

The purpose of this policy is to establish guidelines and procedures to facilitate the development and management of the Authority's annual operating budget to efficiently allocate and manage funding appropriations established in the state budget and in a manner to achieve key performance measures.

---

## Policy Provisions

- 1) The Authority is to function with a Board-approved operating budget for each fiscal year.
- 2) A proposed annual operating budget for the subsequent fiscal year shall be presented to the Board of Directors no later than the regularly scheduled June board meeting.
- 3) The Authority's management may provide a presentation that may include revenue forecasts, historical results, tourism research and market intelligence, proposed funding appropriations, and a prioritization of strategic objectives, directives, and targets. Total expenditures by the Authority for the fiscal year shall not exceed appropriation levels established in the state budget for the respective fiscal year.
- 4) Procedures shall be designed and maintained for the preparation, review, revision, and approval of the proposed operating budget.
- 5) The Authority is to prepare and manage the operating budget based on main budget categories as approved by the Board. These main budget categories should align with the Hawaii Tourism Authority Strategic Plan. Management is provided the discretion to subcategorize the funds allocated to these main budget categories.
- 6) Once the operating budget is approved by the Board, the reallocation of funds between main budget categories of \$250,000 or more shall require board approval prior to reallocation. All reallocations between main budget categories, regardless of dollar amount, shall be reported to the board at the board meeting following the reallocation.
- 7) Reallocations of \$250,000 or more shall be considered budget amendments and shall be presented to the board in the form of a resolution which shall clearly state the following:
  - a. Original budget category and subcategories with original funding amount;
  - b. Proposed budget category to receive funding and new funding amount for that category;
  - c. Revised original budget category funding amount (post-transfer);
  - d. Purpose and explanation for the amendment request; and,
  - e. Impact to the original budget category due to the reduction, if any.
- 8) The Board may, from time to time, request budget variance reports or other visitor data reports on targets previously established by the Board. The Authority's management shall prepare and distribute such requested reports to allow the proper monitoring and management of expenditures and available funds in an effort to assess the progress of the Authority's management towards achieving various strategic objectives, directives and targets by the end of the fiscal year.



---

## Responsibilities

**Responsible Officer:**  
Chief Administrative Officer

**Policy Owner:**  
Board of Directors

---

## Approvals

Prepared:

  
\_\_\_\_\_  
Keith A. Regan  
Chief Administrative Officer

3/27/19  
\_\_\_\_\_  
Date

Reviewed and Recommended for Approval:

  
\_\_\_\_\_  
Chris Tatum  
President & CEO

3/28/19  
\_\_\_\_\_  
Date

Approved:

  
\_\_\_\_\_  
Rick Fried  
Chair, HTA Board of Directors

3/28/19  
\_\_\_\_\_  
Date

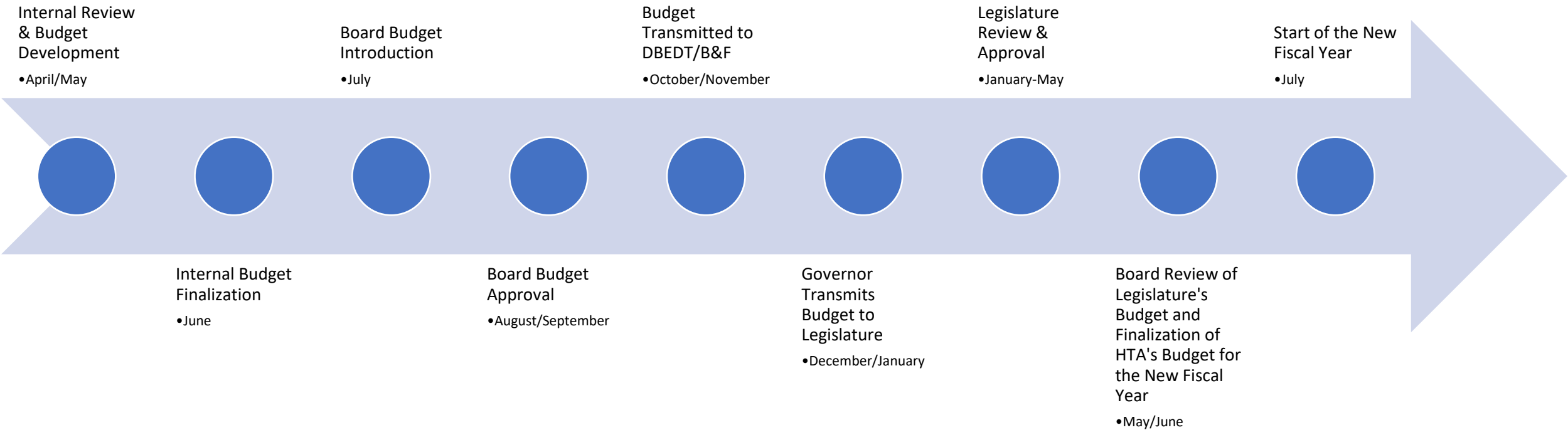
# **7a3**

Legislative Fiscal Year Budget Process (Draft)

<b>Legislative Fiscal Year Budget Process</b>		
<b>Date</b>	<b>Task</b>	<b>Notes</b>
April/May	Staff starts reviewing needs for next fiscal year. Builds basic budget for their respective areas.	This begins the process for the next fiscal year budget that will be included in the legislative proposal that comes from the Governor.
June	Staff begins to finalize budget proposal. Review proposals by programs, make revisions, and finalize internal version of proposal to the board.	This is the first round of internal reviews of the proposals that will come from the teams. This is to ensure alignment with overall HTA direction.
July	Introduce draft budget proposal to board. Provide overview of requests by budget line items. Meet with board members to go over requests and answer questions.	This is the start of the board's review of the proposal that staff has worked on. Staff will work with the BFCC committee to review the proposal to include non-BFCC board members for their input/feedback.
August/September	Board approves draft for next fiscal year budget.	Ideally, the board would approve the proposed next fiscal year budget in August but an additional month has been provided to address any issues/concerns that may take time to address at the board and team levels.
October/November	Proposed fiscal year budget is transmitted through DBEDT to B&F and eventually approved by Governor.	Historically, the department requests all divisions and attached agencies to submit their proposed budget for the next fiscal year no later than November. Discussions on the budget have started earlier than November which is why we have added October as a potential due date to transmit the HTA's proposed budget.
December/January	Budget transmitted to legislature by Governor. Info briefings scheduled in the House and Senate.	The governor is required to transmit her/his budget to the legislature at least 30 days before the legislature convenes in regular session. Typically, the budget is transmitted to the legislature by/on December 20 <sup>th</sup> .
May	End of session.	The HTA board will know by the end of the session what funds have been appropriated to it through the legislative process. The date may be earlier than May if the legislature approves a budget and transmits it

		to the governor for her/his approval before May.
May/June	HTA Board reviews the outcome of the legislative process and adjusts its budget (if necessary). Board ratifies next fiscal year budget.	The board will need to review the budget that has been approved through the legislative process. This may or may not align with what was previously reviewed and approved by the board. This may require that the board adjust the HTA's budget to ensure alignment with the legislature's budget.
July	Start of New Fiscal Year	This is the start of the expenditures of funds for the new fiscal year budget that was originally presented to the Board in the prior July period and subjected to the legislative process.

# Legislative Fiscal Year Budget Process Timeline



**7b1**

#400-01 Procurement Policy

# Procurement Policy



---

## Policy Purpose

The purpose of this policy is to define and establish procurement standards and practices to maximize purchasing value, while maintaining the highest standards of quality and integrity.

---

## Policy Provisions

- 1) The Authority is to procure materials and services needed to perform its mission in a cost-effective and responsive manner in accordance with all state laws.
- 2) Employees and Board directors shall act in good faith during the procurement process and conduct themselves in accordance with *Policy # 100-03 Code of Conduct Policy*, as well as applicable state laws and regulations.
- 3) In accordance with best practices, the Authority's procurement methods shall foster competition, while preserving fairness and equity. To ensure this, internal management procedures shall be designed and maintained for various procurement methods, including but not limited to:
  - a) Competitive sealed bidding
  - b) Competitive sealed proposals
  - c) Small purchases
  - d) Sole source procurements
  - e) Emergency procurements
  - f) Professional service procurements
- 4) Internal management procurement procedures shall be designed and maintained to provide a structure for the procurement of goods and services, source selection and contract formation, contractor responsibilities, types of contracts, modification and termination of contracts, cost principles, audit of records, and remedies, including the resolution of protests or procurement disputes.
- 5) Internal management ethics in public contracting procedures shall be designed and maintained to provide a structure for the implementation of ethical and procurement integrity matters.
- 6) The Authority shall develop and incorporate into its procurement solicitation and contracts various objective key performance indicators, which are aligned to the Hawaii Tourism Authority Strategic Plan, as revised, and will be used to measure or evaluate the contractor's performance of the contract.

---

## Responsibilities

**Responsible Officer:**  
Chief Administrative Officer

**Policy Owner:**  
Board of Directors

---

## Approvals

Prepared:



---

Keith A. Regan  
Chief Administrative Officer

3/27/19  
Date

Reviewed and Recommended for Approval:

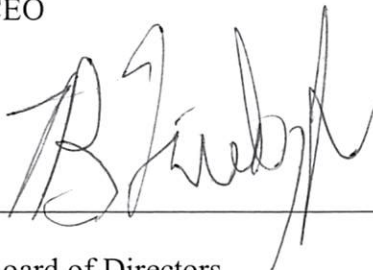


---

Chris Tatum  
President & CEO

3/28/19  
Date

Approved:



---

Rick Fried  
Chair, HTA Board of Directors

3/28/19  
Date



**7b2**

#400-01.01 Contract Procurement Planning Procedure

Procurement

# Contracts Procurement Planning Procedure



## Procedure Purpose

The following procedure is intended to assist in applying the *400-01 Procurement Policy*. The procedure is intended to provide guidance on beginning the process of procuring goods and services.

## Procedure

Responsible Party	Tasks
<b>A. STEPS PRIOR TO SOLICITATION</b>	
Program Manager	<ol style="list-style-type: none"> <li>1. Verify availability of funds and appropriateness of purchase according to the program’s budget approved by the Authority’s Board of Directors.</li> <li>2. Determine the funding level.               <ol style="list-style-type: none"> <li>a. If \$50,000 or more, it is over the small purchase threshold.                   <ul style="list-style-type: none"> <li>- Prepare a Solicitation Procurement Planning Worksheet (Solicitation PPW).</li> </ul> </li> <li>b. If under the \$50,000 small purchase threshold, determine if a contract will need to be written.                   <ul style="list-style-type: none"> <li>- A contract may need to be executed, despite being below the small purchase threshold, if terms will need to be enforced and/or performance evaluated. If so, then a Solicitation PPW will need to be submitted.</li> <li>- If a contract is not needed, see <i>400-01.02 Internal Requisition Procedure</i>.</li> </ul> </li> <li>c. Consistent with <i>400-50 Operating Budget Policy</i>, budget reallocations between main budget categories of \$250,000 or more shall require Board approval prior to reallocation. This also means unbudgeted expenditures of \$250,000 or more require Board approval. Main budget categories are those determined by the Board and staff during HTA’s annual budgeting process. Currently, main budget categories are as follows:                   <ul style="list-style-type: none"> <li>- Perpetuating Hawaiian Culture</li> <li>- Natural Resources</li> <li>- Community</li> <li>- Branding</li> <li>- Sports</li> <li>- Safety and Security</li> <li>- Tourism Research</li> <li>- Administrative</li> <li>- Governance and Organization-Wide</li> </ul> </li> </ol> </li> </ol>



<p>CAO</p>	<p>nature of goods/services being acquired and the method of procurement selected. Contract Specialist may work with Program Staff to clarify, refine, and/or change the PPW to ensure these requirements are being met before approving.</p> <p>c. Chief Administrative Officer Signature: CAO shall review the Solicitation PPW once the Contract Specialist has signed off on it. CAO can then sign his approval, or go back to the Contract Specialist and the requesting Program Manager for questions and clarifications.</p>
<p><b>C. ENCUMBRANCE</b></p>	
<p>Administrative Assistant</p> <p>Program Manager and Supervisor</p> <p>Contract Specialist</p> <p>VP of Finance (the Fiscal Officer may assist in this area)</p> <p>Accounting Assistant</p> <p>Administrative Assistant</p> <p>Contract Specialist</p>	<p>1. Solicitation PPW Encumbrance (PPW Encumbrance)</p> <p>a. Once all of the required signatures have been gathered on the Solicitation PPW, prepare a PPW Encumbrance in Microix, HTA’s financial operating system. See the Microix User Guide for detailed guidance.</p> <p>b. Attach the following documents to the PPW encumbrance:</p> <ul style="list-style-type: none"> <li>- Approved Solicitation PPW Encumbrance.</li> <li>- Proposal, if available (such as for potential sole source or under procurement exemption)</li> </ul> <p>c. Review and approve the encumbrance request received through email. The following positions are currently assigned as supervisors, though delegations may be made:</p> <ul style="list-style-type: none"> <li>- CEO – Community and Sports</li> <li>- CAO – Admin, Governance &amp; Organization-Wide, Safety &amp; Security, Hawaiian Culture, Natural Resources, Research</li> <li>- VP Marketing &amp; Product Development - Branding</li> </ul> <p>d. Contract Specialist reviews and approve the encumbrance request.</p> <p>e. Review the PPW encumbrance request for propriety, including for appropriate coding and resolving any discrepancies in funding.</p> <p>f. Review and transfer the PPW encumbrance from Microix to Abila MIP.</p> <ul style="list-style-type: none"> <li>- Log the transaction into the Abila transfer log (“Abila trf – ENC.xls”).</li> <li>- Post the transaction.</li> </ul> <p>g. Microix will send an email notifying the Administrative Assistant of approval, which constitutes certification of funds and ability to execute an intended contract.</p> <p>h. Administrative Assistant forwards the Microix email notification to the Contract Specialist, copying the Program Manager.</p> <p>i. Receipt of the email notification authorizes the execution of an intended contract, upon completion of the appropriate procurement process.</p> <ul style="list-style-type: none"> <li>- Completion of step C.1.g is recommended for initiating a</li> </ul>

	solicitation for open competitive procurement (such as RFP/RFQ), but is not required. If a public solicitation will be initiated prior to completion of step C.1.g, the Contract Specialist shall first consult with the Chief Administrative Officer and also advise the CEO, VP of Marketing & Product Development (if applicable), VP of Finance, and Program Manager.
<b>D. QUALITY ASSURANCE</b>	
	1. It is the responsibility of all parties involved in this process to ensure that a final quality inspection is conducted prior to the completion of the tasks listed above. As tasks are completed, the responsible party completing the task(s) shall perform a quality review inspection of the completed task(s) to verify that the task(s) has/have been correctly completed prior to allowing the process to move forward.

---

## Attachments

- Solicitation PPW and instructions
- Contract PPW and instructions
- Supplemental PPW and instructions

---

## Related Policies

- 400-01 Procurement Policy
- 100-23 Quality Assurance Policy

---

## Related Procedures

- 400-01.02 Internal Requisition Procedure
- 400-01.03 Contract/Letter of Agreement Execution Procedure

## **7c**

Resolution 2021-3-1  
(Authority to Present Policy Positions)

# Resolution

No. 2021-3-1

## AUTHORITY TO PRESENT POLICY POSITIONS

**WHEREAS**, Hawai'i Revised Statute §201 B-3 authorizes the Hawai'i Tourism Authority to "Develop, coordinate, and implement state policies and directions for tourism and related activities taking into account the economic, social, and physical impacts of tourism on the State of Hawai'i's natural environment, and areas frequented by visitors"; and,

**WHEREAS**, Hawai'i Revised Statute §201 B-7 further makes Hawai'i Tourism Authority responsible for "Creating a vision and developing a long-range strategic plan for tourism in Hawai'i"; and,

**WHEREAS**, in accordance with Chapter 226, the Hawaii State Planning Act, and identified in Hawai'i Revised Statute §226-8, the objective and policies for the economy which involve the visitor industry clearly state that "it shall be the policy of this State to...ensure that visitor industry activities are in keeping with the social, economic, and physical needs and aspirations of Hawai'i's people," and, such policies shall "encourage cooperation and coordination between the government and private sectors in developing and maintaining well-designed, adequately serviced visitor industry and related developments which are sensitive to neighboring communities and activities," and, shall "foster an understanding by visitors of the aloha spirit and of the unique and sensitive character of Hawai'i's cultures and values" among other policies"; and,

**WHEREAS**, the Hawai'i Tourism Authority 2020-2025 Strategic Plan serves as a guide and reaffirms Hawai'i Tourism Authority's kuleana to "address broad tourism issues...lead the visitor industry...protect and market the Hawai'i brand while managing the destination and place residents' interests and benefits first."; and,

**WHEREAS**, the Hawai'i Tourism Authority 2020-2025 Strategic Plan maintains the Hawai'i Tourism Authority's mission to "strategically manage Hawai'i tourism in a sustainable manner consistent with economic goals, cultural values, preservation of natural resources, community desires, and visitor industry needs"; and the Hawai'i Tourism Authority's mission supports the four pillars of: Natural Resources, Hawaiian Culture, Community, and Brand Management and Marketing; and,

**WHEREAS**, the Hawai'i Tourism Authority 2020-2025 Strategic Plan embraces the Hawai'i Tourism Authority's responsibility to focus "on destination management" and establishing a collaborative relationship with "county, state, federal, and private agencies to address specific tourism-related issues"; and,

**WHEREAS**, the Coronavirus pandemic has significantly impacted virtually every sector of the economy and reinvigorating tourism through a collaborative, safe, respectful, sensitive, sensible, sustainable, and unified strategy will be the best approach; and,

**WHEREAS**, the ongoing presence and commitment to Hawai'i's key markets will be essential to the recovery of the State's economy; and

**WHEREAS**, the state brand has been built over decades on the strength of our Aloha spirit and the unique people, place and culture of our Islands; and,

**WHEREAS**, the Hawai'i Tourism Authority serves as a steward of our destination by perpetuating and promoting the uniqueness and integrity of the Native Hawaiian culture and community, and supporting programs that manage and protect Hawai'i's natural environment and areas frequented by visitors; and,

**WHEREAS**, the Hawaiian Islands brand and our visitor expenditures are enhanced greatly by a friendly, safe environment where visitors are encouraged to safely and responsibly experience Hawai'i and its authenticity; and,

**WHEREAS**, the visitor industry has helped to foster the growth of thousands of small and medium-sized locally owned businesses across all islands that cater to visitors and residents alike; and,

**WHEREAS**, maintaining a world-class convention center is critical to the future development of our business travel market; and,

**WHEREAS**, the Hawai'i Tourism Authority, in direct collaboration with communities throughout the State of Hawai'i, has developed destination management actions plans (DMAP) through direct community input and, contained in these individual DMAPs are actions and sub-actions which the Hawai'i Tourism Authority is committed to implementing; and,

**WHEREAS**, the Hawai'i Tourism Authority will, to the best of its ability, support legislation and take positions that support and align with the 2020-2025 Strategic Plan, DMAPs, and our statutory responsibilities; and,

**WHEREAS**, the Powers and Duties of the Hawai'i Tourism Authority at HRS §201 B-3 (a) (6) provide that the Authority may, "Through its president and chief executive officer, represent the authority in communications with the governor and the legislature"; and,

**WHEREAS**, the Bylaws of the Hawai'i Tourism Authority, provide for the authority of the President and Chief Executive Officer including that the "President & Chief Executive Officer shall serve as the chief executive officer of the Authority and shall be directly responsible for the day-to-day operations of the Authority, including control of and responsibility for the execution of the Board's policies, the administration of the Authority's affairs, and the supervision of its staff. "; and,

**WHEREAS**, legislation may be introduced at the federal, state, and county level which may impact the strategic mission and statutory purpose of the Hawai'i Tourism Authority and, as such, may require testimony or other information that presents policy positions of the Hawai'i Tourism Authority, often on short notice.

**NOW, THEREFORE, BE IT RESOLVED**, that the Board of Directors hereby authorizes its President and CEO or its designee, and/or its Board Chair or its designee to present public policy positions on behalf of the Authority during Calendar Year 2022 before all branches of the federal, state and county governments, provided that the positions are aligned and consistent with Hawai'i Revised Statute



§201B, the Hawai'i Tourism Authority Strategic Plan, Destination Management Action Plans, and any other policies, plans or budgets approved by the Authority and this Resolution;

**BE IT FURTHER RESOLVED**, that the Board of Directors elects, pursuant to Article VI, Section 1 of the Bylaws, that all official positions taken by the Chair, the President and CEO and/or their designee on issues before federal, state and county governments shall be communicated to board members as soon as practicable, and presented at the next regular board meeting of the Authority; and

**FINALLY RESOLVED**, that certified copies of this resolution be transmitted to the President & CEO, Board Chair, Board Members and Chief Administrative Officer.

As adopted on this 23<sup>rd</sup> day of December, 2021 by the  
Board of Directors,

Gregg Kinkley  
Deputy Attorney General

# **10**

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



## STANDING COMMITTEES

### **Administrative & Audit Standing Committee** (Quorum: 4 members)

*Adopted November 18, 2021*

*The purpose of this standing committee is to review existing policies, make findings and recommendations to modify, create, amend and/or replace existing policies relating to the administration of the Authority; and establish criteria and make recommendations related to the evaluation of the President & Chief Executive Officer. The committee shall also be responsible for the establishment and the proper execution of internal audit controls by (i) consulting with the Authority’s external auditors to determine whether the internal controls have been properly executed; (ii) ensuring that financial statements are timely prepared and accurate, and that the statements will properly report financial information necessary for the fiscal operation of the Authority; and, (iii) establish and enforce a code of conduct to ensure the financial integrity of the Authority’s management of public funds. The committee shall also be responsible for matters relating to legislative and governmental affairs.*

<b>George Kam (Chair)</b>	<b>David Arakawa (1<sup>st</sup> Vice Chair)</b>
Dylan Ching	Keone Downing
Kyoko Kimura	Kimi Yuen
<b>HTA Staff: John De Fries, Keith Regan, Marc Togashi</b>	

### **Branding Standing Committee** (Quorum: 4 members)

*Adopted November 18, 2021*

*This standing committee is responsible for the review, evaluation, and recommendation of the Authority’s branding and marketing initiatives, programs, and/or activities which support the Authority’s vision, mission, goals and objectives including meetings, conventions, and incentive business.*

<b>Fred Atkins (Chair)</b>	<b>Dylan Ching (1st Vice Chair)</b>
Kyoko Kimura	Sherry Menor-McNamara
Ben Rafter	Sig Zane
<b>HTA Staff: Kalani Ka’anā’anā</b>	

Updated: March 3, 2022



**Budget, Finance, and Convention Center Standing Committee** (Quorum: 4 members)

*Adopted November 18, 2021*

*The purpose of this committee is to review the Authority’s financial reports, investments, annual budget, and other budget and finance related matters, including the Convention Center. The committee shall, in conjunction with the Authority’s staff, be responsible for the development and monitoring of the Authority’s annual budget. The committee shall review the Authority’s financial reports, inclusive of the Convention Center, and other budget and finance-related matters, and make recommendations to the Board. The committee shall also be responsible for the long-term strategic planning for the Hawaii Convention Center, including capital improvement plans, facility modernization efforts, and facility management.*

<b>Ben Rafter (Chair)</b>	<b>Fred Atkins (1st Vice Chair)</b>
Micah Alameda	David Arakawa
Kyoko Kimura	Kimi Yuen
<b>HTA Staff: Keith Regan, Marc Togashi</b>	

**Ho’okahua Hawaii Standing Committee**

*Adopted November 18, 2021*

*The purpose of this committee is to develop, review, evaluate, monitor, report, and provide recommendations on issues relating to natural resources, Hawaiian culture, and community.*

<b>Kimi Yuen (Chair)</b>	<b>Keone Downing (1<sup>st</sup> Vice Chair)</b>
Dylan Ching	Daniel Chun
George Kam	Sig Zane
<b>HTA Staff: Kalani Ka’anā’anā, Caroline Anderson</b>	



## INVESTIGATIVE COMMITTEES (PIG)

### **Legislative and Governmental Affairs Investigative Committee (PIG)**

*Adopted September 24, 2015; May 30, 2019; January 28, 2021; November 18, 2021*

The purpose of this investigative committee is to provide and obtain information on legislative measures during the legislative session.

<b>David Arakawa (Chair)</b>	<b>Micah Alameda (1<sup>st</sup> Vice Chair)</b>
Fred Atkins	Daniel Chun
George Kam	Ben Rafter
<b>HTA Staff: John De Fries, Keith Regan, Kalani Ka'anā'anā</b>	

### **Convention Center Investigative Committee (PIG)**

*Adopted February 24, 2022*

The purpose of this investigative committee is to investigate and provide direction to the board on the Hawaii Convention Center rooftop repair project and other repairs that are needed, the futures study for the convention center, feasibility of a public-private partnership, and the RFP for management of the convention center.

David Arakawa	Kyoko Kimura
Daniel Chun	Ben Rafter
George Kam	Kimi Yuen
<b>HTA Staff: John De Fries, Keith Regan</b>	

**Chair**

**1<sup>st</sup> Vice Chair**