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**SPECIAL BOARD MEETING
HAWAII TOURISM AUTHORITY
Monday, July 8, 2024, at 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

Hawai'i Convention Center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815

MINUTES OF THE SPECIAL BOARD MEETING

MS PRESENT:

Mufi Hannemann (Chair), Mahina Paishon (Vice Chair), Kimberly Agas (Zoom), David Arakawa, Stephanie Iona, James McCully, Blaine Miyasato (Zoom), Roy Pfund, James Tokioka (Ex Officio, DBEDT Director), Chris West, Mike White

M NOT PRESENT:

Sig Zane

HTA STAFF PRESENT:

Kalani Ka'anā'anā, Isaac Choy, Ilihia Gionson, Maka Casson-Fisher, Carole Hagihara-Loo

GUEST:

Kylie Butts, Erin Khan, Teri Orton, Allison Schaefers

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:40 a.m.

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

Mr. Gionson did the roll call, and all Members were confirmed in attendance except for Mr. Zane, who was excused. Member who attended via Zoom was by herself.

3. Opening Protocol

Mr. Casson-Fisher did the opening protocol with the history of the Obon celebration. Chair Hannemann introduced the two new board members, Mr. Chris West and Roy Pfund. Mr. West is the president of ILWU Local 142, which started as a union representing agriculture workers and has now evolved into representing hospitality workers. Mr. Pfund is the president and CEO of Roberts Hawai'i, a local transportation company started in Kaua'i and has now grown to service the state of Hawai'i for four decades.

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

There was no input on Permitted Interactions.

5. Approval of Meeting Minutes of the May 13, 2024 Special Board Meeting

Dir. Tokioka made a motion to approve the minutes. Mr. McCully seconded, and the motion passed unanimously.

6. Discussion and/or Action on the Formation of a Permitted Interaction Group to Assist in the Selection Process for the Position of President and CEO of the Hawai'i Tourism Authority

Chair Hannemann said they have been asked by the Administrative Committee Chair to forward names to those who are interested in serving on the selection committee. Secondly, if anyone has any ideas or a process to institute going forward, they must send those ideas to Ms. Hagihara. Thirdly, if there were ideas of anyone who could serve in at large capacity, they would forward those names to Ms. Hagihara.

Chair Hannemann explained some of the thoughts that came through to him. He indicated he would consult with the Administrative Audit Committee Chair, Mr. White, and vice-chair Ms. Paishon. He was only permitted to talk to one of them at a time. Rules prohibit meetings that

go beyond one person. He asked staff to prepare notes and minutes for him to review how the past two searches were done, e.g., Mr. De Fries and Mr. Tatum.

In both instances, the Chair of the HTA convened the committee and made the recommendations before the full Board on the selection process that went forward. In both instances there were six Board Members from the HTA and three at-large Members from the community. Nine each, in both instances. It went before the full Board for a vote, then to the Director of DBEDT for his final approval of salary and the recommendation that was made. No other proposal was submitted to Ms. Hagihara for an alternative process or idea to what was presented in the past. Whoever serves on the selection committee cannot be a candidate for President and CEO of the HTA. He said it is important that the PIG committee represent a wide diversity of interests, and every island or county is represented on the selection committee. He said there should be at large members from outside the Board as this was a positive factor in the past. He put the proposal on the table. He opened the floor for discussion or alternative scenarios, processes or systems. That was the purpose of the meeting. He offered the following recommendation for consideration. All but three members of the twelve members of the Board, including Mr. Zig, have put their names forward for consideration for the PIG. He was open to other suggestions.

He recommended the following members to sit on the selection committee:

Mr. White is the Administrative Audit Committee Chair, representing West Maui

Ms. Paishon's passion has been destination stewardship and destination management. She represents Hawai'i island.

Ms. Iona has a strong passion and experience in agriculture. She also represents Kaua'i and has years of experience in the hospitality industry.

Ms. Agas represents the hospitality sector and the hospitality employees, an area growing in population.

Mr. Pfund, new to the Board, has proven to be a diligent and interested individual in the tourism economy.

Chair Hannemann also recommended himself as Chair to be on the selection committee.

For the three at-large members, he recommended the following (some suggested by Board members):

Mr. Ching, who just left the Board, continues to be interested in the HTA. He is also a restaurateur and comes from the culinary side.

Mr. Mike Rompel, the franchise owner of Domino's pizza in Hawai'i, is active with the Chamber of Commerce, is active on every island, and has a reputation for always donating wherever needed.

Ms. Angela Vento from South Maui, is the general manager of the Wailea Beach Resort in South Maui. She is active in the hotel lodging association and the HVCB.

Chair Hannemann said that for a fair and comprehensive look at who will be leading the HTA, they must ensure those individuals have an opportunity to vet the eventual finalist or finalists, depending on the wishes of the Board and the PIG committee. He said it is important for the President of the Senate, the Ways and Means Chair and the Senate Tourism Chair, the Speaker of the House, the Ways and Means Chair, and the House Tourism Chair to share their views on whoever is recommended. He felt it important for the same courtesy to be extended to the Governor and the Lieutenant Governor. He said Dir. Tokioka also had to approve the person as the budget comes from DBEDT.

Chair Hannemann said he would have loved to have the entire Board on the selection committee, but having more than six would be cumbersome. He was comforted that the final vote came to the Board. He wanted to ensure they all follow the rules. Nobody on the selection committee can influence the final vote. They are rolling out the process to select a Chief Brand Officer, and Mr. Nāho'opi'i has been asked to head that. Mr. Nāho'opi'i asked two Board members to be on that committee, namely Mr. Miyasato and Ms. Agas. That committee will also include two members from the community and two staff members. They will make recommendations to Mr. Nāho'opi'i, and he will bring them before the Board before a choice is made. He opened the floor for suggestions and recommendations.

Mr. White said there were three options on how to proceed. One would be to make a committee of the whole. While it creates transparency, it also brings additional challenges, as applicant names must remain confidential. Keeping the interviewees out of the public eye will be challenging. They may be better off forming a PIG than they were in the past. The other two options were one, setting up the way it was done in the past. The other was an option where there were three members of the Board, and the remainder of the committee would be made up of someone appointed by the Senate President and someone appointed by the Speaker of the House, another appointed by the Governor, and then either the head of the TIM school or its designee, or the head of the UHERO, or its designee, and a member of the HTA staff. There are lots of options, and the PIG gives the HTA a fair amount of flexibility in bringing people in for discussion purposes. The other benefit is that anyone they bring in on the PIG could be a voting member. He was unsure if they could have outsiders as voting members. He asked Mr. Cole for clarity on that.

Mr. Cole said that for the committee as a whole, it can be called a recommendation, but it is a decision as well. People who are not on the Board should not be members, but they could always invite people for informative purposes or to hear their thoughts. People on the outside would not have a vote.

Mr. Arakawa asked what is selection process of UH Board of Regents. Mr. White said the selection committee was made of people that were not Regents. Mr. Arakawa said they could look into that. Mr. Arakawa said he would like the transparency of the twelve members. He understood confidentiality issues; the last two times, there were no issues as they all had to sign NDAs. Mr. Arakawa said that according to the last selection process, it is not a given that the Chair of the BOD would automatically be on the selection committee. Chair Hannemann said Mr. Arakawa had a chance to submit his alternative process, but the deadline was July 3, as it was an open process. He said Mr. White did a thorough job, and Mr. Arakawa was part of all the meetings. Mr. Arakawa asked why he had not received the memorandum beforehand about the PIGs. Mr. White did not see the need to pass it out as it was discussed in the meetings. Dir. Tokioka said they could still discuss this as nothing in the memorandum said it could not be discussed further. Chair Hannemann said they could still discuss it.

Mr. Arakawa said 80% of the document was discussed in a prior HTA Board meeting. Mr. McCully asked who did the executive summary minutes. Ms. Paishon agreed that the process needed to be transparent and comprised in a way with a methodology that needs to be effective. She asked if the Board would interview candidates in a public session. Mr. Cole said there are many areas for executive sessions, such as privacy interests, employment history, etc.

Ms. Paishon asked if the candidates' names would be released in the open session. Mr. Cole said they want to put the process in place so the candidates can see when they apply if they have a privacy interest. Ms. Paishon said her only concern is getting the community to participate in the HTA. She wants a model that will enable and empower the community to sit alongside the HTA.

Mr. Miyasato asked if they utilize the PIG and can call meetings on a dime without calling for an executive session. Mr. Cole said the purpose of the PIG is to permit interaction outside the Board. Mr. Miyasato said structurally that they should do this and that conversations could occur in the PIG.

Mr. McCully brought up the politics of the HTA. They are a political Board, and the reason for staggered terms is to democratize or disperse the political influence, not to remove it. The HTA is there to represent the community and their interests. Because choosing the next CEO is a highly politicized process, they need to avoid a two-year CEO. The legislature has been

criticizing the impermanence of the CEO. Mr. McCully said the Chair must recognize his position as the Chair of the Board and the CEO of the HLTA. He said it would be wise for him to be beyond reproach. It would be wise for the Chair to allow the selection committee to advance, and when the selection committee is chosen, the Board makes the final decision. The community must see this as a tourism-neutral process. The Board should consider six members for the PIG. For members outside the Board, he recommended that it be further politicized, and they should embrace that. They are reliant on the legislature for their continued existence. He said a designee of the individual subject matter chairs and one from the Governor's cabinet would be the type of individuals who understand the nature of the next CEO and the skillsets they bring to address the politicization of the HTA. Looking at the statutes, the first responsibility of the CEO is to communicate to the legislative process and the authority's interest.

Mr. McCully said the sixth committee member should be Mr. Arakawa, who was previously a member of selection committees and has the knowledge to bring institutional wisdom. He suggested that Dir. Tokioka and Chair Hannemann should not be part of the committee. He suggested the following:

Mr. Arakawa and Ms. Paishon as the experienced members

Ms. Agas and Mr. Pfund as industry members

Mr. White and Ms. Iona as general board members

Mr. Miyasato said it was not clear to him that it was political and just accepted. He said the original charter was for the community to shepherd the state's most important industry, which was their kuleana. Their loyalty needs to be to the institution. He disagreed with Mr. McCully that it is political. People do not want it to be politicized. He is not naive and said he knows it is political, but many constituents balance the responsibility. He said they must all be aware if they are changing course and acquiescing to it.

Mr. McCully said it does not require a vote. He said that is how the world works. They all received phone calls from political forces requesting them to sit on the Board. He proposed having the subject matter designee, governor designee, and preferable cabinet level share the initial selection process with the six Board members. First, they will have a contractor do it; the contractor will deliver names and reduce those names to a few individuals who will most likely come from HLTA companies. He said they must avoid having cyclical CEOs.

Dir. Tokioka mentioned a comment about the selection of the Branding person. In his professional career, it works best for whoever will be the CEO or President to make the

decision. Following up with what Mr. McCully said, with all the people on Board, he asked if any of the suggestions by Chair Hannemann for the three at-large members were on the HLTA Board. Chair Hannemann said that of the three at-large members, Mike Rompel is on the HLTA Board, not Dylan Ching and Angela Vento. Dir. Tokioka said they should discuss that consideration.

Mr. White said they are hopefully in a transitional period. He said the Board should have more authority than they usually do. He said the goal is to have a CEO selected who is a first voyager with the courage and fortitude to be on the journey for the first time. They should fix all the structural problems before choosing a CEO, as Mr. Arakawa mentioned previously. They need a CEO who can gain the confidence of the legislature, the staff, and the Board and move them in the right direction with leadership. There should be people on the PIG who have the same hopes and desires as the HTA. He said Dir. Tokioka and Chair Hannemann should not be on the selection committee as those who will be applying are those that they deal with already. Mr. Arakawa concurred with Mr. White and supported his recommendation.

Ms. Paishon appreciated when she sat with Mr. Arakawa at the previous selection committee. She asked if he would be able to be on the selection committee as a holdover member. Mr. Arakawa said he would serve if he could contribute to it and did not see any bar to that, but it was up to the Governor's office. Mr. Cole said he does not see any legal reason for him not to be on the committee. Dir. Tokioka concurred with Mr. White and said he was one of the nine members that applied to be on the selection committee, but in Chair Hannemann's interaction for the process, he was not selected for that, and he was happy to retract his name from it if two of the respected Board members recommended that.

Ms. Iona said the most important job is hiring the CEO, and she recalled a previous instance where she was involved in a similar process when they followed the correct guidelines to come up with the best candidate. She said if Dir. Tokioka was allowed to serve on the committee, and she was happy to step down as she believed it was important for him to serve.

Dir. Tokioka would respect the wishes of the Board. His understanding was that the selection would be a serial process whereby criteria would be laid out and possible candidates removed before a final conclusion would be made.

Ms. Iona was optimistic about all the names. She felt that the inclusion of Dir. Tokioka would be an advantage because of his expertise. She stated that she knew Mr. Mike Rompel well, was familiar with Ms. Angela Vento from Maui, and everyone knew Mr. Dylan Ching. All three were good people, and the Chair's recommendations were excellent. She wished the PIG could have eight members, but she realized there could only be six. Those six members were to determine the outcome recommended by the Chair. She asked whether the present meeting's vote would

be only for the selection of the selection committee or for the whole package. Ms. Iona pointed out that another option would be to allow the members of the PIG to work on the names that the Chair had provided.

Dir. Tokioka responded that the Board would select six people, and those six people would select the other three people. Ms. Iona added that this would be the beginning of the process. Although the recommendations of the Chair would be on the table, there might be other ideas. For instance, Mr. White might know someone else on Maui. Ms. Iona had someone in mind for Kaua'i. She asked whether anything would be done during the present meeting. The PIG was to carry out the selection process, after which the committee could meet to select the rest of the selection committee based on the recommendation of the Chair. The previous practice had been to select committee members who then submitted the names of their Chair and Vice Chair to the Board.

Mr. Miyasato felt that this was an elegant solution. He noted that Mr. McCully had the courage to state the importance of not creating handicaps at the outset of the process. He believed that if both Dir. Tokioka and Chair Hannemann served on the committee that would balance any perceptions. From that point on, the process would be the *kuleana* of the committee

Dir. Tokioka referred to his earlier statement that his position would depend on what the Board wanted. He appreciated Ms. Iona's offering to step down for him to be included, but his opinion was that one person should not be favored over another. Because of Chair Hannemann's position in the HTLA and because of his own position at DBEDT, Dir. Tokioka was unsure whether either of them should be on the committee. However, he respected Ms. Iona's opinion.

Mr. McCully noted that his suggestion that Dir. Tokioka should not serve on the committee because the director is the final arbiter for the appointment and the CEO's salary. Dir. Tokioka would be placed in an inappropriate position if he had been the lone vote against the CEO candidate and then had to decide on the person's salary. It was awkward for the DBEDT director to have statutory control over the authority and be a voting member of the Board, and the attorney agreed with this. Mr. McCully's opinion and advice as a farmer was that as a wise public servant, it would be better for Dir. Tokioka is not to serve on this selection committee.

Mr. Miyasato reminded the Board for clarity that although DBEDT approved the CEO's salary, it had already been set at the maximum value by the legislature.

Ms. Paishon asked Mr. Cole whether the Director of DBEDT, under his position, could request briefings so that he would be aware of the candidates and the discussions.

Mr. Cole stated that, in his opinion, this would be difficult.

Dir. Tokioka stated that he trusted both the process and the members of the Board. Chair Hannemann, Mr. White, and Mr. McCully had all suggested processes. Board members could

change one or two people here and there. Dir. Tokioka stated it was probably impossible to avoid making the selection process political, as much as Board members hoped to do so. Mr. McCully had suggested the inclusion of the Tourism Chairs from the House and the Senate, or their representatives, as well as a representative of the Governor. For instance, Senator DeCoite might select a person from Moloka'i to represent her, and the Board would have no say in that selection.

Dir. Tokioka added that the intention of the Board to provide the six members had already been stated, but including legislature representatives would mean that the legislature would have to admit that they had been included in the process. Chair Hannemann had suggested that members of the legislature could be included at the end but would not be part of the discussion and selection process. Following Mr. McCully's suggestion would send a clear message that the HTA understood that the legislature controlled the budget and that the identity of the HTA's next leader was a major priority for it. This would help to instill total confidence and trust.

Mr. Miyasato asked if Dir. Tokioka would be open to selecting members of the PIG during the present meeting. He also asked whether the PIG would select names by unanimous vote. Clearly, rules of engagement had to be specified and agreed upon by the group.

Mr. White stated that the Board shared the responsibility for developing a charter for the executive search, and the Board should determine the constituent members. The Board had already decided that a PIG with six members was the operating optimum. It was necessary to keep the search committee compact enough for effective deliberations. Recommendations for the best practices to search for the CEO of a non-profit organization (NPO) were that the committee should have less than ten members and ideally between five and eight. It was also recommended that the present CEO and Board President, as well as recently retired CEOs, should not be involved to start the process with a clean sheet of paper.

Mr. White continued by noting that the search committee only carried out a winnowing process, since probably all the applicants would be good, but the search committee would reduce a large, unwieldy mass of applications to a manageable size from which the Board could select the best candidate. That stage of the process would be transparent since Dir. Tokioka, Chair Hannemann, and Ms. Paishon would be involved; staff would be present, and the public would be watching on Zoom. The search committee's work was to reduce the number of applicants to be considered. No one would be excluded, there would be no bias, and the process would be as effective, transparent, and democratic as possible. Selection was to be done by majority vote.

Mr. Miyasato asked whether it was possible to propose the three options and take a vote.

Chair Hannemann asked whether anyone was ready to propose a motion.

Mr. Choy asked whether public testimony would be allowed for this agenda item since he wished to testify at an appropriate time.

Chair Hannemann stated that there must be a motion and then asked for a five-minute break.

Chair Hannemann called the meeting back to order after the break. Mr. White stated that there was a recommendation that could be voted on after removing the “at-large” proposals.

Chair Hannemann suggested that a vote should be taken on the first proposal to get a sense of people’s ideas.

Chair Hannemann recognized Mr. Choy, who introduced himself in his capacity and stated that he had public testimony to offer under Agenda Item #6. He said that he was aware that the CEO was very important for the administration of the HTA, but unfortunately, this Board and past Boards did not have good “batting averages” when selecting CEOs. Eight CEOs have served during the last ten years. The victims of having a CEO who was not administratively strong were the employees who had to carry out daily tasks while trying to follow the direction of the CEO. This entailed much waste of time and effort. Mr. Choy suggested that the Board consider having an employee representative on the search committee. This person could guide the discussion to determine if the candidate had a good administrative fit. After listening to the Board discussion, Mr. Choy realized that the organization had a lot of lofty goals. He admitted that his suggestion concerned the rank and file, but he stated that employees would appreciate the possibility that the Board could consider appointing an employee representative on the search committee, with either voting or non-voting status.

Chair Hannemann thanked Mr. Choy for his testimony. He would yield to Mr. Miyasato’s suggestion that the Board could now make some decisions. The Chair had suggested an idea and would elaborate on it, using it as a starting point to determine if there would be consensus. If it failed, then other alternatives could be considered.

Chair Hannemann intended to amend the three “at-large” recommendations he had made, believing it would be prudent to go forward with a six-member PIG committee with the names he had previously offered. While not intending to detract from Board members whose names had not been put forward, he was conscious that everyone brought different strengths and weaknesses, and everyone would have a vote in the process.

Chair Hannemann liked Mr. Choy’s suggestion and agreed that it would be good to include a representative from the ranks of the HTA who could provide firsthand knowledge of what had been going on. Ultimately, the HTA relied on the work of the staff. The Chair had also considered the ideas about the inclusion of elected officials. He suggested that a vote be taken to establish a PIG committee, which would then be allowed to carry out its work by winnowing through available candidates to ensure that the process would be fair, transparent, and wide open.

Chair Hannemann addressed comments that had been made about his affiliation with the Hawai’i Lodging and Tourism Association (HLTA). He pointed out that this had been well known to the Governor when Chair Hannemann had been asked to serve on the HTA Board to

represent the HLTA. The Governor knew that delicate situations might arise, but he had no problem sending Chair Hanneman's name to the legislature. Chair Hannemann himself had appeared before the Senate when the HLTA issues came up. During his confirmation, he was asked if he had any connection with the CEO/President of the HLTA, and he refused. Although the legislature knew his affiliation with the HLTA, their vote had been unanimous. Chair Hannemann accepted that he did represent the HLTA but pointed out that his actions on the HTA Board were always fair and transparent. When he became aware of situations that could present a conflict of interest, he was very careful not to cross that line. When Chair Miyasato stepped down, Chair Hannemann had not asked to be the HTA Board Chair, but had requested Chair Miyasato to find someone else to be the Board Chair. However, Chair Hannemann had been voted as Chair even though Board members knew of his affiliation with the HLTA. If he felt a conflict between his paid and voluntary positions, he would step down.

Chair Hannemann believed that if he served on the selection committee, it would be a strength, not a distraction. He had heard people, including even Board members, say that he was using his position as Board Chair to become the CEO of the HTA, but he assured Board members that he had no interest in the position but wanted only to ensure positive progress of the authority. He noted that formerly, the HTA funding had been insecure, and there had been no idea of increasing the CEO's salary, but this had now taken place.

Chair Hannemann noted that no one said Mr. Miyasato was trying to promote Hawaiian Airlines over other airlines. Everyone came to the table knowing the situation, and the Chair trusted everyone to be able to declare if there was a conflict or a possible compromise at any time. For this reason, he believed that he deserved a seat on the selection committee.

He added that the selection committee members would decide who would be its Chair, and he had never said that he would be the Chair. Chair Hannemann explained that he was doing his best to keep everything above Board and to outline the best way to proceed. Board members spent a lot of time in Board meetings and were not compensated for their time. Spending a lot of time questioning one another's motives was unnecessary. Chair Hannemann recalled that early in the discussion, he stated that the DBEDT director had the ultimate say and needed to be involved from the start. As Ms. Iona pointed out, as director, he had the right to have a briefing or understanding of what was happening. The same courtesy would be extended to the Governor or legislators, even though it was necessary to follow protocol and to keep matters confidential.

Chair Hannemann believed that it was important to take a vote. It was unnecessary to follow exactly the processes that had taken place previously because otherwise, he would not have made his own suggestions. Not all islands or sectors of the community were represented by the members he had suggested, so that was a difference. The PIG committee was to have six members, using the three "at-large" members as a starting point. The Chair continued by explaining that maybe there should be someone from Moloka'i, maybe elected officials should

be involved, maybe, as Mr. Choy had suggested, staff should be involved, but it was important to get a PIG committee to carry out the work impartially. The Chair pointed out that it might be necessary for the PIG to operate in executive-style sessions to protect candidates' identities. The Board also needs to select a head-hunting firm to help with the search.

Chair Hannemann believed the six individuals he had suggested would represent the best interests of the HTA, and was confident that they would factor in everything discussed during the present meeting. He believed that they would act to select the right person to lead the HTA for, hopefully, longer than two years and that they would incorporate findings of the governance study, as well as the expectations of the community, DMAPs, legislators, and private industry.

The Chair asked for a motion, which would be followed by discussion.

Mr. Miyasato proposed that the motion and amendments suggested by the Chair should be put to a vote. Ms. Paishon seconded the motion with the amendments suggested.

Dir. Tokioka believed it would be a great process to select the six members and allow them to select any other three members who were not Board members. He had chosen not to be on the PIG for the reasons he stated earlier. Other people had suggested that Chair Hannemann should not be on the selection committee for similar reasons. Dir. Tokioka asked whether there should be a vote.

Chair Hannemann replied that he wanted the motion to go to the vote with the suggested slate so that if there were members who did or did not want Chair Hannemann to be there, they would either accept or reject the slate and if necessary, a new motion would be made.

Mr. McCully asked for the motion to be codified. Mr. Cole said that he understood that the motion was that the original six selection committee members proposed by Chair Hannemann were Mr. White, Ms. Iona, Mr. Pfund, Ms. Paishon, Ms. Agas, and Chair Hannemann. The committee would be selected from these members, not the "at-large" members.

Mr. White pointed out that some comments had suggested that this committee select additional members to join, which would be a much different motion than simply the six suggested members. Such a motion would establish the charter for the committee, but this had not been clearly articulated.

Dir. Tokioka stated that he had no problem with five of the members who had been mentioned, but he did not feel comfortable that Chair Hannemann was to be on the selection committee, even though he was aware that eventually, all Board members would vote on the appointment of the President/CEO. He would like to propose a different motion that would not include Chair Hannemann among the six members. Dir. Tokioka asked Mr. Cole for his advice, and the attorney replied that once a motion had been proposed and seconded, it must be voted on by

the Board. Alternatively, the Chair could defer the first motion, or the person who proposed it could amend the first motion.

Mr. Miyasato said that he had made the motion to expedite the process.

Dir. Tokioka asked Mr. Cole whether a motion could be proposed on the floor on top of an existing motion. He would not vote for the slate because of his opinion that neither he nor Chair Hannemann should be on the selection committee. However, he had no problem regarding the other five members.

Mr. McCully commented on the extent of the motion, which went far beyond the slate, and he was strenuously opposed to the Board as a whole not being the determinant of the selection committee members. He believed that a subset of the Board should not determine the composition of the selection committee, and for that reason, he thought that the motion on the floor was defective because it represented an abdication of the Board's responsibilities.

Chair Hannemann stated that the PIG would recommend additional members, but the final decision would be returned to the Board in the same way as a decision was being made in the present meeting.

Mr. McCully thanked the Chair for this clarification, which had not previously been articulated. The process must be clearly defined because it is very important. He stated that he believed that during the present meeting, the Board should establish the charter for the selection committee. The Board should have spent time examining their additional responsibilities because that would have shown them the necessity for certain members to be on or off the committee. The Board should have considered the extent of their prerogatives, powers, and responsibilities.

Dir. Tokioka explained that this was the beauty of creating a PIG, as had been done for the Maui wildfire funding from the Governor. If the decision was undefined and the Board was overreaching regarding the vote, Board members could use the PIG as a guiding group. PIG members would be able to meet frequently to examine how the process had worked in the past to return to the full Board with recommendations.

Mr. Arakawa agreed with Mr. McCully that this was a messy process because if the PIG recommended the three or four outside members, then that PIG had to be terminated and another PIG formed. Mr. Arakawa explained that the virtue of PIG was that they were created for a specific purpose. Supposing that one of the duties of the PIG was to recommend three or four other members to be drawn from the public or the HTA staff, the PIG would make that recommendation to the Board, wait for one meeting, the Board would vote on it, and the PIG would be terminated after its recommendations were made. Mr. Cole confirmed this version of events. Mr. Arakawa emphasized that it was not permissible for the PIG to keep adding new duties. As Mr. McCully had said, the PIG had narrow functions, and the Board was responsible for them.

Mr. McCully added that if the Board chose to create a PIG, as apparently was to be done in the present meeting, the Board must not avoid the other parts of the process involving selecting members of the selection committee.

Chair Hannemann summarized the timeline as follows: the PIG would be formed and would meet, the PIG would make recommendations on the names of the “at large” members, the PIG would submit its recommendations to the Board, the Board would vote on the recommendations of the PIG, and then another PIG would be formed to include the newly recruited members. Chair Hannemann did not regard this either as a complicated process or as an abdication of the responsibility of the Board. He believed the process could be carried out before the end of July.

Mr. Cole explained that the formation of the subsequent PIG would have to be deferred to another Board meeting, but it was possible that the Chair could call another special meeting like the present meeting.

Ms. Agas commented that all the discussion might cause a Board member sometimes to wish they had been given a handbook before entering the Board, and it was unfortunate that no handbook was available. She took the presence of her name on a list of selection committee members seriously and wished there had been more discussion before the meeting. Mr. McCully had brought up some points that she was still learning, and she worried that the selection process was being defined as political. Ms. Agas was concerned about this perception and respectfully stated that she would vote “no” because she believed there was not enough time for discussion. She apologized to Chair Hannemann. Although she and the Chair had carried out permitted discussions one-on-one, she thought that a larger group discussion was necessary. Outside perception had an impact not only on the HTA but also on herself as a General Manager. Ms. Agas repeated that her perception of herself and how she would vote was very important to her. She was explaining this now because she was uncomfortable with the process and determined to be honest and transparent.

Dir. Tokioka asked if Chair Hannemann would entertain a process of achieving two things in one meeting, which would be the six-member slate, and then deciding between the three or four suggestions about how to select the remaining three members. Chair Hanneman, Mr. White, and Mr. McCully all had suggestions. Mr. Choy also had a suggestion with which he 100% agreed. This meant that the Board could select the slate and immediately decide to select non-Board members.

Chair Hannemann agreed that that would be possible.

Mr. White suggested that conducting the deliberations at an Administrative and Audit Committee meeting would be another option to avoid forming one PIG and then forming a second PIG including the three new members. All twelve Board members could participate in such a meeting, although only six could vote. This option would preclude forming a PIG now

and then reforming it later. This option could be considered between now and the next Board meeting.

Mr. West stated that he could not, with integrity, vote on anything due to a lack of knowledge. He took Ms. Agas's point that everything had become so confusing and convoluted that he would hesitate to vote "yes" to anything but would not want to vote "no" to something that might be good. He would be in favor Dir. Tokioka's suggestion is to postpone the decision to be able to make a better-informed and educated decision. Mr. West hoped that the delay would enable him to vote "yes" or "no" to the process presented to them.

Mr. Pfund agreed that this had been a very educational first meeting, with a lot of detail, but from the timing perspective, he could see that the Board should try to move forward and make progress on selecting a new CEO/President. Mr. Pfund felt that he now had enough background information.

Dir. Tokioka sympathized with Mr. West's comments and agreed with Ms. Agas's comment that there was no manual. It was difficult for new members to become educated because private conversations were prohibited, meaning that education took place in public meetings. Otherwise, education would be provided by a single Board member. Dir. Tokioka noted that it was difficult to get the historical viewpoints. All of this meant that Board members had a huge *kuleana* towards the HTA.

Mr. West replied that he had always tried to consider all the available information and, in good faith, made an initial decision representing a point of view. He would then be able to review the points that had been mentioned in his mind. He realized that if Mr. White had not already retired, negotiating with him would be very difficult. As Ms. Agas had stated, whether Board members liked it or not, the CEO appointment would be politicized. Mr. West embraced his naivete as a positive quality, which could lead to a decision being made for the people in general and not for a particular person. Having been away from Hawai'i for almost three weeks, he did not have enough time to consider this matter, so he signed his Board Membership form that day. He would appreciate more time to understand the weight of the decision that would be made, and he would like to make a thoughtful vote based on a *pono* decision. Mr. West stated he would be remiss if he failed to request more time to consider all the issues.

Chair Hannemann suggested that the Board take this discussion back to the Administrative and Audit Standing Committee and encouraged everyone to participate. All Board members had the right to participate in all standing committees whether they were voting committee members or not, but the only Board member who regularly participated in meetings of which he was not a member was Mr. McCully. All Board members should attend the meeting so the discussion can occur in a committee. Hearing the contributions of all the members was a great benefit.

Mr. White stated that a meeting of the Administrative and Audit Standing Committee would be scheduled before July 25.

Mr. Miyasato withdrew his motion and Ms. Paishon withdrew her second.

Chair Hannemann stated that this was the end of the present meeting of the discussion about the selection committee but pointed out that there were still many uncertainties. It was important for the two new members to be informed voters, and this was why, in deference to the new members, the Chair recommended that the discussion should continue in the Administrative and Audit Committee.

Mr. White addressed Mr. McCully's point that the Board should vote on the Membership to avoid repeating this discussion.

Mr. McCully apologized to the two new members but reminded them they were both very experienced individuals, which was why they had been appointed to the Board. He was unsure how much better educated they would be in two weeks' time on this subject matter. Every Board member had learned about the work on the job. Mr. McCully warned the new members that even in regular meetings, they would be overwhelmed by information in reports and would learn to deal with it.

Mr. McCully emphasized that this had been a special meeting held specifically to deliberate on the appointment of the CEO. The appointment of the CEO had been deferred and delayed for many months while the HTA had been operating with an interim CEO. HTA would continue to operate with an interim CEO for many more months while this process continued. Board members needed to demonstrate functionality that would inspire trust and confidence in the people who had appointed them and in the people who would read about this the next day. Mr. McCully felt it was important for something constructive to come from this meeting. He had said many times that the charter for the search committee needed to be established by this Board, and the committee needed to be constituted by this Board.

Mr. McCully reminded members that the Chair had made a proposal, discussion had taken place, and alternative proposals had been put forward. Before the Board adjourned, it should consider doing something more constructive than "kicking the can down the road" to Mr. White's Standing Committee. The Administrative and Audit Committee was to meet in two weeks, followed a few days later by the regular Board meeting at the end of July. The appointment of the CEO would be deliberated at the July Board meeting if there were time for it on the agenda, but otherwise, there would be another special meeting in August. Mr. McCully urged the Board members to consider their responsibilities to achieve a definite outcome.

Dir. Tokioka stated that he understood Mr. McCully's concern because the meeting had occupied a large part of the working day. On the other hand, listening to Mr. West's comments, he realized that only Mr. Miyasato could imagine Mr. West's feelings at being thrown in at the deep end. Dir. Tokioka believed that a bad decision could never be made due to too much information. He understood that the new Board members could speak with former Board members or go through previous minutes of Board meetings. He believed that the new

members would have time to consider all the options proposed during this meeting if another emergency meeting were to be called, although the old Board members were ready to vote right away. He agreed with Mr. McCully that the Board should select the other three members. The meeting was now in its third hour, and the two new members would have had enough time to digest the dialogue. Dir. Tokioka was unsure whether deliberations in the Administrative and Audit Standing Committee would be useful, because, although everyone had a right to contribute, only the six committee members could vote. He recommended that the Chair should schedule another special meeting like the present one during which the decision could be made.

The Chair of the Administrative and Audit Committee, Mr. White, clarified that all twelve Board members were permitted to participate in committee meetings, but only the six committee members could vote. He recommended that the opinions of Board members for or against an individual or a person to be named by a legislator could be discussed at the Board meeting during the week following the meeting of the Standing Committee.

Mr. Miyasato asked Mr. Cole whether non-members could attend meetings of the PIG in the same way they could participate in public meetings of standing committees. Mr. Cole replied that only the six members of the PIG were allowed to attend.

Mr. Arakawa asked Mr. McCully to specify the type of constructive decisions he had expected the Board to address during the meeting.

Mr. McCully replied that the Board should focus on the philosophical or technical approach and avoid the slate issue. Chair Hanneman made a motion to include community members and suggested three individuals. A proposal had also been made for *ex officio* members, that is, persons whose membership in the committee was based on their title or office. Earlier, Mr. White had proposed a committee with a minority of Board members and a majority of members from outside the Board, with the rationale that this would give the community more confidence that the CEO would be someone who looked at the big picture. This would avoid the impression of an insular Board making decisions about the new leader of the HTA. Mr. White's proposal had not been discussed during this meeting. Mr. McCully had previously suggested that *ex officio* members should come from the legislative and executive branch, and a different approach had not been discussed, even though one might have come out of a debate.

Mr. McCully pointed out that there had been no discussion about structure and framework, but the discussion had instead dwelled on slates. He agreed that it was fair to mention the roles of individuals such as the Director of DBEDT or the Chairs of legislative committees taking part in the initial selection committee. Mr. McCully stated that in his opinion, and guided by best practices, this might not be the wisest choice by the Board. He did not think that anyone should be disenfranchised, but the final vote would take care of that issue. There would not be a future CEO of the HTA who was not voted on by the eleven Board members in attendance and

whomever would be appointed to fill the empty Chair. Mr. McCully ended by mentioning the initial proposal by Mr. White that a member of the staff should be a member of the committee and that the member of staff was to be chosen by the committee, answering Mr. Choy's concern. In response to Mr. Arakawa's question, a minimum constructive result for this meeting would be for the Board to vote on the framework of the committee.

Chair Hannemann invited discussion by Board members.

Mr. Miyasato observed that the Board had almost concluded since the present discussion related not just to a slate but to the composition of the deliverable for the PIG and the selection committee. He pointed out that the discussion boiled down to whether the Chair should serve on the selection committee. He asked whether more time was needed to settle that question.

Chair Hannemann stated that he was prepared to go forward based on the pleas by Mr. West and Mr. Pfund. He felt they should be given an opportunity to grasp the issues, but he also appreciated Mr. McCully's contribution because he also felt that Board members were prepared to go forward. Major obstacles had been removed, the most important having been the will of Board members to suggest to the legislature that they wanted to vote for a President and CEO despite the problems besetting the HTA. The legislature first agreed to this suggestion and then agreed to increase the CEO's salary from \$250,000 to \$300,000. Those were the two major obstacles, and the Board was now confronting the practical problem of going forward in a fair and open process that would be resolved with the best person to head the agency. Chair Hannemann believed it was worth investing a little more time, although he still believed that the best process would be a PIG with six Board members and three or four other members to be added, noting Mr. Choy's excellent suggestion to include a staff member.

Chair Hannemann suggested that the Board should have one more meeting with Mr. White, Chair of the Administrative and Audit Committee. He encouraged everyone to attend even though only six would be entitled to vote. The Chair noted that this had never prevented Mr. McCully from participating in Branding meetings as if he were a voting member. Chair Hannemann suggested that the conclusions of the Administrative and Audit Committee would be brought up to the full Board meeting on July 25.

Ms. Paishon appreciated the logic behind the Chair's initial proposal and subsequent amendments. She continued to emphasize the importance of geographical and industry representation and gender representation. The Vice-Chair urged Board members to remember this issue during the finalization of the selection committee. She also noted that Ms. Menor-McNamara was now back with the Board, which had implications for gender equality.

Chair Hannemann pointed out that the proposed slate was 50% female, but Ms. Paishon responded that it was 4/5. The Chair explained that he had referred to the slate for the selection committee. Ms. Paishon repeated that it was not 50% female when the legislative

Members were included. Mr. McCully had assumed that she was referring to the PIG because the PIG was what the Board had under its control.

Mr. Miyasato referred to his previous comment about Chair Hannemann's not being Chair next week and explained that serving as the Chair of the Board was not a bad thing but an honor.

Chair Hannemann called for a motion to adjourn, but Mr. McCully moved, and Mr. Miyasato seconded the motion.

7. Discussion and/or Action on the Assignment of New Board Ms to Standing Committees

Chair Hannemann said three new committees will be involved here, with the departure of Ms. Menor-McNamara and Mr. Ching. He put Roy Pfund and Kimberley Agas to replace the members of the Branding Committee. Dir. Tokioka asked if Chair Hannemann had spoken to them to determine if they would like to be on the committees. Chair Hannemann said he had and would not be putting their names forward if he had not spoken to them first. Mr. McCully said that when they add members, it makes sense to recommend them to the Board. Mr. McCully reminded everyone that committees are established under Article 5 of the bylaws. The Board, at its discretion, appoints members of the committee and the chairperson of the committee. He said it makes sense that the Board Chair asks those members if they would be happy to serve on the respective committees and not appoint anyone without those members' approval. There was no further discussion. Ms. Paishon asked if Mr. Miyasato was in favor of the additional members. Chair Hannemann asked for a motion. Mr. McCully made a motion, and Mr. Miyasato seconded. The motion passed unanimously.

For the Ho'okahua Hawai'i committee, he proposed that they recommend Mr. Chris West to replace Ms. Menor-McNamara and Ms. Iona to replace Mr. Ching. Mr. West wanted more information to know if he could do a good job before he accepted the role. Ms. Paishon said the committee would focus on key areas and build on their work with DMAPs with Ms. Anderson and Mr. Ka'anā'anā so they would increase their level of conversation. The second area is workforce development and education that supports workforce development. She said there will be increasing the number of meetings to focus on those areas specifically. She will make the agenda more collaborative. Meetings are always on Zoom. Mr. McCully suggested that Mr. West sit in at the next meeting before deciding if he would like to be on the committee. Mr. West said he would like to explore that possibility. Mr. Arakawa said they amended the bylaws so that every committee has twelve members, and six are voting members. Everyone can attend all the meetings and decide if they want to be part of any other committees. Mr. Ka'anā'anā said the Ho'okahua also covers all the natural resources, Hawaiian Culture, and

community programs, including the money they dispursed to the various community organizations. Mr. West apologized for his lack of availability in the past few weeks as he was in Canada.

Ms. Agas asked if they are also replacing Mr. Zane on the Ho'okahua Hawai'i committee as well. Chair Hannemann said that they will canvass more members at their BOD meeting in July. Mr. Zane said he would step down immediately, and Chair Hannemann hoped he would have a replacement before August. Ms. Agas asked about the replacement for the Branding Committee, as Mr. Zane was also on that committee.

Chair Hannemann asked for a motion to have Ms. Iona on the Ho'okahua Hawai'i committee. Ms. Paishon made a motion, and Mr. White seconded. The motion passed unanimously.

8. Adjournment

The meeting adjourned at 12:30 p.m.

Respectfully submitted,



Sheillane Reyes
Recorder