



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Tuesday, November 26, 2024, 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

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

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

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

HTA STAFF PRESENT:

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

GUESTS:

Teri Orton, Mari Tait, Daniel Ito, Laci Goshi, Alison Schaefer, Jeffrey Eslinger, Lei-Ann Field, Nathan Kam, Kara Imai, Eric Takahata, Krislyn Hashimoto, Jay Talwar, Ka'i'ini Aranaydo, Carmela Resuma, Noelle Liew, Alvin Legaspi, Kekoa Carvalho, Adrian Tam, M. Jamshidi Kent

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:35 a.m.

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

Mr. Gionson did the roll call, and all Board members attended in person.

3. Opening Protocol

Mr. Gionson did the opening cultural protocol and recognized Hawaii's Independence Day Lā Kū'oko'a on November 28, 1843.

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

There was no input on Permitted Interaction Groups.

5. Welcome New Board Member, Todd Apo, to the HTA Board of Directors

Chair Hannemann introduced Mr. Apo, a Kamehameha Schools graduate who attended Brown University. His resume spanned from the private and the public sector and the non-profit to being a referee of high school and collegiate basketball games across the islands. Mr. Apo appreciated the opportunity to be on the HTA Board.

6. Approval of Meeting Minutes of the October 3, 2024 Regular Board Meeting

Dir. Tokioka made the motion to adopt the minutes, and Mr. Miyasato seconded, and the motion passed unanimously.

7. CEO Report

The Acting CEO, Mr. Nāho'opi'i, informed Board members that their information packet contained a lengthy report on the activities and actions that had taken place during September and October. He gave some highlights on this report.

Regarding recruitment for vacant positions, Mr. Nāho'opi'i stated that ten of the 30 positions approved by the legislature in 2024 were vacant, including three destination managers. The Board was in the process of recruiting a CEO and Chief Brand Officer (CBO). Mr. Nāho'opi'i welcomed Patti Ornellas from Kaua'i and Meagan DeGaia from Maui, two newly recruited destination managers. They had both previously served as destination managers under the

Destination Management Action Plan (DMAP) program and would now transition to fulltime State employees.

Other posts for which recruitment was to take place were a brand manager focusing on sports, a planner position under the planning and evaluation office, and an account clerk 3 to support the finance and fiscal department. Mr. Nāho'opi'i asked Board members for possible recommendations and reminded them to ask interested individuals to consult the HTA website. The hiring of a contract and administration manager was in the process of finalization.

Regarding the Maui Wildfire Recovery, additional funding for three projects was approved at the previous Board meeting. The largest project involved the promotion of Maui and other islands in the U.S. and Canada markets, which can be seen on the gohawaii.com website. The website also featured offers promoting hotels and activities in Hawai'i.

The County of Maui and the University of Hawai'i Athletic Department had supported a basketball game between the Rainbow Warriors and the Silver Swords, with a Board member of the HTA officiating the game. Additional activities were co-sponsored by Outrigger Resorts, Kamehameha Schools, Polynesia Adventures, Lahainaluna High School, and Chaminade University, and they included training activities for youths.

With respect to branding and marketing, follow-ups were underway from the Los Angeles activation and the JATA Expo, along with Brand USA partnership opportunities. These results were to be presented in a report from the Branding Standing Committee.

Regarding destination stewardship, the community tourism collaboratives and foundational technical assistance programs were continuing, and there had been recent announcements about their availability.

In planning and evaluation, the State Auditor had been provided with documents related to strategic planning for 2016 and 2020–2025.

Two students from O'ahu and one from each of the other counties, totaling five recipients, had been awarded the Ho'oilina Scholarship Program in partnership with the University of Hawai'i.

The HTA supported and funded another cohort to the Culinary Institute of the Pacific at Kapi'olani Community College (KCC). The program aimed to train chefs in resorts and restaurants to improve their expertise and increase the global reputation of Hawai'i.

Mr. Nāho'opi'i repeated that detailed information had been provided in the Board information packets.

Chair Hannemann asked whether there were any questions.

Mr. Arakawa asked for clarification about the University of Hawai'i – Chaminade game and whether it had been funded under branding or destination stewardship.

Mr. Nāho'opi'i responded that the October 3 presentation had stated that funding would come from the Tourism Emergency Special fund.

Mr. Arakawa noted that the return on investment (ROIs) was attached to that expenditure and could be reviewed later. Mr. Nāho'opi'i added that for the first game, there had been a small contribution from the HTA, mainly in terms of staff time for coordination, as well as the partnerships that had been mentioned from the Hawai'i Community Foundation, Chaminade University, and the University of Hawai'i.

Mr. Arakawa pointed out that if funding were from branding, the ROIs would examine the number of tourists brought in. However, the community aspect suggested an emphasis on destination stewardship. This could be discussed at subsequent meetings.

Dir. Tokioka recognized the presence at the Board meeting of Representative Adrian Tam. Dir. Tokioka thanked the third-term legislator for his attendance.

Chair Hannemann also welcomed Rep. Tam, and noted that as the area representative for Waikiki, Rep. Tam was present at many events. An official announcement of his appointment was expected soon, and in the meantime, Rep. Tam had already contacted the HTA staff for briefings on tourism issues and such.

8. Board Chair Report

Chair Hannemann commended Mr. Ka'anā'anā for his excellent work with the Kemper Maui Invitational, recognizing his efforts to ensure that the classic was more than just a basketball game. Mr. Ka'anā'anā had worked closely with Mr. Kuhio Lewis, the CEO of the Council for Native Hawaiian Advancement (CNHA). The Chair thanked CNHA for their financial contribution to the event.

The CNHA had organized a Makeke element at the Lahaina Festival, now on its third day at the Royal Lahaina Resort, with the HTA participating in marketing and publicity. In the previous two days, the 60 businesses that were part of the Makeke element, 25 of which were from Maui, made over \$250,000 in sales. Maui Mayor Richard Bissen had been gratified by this welcome revenue for local businesses in West Maui. The sports programs incorporated both marketing and destination stewardship aspects. The games were successful, attracting 7,000 visitors and generating \$24 million in economic impact. The HTA had been congratulated for supporting this

event, which had to be held in O'ahu the previous year due to the wildfires. Residents had reminded the HTA that the festival should remain in Maui from now on.

Chair Hannemann thanked Ms. Anderson for acting as the de facto athletic director for the basketball match between Chaminade and the University of Hawai'i and for ensuring the event's smooth running. This was another way to show support for Maui and provide much-needed support for the community. The Chair extended his thanks to the coaches of the University of Hawai'i male and female basketball teams, and to Chaminade for providing competition. Mr. Apo and the Chair were present, and Mayor Bissen appreciated the support for the Maui community.

Chair Hannemann commended Ms. Anderson's efforts with the Ho'oilina Scholarship, which had grown in support and momentum. It was no longer funded by the HTA but by the Department of Labor, and it awarded full financial support to local public high school students for a four-year course at the University of Hawai'i School of Management, including room and board. This was to be completed by March so that a report could be made to the legislature and the Shidler School, encouraging legislators to continue to provide funding for subsequent years.

Chair Hannemann congratulated the General Manager of the HCC, Ms. Orton, on the new pickleball courts. He pointed out that this was another activity that would incentivize local residents and mainland visitors. Mr. Takahata, the Managing Director of the HTJ hoped to organize a Japan-Hawai'i pickleball tournament that might rival the Honolulu marathon. Mr. Paul Yenamili had worked with Mr. Takahata and Ms. Orton to further this aim. The Chair noted that legislators loved pickleball, and some had played during the inauguration of the pickleball courts. The Star-Advertiser had cited comments from Mr. Nāho'opi'i on the importance of sports tourism, which came within the *kuleana* of the HTA. Ongoing discussions were taking place with Governor Green.

Chair Hannemann and Mr. Arakawa had attended the Food and Wine Festival at the HCC. The Chair appreciated the work of Denise and Roy Yamaguchi in furthering this partnership with the food industry.

Chair Hannemann and Vice Chair Paishon visited the Philippines, where they participated in a community event attended by President Marcos, Governor Manotoc of Ilocos Norte, and a group of 24 leaders from Hawai'i, including some senators. President Marcos expressed his positive feelings for Hawai'i. Many Filipinos in Hawai'i traced their roots to the Ilocos area, and it was suggested that Alaska Airlines might consider reinstating the non-stop service between Hawai'i and the Philippines, which had been discontinued. President Marcos and Governor Manotoc supported revising the air route to include the Ilocos area. Vice Chair Paishon had

taken part in a discussion with these leaders and the Philippine Tourism Secretary. During Governor Manotoc's visit to Hawai'i, he met with the HTA staff and was given information about Philippine travel to and from Hawai'i. Efforts were to be made to increase the Philippine visitor market.

There were no questions from Board members or online participants.

9. Presentation on HTA Destination Stewardship Programs

Mr. Ka'anā'anā introduced Mr. Ka'ini Arnaydo, the Senior Director of Operations at CNHA. Mr. Arnaydo was to make the presentation on behalf of Kilohana because Mr. Tyler Gomes, the Chief Administrator of Kilohana, and the Kilohana staff were participating in the Lahaina Festival, which was taking place at that time. Before coming to CNHA, Mr. Arnaydo was Director of Advancement at the Island Pacific Academy and served as an executive officer of the National Guard. The presentation would focus on topics of particular interest to Board members, about which Mr. Ka'anā'anā had previously canvassed members.

Mr. Arnaydo presented the CNHA organizational chart and explained that the CNHA oversaw eight different pillars, including the Kilohana Collective, a partnership with the HTA. CNHA also included a for-profit arm called Hawaiian Holdings LLC which was responsible for Hawai'i Stage and Lighting, Kilohana Experience, and Nā Lei Aloha. The Kilohana Collective operated on a different basis as a partnership with the HTA.

Mr. Arnaydo explained that he was one of two new team members. The other new team member was Carmela Resuma-Maravilla, the Interim Quality Assurance Program Manager. Ms. Maravilla also holds a master's degree in public administration from NYU.

Mr. Arnaydo presented the organizational chart for Kilohana Collective staff. Mr. Arnaydo reported directly to Chief Administrator Gomes, and the other employees reported directly to Mr. Arnaydo. He worked closely with three directors: the Destination Stewardship Director, Kau'i Arce, the Communications and Marketing Director, Daniel Ikaiki Ito, and the Curator Manager, Ms. Marvilla. Mr. Arnaydo presented the Visitor Education Post Arrival Marketing (VEPAM) key performance indicators (KPI) thermometer and stated that Kilohana was on track to meet all its KPIs by the end of the year.

In light of recent drownings on Kaua'i and Hawai'i Islands and anticipation of the larger winter ocean swells, Kilohana was rolling out the ocean safety VEPAM in airport baggage claim digital displays and social media.

Mr. Arnaydo informed Board members that Travel 808 Maui was already in postproduction and had captured several activities listed in the Board information pack. The co-host was Kumu Cody Pueo Pata. This was to be rolled out from early to late January next year.

The Public Relations Collaboration Manager of the Hawai'i Visitors and Convention Bureau (HVCB), Taryn Pascua, and Chef Isaac Bancaco, were currently working on a community service event for the HTA's Spring Tourism Update.

Mr. Arnaydo stated that the VEPAM account stood at about \$1.3 million. He noted that the Foundational Technical Assistance (FTA) and Community Tourism Collaboratives (CTC) programs were in progress, with nine cohort members selected, program dates scheduled for 9/1/25–12/1/25, and three workshops and site-visits completed. Olena Alec, a CTC member with the Haleakalā Directory, was highlighted. Mr. Arnaydo also mentioned the Hawaiian Civic Club of Wahiawa, for Āina stewardship based at Kūkaniloko, on O'ahu.

The HTA was to provide opportunities for a marketing consultant with new website content funding development for a strategic plan to diversify and create income streams. A stone wall was built by cultural practitioners in the area to protect the stones from destruction.

Mr. Arnaydo presented the cohort spread map for the regenerative experiences and noted that 15 cohort members had been selected after completing three workshops. He also noted that the updating between regenerative experiences and CTC was asynchronous.

Mr. Arnaydo also mentioned the Ancient Leaf Tea organization located on Hawai'i Island. This provided farm-to-table marketing opportunities, with a tasting that included cultural and historical information about wahi pana and 'āina. Resources had been concentrated on marketing the tea tour and fleshing out target marketing and marketing/promotional ideas to reach the market.

Chair Hannemann mentioned the Lahaina Festival and referred to information about it in the presentation. He noted that the festival was wrapping up at the time and had represented a powerful partnership between the HTA, CNHA, and the Hawai'i Community Foundation. Mr. Arnaydo reminded Board members of the Hō'ike scheduled for Tuesday, December 10, between 2 and 4 p.m., at which cohort members of the community stewardship program would share their experiences and immerse attendees into their missions. Information would be given about the best way to support these organizations. Fifteen regenerative experience members had each designed new market-ready experiences to be shared with those attending. Mr. Arnaydo encouraged the Board members to respond to their invitations and attend.

Mr. Ka'anā'anā interjected that invitations had already been directly sent out and added that anyone who had not received an invitation should text him. This event was the capstone for the cohorts of the CTCs and was like a graduation. Board members were encouraged to attend and were reminded that the venue was the Inspiration Museum.

Mr. Arnydo stated that the amount received for FTA/CTC programs was \$529,000. The application deadline for the 'Umeke programs was 4.30 p.m. on 9/20/24. A total of 317 applications were received as follows:

Community enrichment	133
Ho'okipa Malahini initiative	15
Kahu 'Āina	63
Kukulu Ola	75
Signature events	32

After the closing date, the Kilohana team conducted extensive eligibility checks for all 317 applications and found that 176 were eligible. The three main reasons for ineligibility were incomplete or late submission, missing or insufficient required documents, and/or failure to meet RFP requirements. The evaluation phase began with creating an HTA approved list of evaluators followed by orientation coordination, an individual review process by communities, and committee sessions. The final committee meeting was held on October 29, and the committee's decisions were forwarded to the HTA. The Kilohana team was ready for the award process pending approval by the HTA.

Mr. Arnydo informed Board members that Kilohana was on track with award payment schedules for the 2024 recipients. Event and final deliverables were being closely tracked. 2024 closeout forms had been drafted and would be completed as awards were fully disbursed. He presented a snapshot of the 2024 dashboard. Kilohana had partnered with Sassato to update the Gohawaii app. The contract began in mid-September and was due to be completed by December 31, 2024. A list of 91 stakeholders has been received. The interview process was drafted by the HTA and finalized the previous month. The interview schedule had been sent out in mid-October. Kilohana was preparing to complete the final 17 interviews by the end of the year.

Mr. Arnydo informed Board members that Kilohana had partnered with Mitch Bach and TripSchool to develop a tour guide certification program. He added that TripSchool provided award-winning courses and books for tour guides worldwide and online certification programs for tour guides globally and nationwide. TripSchool was acting as an independent consultant.

Mr. Arnyado stated that Kilohana had met with the HVCB, Kupu Alani Community College, the University of Hawai'i TIM School, and other HTA-identified stakeholders. They collaborated with HVCB to create a stakeholder list for the project, which was given to HTA for vetting. The TTC program would revamp the tour guide manual prepared in the early 1990s and would function as an online platform for the baseline curriculum with specialty items and provide asynchronous learning. Mr. Arnyado informed Board members that the current amount billed for 'Umeke was \$9.3 million. He noted that 174 organizations had registered with Qurator, 62 organizations had been certified, and 40 were live on the Qurator website. Leading inbound Japanese operators JalPak, HIS, and JTB had been certified, as announced in a press release in early October. Mr. Arnyado added that the current amount billed for Qurator was about \$200,000.

Board members were invited to ask questions.

Mr. McCully stated that some of his constituents from Hawai'i Island had reached out to him for clarification, having been told that their awards required specific Board approval. He asked whether the Board was to approve specific recipients or whether the approval referred to a lump sum for discretionary disbursement.

Mr. Ka'anā'anā responded that this was not the case. The Board had already approved funds, and Kilohana was waiting for approval from himself to issue award notices. He explained that the HTA allotments had not been received, but he was working with Mr. Kishi to ensure that funds would be available to fulfill commitments. Until he was confident that funds for fiscal 2025 (FY25) would be sufficient, awards would not be given, but the expenditure had already been approved, and no new approval was needed. Mr. McCully responded that the entities had been given to believe that the Board had to approve their awards, and most were vitally concerned with the distribution of resources. He asked for clarification on why these entities had misunderstood. Mr. Ka'anā'anā was unsure how this occurred but promised to clarify the situation to anyone with that impression. He noted that the awards still had some time since the programs were to start work on 1 January and end on 30 June 2025.

Mr. Arakawa asked if Mr. Ka'anā'anā was waiting for information from the finance department. Mr. Ka'anā'anā replied that he and Mr. Kishi had been working since September. The legislature had allocated funds for FY25, but the 10% deduction prescribed by the Department of Budget & Finance had made it more difficult for the HTA to meet anticipated commitments. Mr. Ka'anā'anā noted that the contract had been executed in August 2023 and was to end on May 1, 2026. FY25 funds were insufficient to meet the first six months' commitments of calendar 2025 (CY25). Of the \$5 million required for the Kilohana contract for the first six months, only \$2.8 million was available.

Chair Hannemann asked the HTA Vice President of Finance Isaac Choy for a response. Mr. Choy stated that during the previous two legislative sessions, the HTA's funding had changed from receiving money from the Governor's office to being generally funded, and this entailed different restrictions and encumbrances as separate phases continued. There had been some confusion about whether FY24 money could be carried forward since it was government money. The HTA staff had to manage different funding schemes and were not always certain what funds could be carried over. However, Mr. Choy emphasized that the finance department was clear on what the law stated and would follow it. The HTA might be short of some funding, but it was no one's fault; it was simply due to the way in which the legislature allocated funds. Mr. Choy believed Mr. Ka'anā'anā was doing a great job reconciling these issues with Mr. Kishi.

Mr. Ka'anā'anā responded that this issue had held up the award notices. The available funds were about \$2.8 million, and the awards totaled about the same amount. Disbursing the awards would mean nothing would be available for other needs. Mr. Ka'anā'anā was trying to see if the payment schedule could be structured for the first six months until FY26 money would arrive in September or October 2025. The emphasis was to get through the next nine months. Mr. Arakawa assured the Board that staff were working hard on the issue, but Board members were receiving calls from non-profit organizations and other vendors who hoped to start their projects in January 2025. He suggested developing policies and procedures to improve the process for the following year. Additionally, he proposed developing a timeline to be communicated to all vendors and award recipients, ensuring their awareness of the various stages of the process and allowing them to tailor their operations to the existing timetable.

Mr. Choy indicated that it was a legal issue. Mr. Kishi had been educating the HTA staff on the differences between A and B funds and their mechanisms and encumbrances. Staff had difficulty understanding these concepts, and Mr. Kishi would be asked to repeat the lecture to improve their understanding of these accounting concepts. Mr. Arakawa noted that it appeared that the HTA had awarded money they did not possess. He suggested that they should examine the A and B funds in the future and inform everyone that only a specific guaranteed amount could be awarded, which would avoid the current situation. Clear communication with contractors about available funds would reduce confusion in the future.

Ms. Iona inquired whether the Budget, Finance, and Convention Center (BFCC) Standing Committee had been aware of these issues when they worked on the budget. Mr. Arakawa replied that the budget committee had not considered the details of the awards. Mr. Choy added that the committee understood the nature of a cash flow budget and had worked on the A fund budget. Mr. Arakawa further explained that the budget committee had reviewed the A and B funds and their differences, but they had not considered specific times for releasing funds. They had not accounted for situations where money would be required before cash flow

allowed for its release. Mr. Arakawa requested that the Chair and the Acting CEO ensure that future budget meetings fine-tune these details so that awards would be made only for amounts available at the required time. He added that recipients should be informed if funds would be distributed over time. He reiterated that while the budget committee considered A and B funds, they had not factored in the timing for particular grants. Mr. Arakawa pointed out that this issue should be addressed to avoid confusion and questions to Board members. Mr. Miyasato suggested offering a percentage of the funds immediately, with the full amount to be paid later.

Mr. Ka'anā'anā stated that both he and Mr. Choy would advise against offering a percentage of the funds immediately, recommending that cash flow payments on the contract should be structured to ensure that the cash flow would align with the contract's requirements. He clarified that the awards were within the contract's budget and that the contract had not been exceeded. The contract, signed for 2½ years, comprises about \$17 million for Term 1 (from August 4, 2023, to December 2024) and just over \$10 million for Term 2 (the calendar year 2025), totaling \$27 million. The expected expenditure was already about \$4 million under the \$27 million due to changes made by the staff and efforts to manage cash flow, with Mr. Ka'anā'anā working with Mr. Kishi on structuring. No awards had exceeded the budgeted amount.

Dir. Tokioka and Mr. Choy had made calls to obtain the HTA allotments, but these had arrived in the bank only at the end of November. This was the first year staff had worked under general funding, so they had to adapt to the new methods. Mr. Choy believed this problem was due to this being the first year under the present funding method, and it would not be an ongoing issue.

Mr. Arakawa added that payment of allotments was quarterly, and any possible restrictions were more likely to be applied during the final quarter. Mr. Ka'anā'anā reminded Board members that constituents' questions should be forwarded to him, and the HTA staff would be happy to respond. Kilohana and their team had a robust customer relationship management (CRM) system whereby every call and email from award recipients was logged. He advised Board members to pass inquiries on to the HTA staff. Award applicants seemed to perceive that Kilohana was waiting on the HTA's approval, but the issue was Mr. Ka'anā'anā's ongoing work to obtain funds.

Referring to Ms. Iona's questions, Mr. Miyasato asked about the follow-up on answers, noting that questions about whether previous funds could be rolled over had not been explicitly answered. He acknowledged that Mr. Ka'anā'anā was right in attributing the perceived delays

to the change in funding methods. The staff understood accounting principles, but the rules had changed, resulting in the current situation.

Ms. Iona thanked Mr. Arnaydo for his service to the State as an officer and inquired whether he was aware that the award funds would not be received at the expected time. Mr. Arnaydo replied that he had not realized this personally, but his team had been aware. When asked how this affected the execution of the contract, Mr. Arnaydo explained that as soon as the team realized there would be a delay in the provision of funds, they paused work on the awards and informed all the applicants.

Ms. Iona expressed concerns about an upcoming parade in Kaua'i, scheduled for three weeks, along with a proposed celebration in February. She mentioned that the private sector had to step in to ensure the activities could take place due to the uncertainty about the award of funds, which was unsatisfactory. She pointed out that the HTA had not followed up on their contract agreement with Kilohana. As a member of the request for proposal (RFP) committee, Ms. Iona regarded this as the wrong form of interaction. She stressed the need for whoever was responsible for that segment to provide the financial acumen to the Board, ensuring they understood that the contract was not being adequately fulfilled. Ms. Iona emphasized the importance of preventing this issue and urged Mr. Choy to do his utmost to improve the system. Contracts should not be undertaken without the means to fulfill them, as this resulted in communities not receiving the support they expected after completing their paperwork. While acknowledging the good reports about Kilohana's assistance in awarding applicants, Ms. Iona emphasized that the HTA also had a responsibility to Kilohana.

Dir. Tokioka agreed with everything said by Mr. Choy and Mr. Ka'anā'anā. He pointed out that as soon as Mr. Ka'anā'anā informed him of funding issues, he had made a direct call to the Director of Budget and Finance, and the issue had been resolved the following day. Dir. Tokioka pointed out that the State had a huge \$11 billion operation, and issues could arise with various divisions, especially with the changes in funding of the HTA. Dir. Tokioka clarified that Mr. Luis Salaveria, the State Director of Budget and Finance, was not intentionally causing worry to Kilohana award recipients. However, there was a need for better communication. He had expressed this to the Director of Budget and Finance and the Governor's Chief of Staff. He emphasized the need to be better prepared for the future and not to criticize the changes in the process, which had caught Mr. Ka'anā'anā, Mr. Choy, and Kilohana unprepared. Dir. Tokioka understood the frustrations of the various festivals that had been receiving money for years and stressed the importance of using a better method of allocating money quarter by quarter in the future.

Mr. Ka'anā'anā added that transitioning all contracts to a fiscal year basis would be the key to managing this issue. An RFP had been issued via Kilohana for six months for January to June

programs, ensuring adjustments would be made and synchronized. Another RFP for FY26 will be issued in February. Mr. Ka'anā'anā pointed out that the "window" had not yet been missed, and discussions with Mr. Kishi were ongoing. Kilohana contractors had made significant sacrifices to ensure the operation continued, such as giving \$1.5 million out of the contract to balance the FY24 budget. The HTA staff were still making adjustments and setting priorities for FY25. A situation where awards were made but could not be disbursed was undesirable. Vice Chair Paishon commended the Kilohana team and their sub-consultants for their efforts, given the brief time they had to develop and amplify a regenerative tourism pivot for the State of Hawai'i. She appreciated the metrics that had been presented, which gave the Board an idea of progress and accomplishments. She also appreciated the invitation to the in-person Hō'ike. She believed that the HTA would do their best to strengthen their commitment to Kilohana to serve Hawai'i to the best of their ability.

Ms. Iona ended on a positive note, reflecting on her time as a manager at the Lahaina Festival. She had received many calls praising the festival, including one from a relative who was a reservations manager, and shared their perception that things seemed to be returning to normal, with many people shopping. Ms. Iona thanked Kilohana for their contributions. The community sports and retail values brought by the festival had been unprecedented for Maui, and in the eyes of the community, the festival had been an enormous success.

Chair Hannemann thanked Board members for their contributions and announced that another round of Kilohana awards would start in February. He requested that Mr. Arnydo, Mr. Choy, and Mr. Ka'anā'anā ensure such discussions did not recur subsequently. The Chair noted that Dir. Tokioka commented on the unpredictability of payment schedules due to the State's various obligations. However, he emphasized that this was the HTA's *kuleana* and should be a priority. Subsequently, the HTA must have a solid game plan to prevent award applicants from complaining to Board members. He hoped that applicants who had not been selected this time would apply again during the next round, and he believed that the present discussion would lead to a better process. The Chair was confident that everyone was trying their best, noting that great programs needed funding. He urged the HTA staff to keep Board members informed in a timely manner.

Mr. Nāho'opi'i promised to continue working on resolving the issue. He stated that the new process had been challenging for both the HTA and the Department of Budget and Finance, particularly regarding program IDs and the funding of awards. During subsequent years, the timing of cash flow might differ in relation to larger issues affecting branding and other ongoing projects. Mr. Kishi had been working hard to balance the budget, make funds available for payment of invoices, and notify contractors about delays. Mr. Nāho'opi'i undertook to keep members of the BFCC committee informed about the budget status and processes in place.

Many contracts had been created under a previous funding scheme, causing misalignment between payment timing and the administration of general funds. It might subsequently be necessary to revise the methods of invoicing and paying such contracts.

Chair Hannemann pointed out that while the process was easier said than done, these issues were supposed to be resolved by the BFCC committee before the budget reached the full Board.

Ms. Iona asked if the \$5 million in emergency funds had been received. Mr. Choy responded that since the Board had prioritized this, the HTA's request for reimbursement had been submitted to the Budget and Finance Department immediately, but a response was still awaited. Mr. Nāho'opi'i added that the HTA was following the procedure outlined by the Budget and Finance Department.

Ms. Iona noted that Dir. Salaveria had previously informed the Board that they would automatically receive the funds. Mr. Nāho'opi'i explained that the Departments of Taxation and Budget and Finance had not previously encountered this situation and had to devise a process for replenishing an emergency fund. This had been communicated to the HTA staff, who were in the process of fulfilling the requirements.

Mr. Kishi added that the HTA staff were trying to spend as much as possible on other programs to maximize replenishment, since the Department of Budget and Finance had indicated that replenishment would be a once-year process. Chair Hannemann commented that he had the impression that the \$5 million had already been spent. Mr. Nāho'opi'i explained that most of the funds had indeed been spent, apart from a few remaining projects, including \$130,000 for the second round of expenditure. Over \$4.5 million had been spent, and the HTA staff intended to disburse the remainder before making the replenishment request.

Ms. Anderson asked whether invoices had to be presented to justify expenditure or if encumbrances were included. She pointed out that the \$130,000 was already encumbered. Mr. Kishi replied that invoices were required, and Ms. Anderson recalled that Mr. Kishi had asked contracting organizations to submit invoices. Chair Hannemann asked how quickly this could be done, emphasizing that the Department of Budget and Finance would check if there was still a balance before reimbursing. The Chair reminded the staff that this should be done quickly. Mr. Nāho'opi'i stated that he had informed the staff that submitting the paperwork for the emergency fund was a top priority. Keeping the funds topped up was important because another emergency could arise at any time.

The Chair reminded the meeting that a case could be made that an emergency situation was still ongoing. Mr. Nāho'opi'i agreed that submission of the necessary paperwork and information was a priority. Chair Hannemann noted that it was November 26 and asked if the

request could be completed by the end of the month. Mr. Kishi confirmed that he would submit the request by this deadline. The Chair stressed that the HTA must ensure that their failure to fulfill the requirements was not the cause of their not receiving the reimbursement of the emergency funds.

Ms. Iona asked Mr. Kishi for comments. Mr. Choy directed Board members to refer to page 10 of the financial report, where amounts spent from the emergency special fund were recorded as reported monthly. Ms. Iona doubted whether the process could be completed before November 30 if it had already been reported monthly. Mr. Choy responded that such decisions were outside the HTA's control and that he was not part of the decision-making process. Chair Hannemann reiterated that the vital issue was to ensure that the HTA had submitted every requirement to the next level of approval. Mr. Choy responded that everything the HTA could do had already been done, and the matter was now in the hands of those outside the HTA. Chair Hannemann inquired about the remaining bill payments, and Ms. Anderson assured him that she would work with the contractors to submit their final reports and invoices without further delay.

Mr. McCully reminded Board members that the preceding discussion had stemmed from his initial question relating to a letter about the status of 'Umeke awards. This letter stated, "We are still waiting on the HTA for the final approved list of awardees." He had asked whether the Board had the final approval over the list of awardees. The discussion then diverged into a useful discussion about budgets and fund sourcing. However, Mr. McCully noted that communication and clarity were essential, and he stated that the initial communication to potential awardees had been incorrect. Mr. McCully had found the Kilohana presentation informative. In particular, he had not previously seen the CNHA organizational chart. He noted its complexity and suggested that it would benefit the Board if a more detailed presentation of the organization of the CNHA were given in a subsequent meeting. Mr. McCully indicated a potential perceived overlap between the non-profit Kilohana Collective and the parallel entity Hawaiian Holdings Incorporated LLC, which operated Experience Kilohana. He emphasized the importance of keeping governing bodies and Board members of for-profit and non-profit entities separate to avoid public perception issues. He requested that this topic be placed on the agenda for a subsequent Board meeting.

Asked by Chair Hannemann to respond, Mr. Ka'anā'anā assured the Board that Kuhio Lewis and Tyler Gomes would make such a presentation at a future meeting. Mr. Miyasato suggested that the letter to which Mr. McCully referred might be an issue for the HTA rather than the Board, implying that the delay in award presentations was due to the HTA's actions. Mr. Ka'anā'anā agreed that when the letter mentioned the HTA, it referred to himself. Mr. McCully explained

that since the letter came to him, it implied that Board members were also perceived as the HTA.

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

Mr. Nāho'opi'i explained that Ms. Chun was out sick, and a written report had been submitted.

11. Report and Update by the BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE

11a. Presentation, Motion, Discussion, and Action on the HTA's September and October 2024 Financial Report; Recommend Approval

As Chair of the BFCC Standing Committee, Mr. Arakawa proposed a motion to approve the HTA's September and October 2024 Financial Reports. Vice Chair Paishon seconded the motion.

The Vice President of Finance, Mr. Isaac Choy, stated that there had been an emergency the previous month, so the report could not be approved at the Board level and had to be submitted at the present meeting. Mr. Choy was conscious of the importance of the discussions during the previous agenda point, and he believed that the finance report contained a lot of detailed financial information. The HTA finance staff worked hard to compile this report.

Mr. Choy referred to page 17 of the report, which was the result of hard work from Mr. Kishi in response to a Senate request for a detailed line-by-line budget report. This report provided every single budget line item in detail, including cash paid to date, remaining encumbrance, budget restrictions of 10%, FY25 budget, and budget versus actual. Mr. Choy contended that this report should answer many of the questions raised during earlier discussions. He encouraged Board members to review these figures in detail.

Mr. Choy noted that the HTA finance staff had been reviewing these accounts since June 30, when a large table in this format had been distributed for the previous fiscal year. This was public information upon which Mr. Kishi would give a brief presentation. Mr. Choy suggested that this could be termed the budget line item (BLI) report. The staff had been compiling this very comprehensive report since June, and Mr. Choy believed that it was unlikely to be matched by any other department of the State in terms of detailed financial summaries.

Mr. Kishi then presented a slide summarizing the financial statements mentioned by Mr. Choy and Mr. Nāho'opi'i. The October 31 finance summary showed budget versus actual

expenditure, summarizing what had been disbursed to date, what had been encumbered, and the \$6.3 million budget restriction. After deducting these three items, the report showed \$18.1 million spent to date, with a remaining budget balance of \$44.8 million as of October 31, 2024.

Mr. Kishi presented a pie chart representing the FY25 budget with major categories of expenditure as follows:

Branding and marketing	62%
Sports and signature events	12%
Destination stewardship and community	12%
Regenerative tourism	6%
Workforce development	2%
Administration and governance	6%.

Mr. Kishi also provided a bar chart comparing the FY25 budget with the FY24 operating budget, noting that the latter was not necessarily categorized in the same way.

Mr. Kishi explained that \$7.16 million had been spent to date for FY25 on the FY24 Tourism General Fund, excluding prior year expenses, with a remaining balance of \$7.078 million. The Tourism Special Fund, which sunset in 2022, comprised a year-to-date cash balance of \$8.348 million and an encumbrance balance of \$852,000. Mr. Kishi explained that only the remaining encumbrance balance was available for spending, and the HTA staff hoped to disburse it before it was returned to the State.

Mr. Arakawa reminded Board members that the Tourism Special Fund had previously had a cash balance of \$8.3 million with encumbrances of \$852,000. He asked Board members to calculate the amount that had been lost since this fund had been eliminated.

Mr. Kishi stated that the year-to-date expenditure for the Tourism Emergency Special Fund was \$105,319, with \$282,749 remaining from the Maui Disaster Response Plan #1 and \$130,000 remaining from the Maui Disaster Response Plan #2 to be spent down.

The EDA-ARPA State Tourism Grant had year-to-date expenditures of \$2,780,000, a fund balance of \$8,776,717, and an encumbrance balance of \$5,720,345.

The amount remaining from the HCC General Fund for FY24 was \$2.078 million. Year-to-date revenues for the Convention Center Enterprise Special Fund stood at \$11.4 million, including \$11 million in TAT allocations received earlier in the year, some monthly interest income, and some HCC operations net income. The cash balance in the Special Fund was \$59.2 million, with

\$34 million reserved for FY25 operations and another \$11 million to be transferred to the Budget and Finance Department in FY26. This amount had been provided during the previous year for FY24 operations and was to be repaid.

Regarding the roof repair project, \$50 million had been appropriate for the rooftop terrace deck, with year-to-date spending of \$149,000 and \$14.4 million remaining in funds. The encumbrance balance was also \$14.4 million. The \$64 million appropriation provided last year was still pending release by the Governor.

Mr. Arakawa asked Mr. Choy whether the rooftop repair project was on time and budget. Mr. Choy identified himself as the project manager and acknowledged that the project was slightly delayed while awaiting the allotment from the Governor's office. However, he expected the project to be on schedule once the allotment was received. He informed Board members that all drawings and construction documents (800 pages) were complete, and that the next step would be to ask for bids from contractors. Otherwise, the project was on budget and on time.

Mr. Nāho'opi'i referred to the Convention Center Enterprise Fund, noting that a \$20 million allowance had been awarded during the 2024 legislative session, giving a total repair and maintenance allocation of \$34 million. The annual allowance was only \$14 million plus \$20 million for the present year. This was intended to allow for the HCC's repair and maintenance program, addressing items such as the escalator that needed urgent repair.

Mr. Miyasato asked about the closure of the HCC for the execution of the rooftop project. Mr. Choy explained that the HCC would be shut down from January 1 to October 31, 2026, to focus on roof repair. Mr. Choy informed Board members that the cost of keeping the HCC open during this major construction project was estimated at \$8 million. Closing the center during this period was a sound business decision since a revenue of \$8 million was unlikely to be generated during that time.

Mr. Apo asked if YTD meant Fiscal Year to Date, and Mr. Kishi confirmed this. Mr. Apo also inquired how the actual July–October expenditures compared to the expected expenditure and whether there was a month-by-month expectation. Mr. Kishi acknowledged that spending had been slightly behind schedule due to allotment issues, but the HTA staff had not prepared a cash flow projection versus actual expenditure. Mr. Apo urged that significant variances should always be reported.

Vice Chair Paishon asked for the identities of the committee members who reviewed and approved contracts related to the Convention Center. Mr. Choy replied that he was the program manager and cost estimates were prepared by professionals. An evaluation committee including subject matter experts, some from the State Public Works Department, was to review

bids from contractors. However, Mr. Nāho'opi'i cautioned that the identity of evaluation committee members was confidential.

Mr. Choy apologized for inadvertently releasing part of this confidential information.

Mr. Nāho'opi'i stated that the RFP process was bound by State procurement statute 103D.

Mr. Arakawa explained that the committee referred to was the first evaluation committee. He explained that no one knew the members of the final evaluation committee, but it would be formed pursuant to procurement law. In response to a question from Ms. Iona, Mr. Choy confirmed that contractors were aware of this procedure.

There were no questions from online participants.

In response to a question about budget concerns that the Board should address, Mr. Arakawa asked the same question of Mr. Choy and Mr. Kishi. Mr. Choy responded that there were no pressing issues at that time. However, he assured Board members that if overages in expenses were to occur later in the fiscal year, he would bring it to their attention. He emphasized that the fiscal year was still at an early stage.

Mr. Arakawa called for a vote on the motion. Mr. Gionson conducted the roll call vote, and the motion was passed unanimously.

11b. Motion, Discussion, and Action on the Hawai'i Convention Center's (HCC's) August 2024, September 2024, and October 2024 Financial Reports and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan Recommend Approval

Mr. Arakawa proposed a motion to approve the Hawai'i Convention Center's (HCC) August 2024, September 2024, and October 2024 Financial Reports and update on the 6-Year repair and maintenance plan, which was seconded by Mr. White.

Mr. Arakawa asked Ms. Orton, the General Manager, and Ms. Tait, the Director of Operations, to present their reports on the HCC.

Ms. Orton reviewed the latest financials, noting that October had ended well. Twenty-four licensed events had been budgeted, but only 21 were held, including three citywide events, an unusual number for one month. These events included the Electrochemical Society, the International Society of Pediatric Oncology, and the Armed Forces Communication and Electronics Association (AFCEA). Two of these were first-time citywide events. Although AFCEA was to relocate in 2026, they would stay on the island and relocate to headquarters hotels, having signed with HCC for several future years.

Ms. Orton added that these citywide events had enabled the HCC to outperform their revenue target for the month, with total facility revenue for October reaching \$2.7 million, \$275,000 more than budgeted. This resulted in a net income of almost \$500,000, exceeding the budgeted amount.

Ms. Orton informed Board members that the FY25 reforecast showed significant improvement. The fiscal year was projected to end with a net loss of \$2.1 million, \$1 million better than budgeted. A further 11 citywide events would be hosted during the remainder of the fiscal year.

Ms. Orton noted that many citywide and local businesses had spent more on F&B than anticipated. She added that the HCC showed a return on investment (ROI) to the State of \$16.67 for every dollar spent. The 18 citywide bookings for the fiscal year were projected to generate revenue to the State of \$380 million in economic impact and about \$44 million in total taxes. Ms. Orton anticipated that numerous citywide events would make FY24 and FY25 financially strong.

Recent events hosted by the HCC included PRIME (repeat business), SIOP, and AFCEA (two of the three citywide events). The local repeat event, Hawai'i Food and Wine Festival, had used the HCC exhibit halls for the first time rather than the rooftop or the fourth-floor ballroom. This change had been appreciated, and the decorations, including wall-to-wall carpet, were well received.

Upcoming events included the Honolulu Marathon in the first week of December, the Aloha Regional Christmas Festival Volleyball Tournament in mid-December, and the TransPacific Volleyball event (repeat business) in early January. The next three months would see several local and citywide events, with January typically being slower, allowing for repair, maintenance, and capital improvement projects.

Ms. Orton reminded Board members that 45 indoor pickleball courts had recently been purchased and inaugurated. She added that many calls had been received from local organizations hoping to host tournaments. The next official tournament was planned for April 2025 and would use all three exhibit halls and all 45 courts.

Ms. Orton invited Board members to walk through the Exhibit Hall for "Twas the Light before Christmas" installation, a partnership with the Paquin Group, which had previously brought Monet and Van Gogh immersive experiences to Honolulu. The HCC was to partner with them for their first holiday immersive experience, transforming Exhibit Hall 3 into a Winter Wonderland. The ticket sales target had been 10,000 before the opening, but 13,000 tickets had already been sold.

Ms. Orton announced a new exhibit on the third floor, in partnership with master carver Tom Pohaku Stone. He was carving 14 replicas of original surfboards after conducting research at the Bishop Museum over the past year. This exhibit would provide a historical storyline of surfing from its inception, which was the first of its kind. Professional surfers and Board members will be invited to the official blessing in January 2025, coinciding with a major surfing event.

The carbon offset program had resulted in the planting of 464 trees to date, offsetting 448.12 metric tonnes of CO₂. Ms. Orton explained that this opt-out program automatically enrolled every event, with each dollar contributing to tree planting at Malai Kahana and Manakea on Hawai'i Island.

Mr. Arakawa inquired about recent partnerships with major events on themed food and beverages, similar to the immersive Monet and Van Gogh exhibits. Ms. Orton cited the partnership with the Okinawan Festival, in which the Okinawan Association had allocated a space to create a beer garden. This had been a tremendous success, with appropriately priced local dishes, including Pupus and local kine grindz, beverages featuring local breweries, and specialty cocktails from the Awamori Garden. Beer sales had exceeded expectations, and the food and beverage profit tripled compared with previous years. This provided a new experience within the Okinawan Festival. Mr. Arakawa added that local residents greatly appreciated the appropriate pricing levels for the beer garden.

Ms. Orton mentioned the involvement of Hawaiian Airlines in the Genki Ball initiative to clean up the Ala Wai Canal, and the HVCB offered a menu of sustainable initiatives that allowed event organizers to participate in regenerative tourism. These initiatives included Genki Balls and the carbon offset program.

Ms. Orton thanked Board members for supporting the HCC, expressed gratitude for their contract renewal, and shared her excitement for the future. She also wished everyone happy holidays.

Ms. Tait provided an update on the repair and maintenance program, with detailed information available in the Board members' handouts. She shared photos from the rooftop terrace, explaining the need to ensure adequate panels for upcoming lighting and electric metering changes. Destructive investigations revealed that the rooftop construction differed from the plans, enabling designers and architects to develop appropriate repair designs.

Ms. Tait informed Board members that the third-floor and exterior planter project was ongoing and focused on the grand staircase. This extensive project involved excavating and rewaterproofing planters and repairing damage to the walls due to water leakage from the planters.

The lighting project in the ballroom was about 75% completed, with guests commenting on how well the new LED lights illuminated rooms and hallways. The project would progressively replace lights throughout the building, although lights in the Makai rooms would not be replaced until after the rooftop project since this would involve removal of the ceilings in those rooms.

Ms. Tait added that the exterior painting project was 25% complete, with work moving down the outside corner. She stated that the kitchen staff were very appreciative of the new flooring. The installation of the new chiller was almost complete. This upgrade was expected to reduce utility bills significantly.

Ms. Tait reminded Board members that capital improvement projects were divided into three categories:

- Improving Guest Experience
- Improving the Building
- Improving Department Efficiency

Ms. Tait stated that kitchen upgrades included a new chemical fire suppression system along with the replacement of hood controls. She reminded Board members that most kitchen equipment was original to the building. This made repairs difficult due to the unavailability of replacement parts, and in most cases, the entire system had to be replaced.

Ms. Tait informed Board members that despite the challenges, all the necessary repairs had been completed before the "Twas the Light Before Christmas" installation.

Plans were underway for a significant solar project which was expected to provide substantial savings. The procurement process was at the stage of receiving proposals and shortlisting companies. The delay in supply was likely to push the installation to the third quarter of 2025.

Ms. Orton added that it had been challenging to schedule events around repair and maintenance work. Mr. Nāho'opi'i explained that a number of repair projects would be scheduled for 2026, taking advantage of the building's partial closure for rooftop repair.

Ms. Tait provided a detailed list of repair and maintenance projects completed by the third-party project management company starting in 2020.

Mr. Arakawa opened the floor for questions from Board members or online participants.

Mr. Miyasato congratulated Ms. Orton and Ms. Tait, and apologized for his misunderstanding of the HCC shutdown timeline, He emphasized the value of events like "Twas the Light Before Christmas" in enhancing the Hawai'i brand and providing local experiences.

There were no additional questions or comments from the Board members or online participants.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

12. Report and Update by the BRANDING STANDING COMMITTEE

12a. Presentation and/or Discussion on the Los Angeles Saturation Activation and Other Updates from Hawai'i Tourism United States (HTUSA)

Mr. Talwar said they had a great Los Angeles Market Activation. The private partners all stepped up. A significant portion of the funding went to mass media in the marketplace. They also partnered with KTLA, the major broadcast network in the Los Angeles market. They had an in-person event in partnership with Mana Up. They researched the programs, and their research helped with the in-person events. Getting people of Hawai'i in front of people in the marketplace makes all the difference.

Paid Digital Media impressions included:

YouTube TV - 18.6M impressions

LG - 14.5M impressions

Trip Advisor - 5.5M impressions

Paid social media included:

The People, The Place, The Hawaiian Islands, with the focus on Maui.

Mana Up Hawai'i partnership:

Heart of Abbot Kinney Boulevard, a neighborhood with excellent foot traffic

57 Hawai'i brands, 11 from Maui

9,328 attendees over three days

31 activations included workshops, demos, and panels

VIP Receptions excited media, influencers, travel advisors, MCI clients

Local coverage on KTLA, ABC, FOX

Generated 36,513,073 impressions across 28 media placements.

They were overwhelmed with interest and participation. It created excitement in the marketplace.

The local businesses were listed on a spreadsheet. Small businesses and well-known businesses took part. Many start-up businesses were getting coverage due to the Aloha marketplace. He played a video that captured some of the spirit of the event.

He said Mr. Miyasato stepped in and brought Hawaiian Airlines to support the event.

They took advantage of a program on KLTA and, through connections, could get to the regular news. It would be great if Mayor Bissen. and Gov. Green could make a statement and invite people back to Maui and the State. The invitation went out to them, Sen. DeCoite and Sen. Wakai. They got Mayor Bissen and Gov. Green on air, and they had fantastic coverage on air.

He said they were also involved in a lifestyle show called L.A. Unscripted, which focused on Maui. The half-hour show ran on Prime Time and repeated on the weekend and during the weekdays. There were three airings, and there is potentially another one coming up the following week. The focus was on the invitation to visit Maui and the State. They are looking to get a bonus showing on November 27.

He spoke about more impressions for L.A. Unscripted Maui.

They also worked with Nexstar to have social media work with them. This was in partnership with Marriott. 50% was paid for from the HTA budget, and Marriott paid 50%. Social media did an amazing job with a quarter of a million impressions, a 4.2% engagement rate, and a lot of coverage beyond the show and different interviews and sessions with KPLA.

The PR team met with the New York Times, Los Angeles Times, Smithsonian, etc. They had in-person meetings with seven editors and freelance writers representing the publications. While they were there, each private industry partner said if there were a media inquiry, they would host them on the property to extend the budget and get more coverage for Maui. The PR team was able to work with Taste. Their highest-rated show, From Scratch, will be filmed on Maui in a week. It will air in the first quarter of 2025.

Mr. Talwar said public/private partnership is critical. Partners did extraordinary things. One partner redirected paid media investments to the Los Angeles market for September. Many hosted and educated travel agents and group clients. They conducted media blitzes. They support HTUSA-sponsored media visits with accommodations, meals, resort experiences, and activities. They offered attractive value propositions to stimulate visitor interest, such as complimentary night stays at hotels (3rd, 4th, 5th night free) and 20-25% off tours and transportation. He mentioned the qualitative measures and the great results and success that resulted from activating their business moving forward. For the public/private partnership programs, they also hosted close to 100 offers from all the properties, activities, attractions,

airlines, lodging partners, etc. All provided a minimum of 20% off. The past week, the major hotel brands said they had seen a major change in bookings across the State, in Maui in particular, for the next 60 days and Q1. They are seeing a change in the booking pace and booking window. There is positivity in Q1, but not through the end of the year yet.

He spoke about the public/private partnership programs and looked forward to being able to help with that. They had the travel trade team ensure all travel sellers were educated. They had 20 industry partners working with them and going with them to the trade show for education and training. They kept all the travel sellers updated on the fact that Maui is open for business and the fantastic things that can be done across the island and the State. They hosted those offers on-site, with up to a 30% discount. There were great offers from the private industry side. He thanked the HTA for funding this, allowing them to get into L.A. in September.

He spoke about the latest slideshow that was added, which shows the Maui statistics. They were still down 13.4%, but there is still work to be done, and the trend is changing.

Dir. Tokioka asked if any of the promotions had a promotional code. Mr. Talwar said the salesperson will sell what they have been asked to sell. Previously, there were codes, but they did not get traction because people were selling off to another package. In the past, they could not tell private industry partners how and what to sell.

Dir. Tokioka said some hotels asked him why they were not included in the public/private partnership program. Mr. Talwar said Dir. Tokioka must reach out to him with more details so he can look into it.

Dir. Tokioka asked how much they spent on the blitz. Mr. Talwar said it was \$1.5 million. Dir. Tokioka said exposure is good, but people depend on the money the HTA provides.

Dir. Tokioka asked if the funding came from the emergency fund. Mr. Nāho'opi'i said at the previous BOD that the L.A. activation was part of the base funding for the year 2024 for the HTUSA. There was a request for the budget for FY2026 to cover the cost, so the work would be shifted into 2026. If the funding is not approved, they will have to adjust it at the end of the fiscal year in May or June to change the work. This is all allowed under the contract. These activations are part of the contract's overall work. He said they all agreed that the HTUSA had to pivot to create the activations for short-term relief and demand.

Mr. Nāho'opi'i said they have a contract for the HTUSA. Dir. Tokioka said there are procedures they have to follow, and he would like to see the contract because he does not recall some of the specifics spoken about as a Board member, but he said it was a good promotion. They must align with the procedures and policies. He suggested that, as they go forward, they take the money they appropriated to make it bigger. Mr. Miyasato said the Board approved the

installation of \$1.5 million. Dir. Tokioka said it was without detail. Mr. Miyasato said the CEO is saying that this is all in the purview of the contract and that they can do that as it is not a new contract. Mr. Nāho'opī'i reiterated that it was presented to the Branding Standing Committee and BFCC and Board members multiple times before it was voted on in September's BOD with a lot of detail included. It was driven by staff and stakeholder meetings. Mr. Miyasato added that a requirement to be part of the program was to step up and be part of the solution. The partners are seeing results, and they should focus on this. Dir. Tokioka said some of the partners did not feel like they were included, which is one inquiry he received. There were other concerns as well.

Chair Hannemann said the beauty of the HTA is that it stands as a bridge between government and private industry. He said the private industry had been clamoring for some messaging campaign that would be clear from the highest government officials involved, the governor of the state and the mayor, that Maui was indeed open and ready to start welcoming people back. The industry could not get the governor and the mayor involved in the campaigns that they were running. To their credit, they continued to try to do what they were doing. The mix messaging that was out there was handicapping all the efforts. He said they would have to look at it collectively if some of them weren't involved in that one. They did a big boost and a favor to the industry by having the unequivocal support of the governor of the State and the mayor of Maui on the trip. A major takeaway is that the Los Angeles Rams want to do something with Hawai'i, especially Maui, regularly. He was instructed by the governor to have the HTA start working on those details to see what that might look like. Mayor Bissen was extremely happy that the Rams were looking to go to Maui.

The next target should be the Bay Area, San Francisco, the base market. Looking at Maui, that is where their travelers come from. He said he is sanguine about Maui going forward because 6,000 to 7,000 people from the mainland from eight college basketball teams nationwide are in Maui that week and are very happy with what they see. Small businesses are all saying that it is great. He said the HTA can sit back and let the private sector drive it, but success will be very limited. That is why the HTA exists. He said the Senate Tourism Chair was on the trip and very happy and encouraged the HTA to do something with the Rams. Another member of the Senate Tourism Committee was also on the trip. He, too, was very happy. All the steps were taken, as Mr. Nāho'opī'i had reiterated. They need to see how they can do it better in the future.

Mr. Nāho'opī'i said in the committee meeting that after Mr. Talwar's presentation, they started to discuss the hotel pace reports and other data that was still very soft after the first quarter. They made a point to utilize the success to look at other markets. They made it clear that there is an additional cost that would far exceed their base budget for their current work because they still have to work with the travel trade and their base campaign of the people, the place,

and the Hawaiian Islands. He said they would work on coming up with a new proposal to bring forward to the Board and the Branding committee, as well as figure out the funding they presented in their \$80 million ask. This includes additional funding for those types of initiatives because they knew the base funding was not enough to cover the period of the following year that they would need.

Mr. White asked if Mr. Talwar could quantify the contributions from the partners - the advertising, participation, airfare, and all the costs for the partners to go up and participate. Mr. Talwar said they asked for the information, but not everyone was responsive. They have \$2.25 million so far. Those are the hard costs before the discount. Mr. White asked if the private sector is putting in about double what the HTA is, and Mr. Talwar said that was correct.

Ms. Iona asked for the date of the promotion. Mr. Talwar said it was September 1, with some effort in October. Ms. Iona asked if he had gone to the tourism conference to report on the success of their options. There were other speakers from the United States and all over the world, sharing marketing opportunities and what they needed to do at the conference. She said one interesting thing was that the United States representative who shared who their market was. She said Mr. Talwar did a great job. She said he could have missed the boat on a couple of people, but there is always a residual in hotel industry, but he had provided that information at the tourism conference. She was happy that they had the opportunity.

Ms. Paishon asked Mr. Talwar about the request from Dir. Tokioka about the follow-up in identifying who else they will contact in the future. Mr. Talwar said the CEO had responded to that earlier. They would approach it from a budgeting perspective. From a marketing perspective, it depends on the available funding. If they had funding for two markets, they would extend to San Francisco. They have been looking at the numbers to see the top five markets and where they are shortest in some of those key markets. They look at the travelers from that marketplace as a percentage of the overall population to get a sense of the cost of going to that market. They look at various factors to decide which markets would be appropriate to go to next. Then, they work with the team of staff at the HTA, the Branding Standing Committee, the BNF, and everyone else to understand what assets will be allocated to them so they can take advantage of those opportunities.

Ms. Paishon asked Mr. Nāho'opi'i and Chair Hannemann what their current thinking was after hearing the presentation results. Mr. Nāho'opi'i said he had been presenting that in the current year, their goal is for short-term recovery of both the U.S. Canada markets and rebuilding international. They are moving lower down on the funnel because they know they need to sell rooms and get people to participate in activities now. When they made their presentations to ask for the fiscal year 2026/2027 budget, they indicated that intensive saturation type of

initiatives were required, particularly in the U.S. and Japan. Both of those are two of the largest markets. They put that requested additional funding into their budget. The staff has committed over the next two years to continue doing those projects.

12b. Presentation and/or Discussion on the JATA Expo, Japan Mission and Other Updates from Hawai'i Tourism Japan (HTJ)

Mr. Takahata said the Japan market is trending in the right direction, but not as quickly as they hoped. Looking at arrivals and spending, they are not quite half recovered, but they have increased per person, per day spending, and the length of stay. Because it costs so much for Japanese people to come to Hawai'i, they stay a little longer, which is good.

Looking at the impact of tourism from Japan to the State, and looking at pre-pandemic 2019, there were 1.576 million arrivals, good for about 2.2 billion in spending and about 250 million in tax revenues in 2019 pre-pandemic. The person-per-day average spending from 2019, pre-pandemic, was \$241.6. The forecast they looked for 2024 was \$241.9, an increase. In 2019, the inflation for the entire U.S. was 1.8%, which is currently 4.1%. That is the inflation rate as it relates to the Consumer Price Index (CPI). One of the annoying factors for the Japan market recovery is the high inflation rate of the U.S. and Hawai'i. Currently, the yen is 154 to the dollar. Back in 2019, it was 109. They are 30% down on spending power, facing double-digit U.S. inflation, and the per-person-per-head spending is \$241.9. He added in the spending analysis that those numbers are not reported correctly by DBEDT and the HTA. Those numbers do not reflect anything that a Japanese visitor purchases real estate. Kaka'ako is over 50% Japanese-owned. New timeshare sales reports show \$350 million for 2024. Over time, it has been worth almost a billion dollars of money coming into the State. Timeshares pay property tax and TAT, so they contribute to the direct funding that they receive.

Mr. Takahata spoke about package cost comparison. They have been telling the Board and members that other destinations are outspending on the destination marketing. Looking at the Package Cost Comparison spreadsheet, a four-night vacation to Hawai'i for a Japanese person is about 320,000 yen per person, compared with the price for a long-haul flight from Japan to Australia, Bangkok, Paris, L.A., and Singapore.

Looking at the macroeconomics of what is happening in the destinations, Australia is already back to 2019 numbers for the Japanese market. Airlines are adding back flights to Australia because demand is rising. Australia's inflation is stable. Looking at today's inflation rate on the CPI versus 2019 and the strength of the Australian dollar versus the Japanese yen that stayed in check. Looking at Singapore, it is the same. Bookings to London from Japan are rising, as are bookings to Paris. Looking at the inflation factor for London, it spiked in 2024. It is forecasted

that the numbers for London will go below 2019. The British pound is up on the Japanese yen. Looking at value for money and what you can get for the same amount of money, the Japanese are picking Europe, Singapore, and Australia.

Moving forward to the second month of 2025, the HTJ is working on getting the Japanese back to Hawai'i. He spoke about two macroeconomic factors, inflation, and the unfavorable exchange rate, as hurdles for them to attack and address, as they are holding up the return of the Japanese market. It is really expensive for the Japanese to go to Hawai'i. Coming out of the pandemic, the HTA pivoted from the Malama campaign to Yappari Hawai'i, a more aggressive campaign that draws the consumer in and drives bookings.

Mr. Takahata spoke about PR. Expedia, the online travel agency, was the biggest supplier of Japanese visitors to Hawai'i in 2023. They surveyed them, and the number one destination that Japanese people desired for the summer was Hawai'i. For conversions, they are down at about 7. They want to visit Hawai'i, but it is too expensive, so they choose Australia and Singapore. The good news is that demand is good, but realistically, the yen is too expensive. He said they are addressing the issues and trying to affect the Japanese at the consumer level to change how they think.

Moving forward into the HTJ initiatives, it is to those two issues. They need value add, so they are working with many partners with value add, looking to defray the cost for the Japanese visitor in other ways, through food and beverage, through activities, etc. The second thing is how they defray costs in the light of inflation and that unfavorable exchange rate. Those are the two focuses they are concentrating on in all their efforts in the market.

He spoke about industry partner collaborations and co-ops. For every dollar, the partner has to invest triple that in resources and funds for that co-op. ANA, Hawaiian Airlines, and Japan Airlines have worked well with them. They do not have numbers for ANA yet. Japan Airlines' 70th-year anniversary campaign ended in the summer. That campaign or co-op they entered into with Japan Airlines helped them increase their bookings over the summer by over 10% compared to 2023. The results are being reported by their partners, and it is an overall messaging and initiative to promote Hawai'i and have as many people talking about Hawai'i as possible.

Travel trade co-op is the same thing. HIS and JTB were slow out of the blocks in 2021 and 2022, but in 2023 and 2024, they were up over 30%, directly related to the co-op they did with them in 2023. Group businesses are up around 5% over 2023. They do not have Expedia's numbers, but they are still running through the campaign and will have it in their annual report. It is the same case for Rakuten, Veltra and Media. They are driving the bookings quickly to get the

market back. For Rakuten Travel, you get 5% more points if people choose Hawai'i, and they can use those points for meals, etc. Media Travel trade will continue with Fams. The Japanese will continue to receive education in the industry and organizations in Japan. Media Travel Trade education is still in play. In these seminars, there are 500 people in the audience, and they do a fantastic job of educating them. They want the tools to know how to get an advantage over Singapore, Europe, or Australia. They equip them to do that in the media, travel, trade, and education seminars.

Japan missions are continuing in-market or in-person. The turnout has been great every year. In September, they had the legislative members which was organized by Chair Hannemann. This was important because they had not had a significant number of members from the legislature attend something in person in Japan in a long time. They met key decision makers, as well as the presidents and CEOs of the supplier companies. He mentioned what Dir. Tokioka is doing with the governor in Japan. Dir. Tokioka has been on several missions with the governor, bringing delegations to Japan. The State is trying to drive economic development right from the DBEDT standpoint. They also want to expand on helping to pivot off tourism.

He spoke about the Tourism Expo. It is the most significant travel trade show travel and consumer trade show in Japan. Their budget and resources are stretching longer. The Hawai'i Booth Pavilion won the Grand Prix as the best booth at the Tourism Expo.

He spoke about Made-in-Hawai'i promotion, where they increased their presence, resources, and partners with more and more collaboration. For the romance market, which is very lucrative, the high-spending demographic is back to 50%. They are working with the wedding association in Hawai'i and Japan to further fortify this and get more bookings. They continue to pump the golfing and have had a great response.

Mr. Takahata spoke about 2025 strategies. They will continue what they are doing. Attack inflation, unfavorable exchange rate, and increased booking pace. They need to increase the high-value traveler incentive initiatives right now. The people who can come to Hawai'i right now are very affluent and have the resources to overcome that yen challenge. They will promote the attraction of groups working with Meet Hawai'i, and then the destination education product development will continue. For the mid/long-term strategy, they need to attract first-time visitors again. They have strategies and initiatives for that, but not the budget. They will continue to target the youth market. They must strengthen the brand and uniqueness of each island. Digital marketing content - they want that to be amplified, and further initiatives to attract the hula market, which is something on their radar. They want to focus on Hawai'i as a hub of education.

Mr. Miyasato said it was a great presentation. He said that in the Branding Standing committee, Mr. Takahata had a slide demonstrating improvement. Mr. Takahata said they are forecasting about 720,000 on arrivals, which is not quite half of what they had in 2019. Mr. Miyasato asked if the additional money received in the budget directly correlates to the improvement they are seeing. Mr. Takahata said that was correct. They need to keep the pedal on the metal and not lose market positioning to other destinations.

Mr. Pfund asked about the 11,000 Japanese runners coming to participate in the marathon, which is a huge increase. These are all fit-type travelers. So, the marketing outreach to sports tourism activities is working well. And the second thing is they are seeing small groups coming in. And it's not only on O'ahu, but also neighbor islands. Mr. Takahata said that the groups, organizations, and big companies are doing better because of that phenomenon of exports. Japanese products are sold all over the globe. Daito, a Japanese company, brings about 6,000 people to Hawai'i annually.

Mr. Ka'anā'anā said it is the first year they are supporting the Honolulu marathon financially with an award of \$250,000 from the signature events program. As part of that, they will leverage that investment through partnerships with marathon organizers, HTJ, and community partners. This is the first time they applied for HTA funding and were awarded it. Chair Hannemann echoed that it is a worthwhile investment on their part. He thanked Mr. Takahata for the presentation, for recognizing its importance, and for continuing to come forward with great ideas.

12c. Update on the Partnership with Brand USA and other International Marketing Activities

Mr. Nāho'opi'i said many of the members met during the conference in October. Fred Dixon is the new CEO, and Brand USA is the marketing arm of our federal government. When they did the presentations, they realized they should take advantage of the available funds for destinations such as Hawai'i. Their funding comes from the ESTA fees. So, countries with visa waivers, like Japan and Korea, still have to do an online registration program and pay a fee, which goes towards marketing. They have matching funds available when the HTA is doing programs with them. He spoke about a few other programs they are doing.

Two reasons why they are doing these:

- One - To increase efficiency, they are international programs that run across multiple markets. The HTA must decide what needs to be done to take advantage of the scale of doing it within multiple countries.
- Two - How is the HTA running and managing its marketing aspects? Is it always contracted out, and is the staff making decisions and driving the ship? He said those are

examples of how the HTA drives the ship, makes decisions, and partners with the in-market representation to implement some of the programs.

The first program is with Brand USA and Expedia. It is similar to what they have heard from the U.S. and Japan. They must work right now at the immediate end of year and into next year.

Short-term bookings to Hawai'i - Oceania is still down 17%, Canada is down 15 to 20% and Japan is less than 50%. They are working on a program with Expedia that runs through the end of the year and into the first quarter. Research has determined that this is the best time to be in the market to offer promotions because people are home during the holiday seasons in all of these countries, going online looking for deal specials and determining their planning for the rest of the year. For every dollar that the HTA puts in, Brand USA puts in another 20% or 20 cents. Expedia, because they are contracted by Brand USA, kicks in another 40% in terms of value for the promotion, etc., so they are getting 60% back for the dollar that the HTA puts in. The program they came up with is special offers. For those lodgings, attractions, or activities that want to participate in the program, they have to offer about 20% off the rack rate or something similar to what's happening in the U.S. market, such as an extra night free or 20% off.

What is unique about the program is that this is the first time that Expedia has included attractions and activities. Part of the enticement to add value is what they can do here that they cannot do elsewhere, which will draw them to Hawai'i. They are using the combination of both values and featuring all the different things they can do, which they saw in their advertising awareness campaign effectiveness studies, which is a driver into booking Hawai'i and how it works. Out of the fiscal year 2025 budget, the HTA is not directly contributing funds. Instead, they worked with their in-market partners to contribute a portion of the funding. The HTJ is contributing \$100,000, Oceania is contributing \$20,000, and Canada is contributing \$30,000 from the existing marketing campaigns they had in marketing campaign budgets. Another good thing is that it works on a logical system where people are looking for Hawai'i or competitive destinations.

He spoke about the program of updating the official U.S. website, which they have not updated in a while even though they moved on to their GoHawaii.com. They have aligned with Brand USA. Both sites are developed with the back end through Miles. They have been working with them to update the information on the website through the program. This is the official website that all of their in-market representatives use. Once within the US.com, they will feature what the HTA wants them to see and sell. Then, there is a link back to the GoHawaii site. They must keep it updated and refreshed and stick to the brand guidelines. They are getting a great deal because they have coordinated with Miles and part of the package. It is \$50,000 in total to

update all of the islands and the overall State, and then they have each of the islands promoted on the sites.

He spoke about IPW, the largest international trade show for travel trade and travel media. It will be in Chicago in 2025. An important part of this time is that the funding for IPW will be directly managed through the HTA. It is still within the contract with the Island Business Bureau to run the show, coordinate the layouts, etc. It is slightly different from how they managed it in the recent iterations. It has been very effective. U.S. Travel has done a good job in terms of increasing the number of markets that are represented now. In the past, there was not a lot of representation from China, but that year, a lot of China travel trade showed up. Oceania always has great responses and commitments, and they have heard good things from the industry partners.

The Brand team will be taking on these additional projects and coordinating. For 2025, they are also looking at international travel agent training modules that Brand USA has. Each market does its training modules, but if they work with Brand USA, they can do it in English, and then they will do the automatic translation. They run workshops with travel agents and manage the travel trade with Brand USA. It also allows them to be in markets they are not in, e.g., Latin America, although they do not have the recourse to be there. It's not one of their major markets so they will have some representation there. He spoke about the marketing plan. An important part is that they do the Strategic Plan, the functional plan, and the DMAP. They are collecting all of the data and information, and a major component of the Strategic Plan will be strategic Marketing. The staff is committed to working on a detailed global marketing plan utilizing the data to do a global marketing plan driven by the HTA. They will then work with the partners in terms of implementation and focus on the specific segments that are needed within the markets. Moving into 2026, as they requested in the \$80 million budget approved by the board, a new brand manager was to take on more responsibility for the areas and some of the programs. They also asked for website optimization. The website gohawaii.com needs an uplift, particularly some of the new technologies such as AI and such that have not been integrated into that, as well as making it more efficient as they go across multi languages and multi countries and their own needs. For air route development, they have always been pushing to have a dedicated contract with an air route development specialist. They do it within the GSS content right now, but they do not commit much funding to it. They also want to increase the number of global co-ops across multiple countries.

In fiscal year 2027, another program they will add is global marketing content and assets, creating assets that can be used in multiple countries and driven through the needs of each country. They all have different issues and what they want to promote and have more

coordination with that; they work closely with the HVCB right now and the content they do, so they are trying to get funding to do it globally across all countries.

Mr. Miyasato said they are starting to see branding for the HTA, which is powered by the HTA. It will be a concept from the Branding standing committee perspective. He would like to get full Board buy-in, but the concept is that they are charged with the marketing and branding plans for the State, which include the budget. So, within that context, Kuleana is ensuring that the State, through the HTA, is credited with all of the stuff that is paid for, commissioned, and managed by the organization. That is the idea behind Powered by the HTA. Related to that is a subject that one of their senators, the Tourism Chair, has been very vocal about. That is redundancy and replication, and it's not efficient.

13. Motion, Discussion and Action to Create an HTA Governance Study Permitted Interaction Group for the Purpose of Addressing the Issues Outlined in the Governance Study Deliverable Reports and Final Report Recommendations

The purpose of the PIG will be to address the issues, the final report recommendations of the PIG, and the new PIG to report to the Board before the 2025 legislative session. The action is a recommendation from the Governance study to keep the current four Board members on the new PIG and that additional members may be added. He recommended adding at least one new member, which leaves an opportunity for another member to go on the governance, but to fulfill the desire on behalf of the co-chairs to have a new member. He proposed that in addition to the current members, co-chairs Iona and Paishon, and current members McCully and Arakawa; they add Mr. Pfund as the fifth member of the Governance PIG.

Mr. Paishon said she was in favor and said Mr. Pfund would be a great asset. Ms. Iona agreed. Mr. Pfund said that based on the co-chairs' willingness to have him join the committee, he was willing to participate and work on the governance report.

Chair Hannemann said there was one more opening and asked if anyone was interested in reaching out. Dir. Tokioka asked if they were asking for a vote now. Chair Hannemann said that was correct. Dir. Tokioka said he liked the process from the last time when everyone had a vote and a say. He questioned why they were not following that process, as he was sure other members would want to be on the PIG. Part of his concern is that the newest members do not have a voice. Chair Hannemann said they did put out a survey to present the interests, but it has always been the prerogative of the Chair to present a slate. He said he is presenting it before all nine members for a vote. They have the opportunity to reject it and come up with another plan at the following meeting. Dir. Tokioka said his wording was not clear about his intent.

Mr. Arakawa said there was a spreadsheet where people's preferences were, but there were two glaring omissions in that spreadsheet. He said the chair had not indicated what committees he wanted to serve and asked Ms. Paishon if she was noted on the spreadsheet. He said it would be good to all fill out a spreadsheet so everyone could know what committees they want to serve on and make an informed choice. He had no objection to Mr. Fund serving on the Governance Committee, but if they talk about that premise of making committees, they should update that spreadsheet with everyone's preferences. Ms. Paishon responded to Mr. Arakawa's question and did not recall that she was not listed on the most recent survey. It was not her intent to withhold any information. She was in full support of everyone, indicating their preferences. Chair Hannemann said he wanted the members to give their choices, and he would go last. If there were a need for him to fill a quorum, then he would go on that committee. He had a conversation with Mr. Apo, even though he had not filled out the survey because he was not a member of the Board at that time. Mr. West also had an opportunity to participate in the survey that was put out. He said the boxes were checked.

Mr. Miyasato said that during his one year on the committee, they have done this process in several different ways, and it has not been consistent. Mr. Arakawa asked if Mr. Miyasato was against a matrix where everybody gets to make their first, second, and third choices. Mr. Miyasato said he is not against that. He said they must be transparent about everything.

Dir. Tokioka said Mr. Arakawa's suggestion was good. Mr. Miyasato asked people to put their hands up if they were interested in serving on the committee. Chair Hannemann clarified that they had put down the Governance Study PIG in the survey so people could indicate their interest. Mr. Arakawa thought they were only allowed to serve on three committees, so that process was unclear at that time. Chair Hannemann said that in the survey, they asked for four suggestions for committees they wanted to serve on.

Mr. Choy noted that on behalf of the staff, the chair had said that he wanted this governance study to be reported before the next legislative session. He asked if it was a hard deadline. Chair Hannemann said that came from the Governance Study Committee. He was just reading what they wanted to do. Ms. Iona said it was done that way because everyone was supposed to make that decision in July. Her concern was that they could not do their business because they kept prolonging decisions of who was on what committee. The governance study cost \$300,000 to the taxpayers of Hawai'i. They waited for the changeover but understood that there were missing Board members, but they had business to do. They looked at suggesting Mr. Pfund because he was a new member, and they were trying to accommodate the concern back in July. She said they must do their business as nobody has any issues about anybody on the

committee and who sits on what. She said the governance study is important and wanted to move on.

Chair Hannemann followed up on Mr. Miyasato's comment and asked if anyone was present who wanted to be on the PIG. Ms. Agas said they needed to get moving with the study. Chair Hannemann said putting out another survey did not make sense, so he asked if anyone wanted to step up and be the sixth member. Chair Hannemann said they also need to form a legislative PIG committee to keep that in mind. He deferred that agenda item to the next meeting.

Mr. McCully said he would like to see them come to a vote with the six members. He said everything in the governance study occurred in the past, and there was no new information, so he asked that they move on. Mr. Arakawa made a motion, and Ms. Iona seconded.

Mr. Nāho'opi'i said there was a motion to approve the creation of an HTA governance study PIG group with members Iona, Paishon, Arakawa, McCully, Pfund, and Apo. There was no discussion. Mr. Apo asked if they needed to name the chairs or co-chairs in the motion or if it was selected separately. Chair Hannemann said they do it in a meeting. Mr. Gionson did the roll call. The motion carried unanimously.

14. Motion, Discussion and Action to Adopt a Board Resolution for the Delegation of Authority to Present Policy Positions

Chair Hannemann deferred this to the next meeting because of a proposed amendment. Traditionally, it has always been the president, the CEO, and the Chair who have been the designated authority to present policy positions before the board and before the administration.

He wanted to form a legislative pig committee because part of that recommendation was that members of the Legislative Pig ought to be part of the authority to present policy positions. And in effect, this present policy position of the president, CEO, and the Chair is in effect all of 2024. They can still act with the same authority. When they form the legislative PIG, he would like it to be discussed within that committee. Everyone agreed.

15. Discussion on the Membership of Standing Committees and Permitted Interaction Groups

16. Action to Elect Board Members to Standing Committees and Permitted Interaction Groups

The Board discussed agenda items 15 and 16 at the same time. The proposal was to have Mr. Apo be a member of the Administrative and Audit Standing Committee and the Ho'okahua Hawai'i Standing Committee so that all 12 members are on at least two committees. Mr. West's position was already voted upon when he came on board to be on the Ho'okahua Standing Committee and the Branding Committee. So, in discussions with Mr. Apo, Administrative and Audit came up, as well as membership on Ho'okahua, and it was discussed with him and this is what the two action items need to be for 15 and 16. Ms. Paishon made a motion, and Mr. Arakawa seconded. Mr. McCully said that, as far as Administrative and Audit committees are concerned, he would like to serve on that committee if there is a vacant position. He would prefer this committee to the BFCC. Dir. Tokioka supported this request. Chair Hannemann said there was no vacancy right now, as Mr. Apo was the last Board member. Mr. White said he was happy to swap with Mr. McCully. Chair Hannemann asked for a vote to install Mr. Apo on the two committees. Mr. Gionson did the roll call, and the motion passed unanimously. Mr. McCully made a motion to switch out Mr. White and Mr. McCully from the two committees. Ms. Paishon seconded. The motion passed unanimously.

17. Progress Update from the Permitted Interaction Group to Assist in the Selection Process for the Position of President and CEO of the Hawai'i Tourism Authority

Mr. White gave a brief summary of the activity in the open session. They had 537 applications, many of which were from outside of the State. The publications went far and wide. The search firm was working on further analyzing about 40 to 50 of those to provide some of the finalist candidates.

Chair Hannemann asked to convene into an executive session so that they could discuss some matters relative to the big aspect of this committee in an executive session for items 17 and 18.

Mr. Cole suggested the motion - they will be going into executive session to cover agenda items number 17 and 18 for reasons to consult with the Board's attorneys on questions and issues pertaining to the Board's powers, duties, and privileges to deliberate and make decisions upon matters that required to be confidential as a matter of law and to consider higher evaluation, dismissal or discipline of an officer or employee where consideration of matters affecting privacy that will be involved. Mr. Miyasato made a motion, and Ms. Paishon seconded. Mr. Gionson did the roll call, and the motion carried.

The Board entered into the executive session.

18. Discussion and/or Action on Personnel Issues***

19. Adjournment

The meeting adjourned at 4:24 p.m.

Respectfully submitted,

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

Sheillane Reyes
Recorder