



**ADMINISTRATIVE & AUDIT STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Monday, July 22, 2024, at 2:00 p.m.**

Virtual Meeting

MINUTES OF THE ADMINISTRATIVE & AUDIT STANDING COMMITTEE MEETING

MEMBERS PRESENT:	Mike White (Chair), Mufi Hannemann (Vice-Chair), David Arakawa, Mahina Paishon, James Tokioka (Ex Officio, DBEDT Director)
NON-VOTING MEMBERS:	James McCully, Roy Pfund
HTA STAFF PRESENT:	Daniel Nāho'opi'i, Isaac Choy, Maka Casson-Fisher
LEGAL COUNSEL:	John Cole

1. Call to Order and Opening Protocol

Chair White called the meeting to order at 2:16 p.m. Mr. Casson-Fisher did the opening cultural protocol.

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. Casson-Fisher did the roll call, and members were confirmed in attendance by themselves.

3. Approval of Minutes of the May 28, 2024 Administrative and Audit Standing Committee Meeting

Mr. Arakawa proposed a motion to approve the minutes, and Dir. Tokioka seconded. Mr. Arakawa said he had just submitted some revisions to the minutes a few minutes before this meeting. Mr. Casson-Fisher said he would ensure the stenographer corrected it. Mr. Arakawa withdrew his motion to approve the minutes, and Dir. Tokioka withdrew his second. Chair White stated that approval of the revised May 28, 2024, minutes would be on the agenda of the August Administrative & Audit meeting.

4. Discussion and/or Approval on the Establishment of a Selection Process for the Next HTA President and Chief Executive Officer***

Chair White reminded committee members that the last Board meeting had concluded that a Permitted Interaction Group (PIG) would be the most effective and efficient structure to manage the process of selecting a President/CEO for the HTA. He asked whether committee members agreed with this conclusion.

There was no dissent, and the Chair went on to state that during the previous Board meeting, it had become clear that nine out of the eleven members of the Board were interested in serving on the selection committee. There had been significant discussions about the Board members assigned to this PIG. It was important to move forward through a fair and transparent process.

Chair White stated that he had considered all the contributions during the previous Board meeting. He suggested that the Administrative and Audit Committee recommend to the HTA Board that a PIG be established to manage the selection process of the CEO of HTA by selecting members through a written ballot, with the HTA staff responsible for counting the votes.

He recommended that all Board members should be involved in the voting and that each member should vote for the six members they felt should serve on the selection committee. If the top six were not decided on the first vote, subsequent rounds of voting would take place until the top six members were identified.

Chair White proposed a motion that the Administrative and Audit Committee recommend to the full Board that a PIG should be authorized to function as its selection committee for managing the process of selecting the President/CEO of the HTA and that committee members should be chosen through a voting process by written ballots. Mr. Arakawa seconded the motion.

Chair White called for discussion on the motion.

Mr. Arakawa asked for clarification on whether the final vote on the committee members would take place in an open session. Chair White responded that the written ballot was just a way to establish the slate upon which the Board would vote.

In response to a question from Dir. Tokioka, Chair White explained that everyone would be asked to write down their top six names for the slate. Mr. Choy added that Mr. Kishi would count the votes.

Dir. Tokioka went on to state that at the previous Board meeting, some members had expressed the opinion that it was not appropriate for himself and Chair Hannemann to serve on the selection committee. Dir. Tokioka agreed with this statement and, as a

result, asked for his name to be removed from the list of possible members of the selection committee. At that time, he had asked Chair Hannemann if he thought that was a fair response but had received no reply. Dir Tokioka asked for Chair White's opinion on this issue.

Chair White replied that this was a personal decision, and he was willing to ask at the beginning of the process if there were members who did not wish to be considered. Dir. Tokioka's name could be put forward at that time, and Chair White believed that Mr. Miyasato and Mr. West had also opted not to be part of the selection committee. Voting would take place for those who were interested.

Mr. Hannemann explained that the request of Mr. Miyasato and Mr. West not to be considered had been based on a deadline. This was a time of year when members of the Board were asked about standing committees on which they would like to serve. Mr. Hannemann had sent out that request at the end of the previous week, and noon on the present day was the deadline for Board members to request either to be taken off the initial list or to express a preference to remain on it.

Mr. Hannemann believed Chair White's proposal was good apart from the idea that the Chair would consider all the preferences that members had expressed. At present, there are only eleven Board members, not twelve. The recommendation was that the slate would be presented to the full Board for approval, and it could be changed if the requisite seven votes were not indicated at that time.

The Vice-Chair also reminded the committee that he was about to propose the formation of six new Board committees: the Branding Standing Committee, the Ho'okahua Standing Committee, the Budget, Finance and Convention Center Standing Committee, the Administrative and Audit Standing Committee, a new Executive Committee, and a new committee whose formation was to be discussed. The PIG would be part of this overall presentation by the Board Chair to the full Board. This would provide an opportunity to discuss each committee's makeup or offer an amendment to change one or more slates.

Mr. Hannemann had also spoken to the legal counsel, Attorney Cole, to determine if this was a proper procedure. Mr. Cole considered it unnecessary for the Chair to ask the Board for approval to present standing committees in this form. However, the Vice Chair believed it would be an efficient way to start the process. He also wanted to ensure that members' preferences would be considered when all committees were constituted. He hoped to ensure that individuals were not burdened with too many committees and to make the process fair and transparent.

Mr. Hannemann would reserve comment on who should be on the selection committee until he saw the course of the discussion. He had received calls and emails about various

preferences. He agreed with everything that had been said so far, apart from the idea that everyone would vote for the six members to serve on the PIG. He believed that this did not take into consideration how he, as Board Chair, was to present the members for the standing committees that were to be formed. It was important to remember that the replacement for former Board Member Zain might not be available by the end of July or possibly not even by August. The Board Chair would find it difficult to make a slate and then have to remove a member when the new Board member was appointed.

Chair White thanked Vice Chair Hannemann for his contribution and noted that his concerns could be approached by placing a discussion of the members of the PIG on the Board agenda prior to the discussion of the other committees. He noted that membership in the PIG was a short-term but critical assignment that kept being postponed.

Mr. Pfund thanked the HTA staff for the orientation session for new Board members, attended by Mr. West and himself, in which the staff explained the total picture of the HTA committees and responsibilities. Member Pfund had realized the overwhelming amount of work and effort that went into running the authority. He reminded the committee members that the selection of applicants at the executive level was a two-way street because the organization also had to sell itself. It was important for the selection committee to include a good champion who could promote the funding, leadership, and Board cooperation of the HTA. A key role of the committee would be to be able to “sell” the HTA to the applicants. Candidates need to be assured of their security when moving into a new position, and it was incumbent on the Board to ensure that the selection committee could effectively portray the HTA as an ongoing organization with a cooperative Board.

Chair White thanked Mr. Pfund and welcomed him to the Administrative and Audit Committee.

Ms. Paishon stated that Mr. Hannemann’s proposal was logical with respect to the allocation of members to standing committees and the timing of the replacement of former Mr. Zane. She believed that it was worth considering his proposal.

Mr. Arakawa agreed that Mr. Hannemann’s idea was good, but it was not on the agenda of the current meeting. He agreed with Chair White that it could be put on the agenda for a subsequent meeting, but the present agenda is solely concerned with discussing the process of creating a PIG for the selection of the CEO. Mr. Arakawa thought it was important to confine a discussion to the present agenda. The issues raised by Mr.

Hannemann had merit and could be discussed at a subsequent Board meeting, but during the present meeting, there was a single agenda item under consideration.

Mr. Arakawa appreciated Mr. Pfund's contribution and pointed out that there was more than one member, including Dir. Tokioka and Mr. Hanneman could function as champions for the authority. The ballot would include all members who wished to be considered. Mr. Arakawa believed that the task for the present meeting was to discuss the present agenda item. There was a huge problem and so much unevenness that perhaps committees should not be chosen at the next meeting. However, there were two separate issues, and the one on the agenda for the present meeting was the selection of the six-person PIG. Mr. Arakawa considered the process proposed by Chair White reasonable.

Chair White stated that he believed that the committee should proceed with the agenda item, which could be placed on the Board's agenda before or after the discussion of the other committees. Even if members were assigned to different committees, the PIG was a shorter-term committee than the other standing committees.

Dir. Tokioka agreed with Chair White and Mr. Arakawa, pointing out that those who felt it was important to wait for a full slate of other committees were also concerned about finishing this process as soon as possible. Dir. Tokioka reminded committee members that the Speaker was to have selected a Board member to replace former Mr. Zane before July 1, but this had not taken place. If the Board had to wait for the twelfth member to be appointed before selecting members for the PIG, there might be a very long delay. When the twelfth member was appointed, they could be allocated to one or more standing committees. It was important to expedite the selection of the CEO. Dir. Tokioka agreed with Mr. Arakawa that this was a very specific agenda item.

Mr. Hannemann explained that he had not planned to wait for the appointment of a twelfth Board member before filling the standing committees. He pointed out that during July the Board Chair had to develop a slate to fill all the committee roles, including each committee's chair and vice chair. This was usually done by surveying to ascertain the committees upon which each Board member would prefer to serve. He aimed to be completely transparent and to couple the process of selecting members for the PIG with selecting members for the standing committees. In this way, as Board Chair, he would be able to determine that committees were balanced and fair and that the expressed choices of Board members were satisfied as much as possible.

Mr. Hannemann felt it was unnecessary to spend more time quibbling over the process since the proposed process was perfect. His only concern had been his responsibility as Board Chair to fill the standing committees. He intended to proceed with the formation

of the six committees. If seven votes were not obtained, he was open to utilizing other proposals such as that recommended by this committee.

The Vice Chair explained that he was informing committee members of what he intended to do at the next Board meeting because it was his responsibility as Board Chair to assign members to the six committees he would put forward.

Mr. Arakawa stated that committee members appreciated the information that Mr. Hannemann had given regarding his listing of committees, but committee members could not assent to this item because it was not on the agenda.

Mr. Hannemann pointed out that he was not asking permission since the agenda of the forthcoming Board meeting contained an item about standing committee selections. He had consulted Mr. Cole and Acting CEO Nāho‘opi‘i before drafting the agenda.

Chair White stated that he expected two separate agenda items, one for the selection committee and one for the standing committees, and Board Chair Hannemann confirmed this.

Referring to the preface to the next agenda item, an administrative committee matter, Mr. McCully requested Chair White to ask all committee members to reread the Bylaws, Article V on Committees, Section 1, the first three sentences of which explained everything. Members should then refer back to Article III Section 2 which contained elements that were relevant to the issues mentioned by Vice Chair Hannemann. Mr. McCully thought it was reasonable for the Board to delegate the specific responsibilities that Vice Chair Hannemann had mentioned. Mr. McCully recommended that this should be a request and the Board should approve it in a formal manner as a process. He recognized that he was a non-voting member but reminded the committee members that the Bylaws stated that all Board members were members of all committees.

There were no further contributions.

Chair White called for a vote, and Mr. Kishi took the roll-call vote. The motion was carried unanimously. Chair White further recommended that the selection committee be assigned the following tasks identifying the responsibility of the PIG, to be formalized in writing for the subsequent Board meeting:

1. They would decide on the number of committee members other than Board members and would decide on the categories of non-Board members from which selection would be made.
2. They would establish the schedule for hiring.
3. They would establish criteria for the search firm.
4. They would establish the number of finalists needed by the search firm.

5. They would develop a list of interview questions.
6. They would select the top two or three candidates for presentation to the Board for consideration and voting.

Chair White was not asking for confirmation at present, but this would be covered at the Board meeting.

Mr. Arakawa stated that he understood that voting was not taking place at present, but the Attorney General might suggest the addition of a catch-all sentence such as “And any other matters necessary for the selection process.”

Chair White thanked Mr. Arakawa for his suggestion. Mr. Arakawa added that the Attorney General would formalize this addition.

Mr. McCully noted that the charter for the search committee had just been described and that it would be debated and decided conclusively at the next Board meeting.

Dir. Tokioka stated that the questions that had just been asked were similar to those he had been about to ask.

5. Adjournment

The meeting was adjourned at 2:47 p.m.
Respectfully submitted,



Sheillane Reyes
Recorder