



REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, March 16, 2017
Hawaii Convention Center
1801 Kalākaua Avenue, Honolulu, Hawaii 96815

MINUTES OF REGULAR BOARD MEETING

- MEMBERS PRESENT:** Rick Fried (Chair), Fred Atkins, Sean P. Dee, Gerald De Mello, Donna Domingo, George Kam, Ku'uipo Kumukahi, Craig Nakamura, David Rae, Lorrie Stone, Denise Hayashi Yamaguchi
- MEMBER NOT PRESENT:** Jack Corteway
- HTA STAFF PRESENT:** George Szigeti, Marc Togashi, Leslie Dance, Daniel Nahoopii, Charlene Chan, Jadie Goo, Kalani Kaanaana, Caroline Anderson, Jennifer Chun, Lawrence Liu, Ronald Rodriguez, Laci Goshi, Chika Miyauchi, Carole Hagihara, Denise Kahalekulu, Minh-Chau Chun, Maile Carvalho, Iris Takamoto, Pua Sterling, Vengie Talaro, Michele Shiowaki
- GUESTS:** Representative Richard Onishi, Cheryl Kakazu Park, Brad DiFiore, Teri Orton
- LEGAL COUNSEL:** Gregg Kinkley

1. Call to Order and Pule

Presiding Officer Rick Fried called the meeting to order at 9:31 a.m. Mr. Fried acknowledged Ms. Sterling, HTA's Community Programs Manager, who offered an oli in Hawaiian. The oli spoke of being true to ourselves during the mist of change.

Mr. Fried acknowledged and welcomed Representative Onishi to the meeting.

2. Approval of the Minutes of the February 16, 2017 Board Meeting

Mr. Nakamura made a motion to approve the minutes of the Board meeting held on February 16, 2017. Mr. Atkins seconded the motion, which was unanimously approved by all the Board members present.

3. Review of Recent and Upcoming Permitted Interactions

Mr. Atkins reported that he, Ms. Kumukahi and Mr. Baldemor met on Kaua'i for a meeting with tourism stakeholders. He also attended a "wrap up session" with Ms. Yamaguchi to discuss the Hawai'i Food & Wine Festival.

4. Report of the CEO Relating to HTA's Programs

Mr. Szigeti referred to the Report of the CEO in the board meeting information packet previously distributed to the Board members online. He offered the following additional comments: that the annual Spring marketing update will be held on March 30 with the global marketing team; that he will be attending the U.S. Travel Association meeting in Washington D.C. to discuss tourism issues and the importance of travel to the United States; that favorable visitor statistics for January will reflect a 10.1% increase in visitor spending; that during a meeting last week to Toronto, Canada, he met with HTA's new Canada marketing contractor and Canadian travel officials; and, that he was a guest speaker at the Honolulu Festival and the Hilton Grand Vacations Time Share.

Mr. Szigeti expressed appreciation to Mr. Nahoopii for developing the Alternative Vacation Accommodation Study and the LGBT Study. He is currently working hard to keep the Legislature informed by participating in a "talking session" with the House of Representatives. He also met with the Lieutenant Governor and various other Legislators.

5. Discussion Regarding a Legislative Update of the 2017 Legislative Session Affecting HTA

Mr. Fried acknowledged Ms. Chan, who initiated a discussion of various legislative measures affecting HTA by referring to a "Summary of 2017 Legislative Session Bill Tracking Efforts, Updated: March 16, 2017," which was previously distributed to the Board. She discussed the contents of SB 1084, as amended by the House of Representatives. Mr. Fried acknowledged Representative Onishi, who stated that the "main issues" arising from the measure was in regards to "excess funds and unencumbered funds." After recognizing the Board had adopted a motion to require Board approval of any expenditure in excess of \$250,000, Representative Onishi added that the Board should also adopt a policy regarding the expenditure of funds not approved by the Board under the budget and for spending the excess carryover funds. There was a lot of confusion at the Senate hearings regarding how funds were expended.

In response to Mr. Atkins inquiry regarding legislative measures related to alternative accommodations and Airbnb, Ms. Chan discussed HB 147 and SB 704. Representative Onishi added that he met with the Governor's Office and the various counties regarding alternative

accommodations. He has also met with the Attorney General regarding legal issues arising from the imposition of a tax on an internet platform that is directed at only one industry.

6. Discussion on the HTA Product Enrichment Program Regarding Funding to Support Community Programs

Mr. Fried acknowledged Ms. Anderson, who referred to a “HTA Release (17-05)” dated February 27, 2017, entitled “Hawai‘i Tourism Authority Supporting 128 Hawaiian Culture, Environment and Community Programs in 2017, Funding Supports kūkulu Ola, Aloha ‘Āina, and Community Enrichment Programs.” The press release was previously distributed to the Board and attached a list of all the awardees provided funding under the Kūkulu Ola program, Aloha ‘Āina program, and Community Enrichment program.

Ms. Anderson noted the Community Enrichment program was formerly the County Enrichment program and HTA retains its relationship with each county under the current program. The Community Enrichment program supports projects, festivals and events in the niche areas of cultural tourism, eco-tourism, health and wellness tourism, sports and techno-tourism throughout the State. This program was also created to support groups providing quality experiences for both residents and visitors, and to strengthen and diversity Hawai‘i tourism. In 2017, HTA received 99 proposals requesting \$2.1 million and approved awards for 67 projects totaling approximately \$1.03 million.

Mr. Kaanaana initiated a discussion of the Kūkulu Ola program, which focuses on nurturing a greater understanding and appreciation of Hawaiian culture through place-based activity engagement. This program assists organizations to expand their ability to make sure we have practitioners in the community with visitors arrive. Mr. Kaanaana discussed various types of projects funded by HTA. In 2017, HTA received 47 proposals requesting \$2.7 million and approved awards for 31 projects totaling approximately \$1.16 million. He noted that a drop in the number of proposals as compared to 2016 may be due to bringing the program “back in-house” to HTA. By doing so, however, HTA was able to allocate more money to fund more projects.

Mr. Kaanaana discussed the Aloha ‘Āina Program, which supports efforts that manage, protect and revitalize Hawai‘i’s natural resources through a community-based approach. He discussed the various types of projects funded by HTA. In 2017, HTA received 49 proposals requesting \$2.65 million and approved 30 projects totaling \$1.15 million.

Ms. Yamaguchi noted the reduction in the number of proposals received under the Kūkulu Ola program and inquired whether the program should have been bought in-house. Mr. Kaanaana responded that by managing the program, HTA will have a stronger relationship with the community by conducting more meetings with the community. More importantly, the money saved by bringing the program in-house was used to fund more projects. In response to Ms. Yamaguchi’s inquiry whether HTA has sufficient staff to execute approximately 128 contracts, Mr. Kaanaana stated that HTA will be hiring additional staff.

Mr. Nakamura asked whether there will be any change in the process for reviewing the proposals. Ms. Anderson responded that the RFPs will “go out earlier” and an electronic “share file” system will be utilized.

Mr. Rae asked whether the awards are “grants.” Ms. Anderson responded that the awards are not grants. Instead, contracts are executed with the community organizers. Mr. Rae discussed the grants provided by the counties and that it should be considered as another source of funding.

7. Presentation by the Office of Information Practices Regarding An Overview of the Hawai‘i Uniform Practices Act and the Sunshine Law.

Mr. Fried acknowledged Ms. Park, in her capacity as Director of the Office of Information Practices. Ms. Park noted she provided a similar presentation to the HTA Board in 2011. She distributed the following written materials for the Board’s consideration: a copy of a PowerPoint presentation consisting of 32 slides; a “Guide to Hawai‘i’s Uniform Information Practices Act;” an “Open Meetings Guide to the Sunshine Law for State and County Boards;” a “Quick Review: Who Board Members Can Talk to and When” (Parts 1, 2 and 3); a “Quick Review: Sunshine Law Options to Address State Legislative Issues and Measures;” and, “What’s New: First Cross-Over of Bills Update (March 9, 2017).” She emphasized that HTA is not a private organization. HTA is a state government entity and must comply with the Sunshine Law, HRS Chapter 92, and the Uniform Information Practices Act (“UIPA”), HRS Chapter 92F.

Ms. Park provided an oral presentation of the PowerPoint presentation. Initially, she highlighted the following: the various penalties and consequences for violation of both the Sunshine Law and the UIPA; that the common policy of the UIPA and Sunshine Law is to ensure that the discussions, deliberations, decisions and actions of government agencies shall be conducted as openly as possible; and, that any exceptions to the open meeting requirement under the Sunshine Law shall be strictly construed against closed meetings.

She proceeded to highlight the following specific provisions of the UIPA: that among the various purposes for the UIPA, the balancing of an individual’s privacy interest against the public’s access interest would favor public access unless there is a clearly unwarranted invasion of personal privacy; that the UIPA affirmatively mandates disclosure and is not a statute authorizing withholding government records; that a government record includes all information maintained in a written, auditory, or written form, including emails and texts; that the UIPA has identified various records that shall be disclosed, such as minutes, employment information, and purchasing information; that the UIPA would allow HTA to share information with state departments and the Legislature; that HTA may withhold records if disclosure would constitute a clearly unwarranted invasion of personal privacy, which is not applicable to businesses, or if disclosure would frustrate a legitimate government function; that HTA has been statutorily authorized to not disclose information related to its marketing plans and strategies, but only until the plans and strategies have executed; and, that HTA is also authorized to withhold competitively sensitive information.

Ms. Park continued with her presentation by highlighting the following specific provisions of the Sunshine Law: that executive session minutes must be disclosed once the reason for confidentiality no longer exists; that the Sunshine Law requires a board to provide a notice and agenda of its meeting no less than 6 days before the meeting; that the board must allow testimony, provide minutes, and conduct all discussions, deliberations and decision-making at the meeting; that although two board members may discuss board business between themselves while not making a commitment to vote, board members may not conduct serial communications; that a board may establish a permitted interaction group to investigate a matter through a process requiring three board meetings; that a permitted interaction group to investigate a matter cannot last forever; that the Sunshine Law authorizes other forms of permitted interaction groups for specific purposes, such as to select officers, to meet with the Governor or head of the department, to continue receiving public testimony when a meeting is cancelled and a record of the testimony is provided to the board at its next meeting, and, to attend an informational meeting not organized for the board and a report of the meeting is provided at the next board meeting; that the Sunshine Law does not prohibit social or personal conversations between board members, only discussions of board business; and, that an executive session is authorized only for specified purposes, such as when required to discuss privacy matters related to the hiring or evaluation of an employee, labor negotiations or acquisition of public property, to consult with the board's attorney, investigate criminal misconduct, and, to consider public safety matters, private donations, information deemed confidential by law, and license applications.

In regards to specific statutes applicable to the HTA, Ms. Park referenced HRS section 201B-4(a), which would allow the HTA Board to conduct closed meetings when necessary to receive proprietary information belonging to a business or to avoid the disclosure of information that would harm the business; or, when necessary to protect Hawaii's competitive advantage as a visitor destination, provided that marketing plans and strategies may be disclosed after execution. She also emphasized HTA must comply with the Sunshine Law requirements for going into executive session, including the requirement that at least 7 board members must vote in favor of the executive session. She further emphasized that executive session minutes may be keep confidential only until disclosure would no longer defeat the purpose for going into executive session.

Finally, Ms. Park concluded her presentation by stating that if "someone files a complaint," the Office of Information Practice ("OIP") can conduct a "confidential inspection" of the "unredacted minutes" to see if the board properly limited its discussions to only matters that it could keep confidential. Ms. Park offered resources the HTA Board and staff may review, such as information available through its website at oip.hawaii.gov. She also noted the availability of an "attorney of the day" at OIP to address UIPA and Sunshine Law questions from the Board or the Staff.

Mr. Fried expressed appreciation for Ms. Park's "concise" presentation. Mr. Szigeti also thanked Ms. Park for her presentation that benefited both the Board and Staff.

The meeting was recessed at 10:43 a.m.

The meeting was reconvened at 11:11 a.m.

8. Presentation by Ailevon Pacific Aviation Consulting Regarding an Update on the Airline Industry and the Status of Efforts to Maintain and Strengthen Hawaii's Airlift Capacity

Mr. Fried acknowledged Mr. DiFiore, Ailevon Pacific Aviation Consulting, who provided a PowerPoint presentation entitled "Hawaii Air Service Overview." Initially, he provided a brief background of his company and its prior relationship with HTA as Sabre Airlines Solutions. Ailevon Pacific is one of the largest independent air service development consultant. Mr. DiFiore has personally managed the HTA account for 10 years.

During his PowerPoint presentation, Mr. DiFiore highlighted the following: the estimated economic impact of new air service to Hawaii in 2017 that could bring an additional 102,000 visitors versus 2016; that Air Asia X, one of the biggest long range low fare carrier, will be flying between Kuala Lumpur, Osaka, and Honolulu beginning June 28, 2017, and that HTA incentives will used to only support Southeast Asia passengers; that 2017 will be a big year for additional flights to the neighbor islands, especially Kona; that in regards to the North America market, the mainland traffic to the neighbor islands is finally beginning to grow, and inter-island capacity has grown through added capacity provided by both Island Air and Hawaiian Air that will almost reach the same capacity level when Aloha was in business; and, that in regards to the international market, capacity to Hawaii has been flat since 2015 while capacity to other international destinations have gone up 25%, especially to Oceania, South America and Japan.

Mr. DiFiore continued his PowerPoint presentation with a discussion of changing dynamics and changing opportunities for airlift to Hawai'i by highlighting the following: that the strength of the domestic Hawai'i tourism market drives growth of airlift; that airlift from the U.S. West market will grow because of (i) the Alaska and Virgin America merger, (ii) the strategic initiatives of flights from Hawai'i to beyond Los Angeles and Seattle, and (iii) Hawaiian Airlines introduction of the A321neo aircraft; and, that the U.S. East market will grow because of (i) the A321neo aircraft used by Hawaiian Airlines, and (ii) the surplus of wide body equipment maintained by other airlines.

Mr. Rae asked whether the airlines serving Asia would be interested in flying beyond Hawai'i. Mr. DiFiore responded that those airlines are not interested in trying something new and beyond their "brand experience." Hawaiian Airlines remains the best airline to serve Hawai'i from Asia. He added that Hawai'i will be attractive when other international destinations are down because of the availability of long-haul aircraft. Airlift from China is challenging because of political bi-lateral agreements that constrain travel from larger cities in China. Mr. Szigeti added that Guangzhou is a smaller market as compared to Beijing and Shanghai.

Mr. DiFiore reported that flights from Hong Kong and Southeast Asia represent growth opportunities. Mr. DiFiore concurred with Mr. Fried that Hong Kong would be the biggest potential market. The problem, however, is to find the right airline to fly to Hawai'i. Cathy Pacific is a business airline and not suited for long haul leisure travel. Hong Kong Airlines does not fly to the United States. Hawaiian Airlines is the best airline to serve the Hong Kong market. Mr. Rae noted that Singapore Airlines currently has aircraft that could fly over Hawai'i.

In regards to airlift from Europe, Mr. DiFiore reported that although there are opportunities in Europe, the challenges are the availability of aircraft and competition from other destinations, which does not require a 15-hour flight. Because of the long flight, premium business class seating would be offered and European visitors currently do not view Hawai'i as a "premium destination." He emphasized that despite the changing technology impacting aircraft capability to travel long haul distances, economic factors and Hawai'i's location in the middle of the Pacific Ocean has limited the airlines' options to deploy aircraft to serve the Hawai'i market.

Mr. DiFiore discussed the various relationships Ailevon Pacific has maintained with numerous airlines that are critical to ensuring a strong pipeline to Hawai'i. He has met face-to-face with over 50 airlines in the past year. In addition to obtaining business information from an airline, he has also provided information regarding Hawai'i to the airlines. Mr. Fried requested Mr. DiFiore to provide the Board with the type of information he has provided to the airlines.

Mr. DiFiore initiated a discussion of incentives offered to airlines. He noted that HTA's access funds helps to maintain "basic competitiveness" with other destinations. The Airports Division of the Hawai'i Department of Transportation has offered no incentive and is "uncompetitive" by not offering to waive landing fees and rents in a manner similarly offered by other competing airports. Consequently, the entire burden falls completely upon HTA to offer "truly" competitive packages. From the airlines perspective, its needs to offset its approximately \$50 million annual investment to operate an 8-hour flight by partnering with a destination to provide incentives. During his negotiations with airlines to provide more flights to Hawai'i, we rely too often on the appeal of the Hawai'i brand alone. He wishes he had more "tools" to negotiate with airlines. He discussed, as an example, the incentives offered by San Diego International Airport, which waived landing fees and rents during the first year and charges only 50% in the second year. An airline is also provided \$500,000 in marketing funding in the first year and \$250,000 in the second year. Airport incentives alone can amount to millions of dollars. Hawai'i has offered none. He provided additional information regarding the monetary incentives totaling more than a million dollars provided by an airport to a specific airline. Although it is difficult to get similar information from foreign airports, which are privately owned, he provided information regarding various types of incentives provided by Auckland Airport to airlines. He believes that the foreign airports are often more aggressive in providing incentives and does not include incentives provided by the destination's marketing organization.

Although HTA is doing a good job to fund incentives, it is just a fraction of what airlines get from airports. HTA's access funds are tied to strategic route development and market diversification. An airline's short decision timeframes often require quick decisions by HTA. HTA encourages a partnership relationship with an airline regarding the use of its funds for marketing programs. The access funds are critical to the strategic growth and diversification of the HTA's air service portfolio. Although airlines view Hawai'i's partnership as an expression of commitment, Hawai'i's location makes it a riskier economic proposition for an airline as compared to other destinations. Mr. DiFiore concluded his presentation by summarizing the various challenges and opportunities related to Hawaii airlift and asked, "how much capacity does Hawai'i have once passengers

arrive.” As a final thought, he anticipates slow but steady growth across most major market sectors over the next 12 months.

9. Presentation and Discussion of Market Insights and Current Market Conditions

Mr. Fried acknowledged Mr. Nahoopii, who presented a PowerPoint presentation entitled “Market Insights.” He reported that in January 2017, there was \$1.61 billion in visitor spending that represented a \$147.6 million gain (10%) in spending and \$171.2 million in state tax revenues. The primary driver was a 58.3% increase in cruise ship visitors due an increase of 6 additional ship arrivals from last year. Other drivers included an increase in convention business, the lunar New Year in January, and a shift in the way visitors are using accommodations. January is off to a good start with arrivals and spending “beating expectations” for January 2017.

Mr. Nahoopii presented slides depicting the impact of visitors on each island during January 2017 by showing the following: daily visitors; number of residents; the hotel occupancy and average daily rate; the percentage of visitors on group packages; the percentage of visitors that are attending a MCI event; and, the percentage of visitors that are U.S. visitors. He also highlighted the following: that there are more international visitors on O’ahu as compared to visitors from other destinations; that 40% of the people on Maui are visitors; that the 81.2% occupancy rate for the Island of Hawaii was unusually high as compared to the normal rate of 50% to 60%; that Kauai “did very well” with its occupancy rate of 80.6%; and, that for the month of January, 40% of the people on Kauai were visitors as compared to 28% of the people on Kauai were visitors on a yearly basis.

Mr. Nahoopii continued his PowerPoint presentation of market insights by discussing slides entitled “Insights into The Global Wave of Hawaii LGBT Travelers.” The insights were obtained from surveys of LGBT travelers. He displayed a slide depicting the number of LGBT travelers from USA, U.S. West, Canada, Australia, and China that have been to Hawaii and have an interest in traveling to Hawaii. He highlighted that only 19% and 27% of the LGBT respondents in the United States have been to Hawaii or have an interest in traveling to Hawaii, respectively. Those percentages are low and could be better. Hawaii’s competitive destinations for the LGBT market are Florida, Southern California and Las Vegas.

As to whether Hawaii is “LGBT friendly,” Mr. Nahoopii reported the following: that almost 70% of the respondents from the United States and Australia view Hawaii as friendly; that only 50% of the Canadian respondents viewed Hawaii as LGBT friendly; and, that only 20% of the China visitors view Hawaii as friendly, which could be due to the China market not being familiar with Hawaii. In regards to the motivations for travel by a LGBT visitor, Mr. Nahoopii reported that the LGBT visitor’s desire to explore is the same as the U.S. market; that a significant number of Australian LGBT visitors are motivated by food; and, that almost 77% of the Canadian LGBT visitors would travel for rest and relaxation.

Due to the shortage of time available to consider the remaining agenda items and the possibility of losing quorum, there was no objection to Mr. Fried’s request for individual Board members to

review the hard-copy of Mr. Nahoopii PowerPoint presentation that was in the board packet containing documents relevant to the agenda items for this meeting, including HTA's monthly market insights reports of key performance indicators for January 2017. Any questions or concerns from any Board member could be presented directly to Mr. Nahoopii.

10. Presentation and Action to Approve HTA's Financial Reports for January 2017

Mr. Fried acknowledged Mr. Togashi, who referred to HTA's financial reports for the period ending January 31, 2017. The financial reports were previously distributed to the Board members as part of the information packet distributed online. Mr. Togashi also referred to the executive summary distributed to the Board and recommended approval of the financial reports.

Mr. Nakamura made a motion to approve the financial reports for the period ending January 31, 2017. Ms. Stone seconded the motion, which was unanimously approved without objections.

The meeting was recessed at 12:22 p.m.

The meeting was reconvened at 12:28 p.m.

(Ms. Kumukahi and Ms. Yamaguchi were not present.)

11. Presentation by AEG Regarding an Update of Hawai'i Convention Center Recent Operational Activities and Sales Initiatives

Mr. Fried acknowledged Ms. Orton, who reported the following actual February 2017 year to date operational results for the Hawaii Convention Center facility: occupancy (35%); number of events (25); gross revenue (\$2,103,300); gross expenses (\$2,356,700); and, net loss (\$253,400).

She noted the facility hosted its first sports event with a youth volleyball tournament held in February. There were approximately 2,000 participants among 40 teams, which included 15 from the United States. There was only 3 months to promote the tournament. Ms. Orton expressed optimism that the tournament will return and will continue to grow with more promotion. Mr. Nakamura stated he has received "good comments" regarding the tournament and the court looked "beautiful." Mr. Fried added that the tournament was "very impressive" and received "good vibes" from the participants. Ms. Orton also reported that the Pacific Rim Championships, which is a basketball tournament presented by "Jam On It," will be held at the facility in late June and early July. She is working with the AAU to sanction the event as a "qualifying tournament."

Ms. Orton continued with her presentation and provided a food and beverage update for February 2017. She reported a "very positive" 42% "flow through." In regards to the State's return on investment, she reported that for every dollar spent by the facility, an amount of \$16.50 was returned by the facility to the State.

Finally, Ms. Orton provided a sales and marketing update as of February 2017. As of February year to date, AEG achieved 3% of its room night goal for the year (232,000). She was "cautiously optimistic" that AEG would achieve its goal because most contracts are signed during the fourth

quarter. She reported on recent hires and the sales team is now complete. Due to a software “cut over” date targeted for May 2017 to USI from Simple View, which is the booking software used by HVCB, the sales team can now log in from anywhere in the world using the USI software.

12. Discussion and Action on the Funding of Marketing Proposals to be Implemented in Hawai'i's Competitive Markets and Recommended by the Marketing Standing Committee

Mr. Fried reported that the Marketing Standing Committee met on March 13, 2017. It was a very long meeting. He acknowledged Ms. Dance, who distributed a document entitled “2017 Global Tourism Summit-Based on 2500.” It was reported that the document represented the budget for the “2017 Global Tourism Summit” to be begin on September 19, 2017. Paragon Events was hired as a contractor to assist in event management. An amount of \$350,000 is being request to fund various “upfront” costs associated with the summit, such as speaker fees (\$50,000), audio visual (\$45,000), F&B/meeting space (\$80,000), graphics/branding (\$20,000), exhibit company (\$10,000), rentals & entertainment (\$15,000), and event management (\$130,000). The funds would be expended from the FY 2017 budget previously allocated to Soccer (\$300,000) and MCI events (\$50,000).

Ms. Anderson initiated a discussion of each budget line item for the 2017 tourism conference. The following was highlighted: the majority of the expense is being allocated to food & beverage and meeting space (\$532,000); the line item for “Speakers” (\$185,000) includes the cost for fees and expenses, which Ms. Dance expressed the hope of not having to spend; and, the line item for “Miscellaneous” (\$112,600), includes expenses for photographs, leis, video photography, and opening and closing expenses. The expected revenue from attendees and sponsorships were projected to be \$602,300 and \$300,000, respectively. Ms. Dance expressed the desire to obtain more “mainland sponsors.” The total cost for the conference and revenues generated are projected to be \$1,702,300 and \$902,300, respectively. The resulting total cost to HTA will be \$800,000.

Mr. Dee requested Staff to “tighten up the line items” for review by the Marketing Standing Committee. Mr. Togashi reported that the total cost for the 2016 tourism conference was \$1.5 million after receiving \$500,000 in sponsorship fees.

Mr. Fried made a motion to reallocate the current FY 2017 allocation of \$300,000 for Soccer and \$50,000 for MCI to pay for \$350,000 in upfront costs related to the 2017 tourism conference. Mr. Nakamura seconded the motion, which was unanimously approved by all the Board members present.

Mr. Atkins requested that the \$350,000 for upfront costs should be reflected in the total budget for the 2017 tourism conference.

13. Discussion and Presentation by the Administrative Standing Committee Regarding a Contractually Required Annual Evaluation of the HTA President and Chief Executive Officer

There was no objection to Mr. Fried statement that he will be providing a report on an evaluation of Mr. Szigeti in open session. He reported that the consensus of the information he has obtain from Board members is that Mr. Szigeti is doing a “really good job, especially with the administrative cut backs.” Tourism is also going well. Mr. Fried expressed concerns with interacting with tourism stakeholders, especially with Legislators. He had to deal “with a lot of internal matters,” such as the firing and hiring of personnel. The 2016 tourism conference was an improvement over previous years. AEG is doing “good work.” He discussed various awards HTA has received, such as an award from the U.S. Department of Commerce and the “Reader’s Choice award.” Although he is working well with millennials, his goal should be to bring more changes for collaboration and team work. Although there was a “little concern for better oversight over staff,” he believes Mr. Szigeti is now refocused on addressing that concern. The consensus is that Mr. Szigeti is doing a “really fine job” and “working very hard.”

Mr. Atkins added that Mr. Szigeti has challenges with the Legislature. However, he had responded to those challenges by addressing it. He saw a lot of collaboration between Board and Staff to address concerns.

Mr. Fried acknowledged Ms. Orton, who stated that communication between HTA and AEG has gotten better despite the lack of HTA staff.

Mr. Szigeti thanked the Board and Staff for its “team work and collaboration.” He noted the “hard working staff and making a difference.”

14. Adjournment

Ms. Stone made a motion to adjourn the meeting. Mr. Rae seconded the motion, which was unanimously approved by all the Board members present.

The meeting was adjourned at 1:05 p.m.

Respectfully submitted,



Winfred Pong
Recorder