

NEIL ABERCROMBIE
Governor

MIKE MCCARTNEY
President and
Chief Executive Officer

Hawai'i Tourism Authority

Hawai'i Convention Center, 1801 Kalākaua Avenue, Honolulu, Hawai'i 96815
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Telephone: (808) 973-2255
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REGULAR BOARD MEETING HAWAI'I TOURISM AUTHORITY

May 19, 2011 at 9:30 a.m.

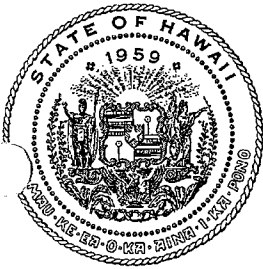
Hawai'i Convention Center, Executive Board Room A, Parking Level
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815

AGENDA

1. Call to Order
2. Approval of Regular Board Meeting Minutes (March 31, 2011)
3. Report of the Chief Executive Officer Relating to the Implementation of the State Tourism Strategic Plan Initiatives
4. Action to Approve HTA's Financial Reports for February 2011
5. Presentation of Proposed Major Market Area Dashboards
6. Discussion and/or Action Regarding the Adoption of Policies and/or Procedures for the Development of the FY 12 Budget
7. Discussion Regarding the Procurement Solicitation for External Destination Marketing Management and/or Meetings, Conventions and Incentive Services * * *
8. Adjournment

***Executive Session: The Board may conduct an executive session closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS §§ 92-5 (a) (8) for the purpose of discussing information that must be kept confidential pursuant to state law.

Members of the public are invited to attend the public meeting and provide oral testimony on any agenda item. Written testimony may also be provided on any agenda item by submitting the testimony prior to the meeting to the HTA by email to wpong@hawaiitourismauthority.org; by mail at the above address; or, by facsimile transmission. Any person requiring special assistance to participate in the meeting, please contact Winfred Pong (973-2260) no later than 3 days prior to the meeting so arrangements can be made.



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May 19, 2011

Hawai'i Convention Center, Executive Board Room A
1801 Kalākaua Avenue, Honolulu, Hawaii Tourism Authority

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT: Ron Williams (Chair), Douglas Chang, Kelvin Bloom, Patricia Ewing, Kyoko Kimura, Michael Kobayashi, Sharon Weiner, Leon Yoshida

MEMBERS NOT PRESENT: Patrick Fitzgerald, Cha Thompson

HTA STAFF PRESENT: Mike McCartney, Caroline Anderson, Muriel Anderson, Lynn Bautista, Minh-Chau Chun, Cy Feng, Jadie Goo, Grace Lee, Daniel Naho'opi'i, Winfred Pong, Roann Rakta

GUESTS: Marc Togashi, Gregg Yamanaka

LEGAL COUNSEL: Deputy Attorney General Gregg Kinkley

1. Call to Order and Pule

Presiding Officer Ron Williams called the meeting to order at 9:32 a.m.

Daniel Naho'opi'i offered a Pule in Hawaiian.

2. Approval of Minutes (March 31, 2011)

Mr. Bloom made a motion to approve the minutes of the board meeting conducted on March 31, 2011. Ms. Ewing seconded the motion. Mr. Chang made a reference to page 3, fourth paragraph from the bottom. He clarified that the mention of the "Airport Greetings project" in this paragraph is in reference to the recorded welcome message that is played at the Honolulu International Airport and not the traditional Airport Greetings Program that includes entertainment for arriving and departing visitors. Board members agreed that a distinction should be made between the two and Mr. Williams clarified that the reference should be

amended to read that Ms. Wilson provided a status update on the Airports Welcome Message.

Mr. Chang also noted a correction to the name of the airline referenced in the last sentence at the bottom of page five. The correct reference should now read, "Cathay Pacific Airlines."

The minutes were unanimously approved without objection.

3. Report of the Chief Executive Officer Relating to the Implementation of the State Tourism Strategic Plan Initiatives

Mr. McCartney stated that in addition to the written CEO report provided to the board members, there would be three (3) presentations being done by staff: An update from Ms. Muriel Anderson on APEC; a report on the HTA's Market Recovery Program from Ms. Lee; and an update on Airlift from Mr. Naho'opi'i.

Mr. McCartney introduced Ms. Anderson and Mr. Gregg Yamanaka, the Chief Executive Officer of the APEC 2011 Hawai'i Host Committee. They distributed handouts on volunteer plans and training, updates on procurement, and presented a PowerPoint presentation on the APEC Host Committee's activities to date.

Ms. Lee distributed a handout and presented updates on each major market area's short-term initiatives that are currently in place or will be implemented to offset the potential loss of business from Japan as a result of the earthquake and tsunami. She reported that to date, the anticipated loss of business from Japan is less than originally projected and that all other market areas continue to exceed previous year over year per person daily spend and arrivals.

Mr. Naho'opi'i distributed a handout and presented a PowerPoint presentation for an Air Service Development Update. His presentation included summaries of the Air Service Market Situation and Hawai'i Air Service Outlook; an Updated 2011 Air Seats Forecast; and 2011 versus 2010 forecasts for Scheduled Nonstop Seats from the major market areas.

The meeting was recessed at 11:07 a.m.

The meeting reconvened at 11:15 a.m.

4. Action to Approve HTA's Financial Reports for February 2011

Mr. Pong presented HTA's financial reports for February 2011. He noted that the financial report for February does not reflect the budget amendments made by the board increases our total budget from \$81.5 million to \$82.9 million to reflect the use of some reserve monies to support the HTA Recovery Strategy and the funding received from the Office of Hawaiian Affairs. He stated that these amendments will be reflected in the financial report for March 2011.

He reported that we have contracted about \$72 million dollars, which represents 88% of our budget, which means that we have approximately \$9 million available as of February.

He noted that our February expenses exceeded our income by approximately \$400,000 due to expenses incurred for our Leisure Destination market and payment being remitted under the PGA contract.

He noted that the Hawai'i Convention Center continues to perform within budget. He reported that as of March 31st, and by operation of a law that was passed last year, \$2 million was withdrawn from the Convention Center Enterprise Special Fund and deposited into the General Fund.

Mr. Bloom made a motion to approve the HTA financial reports for February 2011. Mr. Chang seconded the motion, which was unanimously approved without objection.

5. Presentation of Proposed Major Market Area Dashboards

Mr. Naho'opi'i distributed a handout to the board and provided a summary and PowerPoint presentation of Proposed Major Market Area Dashboard, which included an overview of Key Performance Indicators (KPIs) that are used to measure the contractor's performance under the contract. Mr. Naho'opi'i stated that some of the measures are derived from set targets, historical benchmarks, and industry or competitive destination performance.

Ms. Caroline Anderson presented program measures for the leisure marketing contractors, which includes web analytics of monthly unique visitors, page views, and site duration; advertising metric; public relations measures; and social media metrics. She stated that some other program measures include cost per arrival; the Marketing Effectiveness Study for U.S. West and East and Japan; outbound market share and marketing co-op dollars and number of partners.

Ms. Anderson went on to present program measures for CMI, which compares actual to target numbers and includes measures for the four (4) major islands such as Lead Room Nights, Booked Room Nights, and Lead and Booked Assist Room Nights.

Ms. Anderson stated that a dashboard for the Hawai'i Convention Center would be presented at the next meeting and would include the following measures: Lead Room Nights and Number of Delegates; Booked Room Nights and Number of Delegates; Conversion from Tentative to Definite; and In the Year for the Year Bookings.

Mr. Chang commented that the program measures for CMI should be distilled down to one (1) page if possible because the effectiveness of a dashboard could be lost if there are multiple pages of information and graphs.

Mr. McCartney asked if the board desired a dashboard to reflect some comparative analysis.

Mr. Chang answered affirmatively and commented further that it would allow us to see how effective we are and it will also help us understand how we are performing against our competition. Mr. Chang queried whether there was a way to do mini dashboards that would help us measure the effectiveness of specific programs, such as blitzes and to validate the spending of additional funds for special projects.

Mr. McCartney replied that staff would be putting together a mini dashboard for the Market Recovery Program, but the necessary data was not yet available.

Mr. Williams concurred with Mr. Chang and stated that in order for us to continue spending in a program, we must ensure that we understand the results of the program. He said that having those results would enable us to continue to move forward.

6. Discussion and/or Action Regarding the Adoption of Policies and/or Procedures for the Development of the FY 12 Budget

A discussion was initiated regarding a re-engineering of some processes that are currently in place, such as the establishment of a Committee of the Whole.

Ms. Weiner commented that the idea of a Committee of the Whole is a good one, but that the consistent problem is obtaining quorum.

Mr. Williams concurred and stated that the problem of obtaining quorum is something that we would need to continue to work through. He stated that it is his desire at the next meeting to change some of the bylaws so that we would be able to make a decision regarding Committees of the Whole.

7. Discussion Regarding the Procurement Solicitation for External Destination Marketing Management and/or Meetings, Conventions and Incentive Services

There was no discussion of this Agenda item due to loss of quorum.

8. Adjournment

The meeting was adjourned at 11:50 a.m.

Recorded:



Staff Recorder