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David Y. Ige
Governor

Chris Tatum
President and Chief Executive Officer

**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, June 25, 2020
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

Richard Fried (Chair), Micah Alameda, David Arakawa, Fred Atkins, Daniel Chun, George Kam, Kyoko Kimura, Ku'uipo Kumukahi, Benjamin Rafter, Kelly Sanders, and Kimi Yuen

MEMBER NOT PRESENT:

Sherry Menor-McNamara

HTA STAFF PRESENT:

Chris Tatum, Keith Regan, Pattie Herman, Marc Togashi, Kalani Ka'anā'anā, Marisa Yamane, Jennifer Chun, Caroline Anderson, Carole Hagihara, Minh Chau-Chun, Lawrence Liu, and Ronald Rodrigues

GUESTS:

Representative Richard Onishi, Senator Glenn Wakai, Ford Fuchigami, Ross Higashi, John Monahan, Teri Orton, Erin Khan, Nathan Kam, John deFries, Malia Sanders, Charlene Chan, Mahinapoepoe Paishon-Duarte, and Nā'ālehu Anthony

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order and Pule:

Chair Richard Fried called the meeting to order at 9:32 AM. Kalani Ka'anā'anā, HTA Director of Hawaiian Cultural Affairs and Natural Resources, opened the meeting with a pule.

2. Approval of Minutes of the May 28, 2020 Board Meeting:

Chair Fried requested a motion to approve the minutes of the May 28, 2020 Board meeting. George Kam made a motion, which was seconded by Ku'uipo Kumukahi. The motion was unanimously approved.

3. Report of Permitted Interactions at an Informational Meeting or Presentation Not Organized by the Board under HRS section 92-2.5(c):

Chair Fried asked the Board whether there were any permitted interactions to report, and there were none.

4. Report of the CEO Relating to Staff's Implementation of HTA's Programs during May 2020:

Chair Fried recognized Chris Tatum, HTA President and CEO, to present his report. Mr. Tatum reported that he has remained involved with the House Select Committee on COVID-19 and chairs the Tourism sub-committee. He added that he, together with Keith Regan, HTA Chief Administrative Officer, and the HTA team, has continued to participate in Governor David Ige's COVID-19 recovery task force in partnership with the Department of Health (DOH) and the Department of Transportation (DOT). Mr. Tatum noted that he has continued to communicate with the visitor industry and has coordinated meetings between industry leaders and government officials. He said Gov. Ige issued his 14-day quarantine order back on March 22nd, and it has been an unprecedented time. The quarantine needed to be enforced without infringing on people's rights to make Hawai'i a safe place. Mr. Tatum commended Mr. Regan and DOT for their work at the airports. He noted that CNBC has described Hawai'i as having been the most successful state in regard to maintaining a low infection rate. Mr. Tatum said HTA was also asked to manage the call center for contact tracing. He added that the call center has made over 80,000 calls. Mr. Tatum commended John Monahan, President and CEO of HVCB, and HVCB for their efforts. He praised the HTA team and commended Jennifer Chun, HTA Director of Tourism Research, who worked seven days a week without complaint. He added that Ms. Chun collected data and released daily arrival reports when such data would normally be released in a monthly report. Mr. Tatum commended Marissa Yamane, HTA Director of Communications and Public Relations. He also commended Barbara Okamoto, Senior Vice President of Customer Relationship Marketing for HVCB, who manages the 80-member call center, and noted that was not the position for which she was hired. Mr. Tatum said the call center operated seven days a week, assisted with the enforcement of the 14-day quarantine, and showed visitors that their well-being was important to the state of Hawai'i. Mr. Regan added that DOT provided twenty volunteers for the call center. Ms. Chun then added that the Hawai'i County Civil Defense and Maui County Police Department also provided volunteers. Mr. Tatum said Hawai'i's mitigation efforts may not be perfect, but they are clearly the best. He noted that Mr. Regan and DOT have been working on digital arrival forms and that data will be valuable to DOH. Mr. Tatum added that there is a first class group of people in Hawai'i's government, and the results have been phenomenal. Chair Fried shared that he saw an article in Politico that described Hawai'i as a rare COVID-19 success story.

5. Presentation by HTA and the Hawai'i State Department of Transportation on the Current 14-day Quarantine for Arriving Passengers at Hawai'i's Airports:

Chair Fried recognized Ford Fuchigami, Administrative Services Officer for DOT, Airports Division, to present on the visitor arrival procedures at the airport. Mr. Fuchigami

commended his staff for their efforts and said open communication is the most critical thing moving forward. Mr. Fuchigami said passengers first have their temperature taken and anyone who registers a temperature of 100.4 degrees or higher will undergo secondary medical screening, where a contract paramedic will take an oral temperature to ensure the reading is accurate. The passenger will then answer a series of questions called a clinical evaluation. Mr. Fuchigami said that after the clinical evaluation, the passenger is offered a swab test, which is turned over to DOH. He said that if the passenger tests positive, DOH will notify DOT to begin the contact tracing process. He noted that there are a number of exceptions to the 14-day quarantine, including those with a military ID, because the federal government has its own protocol. Mr. Fuchigami added that under state statute, federal government employees are not exempt from the 14-day quarantine.

Mr. Fuchigami discussed how the Order for Self-Quarantine form has evolved over time to address different challenges. He commended the airline industry for their support. Mr. Fuchigami noted that the screening process has evolved into a law enforcement process. He said the passenger's contact information is the most important thing they look for. Mr. Fuchigami noted that screeners at the airport use a mobile app to verify that the contact information is valid. He added that if a passenger does not have valid contact information, that person cannot leave the airport. He said either the passenger returns to where they came from or is arrested. Mr. Fuchigami noted that members of the National Guard, police officers, or sheriffs are present to protect the staff in the event of confrontations with passengers. He added that the screeners will check the return flight information against the number of nights on the hotel reservation. Mr. Fuchigami said the health screeners call the hotel provided on the health form to verify that the passenger has a valid reservation at the hotel. If that information does not match, the passenger cannot leave the airport without extending their hotel reservation or adjusting their return flight.

Mr. Fuchigami then discussed the procedures for interisland departures. He said a member of the National Guard takes the traveler's temperature. Mr. Fuchigami shared that on "Commuter Mondays," there are about 600 construction workers traveling to their respective neighbor island worksites within a one-hour window and explained the challenges associated with that high volume of travelers. He said it is very difficult to manage operationally and requires three TSA lanes and a separate queuing area. He commended the coordination between Hawaiian Airlines and DOT staff. Mr. Fuchigami discussed the interisland departure form. He played a YouTube video of the domestic visitor arrival process.

Mr. Fuchigami then discussed the pilot program for the integrated thermal scanner and facial recognition tracking system. He said the final bids for the pilot program are due Friday, June 26th. He explained that the facial image is only held for thirty minutes and then permanently deleted, though the ACLU considers it an invasion of privacy. The images are only used to ensure that individuals with elevated temperatures are stopped before leaving the airport. Mr. Fuchigami added that individuals are not asked to remove their hats, glasses, or face masks. He said DOT initiated this program back in early March with

anticipated completion and installation of all cameras in Honolulu, Kona, Hilo, Kahului, and Līhu‘e airports by December 31, 2020. Mr. Fuchigami noted that the technology is not limited to just COVID-19, but can identify anyone with a fever in the event of any type of future viral outbreak. He added that the situation at the airports has been challenging and commended his staff for rising to meet the challenge. He said DOT and DOH will be working as a single unit moving forward and that no other state airport system does what DOT and DOH are doing.

David Arakawa asked what HTA can do to support DOT in the future. Mr. Fuchigami responded that HTA can continue to support DOT with communications, disseminating information, and directing visitors to DOT’s website which has all of the travel protocol. Mr. Arakawa suggested that HTA post the DOT forms, videos, and protocol on HTA’s website. Mr. Regan replied that HTA continues to be a partner with DOT and DOH and much of that information is already on HTA’s website thanks to Ms. Yamane and her team. Mr. Regan added that it is critical that this information is effectively communicated, and HTA will continue to partner with DOT in this manner. Mr. Arakawa asked if DOT would be open to expedited procedures for other industries in addition to construction. Mr. Fuchigami responded that he has been in discussion with the City and County of Honolulu about expediting their workers. He noted that the construction industry jumped to the top of the list of expedited procedures because of Commuter Mondays. Mr. Fuchigami said the challenge is directing the general public to the DOT website. Daniel Chun noted that, in terms of communication, most travelers look to their airline for that information. Mr. Chun suggested that DOT and DOH work to provide the airline industry with the procedures, videos, and forms so that they can post this information on their websites.

Chair Fried asked Mr. Fuchigami to confirm whether the facial recognition images are only retained for thirty minutes. Mr. Fuchigami responded that the images are automatically deleted after thirty minutes. Chair Fried asked what concerns the ACLU. Mr. Fuchigami speculated that it is because specific information pertaining to the program has not been widely shared, and people automatically assume DOT will keep the images and disseminate them to law enforcement agencies. Chair Fried replied that he will suggest to Joshua Wisch, Executive Director of ACLU Hawai‘i, to reach out to Mr. Fuchigami or Ross Higashi, Deputy Director of DOT, Airports Division. Mr. Fuchigami said ACLU submitted a FOIA request, but they are requesting information on a system that DOT may not even select. Fred Atkins asked on average, how many people need to undergo secondary screening, and of those people, how many test positive for COVID-19. Mr. Fuchigami responded that it is very minimal, and all of that data has been provided to DOH. He then shared an anecdote about a difficult case concerning an asymptomatic individual and noted that asymptomatic people are very difficult to catch. Mr. Tatum said that if the message is not communicated about needing a pre-test to come to Hawai‘i, the state will be overwhelmed because Hawai‘i does not have the capacity to test incoming travelers. Mr. Fuchigami responded that he believes Hawai‘i should be prepared to test incoming travelers. He added that Hawai‘i only has the capacity to test about 3,000 people per day. Mr. Tatum replied that there are four to five weeks to spread the message that visitors need a pre-test to avoid the 14-day quarantine.

Micah Alameda shared that his experience in Hilo Airport was positive. He noted, however, that there was one difficult person who was saying that the health screening forms violated her HIPAA rights. Mr. Alameda asked how often these confrontations occur. Mr. Fuchigami responded that it happens every day and shared a number of examples. He added that DOT tries to protect its staff as much as possible. Chair Fried asked what happens if a traveler refuses to sign the health forms. Mr. Fuchigami responded any individuals who refuse to sign the health forms cannot fly. Chair Fried added that he believes everyone is in agreement with Mr. Fuchigami that Hawai'i needs testing for asymptomatic people.

Chair Fried recognized Mr. Regan to discuss HTA's involvement in COVID-19 mitigation efforts. Mr. Regan said the Hawai'i Emergency Management Agency (HIEMA) had asked HTA to help support the state's COVID-19 mitigation efforts. He noted that HTA's direct support includes form scanning, database management, data distribution, managing the call center, and providing some of the equipment involved in these processes. Mr. Regan commended Mr. Fuchigami and his team. He noted that HTA has supported DOT with contract staff in the screening, verification, call center, and scanning processes. Mr. Regan thanked DOT for providing the facility for the scanning center and noted that the contract staff work seven days a week to put the information into the database. He said it is a labor intensive process in which the forms are scanned manually and individually verified to ensure the fields are filled correctly. Mr. Regan noted that there are thousands of forms per day and each form takes about thirty to sixty seconds to process.

Mr. Regan then discussed the database used to manage this information. He said at first, they were using Microsoft Excel to capture the data and disseminate it to HTA's partners. However, he explained that process was not scalable and so the database was moved to the Esri software platform. Mr. Regan noted that Esri is a major player in emergency management, and the software is already utilized by state agencies and the counties. He explained how Esri works and how it utilizes the collected data for mapping and contact tracing. Mr. Regan said the maps and data are available to law enforcement and law enforcement dispatch centers to better enforce the 14-day quarantine. He noted that Esri also supports call center operations. Mr. Regan commended the call center team and added that there are over eighty professional, customer service-oriented agents that staff the call center seven days a week. He also commended Mr. Ka'anā'anā for creating a virtual PDF system so that equipment did not need to be purchased for the call center and the call center staff can use their own personal devices. Mr. Regan said collaborative partnerships have been essential, and HTA has ensured that the data is being shared efficiently with various stakeholders so they can execute their quarantine enforcement functions.

Chair Fried said in addition to the statewide totals, it would be good to know where individual clusters occur because individuals can then be more sensitive should clusters arise in their local communities. Mr. Regan responded that DOH and HIEMA is utilizing Esri to communicate where aggregate cases occur by district or zip code.

Kimi Yuen asked whether pre-testing data will be included in the database so that law

enforcement will be aware of who has done the pre-test and who needs to be in quarantine. Ms. Yuen also asked how a pre-test is verified. Mr. Regan responded that HTA is supporting DOT and DOH in the development of a digital form. He said the interisland form has been created and will be the launching point for the creation of a domestic and international digital form. Mr. Regan noted that the Esri software is flexible so data from the digital form can easily be added to the software. Mr. Fuchigami noted that travelers who are pre-tested must have a pre-test certification, and law enforcement will only receive information concerning travelers that are subject to the 14-day quarantine. Ms. Yuen asked if there is a way to automate this process. For example, can the certification be uploaded while a passenger is checking in for their flight? Mr. Fuchigami responded that they are working on a program similar to one implemented in Australia. In Australia, people who pay a fee and submit an application are then issued a “passport” that is scanned as the traveler deplanes. He noted that if any information is missing, the passenger will be required to undergo a screening process. Mr. Fuchigami added that DOT is also working on pre-arrival check points similar to a TSA checkpoint.

Mr. Atkins asked if HTA is granted the \$3.3 million CARES reimbursement, will HTA continue to invest into this program, or will HTA step away from this program. Mr. Regan responded that HTA wants to support DOT in this process, but at some point, HTA will need to step away from it. He added that when the visitor arrivals begin to scale upwards, HTA does not have the resources to continue providing support. Mr. Regan noted that HTA is meeting with DOH about the transition process. Mr. Atkins said HTA has done an amazing job of removing the kinks from this process, but for it to be a smooth transition to DOH, the transition needs to occur before the reopening date. Mr. Tatum said it will be a DOH function moving forward. Representative Richard Onishi said there are two funding mechanisms in play for this program. The first is the allocation of \$9 million of CARES money to DOT for the set-up of the equipment. The other is bill HB2502, which empowers DOH to take control of the program with CARES funding to hire staff and provide ongoing operational support. Rep. Onishi added that the hope is to have that settled by the end of the legislative session on July 10th. Mr. Regan noted that this has been a huge team effort.

6. Presentation and Adoption of the ‘Āina Aloha Economic Futures Declaration and of their 4-Step Process of Taking Action to Bring to Life a Resilient Economy Through our Core Value of ‘Āina Aloha - a Deep and Abiding Love for Hawai‘i’s Communities and Natural Environment:

Chair Fried recognized Mahinapoepoe Paishon-Duarte and Nā‘ālehu Anthony to present the ‘Āina Aloha Economic Futures Declaration (‘Āina Aloha). Mr. Anthony said that many of the values serving as the foundation of ‘Āina Aloha are based on their collective experiences as crew members of the Hōkūle‘a and other canoes. He shared a Hawaiian saying, “He wa‘a he moku, he moku he wa‘a,” which translates to “the canoe is an island, and the island is a canoe.” Mr. Anthony noted that the community has been tested time and time again and each time, the community has stood up to meet those challenges and has moved forward towards the right destination. He said the decisions being made in the coming months will

have major consequences in the present and in the future. He added that there are common values that unify Hawai'i as a state. Mr. Anthony shared the four guiding principles that are grounded in Hawai'i's shared values: (1) 'Āina Aloha, developing economic strategies that prioritize the kuleana to steward Hawai'i's precious natural resources, (2) 'Ōpū Ali'i, choosing leaders who understand that the privilege to lead is dependent on those they serve, (3) 'Imi 'Ōi Kelakela, being driven by creativity and innovation that enhances the people's way of life, and (4) Ho'okipa, managing Hawai'i's resources in a way that allows the people to fulfill their roles as hosts.

Ms. Paishon-Duarte said unprecedented times call for unprecedented leadership. She noted that many of the shared values and guiding principles of 'Āina Aloha are present in the HTA 5-Year Strategic Plan. Ms. Paishon-Duarte described the Four-Step Community Engagement process. The first step, "Declaration of Support" outlines 'Āina Aloha's core values. She noted that after the declaration was published in May, there were 800 signatories in the first two weeks, and the number of signatories has increased to over 1,500. The second step, Huliau Action Agenda, provides concrete, actionable initiatives to rebuild Hawai'i's economy, which has received over 200 responses with suggested changes and over 400 additional signatories. In the third step, the goal is to create a round table for cross-sector collaboration where people can share their mana'o. Ms. Paishon-Duarte said 'Āina Aloha has created a self-assessment tool to help guide the alignment of businesses, educators, industry leaders, etc. with 'Āina Aloha's principles and values. The fourth step is to invite the community to engage with 'Āina Aloha in online workshops, and Ms. Paishon-Duarte said the vision is to have community-generated proposals that articulate immediate, mid-term, and long-term action and initiatives through strategic and coordinated effort. She said they would like share these proposals broadly with Gov. Ige, the Legislature, and other community stakeholders. Ms. Paishon-Duarte shared that when there is a community-created vision for Hawai'i's economy and an empowered leadership held accountable to that vision, Hawai'i's economic resilience will be reset, renewed, and strengthened by rebalancing relationships between the people and the 'āina through shared values.

Chair Fried said 'Āina Aloha's core values are aligned with HTA's Four Pillars and expects Ms. Paishon-Duarte to be approved to serve on the selection committee for HTA's next President and CEO. Mr. Tatum asked what results will be released tomorrow. Ms. Paishon-Duarte responded that 'Āina Aloha is releasing the self-assessment tool, which is a grading rubric that will score a proposal relative to 'Āina Aloha's principles.

Mr. Atkins asked whether there has been input from the neighbor islands and whether there are any people from the neighbor islands on 'Āina Aloha's board. Mr. Anthony responded that there are a number of people from Hawai'i Island on the board, and input has been received from all islands and Hawai'i residents living on the mainland.

Mr. Chun said he looked at the website, read the declaration and agenda, and watched the news conference, and noted that there is a lot of alignment with the HTA 5-Year Strategic Plan. He added that he likes the concept of creating a cross-sector round table to exchange

ideas. Mr. Chun said this is an opportunity to bridge the gap between the visitor industry and the community.

Ms. Kumukahi thanked Ms. Paishon-Duarte, Mr. Anthony, and the other members of 'Āina Aloha for their efforts and noted that 'Āina Aloha is perfectly aligned with the HTA 5-Year Strategic Plan. Ms. Kumukahi noted that she has seen the people of Hawai'i coming together in this huliau ("changing times"), and that Hawai'i cannot return to what it was and can only move forward. Ms. Kumukahi noted that Hawai'i has a significant amount of resources. She discussed the Artisan to Entrepreneur Program and how there are many people in Hawai'i, whose artwork and products can be marketed to visitors. Ms. Kumukahi made a motion to adopt and support the 'Āina Aloha Economic Futures Declaration, which was seconded by Mr. Kam. The motion was unanimously approved.

Chair Fried announced a break in the meeting at 11:23 AM. The meeting resumed at 11:38 AM.

7. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets, Including the United States, Japan, Canada, Oceania, Other Asia, Europe, and Cruise:

Chair Fried recognized Ms. Chun to discuss market insights and conditions. Ms. Chun reported that there are no market insight statistics for this month. She discussed the hotel statistics as contained in the Board packet and noted that hotel occupancy was down 65%, vacation rental supply was down 64.8%, and vacation rental demand was down 95.3%. She added that because of the pandemic, they have begun publishing destination indexes that track how visitors change their bookings and that track confirmed future bookings.

Kyoko Kimura asked why some vacation rentals are still in operation. Ms. Chun responded that she expected the supply to be very low, but their vendor thinks that perhaps people are still making them available on the booking websites.

Benjamin Rafter asked whether people are still booking vacation rentals despite the ban. Ms. Chun responded in the affirmative and said one of the functions of the call center is to pass any relevant information to the Office of Planning.

8. Report of the Marketing Standing Committee with the Committee's Recommendations to Support Various Marketing Proposals, for Discussion and Action by the Board:

Chair Fried recognized Mr. Sanders to report on the June 24, 2020 Marketing Standing Committee meeting. Mr. Sanders reported that Jay Talwar, Senior Vice President and Chief Marketing Officer of HVCB, and Eric Takahata, Managing Director for Hawai'i Tourism Japan, presented on the marketing recovery campaigns for the mainland U.S. and Japan, respectively, Pattie Herman, HTA Vice President of Marketing and Product Development, discussed the highlights of the HTA Tourism Marketing Plan, Caroline Anderson, HTA Director of Community Enrichment, presented updates on the community engagement

plan, and Mr. Regan reviewed airport safety protocols.

9. Discussion and Approval of the Fiscal Year 2021 Budget for the Hawai'i Tourism Authority:

Chair Fried recognized Mr. Regan to discuss the HTA FY 2020-2021 budget. Mr. Regan said the state notified HTA that it had made an error in regard to TAT revenues that HTA would receive. He noted that HTA will receive one month less of TAT funds, which amounts to \$6.5 million less. Mr. Regan added that by all indications, Gov. Ige will release the \$5 million in emergency funds requested by HTA so the FY 2020 budget has a \$1.5 million shortfall that needs to be addressed. He said once TAT allocations resume, they anticipate some of it will be allocated to HTA, though he expects the first allocations to go to DOH and DOT. Mr. Regan recommended that HTA be conservative throughout this process in the event HTA does not receive additional funding. He said the HTA team feels that they have the right budget to carry HTA through the end of the fiscal year. Mr. Regan added that hopefully the economy will have recovered by the following fiscal year, and TAT distributions will resume.

Mr. Kam asked whether the \$3.3 million CARES reimbursement is included in the budget. Mr. Tatum responded that the decision today is to identify and remove \$1.5 million from the budget to cover the shortfall. He added that the possible \$3.3 million reimbursement and any new TAT allocations are not accounted for in the budget.

Mr. Regan noted that there are certain line items in the budget mandated by statute, and he identified them as contained in the Board packet. Mr. Atkins said that after the meeting with Gov. Ige, it does not appear that Japan is going to open anytime soon because travelers will be quarantined for 14 days when they return to Japan. Mr. Atkins said opening in August has to be in the equation, and noted that HVCB and HTJ requested more funding for their recovery marketing campaigns for the remainder of the calendar year. Mr. Atkins said the question is which programs need to start at the beginning of the fiscal year and which programs can hold off until later in the fiscal year.

Mr. Regan said he had asked Ms. Anderson if the counties will be ready to spend all \$700,000 of the funds allocated for implementation of their recovery action plans immediately or if the money can be phased in and distributed in increments. Mr. Regan said he believes that HTA will know within six months whether its reimbursement request will be approved. He noted that HTA is also applying for FEMA reimbursement. Mr. Regan said the question is whether there are some programs that can be revisited and supported later in the fiscal year if and/or when additional funds become available to HTA. He noted that they have also discussed applying for EPA grants to support HTA's functions. Mr. Kam responded that HTA needs enough funding for its marketing initiatives to ensure that Hawai'i comes out of the gates strong when it reopens. Mr. Regan replied that HTA has been in discussions with HVCB, HTJ, and its other marketing contractors about how to adjust and move forward in this COVID-19 environment. Mr. Tatum said it is safe to assume that HTA will receive the \$5 million in emergency funds, and the Board needs to decide where to adjust the budget to address the \$1.5 million shortfall. He added that if the Board wants to supplement the funding for HVCB and HTJ, the Board needs to find those funds in the budget and evaluate

the risk of investing that money upfront in the hope TAT allocations resume later in the fiscal year. However, Mr. Tatum said he cannot predict if that will occur. He noted that with the 14-day quarantine and the pre-test program, he doubted whether Hawai'i's ability to generate business will initially be strong. Mr. Atkins asked if Mr. Tatum and Mr. Regan are considering percentage cuts across the board or eliminating specific programs. Mr. Atkins said he would like to hear from Perpetuating Hawaiian Culture and Natural Resources as to which programs need to commence in July and August. Mr. Tatum responded that when they created the original budget, the team went line-by-line and discussed which programs could be scaled back. He noted that the Perpetuating Hawaiian Culture and Natural Resources budgets went through multiple iterations to get to where they are now, and that Mr. Ka'anā'anā feels strongly about investing in these areas.

Ms. Kimura asked about possibly decreasing the Crisis Management budget. Mr. Regan responded that basically every program in the Safety and Security budget, like the Lifeguard program and ocean safety videos, has been removed. He noted that in the event of a hurricane or tsunami, HTA would have no money or resources to respond to that crisis if the Crisis Management budget is cut. Mr. Regan added that the Board can take money from that category with the intention of returning funds if TAT allocations resume. Mr. Rafter asked about the possibility of cutting funds from the Visitors Aloha Society of Hawai'i (VASH) program, and whether VASH would require the same amount of funding with only half of the normal amount of visitors. Mr. Regan responded that O'ahu uses most of the \$600,000 in funding. He added that if the Board decides to halve the VASH budget, he will notify the programs that their budgets have been cut. Chair Fried said Jessica Lani Rich, President and CEO of VASH, spent a lot of time and money on the cult issue on Hawai'i Island, and she used VASH funds to send the 25 cult members back to Los Angeles. He added that there still may be a need for such repatriation, especially if travelers come to Hawai'i without a pre-test.

Mr. Ka'anā'anā presented an overview of the budget allocation for Perpetuating Hawaiian Culture. Mr. Ka'anā'anā said the guiding principles will be to strengthen the relationship between the industry and the community, strive to nurture Hawaiian culture by creating visitor experiences, activities, and marketing programs that are respectful and accurate, and support practitioners that perpetuate Hawaiian culture. He noted that there will be a stronger emphasis this fiscal year on creating visitor experiences, activities, and marketing programs that are respectful and accurate. Mr. Ka'anā'anā added that HTA will continue to fulfill its statutory mandate to place an increased emphasis on normalizing usage of the Hawaiian language. He said HTA will strengthen its partnerships with organizations like the Office of Hawaiian Affairs and the Council for Native Hawaiian Advancement. Mr. Ka'anā'anā said HTA will emphasize community economic development and support for small businesses and artisans to take the economic benefits of tourism and spread it more broadly. Mr. Ka'anā'anā said he would like to continue supporting the digitizing of Hawaiian language newspapers and the creation of Hawaiian digital media content. Mr. Ka'anā'anā then presented an overview of the budget allocation for Natural Resources. He said the guiding principles for natural resources are to support and amplify conservation and natural

resource management, and to engage in active education and management strategies. Mr. Ka'anā'anā noted that in the past, HTA invested heavily into passive programs, but that alone is not enough. He said they will continue to look to engage in more active strategies that will educate and encourage more pono travelers. Mr. Ka'anā'anā said that if HTA's marketing strategies continue to emphasize Hawai'i's natural resources, HTA needs to reinvest into those natural resources to ensure those natural resources are there for residents and for enriching the visitor experience. Mr. Ka'anā'anā noted that HTA will continue to support programs in collaboration with the Department of Land and Natural Resources (DLNR) and certification programs like the Sustainable Tourism Association of Hawai'i and the Hawai'i Green Business Program.

Mr. Arakawa asked whether there are ways HTA can have a closer relationship with those organizations by, for example, having HTA staff or people from the visitor industry on their boards or steering committees. Mr. Ka'anā'anā responded that he has invited industry leaders to get involved and build that soft influence without opening the checkbook. Mr. Ka'anā'anā added that community-based nonprofits feel empowered and connected to the visitor industry as an HTA funding awardee. Mr. Arakawa said HTA can be the connector between these awardees and organizations like the Hawai'i Lodging and Tourism Association and the Waikiki Improvement Association.

Chair Fried said he was surprised to receive a request from the state auditor about the status of the implementation of the audit recommendations and asked Mr. Regan to explain. Mr. Regan responded that is a standard communication by the auditor, and HTA has prepared a draft response to the auditor that is being circulated internally.

Ms. Kimura asked if the Natural Resources budget can be reviewed if there is only a \$1 million statutory mandate for the budget. She added that DLNR has its own funding to support its programs. Mr. Regan responded that he would like to preserve the Natural Resources programs as much as possible because it is one of the Four Pillars that HTA has embraced as an organization. He added that the Crisis Management budget may be a better place to cut with the intention of returning funds later in the fiscal year. Mr. Ka'anā'anā said in HTA's collaborations with DLNR, DLNR has provided matching funds for programs. He advocated that as HTA encourages visitors to return to Hawai'i moving forward, the outdoor experiences that visitors are seeking need to be preserved. Ms. Kumukahi agreed with Mr. Ka'anā'anā and advocated for preserving the Natural Resources budget as is to ensure the environment is adequately cared for. Chair Fried agreed that the Crisis Management budget may be an appropriate place to cut because natural disasters are a state issue. Mr. Tatum seconded cutting from the Crisis Management and VASH budgets.

Ms. Yuen asked Mr. Tatum to discuss the Sports budget. Mr. Tatum responded that the PGA tournaments are based on a 4-year contract. He noted that the PGA has not confirmed whether the tournaments will occur, but if they do, HTA is contractually obligated to provide funding. He said the Maui Jim Maui Invitational is a basketball tournament on Maui that provides significant media coverage. Mr. Tatum added that the ESPN Hawai'i Bowl and

the Diamond Head Classic also provide significant media exposure. He said the University of Hawai'i (UH) branding partnership and the Polynesian Bowl are likely the most important. However, Mr. Tatum noted that it is unclear whether any of the sporting events will occur. He said he worked with Dave Matlin, UH Athletic Director, on hosting the Mountain West volleyball tournament and supporting a UH women's volleyball trip to Japan, which would provide exposure in Hawai'i's major markets. Ms. Yuen responded that given the uncertainty of the sporting events, the Sports budget would be a good place to cut, rather than cutting from HTA's core areas. She noted that programs like the county community action plans represent HTA's direction under the 5-Year Strategic Plan and that HTA wants to support how the counties want to pivot the tourist industry and support programs that are important to the community. Ms. Yuen noted that the sporting events are not within HTA's control, but funds can be returned to the Sports budget should the situation change. Mr. Tatum recommended removing the ESPN Hawai'i Bowl and the Diamond Head Classic. He added that if cuts are made to the VASH and Crisis Management budgets, then that would come close to balancing the budget without touching the Community, Natural Resources, or Perpetuating Hawaiian Culture budgets. Ms. Kimura asked if the triathlon and Iron Man have already been cut from the Sports budget. Mr. Tatum responded in the affirmative.

Marc Togashi, HTA Vice President of Finance, suggested that the Board leave at least \$450,000 in the Crisis Management budget. Mr. Regan noted that if the Crisis Management budget is at \$0 as of July 1st, then HTA can no longer support staffing at the airport. He added that if the Board decides to reduce the budget to \$0, he needs to communicate to HIEMA that HTA will no longer provide support at the airports. Mr. Atkins asked how much that support costs per month. Mr. Regan responded that it costs about \$300,000 per month. Mr. Atkins recommended continuing to fund airport staffing for another three weeks to provide HIEMA time to find an alternative source of support. Mr. Atkins asked Mr. Monahan when the PGA will make its final decision regarding the tournaments. Mr. Monahan responded that the situation is fluid. He noted that two PGA tournaments occurred without any issues. He explained that if the tournament loses its sponsor, the PGA will use its best commercial efforts to replace the sponsor. If the PGA is unable to do so, the tournament would be canceled. Mr. Atkins asked what the damages would be if HTA canceled the contract. Mr. Monahan responded that he does not know without reviewing the contract. Chair Fried suggested making a force majeure argument. Gregg Kinkley replied that the force majeure clause in the PGA contract would be inapplicable under these circumstances.

Mr. Rafter asked whether salaries have been reviewed and whether there are open positions that no longer need to be filled. Mr. Regan responded that HTA has three open positions that were removed from the budget.

Chair Fried recognized Ms. Anderson to present on the community recovery plans. Ms. Anderson said the initiative will be a collaborative effort between HTA, the counties, the Offices of Economic Development, HVCB Island Chapters, industry leaders from the visitor

industry and other sectors, and the community. She said the goal is to find the appropriate balance between the economic benefits of tourism and the impact on local services, natural and cultural resources, and residents' quality of life. Ms. Anderson noted that the end result would be a collaborative destination management action plan for each county, which would create opportunities for resident engagement in tourism development, establish better systems for destination management, and improve current and develop new tourism products and offerings. She said these efforts would be guided by a fifteen to twenty member steering committee for each county with representation from various sectors of the community. Ms. Anderson noted that the foundation of the destination recovery plans will be based on the 5-Year Strategic Plan and HTA's Four Pillars. She discussed the proposed timeline for the initiative with implementation of the plans by December 2020 or January 2021. Mr. Kam asked whether Maui and O'ahu can fund the creation of their own county action plans like Kaua'i and Hawai'i Island did. Mr. Kam then asked whether the timeline can be accelerated given the reopening on August 1st. Ms. Anderson responded that Kaua'i and Hawai'i Island already have current strategic plans, whereas Maui and O'ahu do not and would require more support in that manner. Mr. Kam replied that the City and County of Honolulu has CARES funding. Mr. Arakawa noted that the City and County of Honolulu plans to support industries other than tourism. He added that O'ahu does not currently have a strategic plan, and the more support HTA can provide, the better. Mr. Kam responded that the City and County of Honolulu has more money than HTA and creating the strategic plan is a function of the Office of Economic Development. He noted that HTA is already providing financial support for implementation of the program. Ms. Yuen said the goal is keep this initiative within HTA control and avoid third party agendas and conflicts that may arise if the process is more within the county's control. She said if the Board promises to reinvest funds back into this program later in the fiscal year, cutting \$100,000 from the implementation budget in addition to the other previously discussed budget cuts would help cover the \$1.5 million shortfall.

Mr. Atkins recommended that if the Board cuts \$100,000 from each county, then HTA should request that each county contribute some of their respective CARES funding because he would like to see this initiative fully funded.

Mr. Kam asked if the goal is to have the strategic plans be HTA-focused, how would HTA's approach to the strategic plans already in place in Kaua'i and Hawai'i Counties be affected. Mr. Arakawa asked whether the facilitative stakeholder meetings on Kaua'i and Hawai'i Island would have a different focus because they already have a strategic plan, whereas O'ahu and Maui would more or less be starting from the beginning. Ms. Yuen responded in the affirmative and noted that because the strategic plans were drafted pre-COVID, the stakeholder meetings on Kaua'i and Hawai'i Island would be more focused on identifying and prioritizing the steps necessary to restart the tourist industry post-COVID.

Mr. Tatum asked if the \$100,000 reduction would apply to each county. Ms. Yuen responded in the affirmative. Mr. Tatum said the budget would be balanced with reductions in the Community, Sports, and Safety and Security budgets. Chair Fried noted that if money

comes back into the budget, the cut programs could be funded at a later time. Mr. Regan calculated the changes to the budget and explained that those changes would result in a small budget surplus. Mr. Kam asked which Mr. Tatum would prefer to keep between the Maui Jim Invitational and the Hula Bowl. Mr. Monahan said the Hula Bowl would be the weaker event. Mr. Rafter asked if ESPN would host the Hawai'i Bowl without HTA's financial support. Mr. Monahan responded that they would.

Ms. Kumukahi asked how canceling the sporting events would affect the neighbor islands. Mr. Tatum responded that from a community standpoint, teams from the neighbor islands are flown to O'ahu to participate in clinics and interact with the Polynesian Bowl players.

Mr. Atkins expressed concern about possible negative feedback when this budget is released because a number of set programs that are important to the community will not be line items in the budget.

Mr. Rafter said he believes that everyone is in agreement that the Natural Resources and Perpetuating Hawaiian Culture budgets should not be further reduced. He noted that Hawai'i is facing Great Depression level unemployment numbers. He said that if the sporting events do not happen, then that funding should go to HVCB and HTJ because Hawai'i needs as many tourists as possible to start coming back. Mr. Rafter asked why HTA is paying \$125,000 for membership in the U.S. Travel Association (USTA). He then asked whether HTA can tell USTA that \$50,000 is all HTA can afford. Mr. Tatum responded that USTA is HTA's lobbying presence in Washington D.C. and then responded that HTA can tell USTA that \$50,000 is all HTA can afford if that is what the Board decides. Mr. Kam agreed with Mr. Rafter and asked how HTA can reinvest in marketing in Hawai'i's key markets. Mr. Rafter recommended recycling savings from the Sports budget into the Branding budget.

Chair Fried asked whether HTA is obligated to support staffing at the airports. Mr. Regan responded that HTA has agreements in place to support staffing the airports through the end of July. He noted that if the Board decides to eliminate the funding, he would need to inform HIEMA that it will need to seek financial support from an alternative source. Mr. Tatum added that any funds expended in support of staffing the airports are included in the reimbursement request. Mr. Regan said any reimbursed funds could be reinvested in the HVCB and HTJ marketing campaigns. Mr. Arakawa agreed with Mr. Atkins and said that he supports assisting at the airports for another month during which time HIEMA will need to locate an alternative source of support. Mr. Kam responded that HTA needs to know what the long-term solution is at the airports because that is a critical piece in bringing visitors back to Hawai'i. Mr. Tatum replied that in the long-term DOH will take over that function and provide staff, but the question is how quickly that transition will occur. Mr. Chun said it is fair to extend HTA support through July and ask HIEMA what its plans are moving forward. Mr. Regan responded that he would be comfortable having that conversation with HIEMA, and it would provide HIEMA an incentive to accelerate the permanent transition to DOH. Mr. Tatum added that whatever the Board decides needs to be communicated to the Administration so that they understand HTA's position. Mr. Atkins asked whether the

reimbursement request includes expenditures through the end of July, to which Mr. Regan responded in the affirmative and that it also includes anticipated expenditures for the call center. Mr. Atkins said it would be fair to continue providing support through July if that is what was included in the reimbursement request.

Mr. Rafter expressed concern that this is not an HTA function and the longer HTA continues to do it, the less inclined another agency will be to take it over. Mr. Regan responded that DOH and DOT have stepped up in the past few weeks about taking ownership of this function moving forward. Mr. Regan added that HTA needs to communicate to the other agencies that its commitment will only extend through July. He noted that HTA stepped up in March because it needed to be done, but this function needs to be transitioned to DOH because HTA is not in the business of running a call center or scanning center. Mr. Atkins recommended approving the current budget, and it can be revisited next month if the \$1.5 million shortfall cannot be addressed. Mr. Sanders responded that with the discussed budget cuts, there is a small surplus. Mr. Tatum summarized the proposed budget cuts from the Sports, Safety and Security, and Community budgets.

Mr. Kam said HTA needs to provide more funding to HVCB and HTJ to bring in as many tourists as possible because the next few months are critical. Mr. Sanders said the only source of flexible funds is the Sports budget because of the uncertainty. He noted that the Perpetuating Hawaiian Culture, Natural Resources, and Community budgets will fund programs that will begin when the new fiscal year starts. Mr. Sanders suggested approving the budget as is and any savings from the Sports budget should be reallocated to Branding. Mr. Kam said the Board needs to give the new CEO flexibility while still operating its programs and investing in Branding to bring visitors to Hawai'i in the right way. Chair Fried recommended approving the budget as is and adjusting it as needed moving forward, and HVCB and HTJ can manage with the budget they have for now. Mr. Kam expressed concern about ensuring HVCB and HTJ have the funds they need for the recovery marketing campaigns. Chair Fried responded that if the \$3.3 million reimbursement comes in, the Board can look into supplementing their budgets. Mr. Kam asked Mr. Talwar to share what he presented at the HTA June 24, 2020 Marketing Standing Committee meeting. Mr. Talwar said he requested money from the HTA FY 2020 budget to support the recovery marketing campaign launch for the remainder of the 2020 calendar year. Mr. Atkins expressed concern that if the budget is frontloaded and Hawai'i's reopening is less successful than anticipated, HTA will have budgetary issues for the remainder of the fiscal year. Mr. Tatum said the budget will probably be an agenda item every month in these unprecedented times. Mr. Regan summarized that the Community budget will be reduced by a total of \$400,000, which is the sum of decreasing each county's allocation from \$925,000 to \$825,000, the Sports budget will be reduced by a total of \$550,000, which is the sum of decreasing the Maui Jim Invitational budget from \$50,000 to \$0, decreasing the ESPN Hawai'i Bowl and Diamond Head Classic budget from \$475,000 to \$0, and decreasing the Hula Bowl budget from \$25,000 to \$0, the Safety and Security budget will be reduced by a total of \$650,000, which is the sum of decreasing the VASH budget from \$650,000 to \$500,000 and decreasing the Crisis Management budget from \$850,000 to \$350,000, and the Administrative budget

will be reduced by a total of \$25,000, which is a reduction of the hawaiiitourism.org budget from \$100,000 to \$75,000, for an overall total reduction of \$1.625 million. The remaining \$41,667 budget surplus was allocated to the Crisis Management budget. Chair Fried requested a motion to approve the FY 2020 budget with the above changes. Ms. Yuen made a motion, which was seconded by Mr. Sanders. The motion was unanimously approved.

10. Update Relating to the 2020 Legislative Session and Related Bills Relevant to HTA:

Chair Fried recognized Mr. Regan to discuss updates relating to the 2020 legislative session and related bills relevant to HTA. Mr. Regan said he has nothing to report and will continue to monitor the budget bills in conference.

11. Report of the Administrative Standing Committee with the Committee's Recommendations on the Establishment of a Permitted Interaction Group Serving as a Selection Committee to Guide the Search for the Next HTA President and Chief Executive Officer, with Members to be Recommended by the Committee:

Chair Fried reported on the Administrative Standing Committee's recommendations for the selection committee to guide the search for the next HTA President and CEO. Chair Fried reported that the committee is recommending six Board members: himself, Mr. Arakawa, Mr. Atkins, Mr. Kam, Mr. Sanders, and Ms. Yuen, and three non-Board members: Ms. Paishon-Duarte, Avi Mannis, Senior Vice President of Marketing for Hawaiian Airlines, and Robert Harrison, Chairman, President, and CEO of First Hawaiian Bank. Chair Fried listed the background and credentials for the three non-Board member recommendations.

12. Discussion and Approval of the Establishment of a Permitted Interaction Group Serving as a Selection Committee to Guide the Search for the Next HTA President and Chief Executive Officer:

Chair Fried requested a motion to approve the establishment of a permitted interaction group serving as a selection committee to guide the search for the next HTA President and CEO. Mr. Sanders made a motion, which was seconded by Ms. Yuen. The motion passed unanimously.

13. Adjournment:

The meeting adjourned at 2:04 PM.

Respectfully submitted,



Reyn S.P. Ono
Recorder