



REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, November 19, 2020
Virtual Meeting

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:	Richard Fried (Chair), Micah Alameda, Fred Atkins, Daniel Chun, George Kam, Kyoko Kimura, Ku'uipo Kumukahi, Sherry Menor-McNamara, Benjamin Rafter, and Kimi Yuen
MEMBER NOT PRESENT:	David Arakawa and Kelly Sanders
HTA STAFF PRESENT:	John De Fries, Keith Regan, Pattie Herman, Marc Togashi, Marisa Yamane, Kalani Ka'anā'anā, Caroline Anderson, and Jennifer Chun
GUESTS:	Senator Glenn Wakai, Representative Richard Onishi, and Chris Kam
LEGAL COUNSEL:	Gregg Kinkley

1. Call to Order and Pule:

Chair Richard Fried called the meeting to order at 9:32 a.m. Keith Regan, HTA Chief Administrative Officer, provided instructions to the general public with regard to submitting testimony. Mr. Regan confirmed the attendance of the Board by roll call. He turned the floor over to Chair Fried. Kalani Ka'anā'anā, HTA Director of Hawaiian Cultural Affairs & Natural Resources, opened the meeting with a pule.

2. Approval of Minutes of the October 29, 2020 Board Meeting:

Chair Fried requested a motion to approve the minutes of the October 29, 2020 Board meeting. George Kam made a motion, which was seconded by Fred Atkins. 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 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 October 2020:

Chair Fried recognized John De Fries, HTA President & CEO, to present his report. Mr. De Fries reported that he is involved in recurring meetings three times per week with Governor David Ige, General Ken Hara, the four county mayors, the Attorney General's office (AGO), and the Department of Health (DOH). He noted that by the end of the year, the Department of Transportation (DOT) will transition away from managing health screening at the airports. He added that CARES funding that subsidized the health screening will cease at the end of the year, and according to the Federal Aviation Administration, health screenings are not an authorized airport operational activity. Mr. De Fries said that DOT is finalizing a contract with Roberts Hawai'i and World Flight Services to manage the airport health screenings with the transition to occur in mid-December.

Mr. De Fries reported that HTA has held individual meetings with the four county mayors together with the Hawai'i Lodging and Tourism Association. He noted that he was surprised that this regular interaction had not occurred before. He said that the visitor industry benefits from hearing from the mayors. He added that it is also important for the mayors to hear from industry leaders regarding the implications of their decisions on the economic recovery.

Mr. De Fries reported that he will have meetings with Representative Richard Onishi and Senator Glenn Wakai on the budget. He said that they are examining multiple scenarios with the budget depending on the status of Transient Accommodation Tax (TAT) disbursements.

Mr. De Fries thanked the Board members who have participated in the Destination Management Action Plan (DMAP) process and who serve on the steering committees. He said that with broader community engagement, there are many diverse and innovative ideas and opinions.

Mr. De Fries reported that the Board members and general public will now be able to access videos of the Marketing Standing Committee meetings online. He said that there have been conversations with the Hawai'i Visitors and Convention Bureau (HVCB) about taking initial



steps to increase their sales staff in an effort to move canceled events from 2020 to 2021, 2022, and 2023.

Mr. De Fries reported that he will be joining a panel with House Speaker Scott Saiki and Monica Toguchi, the owner of Highway Inn, for the PBS Hawai'i Insight Series to discuss the impact of the pandemic. He said that after this Board meeting, he will be meeting with Gov. Ige for a press conference to announce Canada's reopening. He added that starting Tuesday, November 24th, travelers disembarking from a trans-Pacific flight must have a negative pre-test uploaded. If they fail to do so, they will automatically undergo a 14 day quarantine. Mr. De Fries said that the stricter policy will address the segment of travelers causing bottlenecks in the system.

Mr. De Fries recognized Mr. Regan to discuss the HTA team's work during the month of October. Mr. Regan reported that Mr. Ka'anā'anā and his team have been working diligently with their Aloha 'Āina and Kukulu Ola programs, and they have been heavily involved in planning for the Festival of Pacific Arts & Culture. Mr. Ka'anā'anā reported that the 'Iolani Palace repairs have been completed. He added that issues with the Mānoa Falls Trail, which have been remediated, will be reopening soon. He noted that the trail has been widened to accommodate two-way traffic and will be safer. He said that a new viewing platform has been built to discourage people from directly accessing the water, and the rock fall mitigation work has been completed. Mr. Ka'anā'anā noted that this project is a good example of an investment into natural resources that benefits both visitors and residents alike.

Mr. Regan reported that Caroline Anderson, HTA Director of Community Enrichment, and her team have been extremely busy leading the efforts for the DMAP process. Mr. Regan said that they held two meetings on Kaua'i with 220 people in attendance, and there has been positive feedback from a significant number of people. They also held a meeting on Maui with 153 people in attendance, as well as a meeting on Moloka'i. Mr. Regan said that the Hawai'i Island DMAP process is moving forward with a meeting in November, and there will be a meeting on Lāna'i later this afternoon.

Mr. Regan reported that the communications team led by Marisa Yamane, HTA Director of Communications & Public Relations, has been extremely busy constantly putting information out to the industry and the public and updating the website regularly. He reported that Jennifer Chun, HTA Director of Tourism Research, has been doing an amazing job pulling together credible data and research.



Mr. Regan reported that Pattie Herman, HTA Vice President of Marketing & Product Development, has been doing an amazing job working closely with DOH, AGO, and the major market teams to line up trusted travel partners in preparation of the markets reopening.

Mr. Regan reported that he is working with Mr. De Fries and the team to make the monthly CEO Report easier to digest because the November report, for example, is over 125 pages. He said that they hope to have the new format ready for the December meeting.

Mr. Atkins said that HTA received a letter from visitors traveling to Kaua'i who had a bad experience, and asked if someone would respond to the letter. Mr. De Fries responded that he would reply to the letter. He said that HTA has also received e-mails from visitors who have not been satisfied with their experience, but that tapered off after the first two weeks of the reopening. He noted that the vast majority of visitors go through the screening process fairly well.

Daniel Chun asked for clarification regarding the health screening transition at the airports. Mr. De Fries responded that DOT has been aware for some time that a transition was required. He said that the responsibility was supposed to shift to DOH, but Gov. Ige relieved DOH of that responsibility due to a lack of capacity and resources. Mr. De Fries noted that DOT extended its contract with Roberts Hawai'i and World Flight Services for six months to create a window to find a solution. He said that he expects the same personnel and hierarchical structure to remain in place, except with the removal of direct DOT supervision.

Mr. Ka'anā'anā shared that Hawai'i and HTA have been selected as a finalist for the Sustainable Tourism Awards.

Chair Fried invited the public to provide testimony, and there was none.

5. 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 present market insights and conditions. Ms. Chun reported that \$3.2 million in TAT was collected in October with \$16 million collected year-to-date, which is down \$209 million or 92.8% compared to the prior fiscal year. She added that the Visitor Satisfaction Activity Report for the second quarter has been released.

Ms. Chun discussed ADR and Revenue per Available Room (RevPAR) data per island as



contained in the Board packet. She reported that hotel occupancy on October 15th was 19.8% and increased to 26.3% on November 7th. She noted that Average Daily Rate (ADR) remained relatively flat throughout.

Mr. Atkins asked why ADR will be down next year. Ms. Chun responded that the assumption is that properties will discount prices as more properties open and supply increases. She noted that a higher occupancy percentage and RevPAR are projected. Ms. Kimura added that higher end properties are not opening until later in 2021, which may influence a lower ADR.

Mr. Atkins asked how guest satisfaction compares to last year. Ms. Chun responded that overall satisfaction was substantially lower due to the pandemic because in the second quarter, the majority of a visitor's time was spent in 14-day quarantine.

Chair Fried invited the public to provide testimony, and there was none.

6. Presentation by SMS of the 2020 Resident Sentiment Survey Questions:

Chair Fried recognized Chris Kam of OmniTrack to present the results of the 2020 Resident Sentiment Survey COVID-19 questions. Mr. C. Kam said that in addition to the standard tracking questions, HTA requested that several additional questions be asked to better gauge how Hawai'i residents feel about the reopening. He noted that the additional questions were presented in agree/disagree statements. The first statement was "Your island should be reopened to tourism to bring back jobs and businesses." Mr. C. Kam reported that 49% of survey takers disagreed with that statement. The second statement was "Visitors from outside of the state should not be here." He reported that 43% of survey takers agreed with that statement. The third statement was "I am confident that state and county governments can safely reopen my island." Mr. C. Kam said that 62% of survey takers disagreed with that statement. The fourth statement was "State and county officials are doing an effective job of enforcing the 14-day quarantine." He noted that 62% of survey takers disagreed with that statement. He added that visitor and non-visitor industry households largely had the same opinions. Mr. C. Kam discussed the data on an island-by-island basis and noted that the responses were consistent. In sum, he said that residents have concerns about the reopening and effectiveness of quarantine enforcement.

Benjamin Rafter asked if the survey also asked the traditional questions gauging resident sentiment about the long-term value of tourism. Mr. C. Kam responded that they fielded all of the normal tracking questions. He noted that those numbers are still being calculated. Ms. Chun added that the results will be shared with the Board prior to being published online. Chair Fried requested that the rest of the survey results be presented to the Board in



December if possible.

Chair Fried invited the public to provide testimony, and there was none.

7. Presentation, Discussion and Action on HTA's Financial Reports for October 2020:

Chair Fried recognized Mr. Regan to present the financial reports as contained in the Board packet. Mr. Regan reported that HTA received no TAT disbursements. He said that there were \$1.4 million of expenditures and \$436,000 of new encumbrances in October. He noted that year-to-date, HTA has encumbered \$11.4 million with a total of \$37.3 million of encumbrances, which includes encumbrances from prior fiscal years. Mr. Regan said that \$14.7 million in prior fiscal year encumbrances are in the process of being disencumbered with \$3.9 million being returned to the HTA budget. He encouraged the Board to keep those funds in reserve. He said that the Tourism Special Fund has \$71.1 million in cash with \$5 million in emergency funds invested in safe instruments. Mr. Regan noted that they will continue to monitor the situation closely. He added that HTA will continue to make requests to Gov. Ige with regard to the emergency funds and CARES Act reimbursement.

Mr. Atkins said that Natural Resources and Hawaiian Culture contracts were cut back by 50% and asked if there are any potential savings. Mr. Ka'anā'anā responded that they have not issued any contracts for Fiscal Year 2021. He noted that they are determining how to pivot programs toward rebuilding the economy and putting videographers, photographers, and dancers back to work. He added that HTA is temporarily moving away from Kukulu Ola and Aloha 'Āina funding.

Mr. Rafter asked if HTA has started to construct scenarios stretching the current budget over the next fiscal year. Mr. De Fries responded that HTA has been working through three or four scenarios with Sen. Wakai and Rep. Onishi. He added that they will be better able to discuss those multiple scenarios next month.

Chair Fried invited the public to provide testimony, and there was none.

Mr. Kam made a motion to approve the financial reports, which was seconded by Ku'uipo Kumukahi. The motion was unanimously approved.

8. Discussion and Action to Accept and Appropriate CARES Act/Coronavirus Relief Funds (CRF) Funding in the Amount of \$33,962 Allocated to the Hawai'i Tourism Authority's Safety and Security Category in the Fiscal Year 2021 Budget to Support the Visitor Aloha Society of Hawai'i's COVID-19 Flight Assistance Program's Anticipated Expenses Through December 2020:



Chair Fried recognized Mr. Regan to discuss allocating funds to the Visitor Aloha Society of Hawai'i (VASH) for its COVID-19 Flight Assistance Program. Mr. Regan said that VASH stepped up with the COVID-19 Flight Assistance Program, and VASH has been working diligently since April to support the program. He said that VASH has requested funding to continue supporting this program through December. He noted that the requested dollar amount is derived from the prior month's expenditures. Mr. Regan said that the program addresses the issue of travelers who refuse to comply with state health requirements and who cannot afford a ticket for a return flight. He explained that VASH subsidizes those costs and coordinates their return flights home.

Chair Fried invited the public to provide testimony, and there was none.

Mr. Kam made a motion to allocate \$33,962 from the Safety and Security Category of HTA's Fiscal Year 2021 budget to support VASH's COVID-19 Flight Assistance Program through December. The motion was seconded by Ms. Kimura. The motion was unanimously approved.

9. 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. Kam to make his report of the Marketing Standing Committee meeting. Mr. Kam reported that the committee was briefed on the status of the Korea, Taiwan, and Canada markets. Ms. Herman added that Ms. Chun presented a report on booking pace and John Reyes of HVCB reported on MCI booking pace and the possibility of increasing his sales staff.

Chair Fried invited the public to provide testimony, and there was none.

10. Adjournment:

The meeting adjourned at 10:47 a.m.

Respectfully submitted,



Reyn S.P. Ono
Recorder