



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, December 17, 2020
Virtual Meeting**

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, Sherry Menor-McNamara, Benjamin Rafter, and Kimi Yuen
MEMBER NOT PRESENT:	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:	Representative Richard Onishi, Chris Kam, and John Monahan
LEGAL COUNSEL:	Gregg Kinkley

1. Call to Order and Pule:

Chair Richard Fried called the meeting to order at 9:31 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 November 19, 2020 Board Meeting:

Chair Fried requested a motion to approve the minutes of the November 19, 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 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 November 2020:

Chair Fried recognized John De Fries, HTA President & CEO, to present his report. Mr. De Fries reported that he continues to be involved in monthly sessions with the county mayors and recurring meetings with Governor David Ige. He said that in recent conversations, there has been eagerness by some in the visitor industry to have a complete focus on branding and marketing and to deprioritize the other three pillars of Hawaiian Culture, Community, and Natural Resources. Mr. De Fries confirmed and restated that the Five Year Strategic Plan is an integrated approach. The Hawai'i brand is recognized worldwide because of its beautiful natural resources and the vitality, uniqueness, and warmth of the Hawaiian culture. He noted that a single fabric constitutes the Hawai'i brand. Mr. De Fries said that a sense of identity and balance is a result of the integrated approach of the HTA Four Pillars.

Mr. De Fries recognized Mr. Regan to continue the presentation of the CEO report. Mr. Regan noted that he has been a part of the HTA team for two years and expressed his thanks to the Board, Mr. De Fries, and the HTA team. Mr. Regan invited the members of the HTA leadership team to provide recaps of their activities in the 2020 calendar year.

Mr. Ka'anā'anā reported that the Aloha 'Āina Program awarded \$2,000,000 to 34 programs statewide. He noted that due to COVID-19, HTA reduced each award by 50% but kept all of the programs, which covered areas like near shore waters, coral reefs, and watershed management.

Mr. Ka'anā'anā reported that the Kūkulu Ola Program awarded \$1,500,000 to 43 programs. He noted that due to COVID-19, the number of programs was reduced to 33 with about \$680,000 awarded. One such program was the Ho'okua'āina Program, which engages at-risk youth to participate in lo'i cultivation.

Mr. Ka'anā'anā reported that many festivals and events were canceled, but HTA was able to support virtual events like May Day and the Prince Lot Hula Festival. He said that HTA has continued to support the Native Hawaiian Hospitality Association. He added that the cultural training that they provide has been moved to a virtual platform and has been able to reach larger audiences.

Mr. Ka'anā'anā reported that HTA continues to support 'Ōlelo Hawai'i, which conserves, rescans, and digitizes Hawaiian language newspapers from 1834 to 1948. He said that HTA also supported the rehabilitation of the 'Iolani Palace coronation pavilion and the removal of bees from the façade. HTA has also supported Pop-Up Mākeke, which promotes small businesses and local artisans.



Caroline Anderson, HTA Director of Community Enrichment, reported that the Community Enrichment Program made awards to 92 projects. Ms. Anderson noted that 78 programs were terminated due to the pandemic. Some of the events that occurred in the beginning of the year included POW WOW Hawai'i, E Kanikapila Kākou, and Waimea Town Celebration. She noted that HTA supported virtual events in the latter part of the calendar year like the Hawaiian Slack Key Guitar Festival, the Ka'u Coffee Festival, and the Okinawan Festival.

Ms. Anderson reported that HTA has supported the Hawai'i Agritourism Initiative that provides educational virtual workshops on market opportunities, compliance and planning, and assistance with grant applications. She reported that HTA supported the 75th Anniversary Commemoration of the end of World War II with education programming and social media content creation.

Ms. Anderson reported that HTA partnered with the University of Hawai'i (UH) at Mānoa and UH West O'ahu to award scholarships to public high school seniors interested in pursuing degrees in hospitality management and the culinary arts. She said that the Destination Management Action Plans (DMAP) were the main focus toward the end of the year.

Marisa Yamane, HTA Director of Communications & Public Relations, reported that their primary focus was on crisis communications. Ms. Yamane said that HTA provided timely and newsworthy updates to lawmakers and industry partners. She noted that HTA sent over 1,400 email updates since January. Ms. Yamane added that HTA continues to send daily briefers that are also posted on the HTA website.

Ms. Yamane reported that the communications team has been working with local, national, and international media. She noted that Mr. De Fries has been interviewed by many media outlets and has attended press conferences with Gov. Ige. Ms. Yamane said that the communications team has responded to emails, phone calls, and social media messages regarding the quarantine and pre-travel testing program. She reported that they constantly update the HTA website and share Gov. Ige's and the four county mayors' press conferences on HTA's Facebook page. Ms. Yamane said that they have issued 188 press releases, which is a significant increase from last year.

Pattie Herman, HTA Vice President of Marketing & Product Development, reported that HTA continues to work through the pre-test programs. Ms. Herman noted that the trusted travel program in Canada has been completed, and they are near the tail end for Korea and Taiwan.

Ms. Herman reported that there was a semi-virtual trade show in Taiwan in which 15 Hawai'i industry partners presented. She said that Mr. De Fries met with JTB and the Japan



Association of Travel Agents to reinforce those relationships. She noted that JTB still cannot sell packages for the destination yet, but is eager. Ms. Herman added that Hawai'i Tourism Japan and Hawai'i Tourism Canada are doing fantastic jobs.

Ms. Herman reported that she participated in the DMAP process and noted that the community wants more information about the resumption of the visitor industry. She added that she is working with the Island Chapters on how to best do that. Ms. Herman reported that she holds weekly meetings with the global marketing teams to discuss new initiatives and how to weave in the mālama concept. She said that she met with executives from Southwest Airlines and remains in touch with HVCB with regard to citywide and single property sales updates.

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

5. Presentation by the Coordinators of the Recently Launched Movers and Shakas Program, a Remote Workers Program that Leverages the Visitor Industry in an Effort to Support Economic Diversification:

Chair Fried deferred Agenda Item No. 5.

6. 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 Jennifer Chun, HTA Director of Tourism Research, to present market insights and conditions. Ms. Chun reported that visitor and hotel statistics will not be published until the end of the month. She added that the Department of Taxation did not publish updated Transient Accommodation Tax (TAT) numbers.

Ms. Chun said that HTA is a member of the U.S. Travel Association, which reports on the impact of COVID-19 on travel spending. She reported that there has been a significant decrease in Hawai'i's estimated visitor spending and tax revenues.

Ms. Chun said that HTA subscribes to Tourism Economics' Global Travel Service, which tracks and forecasts short, medium, and long haul outbound travel by country. She reported that Japan long haul travel will not return to 2019 levels until 2023 Ms. Chun said that Canada shows similar trends and that most outbound travel from Canada is short haul traffic to the continental U.S. She noted that medium haul travel would include Mexico and Central America.

Ms. Chun said that Australia long haul travel will return to 2019 levels in 2023. She noted that the largest growth is in medium haul trips to Southeast Asia. Short haul travel from Australia only includes New Zealand. Ms. Chun said that an increase in short haul travel



from New Zealand is helping travel recovery. She noted that Korea long haul travel is slow to recover. There has been an increase in short haul travel to neighboring countries and medium haul travel to greater Asia. She added that Taiwan demand for short and medium haul flights has increased.

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

7. Presentation by the OmniTrak Group of the Resident Sentiment Survey Results:

Chair Fried recognized Chris Kam of OmniTrack to present the results of the 2020 Resident Sentiment Survey. Mr. C. Kam explained that the resident survey tracks resident attitudes toward tourism and identifies positive and negative impacts of the visitor industry. He said that 1,709 people were surveyed between the primary and general elections. 52% responded by phone and 48% responded by online survey.

Mr. C. Kam said that there was an unparalleled major shock to the visitor industry due to the COVID-19 pandemic. He noted that resident sentiment toward the visitor industry weakened possibly due to the perception that tourism leads to an increased health risk. As a result, survey respondents reflected a hesitancy to reopen Hawai'i and encourage travel to the state. He added that concerns about overtourism linger. Mr. C. Kam said that regenerative growth of resident sentiment will require increasing the economic, social, cultural, and community benefits of tourism for residents, addressing the negative impacts like traffic and high cost of living, reopening the state safely, and enforcing mandatory quarantines.

Mr. C. Kam reported that there was a decline in resident perception of the favorability of tourism. The perceived impacts of tourism on the state and respondents' families significantly declined. Additionally, the perception that tourism generates more benefits than problems has decreased.

Mr. C. Kam reported that there was positive movement in the perception that tourism creates shopping, dining, and entertainment opportunities, as well as jobs with opportunities for advancement.

Mr. C. Kam reported that the perception that tourism causes traffic and higher costs of living increased, which is a byproduct of lingering concerns about overtourism. He said that the perceptions that tourism helps preserve Hawai'i's natural resources and culture and language decreased.

Mr. C. Kam reported that sentiment toward actively promoting tourism and encouraging travel to Hawai'i decreased.

Mr. C. Kam reported that the perception that the economy is too dependent on tourism and that Hawai'i is run for tourists at the expense of residents increased. He said that the



perception that residents have a voice in tourism development decreased.

Mr. C. Kam said that this year's resident survey added four statements to gauge resident sentiment on the impact of COVID-19. 49% disagreed with the statement that Hawai'i should be reopened to bring back jobs and businesses. 43% agreed with the statement that people should not be visiting Hawai'i at this time. 62% disagreed with the statement that state and county governments can safely reopen their islands. 62% disagreed with the statement that state and county governments can effectively enforce the 14 day quarantine. Mr. C. Kam noted that respondent attitudes were the same regardless of whether a household member was in the visitor industry.

Mr. C. Kam discussed the three key tracking statements. He reported that 54% agreed that tourism has brought more benefits than problems, which has been trending downwards. He noted that during economic downturns in 2001 and 2009, sentiment generally increased. He added that it is interesting that despite the economic falloff, agreement with the statement continued to trend downwards. Mr. C. Kam explained that perhaps resident sentiment is that the consequences of the pandemic outweigh the benefits of tourism. As a follow-up question, the survey asks what problems the visitor industry creates. He said that the most common answers were traffic, high cost of living, damage to the environment, overcrowding, and over-dependence on tourism, which have remained the top responses year-over-year. He noted that the response about health concerns increased significantly and is a new problem the industry must address.

Mr. C. Kam said that the next key tracking statement measures the impact of tourism on the respondent and their family. He reported that 34% said that tourism has been mostly positive, which is a decrease from prior years. He noted that it may be a result of job losses and linking tourism to the pandemic. He said that there was an increase in negative ratings.

Mr. C. Kam said that the last tracking statement is that the island is being run for tourists at expense of residents. He reported that despite the decrease in arrivals, there was a 67% agreement with the statement, which continues to trend upwards. He noted that perhaps residents were not in favor of reopening the state and doing so was prioritizing the visitor industry over residents.

Mr. C. Kam said that improving resident sentiment requires communicating and promoting economic, social, cultural, and community benefits and reducing negative impacts. In addition to previous drivers of resident sentiment, the industry needs to take into consideration messaging and programs about responsibly reopening and enforcing quarantines.

Mr. C. Kam said that according to OmniTrak's national survey data, as of December, interest in domestic travel is growing, and there are signs of resiliency of travel demand for Hawai'i. He noted that the DMAP program will help address resident concerns.



Kyoko Kimura asked how many respondents were industry related. Mr. C. Kam responded that 46% were not in the industry.

Mr. Atkins asked how many of the respondents were from Kaua'i. Mr. C. Kam responded 201. Mr. Atkins asked if the sample was broken down by different regions of the island. Mr. C. Kam responded that they did not quota different regions of Kaua'i. Mr. Atkins added that resident sentiment will continue to decrease unless HTA emphasizes the other Pillars besides Branding.

Chair Fried invited the public to provide testimony, and there was a question. Susan Haigh-Bishop asked about the impact of high property costs on local residents. Mr. C. Kam responded that 2 to 3% of respondents cited that as a problem.

Emily Herzog asked if the survey was tracked by different regions of Hawai'i. Mr. C. Kam responded that the survey was tracked by 12 different regions. The only island that was not broken down was Kaua'i.

8. Presentation, Discussion and Action on the Destination Management Action Plans for Kaua'i, Maui Nui and Hawai'i Island:

Chair Fried recognized Ms. Anderson to present on the Destination Management Action Plans (DMAP) for Kaua'i, Maui, and Moloka'i. Ms. Anderson said that the DMAP represents the type of tourism that the community wants. The process allows the community to voice their concerns. Ms. Anderson acknowledged a number of people including external facilitators who supported the process, steering committee participants, DMAP authors, Board members Kimi Yuen, Ms. Kimura, and Mr. Atkins, and the HTA staff.

Ms. Anderson said that the purpose of the DMAP process (1) was to reset, rebuild, and redesign the visitor industry for each island, (2) create opportunities for resident engagement and collaboration between the county, industry, and community, (3) improve new tourism products and offerings, and (4) establish better systems and processes to manage areas of concern. Ms. Anderson discussed an overview of the DMAP process and noted that three plans are being presented to the Board for its approval.

Ms. Anderson presented the Kaua'i DMAP as contained in the Board packet. She acknowledged the members of the steering committee. She said that some of the overarching themes include (1) better management of laws that protect natural resources, (2) managing transportation issues and infrastructure, (3) two-way communication and industry collaboration, and (4) support for local businesses. Some of the anchor actions to achieve the overarching themes include instilling values related to cultural and natural resources, addressing overtourism, increasing communication and outreach efforts, and supporting diversification of other sectors.

Mr. Atkins, who was a member of the steering committee, asked the committee members



to read the HTA Five Year Strategic Plan to ensure that the DMAP is consistent with it. He said that it was a diverse committee with members from the county, hoteliers, and small businesses. He recommended that the Board approve the DMAP.

Ms. Kimura presented the Maui DMAP as contained in the Board packet. She said that there are 19 members on the steering committee from diverse backgrounds and from different parts of the island. She noted that there were four meetings and 153 people from the community participated. Ms. Kimura said that some of the overarching themes include (1) concern with illegal rentals, (2) finding visitors that have similar values as residents, (3) two-way communication and industry collaboration, and (4) addressing transportation issues and infrastructure. She said that some of the anchor actions include responsible tourism marketing, funding cultural and natural resource programs, developing regenerative tourism initiatives, and ensuring more direct benefits of tourism for residents.

Ms. Kimura presented the Moloka'i DMAP as contained in the Board packet. She said that there are ten members. She noted that there were four meetings, 63 attendees, and 139 mail responses. Ms. Kimura said that some of the overarching themes include (1) strengthen tourism and support job stability, (2) keep Moloka'i Moloka'i, and (3) empower residents to control tourism activities. Some of the anchor actions include educating visitors, growing Moloka'i businesses, attracting specific visitor segments and kama'āina, and enhancing visitor-resident relations.

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

Ms. Yuen made a motion to approve the Kaua'i, Maui, and Moloka'i DMAPs, which was seconded by Ms. Kimura. The motion was unanimously approved.

Chair Fried announced a break in the meeting at 11:30 a.m. The meeting resumed at 11:41 a.m.

9. Presentation, Discussion and Action on HTA's Financial Reports for November 2020:

Chair Fried recognized Mr. Regan to present the financial reports as contained in the Board packet. Mr. Regan said that there were no TAT disbursements. He reported that there were \$1,900,000 in new expenditures, \$40,000 in new encumbrances, and \$994,000 in disencumbrances. He said that year-to-date there has been \$10,400,000 in encumbrances. Mr. Regan noted that the Tourism Special Fund (TSF) has \$69,300,000 in cash and investments, which includes \$5,100,000 in emergency funds. He added that the TSF cash balance will continue to decrease without TAT distributions, and they will monitor it closely.

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

Representative Richard Onishi asked about non-operational funds encumbered within the TSF. Mr. Regan responded that \$6,000,000 has been set aside for the Hawaiian Center for



Music and Dance.

Rep. Onishi asked about the status of the emergency funds. Mr. Regan responded that HTA has made a request to Gov. Ige to release the funds, but have not yet received a response.

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

10. Presentation, Discussion and Approval of the Amended Fiscal Year 2021 Budget of the Hawai'i Tourism Authority:

Chair Fried recognized Mr. De Fries to present the Amended Fiscal Year 2021 Budget. Mr. De Fries said that he had a conversation with Representative Sylvia Luke, who said that general funds are being clawed back, and HTA will have until December 30th to encumber funds going into the second half of the fiscal year.

Rep. Onishi said that he also had a conversation with Rep. Luke and emphasized that without those funds HTA and the Hawai'i Convention Center would not be able to operate. He added that he will have further conversations with Rep. Luke and that she is aware that HTA is amending the Fiscal Year 2021 budget.

Mr. Regan said that the budget was originally \$86,000,000, and it was reduced to \$48,700,000 following the suspension of TAT disbursements. The amended budget will further reduce it to \$41,000,000. He explained that it was a systematic process, and all programs were involved in the discussion. He said that they anticipated that Gov. Ige would release the emergency funds, but they removed it from the revenue projection.

Mr. Regan discussed changes to the Hawaiian Culture budget. He said that the Kūkulu Ola Program would be reduced by \$3,000,000, the Hawaiian Culture Initiative would be reduced by \$450,000, the Ma'ema'e Program would be reduced by \$15,000, and Market Support would be reduced by \$20,000. Mr. Regan said that \$250,000 would be added for the Hawaiian Center for Music and Dance. Mr. Ka'anā'anā explained that a physical concept may not be the best option given the struggles of museums in general. He noted that the funds would support developing a virtual center that is interactive, can reach wider audiences, and have lower maintenance costs. Mr. Regan said that \$100,000 would be added to the budget to support the Merrie Monarch Hula Festival. Mr. Ka'anā'anā noted that the festival would be a bubble closed to physical attendees. He added that the Merrie Monarch Festival made the most sense to support because of the international popularity of the festival and the ability to stream it. Mr. Regan said \$250,000 was added to the Hawaiian Culture Opportunity Fund and 'Ōlelo Hawai'i respectively, and \$50,000 was added to support the Festival of Pacific Arts & Culture and the Surfing commission respectively. Mr. Regan said that overall the Hawaiian Culture budget was reduced by 60%.

Mr. Regan discussed changes to the Natural Resources budget. He said that the Aloha 'Āina



Program would be reduced by \$2,300,000, and the Visitor Impact Program would be increased by \$794,000. Mr. Ka'anā'anā added that it would support the study of user fees, a state reservation program, and tour guide certifications. Mr. Regan said that overall the Natural Resources budget would be reduced by 59%.

Mr. Regan discussed changes to the Community budget. He said that the O'ahu DMAP budget would be reduced by \$744,000, the Maui Nui DMAP budget would be reduced by \$475,000, and the Kaua'i DMAP and Hawai'i Island DMAP budgets would be reduced by \$575,000 respectively. Mr. Regan noted that the funds are still allocated to support these initiatives, but it is unlikely that HTA would expend those funds this fiscal year. He said that the Community budget was reduced by 69%.

Ms. Herman discussed changes to the Branding budget. She said that the \$2,300,000 budget for MCI is embedded in the \$17,000,000 U.S. budget. Mr. Atkins recommended separating the two line items. John Monahan of HVCB responded that he has no problem separating the line items because the MCI budget will remain the same. He added that they could always use more money, but the available funds are adequate to carry out HVCB's marketing plan. He noted that hiring a corporate citywide salesperson would be the first thing HVCB would recommend as citywide and single property business returns. Mr. Regan said that the Branding budget was reduced by 4.8%.

Mr. Regan said that the Sports budget was reduced by \$150,000 because of the inability to hold certain events due to COVID-19.

Mr. Regan discussed changes to the Safety and Security budget. He said that the VASH budget would be increased to \$650,000. Mr. Kam asked if that is enough money given some of the challenges and needs for visitor assistance. Chair Fried also expressed his support for providing additional funding to VASH. David Arakawa said that this COVID-19 assistance may not be the responsibility of HTA, but rather the responsibility of another department. He added that if HTA does continue to assist, then HTA needs to document the expenditures well so that HTA can be properly reimbursed.

Marc Togashi, HTA Vice President of Finance, said that the Crisis Management line item needs to be supplemented with \$33,962, which was approved by the Board at last month's meeting.

Mr. Regan said that HTA is looking at ways to reduce the cost of the HTA website by moving some of those responsibilities in-house.

Mr. Togashi said that adjustments to the payroll are a result of the collective bargaining agreement, which dates back to the beginning of Fiscal Year 2020.

Rep. Onishi expressed concern about whether the management of user fees and a reservation system falls within HTA's responsibilities. Mr. Ka'anā'anā responded that the



funds would be to conduct a study not to manage them. Rep. Onishi said that the Legislature has asked DLNR to develop a program for assessing fees for heavily trafficked venues. He added that a lack of action by DLNR should not spur HTA to cover for them. The Legislature wants to hold DLNR accountable. Chair Fried asked if HTA can perform this study and be reimbursed by DLNR. Rep. Onishi recommended getting a commitment from DLNR before conducting the study. Mr. Ka'anā'anā said that the initial issues with the reservation system at Hanauma Bay were bad for the Hawai'i brand. This study would support the counties and DLNR to better manage these resources.

Mr. Atkins said that HTA is mandated by statute to spend \$1,000,000 for natural resources. He added that it would be huge to have this type of instant information and move people around the islands so as not to overburden certain hot spots.

Daniel Chun lent his support to this study based on the concerns and issues raised by the community during the DMAP process. He said that he understands Rep. Onishi's concerns.

Rep. Onishi said that DLNR was asked to participate in the DMAP process but chose not to. DLNR is willing to sit on the sideline and point fingers. He noted that the Legislature has been trying to hold them accountable.

Mr. De Fries said that he hears Rep. Onishi's concerns, will meet with the director of DLNR, and make it an agenda item to address this concern.

Ms. Yuen suggested that perhaps HTA can leverage technology to be a bridge between the counties and state agencies in the interim to assist visitors with real time information because these hot spots often cross jurisdictional lines. Mr. Arakawa agreed with Ms. Yuen.

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

Mr. Kam made a motion to approve the Amended Fiscal Year 2021 budget, which was seconded by Mr. Atkins. The motion was unanimously approved.

11. Presentation of the Report of the Audit Standing Committee on the Financial Audit for Fiscal Year 2020:

Chair Fried recognized Mr. Arakawa to make his report of the Audit Standing Committee. Mr. Arakawa reported that it was a clean audit with no fraud, waste, or abuse. He said that the Audit Standing Committee met on December 11, 2020, and the external auditors presented the audit. Mr. Arakawa noted that the auditors highlighted three variances: (1) the Legislature's cancelation of \$243,000,000 in debt, (2) the decrease of \$15,900,000 in TAT revenues, and (3) the decrease of \$20,000,000 in HTA expenses.

Mr. Arakawa reported that the committee discussed HTA's CRF reimbursement request of \$3,300,000. He said that a note addressing this topic was added to the financial statements.



He added that the committee discussed if other projects could be reimbursed.

Mr. Arakawa reported that Acuity LLP had no difficulties with HTA management and did not identify any fraud, waste or abuse. He thanked Acuity LLP, Mr. Togashi, Mr. Regan, and the other members of the committee.

Mr. Atkins recommended that in the future if HTA ever has to do this type of emergency work, that they require a contract upfront and agreement as to whether it will be reimbursed.

12. Board Discussion and Action on the Presentation of the Report of the Audit Standing Committee on the Financial Audit for Fiscal Year 2020:

Chair Fried recognized Mr. Arakawa, who requested a motion to accept the Acuity LLP audit of the HTA Fiscal Year 2020 financial statements. Mr. Kam made a motion, which was seconded by Ms. Yuen. The motion was unanimously approved.

13. Discussion Related to the Hawai'i Tourism Authority's Request for Reimbursement from the Coronavirus Relief Fund (CRF) for Expenditures Made by the Hawai'i Tourism Authority in Support of COVID-19 Pandemic Response as Directed by the State:

Chair Fried recognized Mr. De Fries to discuss HTA's request for CRF reimbursement. Mr. De Fries reported that Mike McCartney, Director of the Department of Business, Economic Development & Tourism, verbally confirmed that HTA will receive its requested \$3,300,000 CRF reimbursement. Mr. De Fries said that he will memorialize that discussion in a written communication.

Mr. Arakawa thanked the HTA team for their quick action on the concerns raised by the Audit Standing Committee.

Mr. Kam asked if the \$3,300,000 needs to be added to the budget. Mr. Regan responded in the affirmative. Mr. Kam asked if the amended budget has removed the \$5,100,000 in emergency funds. Mr. Regan responded in the affirmative.

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

14. 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 had a healthy discussion about the amended Branding budget. He added that the committee heard updates from HVCB on the Mālama Hawai'i Program and Japanese market updates from HTJ.

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



15. Adjournment:

The meeting adjourned at 1:11 p.m.

Respectfully submitted,

Reyn S.P. Ono

Reyn S.P. Ono
Recorder