



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, July 29, 2021 at 9:31 a.m.
In-Person and Virtual Meeting
Hawai'i Convention Center
1801 Kalākaua Avenue, Honolulu, Hawai'i 96815**

MINUTES OF REGULAR BOARD MEETING

MEMBERS PRESENT:

George Kam (Chair), Kimi Yuen, Micah Alameda, Fred Atkins, Dylan Ching, Daniel Chun, Keone Downing, Kyoko Kimura, Sig Zane, Ben Rafter, David Arakawa

MEMBER NOT PRESENT:

Sherry Menor-McNamara

HTA STAFF PRESENT:

John De Fries, Keith Regan, Marc Togashi, Kalani Ka'anā'anā, Caroline Anderson, Carole Hagihara, Maka Casson-Fisher, Ronald Rodriguez

GUESTS:

Charlene Chan, Jennifer Chun, Mike McCartney, Nathan Kam, Erin Khan, John Monahan, Jay Talwar, Jessica Lani Rich, Allison Schaefer, David Baronfeld, Barbara Okamoto, Jeffrey Esslinger, Daniel Nāho'opī'i, Hersh Singer, Ms. Takitani-Puahi, John Reyes, Rick Fried, Kyllie Butts, Malia Sanders, Nancy Neuffer, Teri Orton, Noelle Liew, Faith Rex

LEGAL COUNSEL:

Gregg Kinkley

1. Call to Order:

Chair Kam called the meeting to order at 9:31 a.m. He confirmed the attendance of the Board by roll call.

2. Opening Cultural Protocol

Maka Casson-Fisher opened the meeting with a pule. He shared that in 1840, Kamehameha 'Ekolu – Kauikeaouli signed the constitution to share and limit his powers to commoners. He noted that the Kingdom was later seized by British Captain Paulet in 1843 but was restored five months later. He said that, Kamehameha 'Ekolu – Kauikeaouli spoke the following words "The sovereignty of the land is perpetuated in righteousness" and encouraged everyone to continue such responsibility.

Chair Kam expressed his greetings to John De Fries for his 70th birthday with the latter being given a lei.

3. Approval of Minutes of the June 24, 2021 Board Meeting

Chair Kam requested a motion to approve the minutes of the June 24, 2021 Board Meeting. Daniel Chun made a motion, and it was seconded by Kimi Yuen, and unanimously approved.

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

Chair Kam asked whether there were any permitted interactions and there was none.

5. Presentation by the Hawai'i State Ethics Commission Regarding an Overview of the State Ethics Code for State Board Members

Chair Kam recognized Nancy Neufer of the Hawai'i State Ethics Commission to provide an update. Atty. Neufer reported that the State Ethics Law is a state law to preserve public confidence in public servants and it applies to state employees, state legislators and state board and commission members. She noted that the Commission provides education, guidance, financial disclosures and enforcement and noted of the penalties that go with violations. She discussed the laws concerning confidential information, gifts/gifts reporting, fair treatment, conflicts of interests, contracts, financial disclosures and post-employment. She added that the State Ethics Code is a minimum standard of behavior for state employees and that state agency may establish stricter policies. Atty. Neufer said that anyone can just call the Commission for guidance about ethics and that all advice will be confidential. She added that more information can be taken from their website and that they have "The High Road" newsletter that comes out periodically which highlights ethics issues.

6. Report of the Chief Executive Officer/Chief Administrative Officer/Chief Brand Officer Relating to Staff's Implementation of HTA's Programs During June 2021

Chair Kam recognized John De Fries, Keith Regan and Kalani Ka'anā'anā to provide an update. Mr. De Fries welcomed anyone who has questions about the CEO report. He acknowledged the completion of the initial restructuring of HTA organization and that this agenda item will be shared each month by the Chief Administrative Officer and Chief Brand Officer. Mr. Ka'anā'anā reported that the Iolani Palace repair has been completed. He noted that Olea Hulu, an HTA community partner, announced a special recognition which highlights the Board's investment in the Hawaiian language for it to thrive. He said that HTA's social media platforms and outreach has a new emphasis in which they've done numerous interviews to ensure awareness of the changes and reorganization taken by HTA. He added that the brand management side is focused on listening to the RMPs and BMPs and understanding the nuances and complexities of what's happening in the market.

Keith Regan recognized the works of Marc Togashi and his team for putting up the financials ready for today's meeting and Caroline Anderson and her staff, for making sure that all of the County DMAPs are completed and ready to be approved. He also recognized Jessica Lani Rich, President and CEO of Visitor Aloha Society of Hawai'i, for her support and work with the safety and security of visitors who are in crisis which reached 14,077 individuals to date. He thanked Ronald Rodriquez, HTA's Procurement Officer, and his team for training and preparing them for the new procurement process. He recognized Chris Sadayasu for his incredible work and support with the team who accepted a new job at the Attorney General's office. Mr. Regan also recognized Caroline Anderson for her 20 years tenure to HTA and Jennifer Chun for being the Manager of the Year with the DBEDT for her incredible dedication and commitment to HTA and Hawai'i.

7. Presentation of Legal, Financial and Operational Impacts of HB862 (Act 001, Special Session 2021) to the Hawai'i Tourism Authority and the Hawai'i Convention Center

Chair Kam recognized Keith Regan to provide an update. Mr. Regan reported that since HB 862 became law, it pushed HTA to a different way of operating its business. He added that they started reviewing the processes that HTA is forced into to be able to use the \$60 million state allocation. He explained that in order to allocate the money, they need to submit a CSFRF form to the Budget and Finance which will be reviewed by him, Mr. De Fries, DBEDT Director, Budget and Finance and the Governor for approval. He explained that based on it being approved or rejected, an allocation is then provided to HTA to be utilized for the purposes outlined in the CSRF form. He noted that the \$60 million is not a direct allocation to HTA but an access that they need to go through the process to utilize it. He

added that the process is in place to ensure that whatever is being requested and spent complies with the requirements of ARPA. He said that B&F and all that are involved in the process must ensure that the funds allocated and spent by any agency is compliant, otherwise the federal government may come back and ask the State for recoupment.

Keith Regan reported that the encumbrance process consists of additional reviews and requests. He noted that the program needs to identify an encumbrance need so they need to contract for something. He added that there should be an approved CSRF form that allocates the money and then it will be reviewed by HTA staff and others. He noted of the procurement process which is now the new 103D requirements. He said that it requires an extensive process and that Mr. Rodriguez, Mr. Togashi and him are going through a specialized training for it while the rest of the staff had gone through a basic training to ensure compliance with the 103D requirements. Mr. Regan said that the procurement component is more complex and will share later. Mr. Regan shared that the B&F requested HTA to submit a CSFRF recovery plan, in addition to the documents, which will eventually become part of the State plan that they need to submit to the federal government as part of their reporting. He noted that they are taking these challenges in a positive approach and making sure that they can accomplish HTA's work in the most efficient and effective manner.

Chair Kam asked for public testimony and there was none.

8. Update on HTA's Implementation of Change Management Plan

Chair Kam recognized John De Fries to provide an update. Mr. De Fries reported that they are realigning HTA's budget and financials with DBEDT and B&F to reflect the three categories of expenses: (1) personnel, (2) operations, and (3) brand management. He added that DBEDT and B&F approved HTA's personnel budget, with operations budget pending approval. He added that HTA's execs have reviewed the reorganization structure with the staff and the new structure was submitted to DBEDT for approval. He noted that the job description for the new position of Public Affairs Officer has been drafted and submitted while the Senior Brand Manager and Tourism Brand Manager positions are ongoing pending submission to DBEDT and B&F.

John De Fries reported that HTA is preparing a Coronavirus State Fiscal Recovery Funds (CSFRF) plan that meets ARPA requirements to be submitted to the Feds once B&F and DBEDT finalize their processes. He noted that HTA's Chief Admin Officer, Chief Brand Officer and Procurement Officer are participating in mandatory procurement training with the State's Procurement Office. He added that they are working on updating HTA's procedures

to comply with ARPA and DBEDT requirements such as the procurement procedures, RFP templates (including certifications required under ARPA) and ethics procedures. He added that they are also reviewing HTA's bylaws to see if it needed amendment to conform to ARPA and/or HB862 requirements.

Ms. Yuen asked about the hiring process. Mr. De Fries responded that there was no change. Mr. Arakawa clarified that being HTA's President, Mr. De Fries can hire whomever he wanted but that doing the government process isn't necessary. Mr. De Fries responded that they decided to post the job and will take it down to three candidates who will have an interview with him. He added that this includes the CBO and CAO.

Chair Kam asked for public testimony and there was none.

9. Presentation and Discussion of Current Market Insights and Conditions in Hawai'i and Key Major Hawai'i Tourism Markets

Chair Kam recognized Jennifer Chun to provide and update. Ms. Chun reported the June visitor statistics were published that morning and the hotel and vacation rental reports were published earlier. June visitor spending was \$1.4 billion. U.S. West spending is higher than 2019 due to the higher \$PPPD and longer length of stay, not just increased visitor arrivals. She added that they are nearly approaching the June 2019 average daily census with Hawai'i Island's census actually higher than 2019. She said that DOTAX collected \$43.6 million in June bringing it to a preliminary FY21 collection of \$209.1 million which is down 62.7% compared to last fiscal year but is on par with a number of months in the past years. She added that while June occupancy for vacation rentals was higher than hotels, ADR and room night supply for hotels were much higher than vacation rentals.

Jennifer Chun reported that according to the U.S. Travel Association data, the vacation intentions of U.S. residents in the next six months are trending upwards at this time. She noted that U.S. companies are planning to resume domestic travel in the next months. She added that there is overwhelming positive sentiment about travel with 81% of the respondents actually ready to travel and 88 % have plans to travel. Ms. Chun said that travel agency booking pace for the US market is strong for August and September with the latter month being higher than that of the same period in 2019. She added that Q4 of 2021 and Q1 and Q2 of 2022 are ahead with the bookings compared to 2019. She said that there are a lot of pick up for August and September and Q1 and Q2 of 2022. She noted that the booking

pace for O'ahu is a bit higher for August and September while Maui, Kaua'i and Hawai'i Island are a bit lagging for August but strong for September compared to 2019 data.

Ms. Kimura clarified about the softening of the market in Q1 from yesterday's meeting in comparison to the strong booking pace report and about the availability of vacation rentals. Ms. Chun responded that the data is only for travel agency bookings and doesn't include property direct and others. She added that research methodologies for vacation rentals are direct participation by managers of vacation rental units and review of internet websites thus the vacation rentals data is showing the availability for the given month. Mr. Chun added that Ms. Chun's data is about agency bookings and the data from HVCB is on hotels. Mr. Monahan added that the TravelClick data is a direct data from the participating properties and only for hotel bookings only and excluding time shares. Mr. Talwar noted that TravelClick's data is a full sales effort at the hotel level compared to just a channel coming through the travel agency. Mr. Ka'anā'anā asked about the percentage of hotels with regards to accommodations. Ms. Chun responded that she doesn't have the percentage at the moment but that the majority of visitor units are hotels.

10. Report of the Marketing Standing Committee with the Committee's Recommendations to Support three RFPs for the US Major Market Area, Global MCI, Global Support Services for Discussion and Action by the Board

Chair Kam recognized Daniel Chun to provide an update. Mr. Chun reported that the marketing meeting this month had HVCB and HTJ markets present. He noted that air seats for the summer has increased although not back to pre-pandemic levels due to the absence of international carriers and air seats. He said that as for the U.S. traveler sentiment, 51% slightly put their travels on hold due to the COVID delta variant, 41% disagrees of tourists visiting their town, while about 81% are ready to travel.

Daniel Chun reported that HTJ opened their presentation with Olympics gold medalist, Carissa Moore, who delivered a message in Japanese on behalf of Hawai'i. He noted of that the Tourism Recovery Road Map that JATA outlined was met with skepticism in regards to Japan achieving herd immunity in the September to October timeframe and to seeing a relaxation of the travel requirement for travelers returning to Japan with the hope of opening travel in Q4. He noted that HTJ is in a fixed cost budget until November and the Marketing Standing Committee will have an oversight just in case the budget needed to change. Mr. Chun said that the new CBO, Mr. Ka'anā'anā, reported on major area contract updates, the RFP planning going for 2022, the 2022 BMPs and the current budget vs. the actuals for 2021 budget. Mr. Chun added that the Committee recommends support for the

three RFPs.

Mr. Arakawa asked what they meant with timing issues on contracts. Mr. Chun responded that there were a lot of discussions pertaining to Japan with a contract balance of \$3.4 million, what will happen if Japan reopens in December, and if HTA will be able to ask for an extension into the next calendar year for the contract balance. He added that HTA staff will ask DAGS or B&F for the possibilities and the results will be reported in the next meeting. Mr. Ka'anā'anā added that the contract balance of \$3.4 million needs to be expended by December 31, 2021. Ms. Kimura added that the discussion is that they can move around within the same contract like going for natural resources in place of branding.

11. Presentation, Discussion and Approval of the O'ahu Destination Management Action Plan

Chair Kam recognized Caroline Anderson to provide an update. Ms. Anderson acknowledged Amy Asselbaye (Director of Honolulu Office of Economic Revitalization), Noelani Schilling-Wheeler, (Executive Director of the O'ahu Visitors Bureau), meeting facilitators, Cynthia Derosier and Miranda Foley and their Good Juju team for their help in the development of the O'ahu DMAP. She also thanked Nathan Kam and Erin Khan of the Anthology Marketing group, board members, former and present HTA staffs, and the O'ahu DMAP steering committee. She also thanked Hersh Singer, Faith Rex and Daniel Nāho'opi'i of SMS Research for all of their efforts and guidance in writing the whole plan. Mr. Nāho'opi'i shared the 'ōlelo no'ēau that will be placed on the plan – "O'ahu ka 'ōnohi o na kai – Oah'u, the enter of the seas. In the writing of the plan, they worked diligently to respect the input of the community and Steering Committee. He added that they have aligned the O'ahu DMAP with the other island plans for HTA to take on a statewide initiative and ensured that it fell within the 3-year window. He noted that they worked within the realm of what resources are available for HTA, O'ahu and other county agencies.

Caroline Anderson reminded that the DMAPs come from HTA's strategic plan ensuring focus on the destination management and that the residents are in alignment with the development of tourism for their island. She noted that they used the same process for all the other DMAPs with the exception of the O'ahu DMAP with its foundation built on HTA's strategic plan for the County doesn't have one. Ms. Anderson said that the following issues were presented in the DMAP: reduce visitor impacts, desire for collaborative efforts, balance between the needs and wants of residents and visitors, manage the visitor experience, educate the visitors and pivot towards regenerative tourism. She noted that the 10 anchor actions with sub actions can be found in the Board packet and a number of hotspots were also identified. She reminded that HTA serves as a catalyst to bring together State and County agencies, community organizations and private sectors to help mitigate

hotspot sites.

Ms. Yuen said that the discussions in the steering committee were fully passionate and difficult ones but everybody accepted the challenge of managing the visitors better and its impact on the natural and cultural resources. She thanked the island's steering committees in helping get the DMAP in place which ties in perfectly with HTA's reorganization and with the shift to becoming better stewards of the environment. She said that she wholeheartedly supports the plan and it's to be revisited with it being a three-year plan. She noted that perhaps they could change the "Destination" part of the DMAP as HTA is not managing the tourism impacts and not the destination itself.

Ms. Kimura asked the reduction of visitors' car. Ms. Anderson responded that the sub actions are to support the O'ahu's transportation plan and to look at shuttle services on specific sites. Mr. Ching asked about the discussions on limiting visitors at the airport. Ms. Anderson responded that further discussions with the airports division will be made with the airline schedules and landing fees later. Mr. Alameda believes that they can't limit people from flying to Hawai'i and asked for clarifications about it. Mr. Chun responded that the Federal law has control on it so the States can't regulate it. He added that the most control that they have is managing visitor accommodations leaning on the demand and supply equation and controlling the illegal rentals.

Chair Kam asked Mr. De Fries to highlight about visitors and accommodations. Mr. De Fries responded that after their presentation in the Hawai'i Conservation Alliance meeting, they are encouraged to rethink the use of destination in the DMAP as it skews it in favor of the industry versus the community first. He noted that with the interview yesterday, from the 8 million to 10.4 million visitors, there was no net increase in the hotel room inventory thus most of the 2.4 million visitors ended up in the neighborhood where they don't belong. Chair Kam said that it's their responsibility to do what's right and that it will be tracked with the supplies reduced, and then the amount of people coming will be reduced. Mr. Chun said that people will not come to Hawai'i without any place to stay and where they can control the amount of people in island. He added that he agrees in renaming the DMAP because the big hurdle now is on how to communicate it in a way that the community sees and hears about it more and holds HTA accountable to deliver some of the actions. He added that it would be great to have regular updates in the future to see the on it and to show the community of what HTA is doing. Mr. Ka'anā'anā noted that Mr. De Fries, Mr. Regan and himself have been meeting with various folks on the topic and engaging them in the process

Mr. Arakawa said that he supports the O'ahu DMAP and suggested to put the DMAP under a regular agenda item so they get a regular update and to consider creating a planning

committee. Ms. Anderson responded that she's open to have a planning committee and to report on the DMAPs every Board meeting. She noted that they will be having steering committee updates starting next week to advise the steering committee what they've been doing for each of the DMAPs so far.

Chair Kam requested a motion to approve the O'ahu DMAP. Mr. Atkins made a motion and it was seconded by Kimi Yuen, and unanimously approved.

12. Report of the *Budgetary Review Investigative Committee* of their Meeting Held on July 27, 2021

Chair Kam recognized Ben Rafter to provide an update. Mr. Rafter reported that they didn't make any recommendations or approval on anything but did go over the new process for the HTA team to get approval on the budget as HTA is no longer part of the Special Fund. He added that they reviewed the remaining calendar 2021 budget previously approved as well as the initial Calendar 2022 budget. He said that they now have a handle on how to get approval for spending the budget and will start incorporating it into the review meetings moving forward.

13. Discussion and Action to Authorize Staff to Format a Partial Fiscal Year 2022 Budget Using Three Categories: (1) Payroll; (2) Operations; and (3) Brand Marketing; and, Authorize Specific Spending Amounts for each of the Three Categories; and Authorize Staff to Initiate the RFP Process to Expend up to \$28.5m on US Major Market Area, Global MCI, Global Support Services Contracts

Chair Kam recognized Keith Regan to provide an update. Mr. Regan presented the proposal for the Board to consider with the Marketing Standing Committee recommendation supporting the three RFPs: U.S. major market area, global MCI and global support. He noted that these are partial budgets for FY 2022 which incorporates payroll, operations and brand marketing. He added that they already have an approved payroll allocation of \$3.7 million. He said that everything in there is part of the \$60 million ARPA funds. Mr. Regan said that the operating and governance expenses are a little over \$1 million and that they are asking the Board to support allocating up to \$28.5 million for branding. He noted that they are still having ongoing discussions as to allocations. He noted that they're proposing a little over \$33 million as part of the partial budget for FY2022.

Keith Regan reminded that they have two ARPA allocations which are the \$60 million for general HTA operations and \$11.5 million for the Convention Center. He added that there

will be about \$55.7 million left in the \$60 million and \$10.5 million left in the convention center appropriation from the legislature. Mr. Ka'anā'anā noted that he needed more time to go through the details and how the pieces fit together with the existing contracts, the former RFPs and past practices for branding. He added that the constraints is that they need to request the funding through the process with the CSRF so they request for an amount which is up to but not exceeding the \$28.5 million for the three RFPs together.

Mr. Atkins asked for an elaboration of what was already encumbered in the four pillars. Mr. Ka'anā'anā responded that the breakdown is in the March financial reports but can say that they already encumbered everything they needed for the four pillars through either the TAT restart or the Board resolution that was allocated and approved. He noted that the three RFPs requested today are the three things that they were unable to get covered by any other funding for FY2022. Mr. Ching said that it's important for the actual breakout for the average person will just see branding and would be about perception. Mr. Ka'anā'anā responded that he will work with the team to breakout specific work that the contractors are doing to have a better understanding of what marketing means as there are misconceptions that it's a direct advertising or selling vs. the education and coordination which comprise the majority of it.

Ms. Yuen noted that with the education part of marketing, they need to focus on educating visitors about endangered species by playing it on the planes. Mr. Ka'anā'anā responded that the challenge is with the changing technology changing that some planes have removed the inflight screens or seats as people are now relying on their devices more. He noted that the opportunity is to grow paid social media where they're targeting people on the phone. Mr. Chun reiterated the importance of education on all different channels to get the messaging out and to shift the thought of marketing that it isn't necessarily to get people in Hawai'i but about messaging the visitors on how to behave and what's expected of them which is an important work of the HVCB and all GMTs. He added that an important branding that HTA has to maintain. He noted that they've talked about updating the marketing plans yesterday and the HTA staffs are looking at the key marketing objectives in the plans and putting added emphasis on visitor and industry education for responsible travel and regenerative tourism.

Mr. Talwar noted that all of their messaging is about values that shape behaviors so people understand when they come to the communities. He noted of ways to reach the visitors where most airlines let HVCB work on their apps when someone is booking a trip to Hawai'i and they send a messaging like safety protocols into the destination. He added that once they get through such pace, they can move on to the messaging on more

appropriate behavior. He added that they also message these visitors once they're on island thru FB and Instagram. He said that Ms. Anderson sealed the deal with DOT to have the appropriate behaviors played at the airports also and that specific media groups play them pro bono on their video monitors as well.

Ms. Yuen said that if there's a way to reach out to hotel partners to develop a branded HTA Mālama partner which in turn HTA will promote in its marketing efforts. Mr. Atkins asked Mr. Talwar to discuss about his dealings with the wholesalers and hotels. Mr. Talwar said that the Melamedia group or the hotels are getting those videos up in their rooms and property systems in their own branding and would be difficult to move it to HTA branding. Ms. Yuen agreed that as long as the message and the information are consistent, then it's okay. Mr. Talwar added that when the wholesalers and hotels have a reservation confirmation email, they add the link of the video in it. Mr. Chun said that thru HVCB, HTA have set the messaging and that many hotels throughout the State have signed on to the campaign and are using it within their own branding. He noted that he forgot to mention in his report that there were a lot of talks about Mālama Hawai'i and updates with regards to the messaging for both HVCB and HTJ where they can see where media, partners and visitors have connected with it. He added that this is a long-term initiative but they are already starting to see such shift. Mr. Ka'anā'anā said that with HTJ on fixed costs, they were able to get the partners to start getting the messaging and that it's important to get the campaign out now so the wholesalers and others can build it into their stuff and get ahead of the curve as opposed to getting flatfooted if HTA waits for long and miss the opportunity.

Chair Kam requested a motion to approve this particular agenda item. Daniel Chun made a motion and it was seconded by Kimi Yuen, and unanimously approved.

14. Presentation, Discussion and Action on HTA's Financial Reports for May and June 2021

Chair Kam recognized Marc Togashi and Keith Regan to provide an update. Mr. Regan said that Mr. Togashi will be reporting to be able to elaborate the complexities and details involved the process. Mr. Togashi reported that they were able to encumber 99.9% of the contracts that were planned amounting to \$18.4 million Board resolution funds, \$21.4 million TAT restart funds, and \$35.1 million Convention Center contracts sourced from TAT restart funds and reserves. He referred to the chart in the executive summary which explains how some transactions were accounted for the fiscal year. He explained that the encumbrances that were funded from FY21 budget fell into one of two buckets, namely those that were processed and recorded as FY21 (June 30, 2021) which makes the official FY21 HTA Records; and those processed by DAGS as FY22 business (July 1, 2021) which is FY22 records). He explained that the two buckets combined make up HTA's unofficial FY21

record which was funded with HTA's FY21 budget.

Marc Togashi reported that at the beginning of FY21, HTA had \$44.4 million of Board allocation and reserves including \$5 million emergency fund. He noted that on July 1, 2021 after all the funded encumbrances were processed, HTA had \$7.3 million in Board allocations and reserves which comprise the \$5 million emergency fund and \$2.3 million in carry over. He explained that the \$2.3 million carry over will be swept into the general fund on January 1, 2022 leaving HTA with \$5 million emergency fund reserve. He noted that with the amendment of the FY21 budget, the final amount came to be \$77.7 million. Mr. Togashi said that \$44.5 million was encumbered for branding (58%), \$11.2 million for Hawaiian culture (15%), \$8 million for community (10%), \$3.5 million for natural resources (5%) among others. He noted that the Convention Center Enterprise Special Funds has an initial FY21 reserve of \$23.5 million which was purposed for major repair and maintenance projects. He said that by July 1, 2021, it is now \$870,000. He apologized for the January 1, 2022 projected amount as the amount will likely be higher as they continue to collect revenue from HCC operation.

Marc Togashi reported that with the amendments to the CCESF budget during FY21, it ended up amounting to \$42.6 million after taking into account \$16.5 million in TAT restart funds received in June 2021 and \$18.6 million of Board reserves. He noted that the TAT restart fund was spent to encumber AEG's contract for the Convention Center's FY22 operations. He added that the Board reserves were primarily for encumbering AEG's contract but more focused on major repair and maintenance, programs, projects and operating expenses. He noted that the Budget Statement in the packet consists of greater details on the encumbered amount as of June 30 (official record), the total encumbered using FY21 funds (unofficial FY21 transactions sourced from FY21 budget), and the funded programs which supplements the FY22 budget.

Mr. Atkins asked about the \$3 million spent for COVID-19 support. Mr. Togashi responded that there was a legislative bill aimed to reimburse HTA the amount but didn't pass so they don't have those funds.

Chair Kam requested a motion to approve the financial report as presented. Micah Alameda made a motion, and it was seconded by Daniel Chun, and unanimously approved.

15. Closing Cultural Protocol


Mr. Mr. Ka'anā'anā said that July 31st is a Hawaiian National Holiday where Hawaii's sovereignty was restored after the British crown illegally overthrew the government. He

noted that spoken words regarding the sovereignty of the land being perpetuated in righteousness, it is to make sure that people understood that there's a peaceful way forward to make just those things done unjustly. He added that they can do things in a responsible way and restore justice. Maka Casson-Fisher closed the meeting with a pule and a group clap.

16. Adjournment:

The meeting adjourned at 12:50 pm.

Respectfully submitted,

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Sheillane Reyes

Recorder