



KA HĀLĀWAI KŪMAU A KE KŌMIKE MO'OHELU KĀLĀ, 'OIHANA KĀLĀ,
A ME KE KIKOWAENA HĀLĀWAI O HAWAI'I
KE'ENA KULEANA HO'OKIPA O HAWAI'I

**BUDGET, FINANCE, AND CONVENTION CENTER
STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY**

HĀLĀWAI KELEKA'A'IKE
VIRTUAL MEETING

June 24, 1:30 p.m.
June 24, 2024, 1:30 p.m.

E ho'olele 'iwa'ia ka hālāwai ma o ka Zoom. Meeting will be live streaming via Zoom.

<https://us06web.zoom.us/j/86972249802>

E noi 'ia paha 'oe e kāinoa me kou inoa a leka uila paha. E 'olu'olu, e ho'okomo i kou inoa piha akā hiki nō iā 'oe ke ho'ohana i ka inoa kapakapa e like me kou makemake.

You may be asked to enter your name or email. The Board requests that you enter your full name, but you may use a pseudonym or other identifier if you wish to remain anonymous.

Kelepona / Call In: 16699006833
Helu Hālāwai / Webinar ID: 869 7224 9802

Hiki i ka lehulehu ke hō'ike mana'o ma o ka palapala a i 'ole ma o ka waha. E kau palena 'ia ka hō'ike mana'o waha (ma ke kino a i 'ole ma o ka Zoom) he 'elima minuke ka lō'ihī no kēlā me kēia kumuhana. E kāinoa no ka hō'ike mana'o waha ma ke pākaukau ho'okipa ma ka lumi hālāwai. E kāinoa no ka hō'ike mana'o waha ma o ka Zoom ma o ke pihi "Q&A."

Members of the public may provide written or oral testimony on agenda items. Oral testimony (in-person or via Zoom) will be limited to five minutes for each testifier per agenda item. Signup for oral testimony via Zoom will be accepted through the Q&A feature on Zoom.

E ho'ohui 'ia nā palapala hō'ike mana'o i hiki ma ka pū'olo hālāwai. E leka uila 'ia nā palapala iā Carole Hagihara-Loo ma carole@gohta.net, a i 'ole, e lawe kino 'ia i ke ke'ena. No nā palapala hō'ike mana'o i hō'ea mai ma hope o ka pa'a o ka pū'olo hālāwai ('elua lā ma mua o ka hālāwai), e kāka'ahi 'ia nā kope i ke kōmike a e mākaukau no ka 'ike 'ia e ke anaina ma ka hālāwai.

Written testimony received ahead of the preparation of the committee packet will be included in the packet. Email written testimony to Carole Hagihara-Loo at Carole@gohta.net or hand-deliver or send via postal mail to the Hawaii'i Tourism Authority office, 1801 Kalākaua Avenue, 1st Floor, Honolulu, HI 96815. Written testimony received after the issuance of the committee packet (two business days prior to the meeting) will be distributed to the committee.

AGENDA

1. *Ho'omaka a Wehena*
Call to Order and Opening Protocol
2. *Kikolā*
Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic
3. *'Āpono Mo'olelo Hālāwai*
Approval of Minutes of the May 17, 2024, Budget, Finance, and Convention Center Standing Committee Meeting
4. *Noi, Hō'ike'ike, Kūkā, a Hana no ko ke Ke'ena Kuleana Ho'okipa o Hawai'i Mo'olelo Kālā no Mei 2024*
Motion, Presentation, Discussion, and Action on the Hawai'i Tourism Authority (HTA's) May 2024 Financial Report; Recommend Approval
5. *Noi, Hō'ike'ike, Kūkā a Ki'ina Hana no ko ke Kikowaena Hālāwai o Hawai'i Palapala Hō'ike Kālā no 'Apelila 2024 a me ka 'Ikepili Hou ma ko ke Kikowaena Hālāwai o Hawai'i Papahana Ho'oponopono me ka Mālama 'Ana no 6 Makahiki*
Motion, Presentation, Discussion, and Action on the Hawai'i Convention Center's May 2024 Financial Report and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan; Recommend Approval
6. *Noi, Hō'ike'ike, Kūkā, a Ki'ina hana no Ka Papa Hana a me ka Lawelawe 'ana no ka Mo'ohelu Kālā Hana*
Motion, Presentation, Discussion, and Action for Policies and Procedures on Operating Budget Amendment Procedures
7. *Noi, Hō'ike'ike, Kūkā, a Ki'ina hana no ka Mo'ohelu Kālā o ke Kōmike 'Imina o ka Pelekikena a CEO*
Motion, Presentation, Discussion, and Action for the President and CEO Search Committee Budget
8. *Noi, Hō'ike'ike, Kūkā a Ki'ina Hana no ka Mo'ohelu Kālā Hana FY25*
Motion, Presentation, Discussion, and Action on Fiscal Year 2025 Hawai'i Tourism Authority Operating Budget; Recommend Approval
9. *Ka Papahana Ho'oponopono Kaupoku o ka HCC*
HCC Roof Repair Project
 - a. *Ka Nūhou no ka Pāhana Ho'oponopono Kaupoku o ka HCC*
Status of HCC Roof Repair Project

- b. *Ka Papa Manawa a Papa Hana no ka Pāhana HTA*
HTA Project Timeline and Dashboard
 - c. *Nā Kuleana Limahana*
Staff Assignments
10. *Kūkā a Hō'ike'ike no ke Noi Kālā i ka 'Aha'ōlelo no ka Makahiki Kālā 2025*
Status and Recent Communication Relating to the HTA FY 25 Budget Request to the Legislature
11. *Ka Ho'oka'a'ike 'ana aku i ka Holomua o ka Mo'ohelu Kālā no ka HTA a me ke Kikowaena Hālāwai o Hawai'i, a Pēia Pū Ho'i ka 'Aha'ōlelo*
Status and Communications Regarding the Hawai'i Convention Center (HCC) FY 25 Budget
- a. *Ke Noi Mo'ohelu Kālā FY25 i ka 'Aha'ōlelo no ka HCC*
FY 25 HCC Budget Request to the Legislature
 - b. *Ka Mo'ohelu Kālā Hana FY25 no ka HCC*
FY 25 HCC Operating Budget
 - c. *Ka Mo'ohelu Kālā FY25 Ho'olaha no ka HCC*
FY 25 HCC Sales and Marketing Budget
12. *Ke Kālā Pōulia 'Oihana Ho'okipa*
Tourism Emergency Special Fund
- a. *Ka Nūhou no Ke Kulekele Ho'olilo Kālā Pōulia*
Status of Use of the Tourism Emergency Special Fund
 - b. *Ka Papa Hana, Lawelawe 'ana, a me nā Palapala e Pili Pū ana i ke Kālā Pōulia*
Policies, Procedures, and Reports Relating to the Use of the Tourism Emergency Special Fund
 - c. *Ka Nūhou no ka Ho'iho'i Kālā Pekelala no ke Noi Kālā 'Āpanakahi*
Status of Federal Reimbursement for Wildfire Budget Requests

13. *Ke Noi Kālā 'Āpanakahi*

Branding Incremental Budget Requests

- a. *Ka Nūhou no ka Māhuahua o ke Noi Kālā Keu*
Update on Campaign Effectiveness, Cost/Benefit Ratio, and ROI for Incremental Budget Requests

- b. *Ka Nūhou no Nā Palapala 'Aelike 'Āpanakahi a me ka Uku*
Status of Contracts and Payments for all Branding Incremental Requests

14. *Nā Nīnūnē Mo'ohelu Kālā o ka HTA, ka Papa Hana, a Lawelawe 'ana*

Status, Discussion and/or Action Relating to HTA Budget & Finance Issues, Policies and Procedures, etc.

- a. *Nā Waihona Kālā Lohi: ka Nūhou, Papa Hana, Lawelawe, a Palapala 'ana*
HTA Past Due Accounts
 - i. *Ka Nūhou*
Status

 - ii. *Ka Papa Hana a Lawelawe 'ana*
Policies and Procedures

- b. *Na Loli o nā Palapala 'Aelike HTA: ka Nūhou a Kūkā no ka Papa Hana, Lawelawe, 'Āpono o ka Papa Alaka'i, a me ka Palapala 'ana o ka 'Oihana Kālā*
HTA Contract Modifications
 - i. *Ka Nūhou*
Status

 - ii. *Ka Papa Hana a Lawelawe 'ana*
Policies and Procedures

- c. *Nā Kūlana Ho'okō a me ka Uku Keu: ka Nūhou a Kūkā no ka Papa Hana, Lawelawe, 'Āpono o ka Papa Alaka'i, a me ka Palapala 'ana o ka 'Oihana Kālā*
HTA Executive Employment Contracts and Bonuses
 - i. *Ka Nūhou*
Status

ii. *Ka Papa Hana a Lawelawe 'ana*
Policies and Procedures

d. *Ka Papa Hana Huaka'i HTA: ka Nūhou a Kūkā no ka Papa Hana, Lawelawe,*
'Āpono o ka Papa Alaka'i, a me ka Palapala 'ana o ka 'Oihana Kālā
HTA Travel Policies

i. *Ka Nūhou*
Status

ii. *Ka Papa Hana a Lawelawe 'ana*
Policies and Procedures

15. *Hō'ike'ike, Kūkā, a Ho'oholo no nā Kuleana a me nā Mana'o 'Ē A'e e Pili ana i ka*
Mo'ohelu Kālā HTA i Hāpai 'ia e nā Lālā o ka 'Aha'ōlelo, ka Papa Alaka'i, nā
Limahana, nā Kāko'o, apwa, e la'a ho'i me ko lalo:

Presentation, Discussion, and Action on HTA Budget Issues, Comments, and
Suggestions Raised by Legislators, Board Members, Staff, Stakeholders, etc.,
including:

a. *a Nūhou no ka Pane i ka Luna Ho'omalua 'Oihana Ho'okipa, 'o Quinlan Ho'i,*
no ka Hō'ike 'Ano o ka Mo'ohelu Kālā o ka Makahiki Kālā 2024 a me ka Papa
Hana, Lawelawe 'ana, a me ka 'Āpono o ka Papa Alaka'i

HTA Response to House Tourism Chair Quinlan's Review Comments on
FY 2024 Operating Budget: Status, Policies, Procedures and Board
Approval

b. *Ka Papa Hana a Lawelawe 'ana o ka Ho'oka'a'ike e Pili Pū ana i ko ka HTA*
Mo'ohelu Kālā, Ke 'Ano e Lawelawe aku i ka Papa Alaka'i, a me ka Pane a
Ho'oholomua Koke

HTA Policies and Procedures for Communications Regarding HTA
Budget, including Prompt Transmittal to the Board, Timely Responses,
and Follow-up Actions on Matters Including Possible Violations of Laws
or Contracts

16. *Ho'oku'u*
Adjournment

***** 'Aha Ho'okō:** *Ua hiki i ka Papa Alaka'i ke mālama i kekahi hālāwai kūhelu i kū i ka Hawai'i Revised Statutes (HRS) § 92-4. E mālama 'ia kēia hālāwai kūhelu nei ma lalo o ka § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) no ka pono o ko ka Papa Alaka'i kūkā a ho'oholo 'ana i nā nīnūnē a nīnau i pili i ko ka Papa Alaka'i kuleana me ko ka Papa Alaka'i loio. He hālāwai kūhelu kēia i 'ole paulele 'ia ka 'ikepili a i mea ho'i e mālama kūpono ai i ko Hawai'i 'ano, he wahi i kipa mau 'ia e nā malihini.*

***** Executive Meeting:** The Board may conduct an executive meeting closed to the public pursuant to Hawai'i Revised Statutes (HRS) § 92-4. The executive session will be conducted pursuant to HRS § 92-5 (a) (2), § 92-5 (a)(4), § 92-5 (a)(8) and §201B-4(a)(2) for the purpose of consulting with the board's attorney on questions and issues pertaining to the board's powers, duties, privileges, immunities, and liabilities; to consider hiring and evaluation of officers or employees, where consideration of matters affecting privacy will be involved; and to discuss information that must be kept confidential to protect Hawai'i's competitive advantage as a visitor destination.

Inā he lawelawe a mea like paha e pono ai ke kīnānā, e ho'oka'a'ike aku me Carole Hagihara-Loo ma (808)-973-2289 a ma ka leka uila e like me ka wikiwiki i hiki, 'a'ole ho'i a ma 'ō aku o ka 'elua lā ma mua o ka hālāwai. Inā 'ike 'ia he noi i ka lā ma mua o ka hālāwai, e ho'ā'o mākou e 'imi i ka lawelawe a mea like paha, 'a'ole na'e ho'i e hiki ke ho'ohiki 'ia ke kō o ua noi lā. Ua noa pū kēia ho'olaha ma nā kino 'oko'a e like me ka mea pono.

If you need an auxiliary aid/service or other accommodation due to a disability, contact Carole Hagihara-Loo at (808) 973-2289 or carole@gohta.net as soon as possible, preferably no later than 4 days prior to the meeting. **Requests made as early as possible have a greater likelihood of being fulfilled.** Upon request, this notice is available in alternative/accessibile formats.

E like nō me ka 'ōlelo o ke Kānāwai Hawai'i i ho'oholo 'ia māhele 92-32.7, e mālama ana ke Ke'ena Kuleana Ho'okipa o Hawai'i i kekahi wahi e hiki ai ka po'e o ka lehulehu ke noho a komo pū ma nā hālāwai ma o ka ho'ohana 'ana i ka 'enehana pāpaho (ICT). Aia ana kēia 'enehana pāpaho ma ka papahale mua o ka lumi ho'okipa i mua o ke Ke'ena Kuleana Ho'okipa o Hawai'i ma ke Kikowaena Hālāwai O Hawai'i. 'O 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815 ka helu wahi.

In accordance with HRS section 92-3.7, the Hawai'i Tourism Authority will establish a remote viewing area for members of the public and board members to view and participate in meetings held using interactive conference technology (ICT). The ICT audiovisual connection will be located on the 1st Floor in the Lobby area fronting the Hawai'i Tourism Authority at the Hawai'i Convention Center at 1801 Kalākaua Avenue, Honolulu, Hawai'i, 96815.

3

Approval of Minutes of the May 17, Budget, Finance, and Convention Center Standing Committee Meeting



Ke'ena Kuleana Ho'opipa O Hawai'i
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815
kelepona tel 808 973 2255
kelepa'i fax 808 973 2253
hawaii tourism authority.org

**BUDGET, FINANCE, AND CONVENTION CENTER STANDING COMMITTEE MEETING
HAWAII TOURISM AUTHORITY
Friday, May 17, 2024, at 9:30 p.m.**

Virtual Meeting

MINUTES OF THE BUDGET, FINANCE & CONVENTION CENTER STANDING COMMITTEE MEETING

MEMBERS PRESENT:	David Arakawa (Chair), Kimberly Agas (Vice-Chair), Jame McCully, Blaine Miyasato, James Tokioka (Ex Officio, DBEDT Director)
MEMBERS NOT PRESENT:	Mike White
HTA STAFF PRESENT:	Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Tallon Kishi, Maka Casson-Fisher
GUESTS:	Teri Orton, Mari Tait
LEGAL COUNSEL:	John Cole

1. Call to Order and Opening Protocol

Chair Arakawa called the meeting to order at 9:43 a.m. Mr. Casson-Fisher did the Opening Protocol with Pule Na Mauiola Ke Akua.

2. Roll Call to Announce Name of Participating Board Members and to Identify Who Else is Present with Board Member if Location is Nonpublic

Mr. Kishi did the roll call. All confirmed in attendance and that they were alone. Ms. Agas was excused.

3. Approval of Minutes of the April 22, 2024, Budget, Finance, and Convention Center Standing Committee Meeting

Chair Arakawa made a motion to approve the minutes, and Mr. McCully seconded. Mr. Kishi did

the roll call, and the motion passed unanimously.

4. Motion, Presentation, Discussion, and Action on the Hawai'i Tourism Authority (HTA's) April 2024 Financial Report; Recommend Approval

Chair Arakawa motioned to approve the HTA's April 2024 Financial Report, and Mr. Miyasato seconded.

Mr. Kishi reported FY24 Tourism funds, to date, the HTA has spent \$37,736,000 and is on track to utilize approximately \$59,700,000 of the \$60 million provided by the Governor's Appropriation in Act 164 SLH 2023. The \$59 million includes encumbrances that will be spent in the next fiscal year.

For the HCC, the HTA has spent \$8,730,625 and is on track to utilize the full \$11 million provided by the Governor's Appropriation in Act 164 SLH 2023.

Mr. Arakawa clarified that Act 164 from 2023 was the act that gave the governor \$200 million for the HTA to use however they saw fit. The HTA did not get a budget from the legislature. This is the money the legislature gave the governor, and the governor gave the HTA their portion.

Mr. Kishi spoke about the TSF. To date, the HTA has spent \$1,920,896. The HTA has \$6,962,048 funds encumbered in the TSF. To date, the fund has earned \$561,365 in interest through the State's Investment Pool Program, which is directed to the Department of Budget and Finance (B&F). For the CCESF, to date, the HTA has spent \$3,243,400. The HTA has \$525,999 encumbered in the CCESF. To date, the HTA has earned \$1,016,303 of interest through the State's Investment Pool Program. To date, the HTA has received \$1,223,284 net profit from the HCC operations.

For the TESH, to date, the HTA has spent \$4,311,060 and is on schedule to spend \$5,000,000 by June 30, 2024. There were no questions or comments.

Chair Arakawa asked for a roll call vote. Mr. Kishi did the roll call, and the motion passed unanimously.

5. Motion, Presentation, Discussion, and Action on the Hawai'i Convention Center's April 2024 Financial Report and Update on the Hawai'i Convention Center's 6-Year Repair and Maintenance Plan; Recommend Approval

Chair Arakawa made a motion to recommend approval of the HCC April 2024 Financial Report update and the HCC 6-year R&M plan. Ms. Agas seconded.

Ms. Orton said they do not have the financials for April completed yet, but they will present them at the upcoming Board meeting. She gave a recap on the financial reforecast. They are slated to hit a bottom line of over \$1 million surplus compared to the budget, which was negative at \$5.3 million.

In May, they will have five conventions in the building and 19+ local events. For the reforecast for the remainder of the fiscal year, they are looking to close a strong financial bottom line for the HCC, which is probably the highest they have done since the HCC opened. She said they will probably have over \$26 million in gross revenue.

She gave the highlights for April and May events. There are 3,500 delegate conference in-house at the moment. Another Delta Sigma is moving in, so the HCC is very busy. Amid all the rain and leaks they are dealing with, they are having a good April and May. She mentioned that the meeting packet listed the updates on the R&M projects. She said about five or six meeting rooms are leaking at the moment, so they are putting out fires and moving clients around. The storage rooms and loading dock are also underwater.

Chair Arakawa and Ms. Agas withdrew the original motion. He made a new motion to recommend the approval of the update on the HCC 6-year R&M plan as presented by Ms. Orton. Ms. Agas seconded. There were no questions, comments, or discussions. Mr. Kishi did the roll call, and the motion passed unanimously.

6. Motion, Presentation, Discussion, and Action on Fiscal Year 2024 Budget Reallocations

Chair Arakawa made a motion to approve the FY2024 budget reallocations. Ms. Agas seconded. Chair Arakawa gave the floor to Mr. Kishi. The budget summary was in the handout.

He gave a brief overview. He presented budget reallocations to rebalance the budgets for the end of the year because he needed to allocate funds for some payments that were initially intended to be funded with ARPA funds. When BNF brought back the funds on July 1, 2023, the staff had to identify all the payments initially funded with ARPA funds and then allocate funds from the FY2024 budget to cover those payments. For the most part, they did a good job in identifying those payments, but some slipped through the cracks, so he has been working on rebalancing the budget since then. He did not bring that to the Board as he was not ready then and did not have a solution. Since then, he has identified some solutions. He has been working with leadership and respective staff to figure out ways to rebalance the budget. This is the solution he will present section by section.

Chair Arakawa asked for the total amount to be rebalanced. Mr. Kishi said they would focus on the sub-totals on the sheet as everything nets out to zero. Chair Arakawa said they had to pay some funds for FY2023 because some of those items were to be paid by ARPA, and BFCC called those back as some of the FY2023 invoices had to be paid by FY2024 funds, so they would be short for FY2024. Mr. Kishi found some savings to make the adjustments. Mr. Kishi said this happened when they transitioned from the existing funds when they got the \$60 million from the governor.

Mr. Kishi started with the Administration section. They are adding \$7,000. For Branding, they are adding \$958,000 primarily to cover the final payment for the U.S. MMA previous contract. For Destination Management they are adding \$527,000 to cover calendar year 2023 services for various DMAPs. They were not ready to make the payments at the time due to services provided and deliverables that were not ready for submission.

Mr. Choy asked Mr. Kishi to explain budget line items 219, 655, 702, and 705. Mr. Kishi said the reason for those significant adjustments is that the budget line items at the beginning of the year were placeholders because they knew they had to earmark funds, but they were not sure which were allowed to be used at the time. Since then, he worked with the staff to come up with budget allocations to reallocate the funds to the appropriate places.

Mr. Choy asked about the programs that did not happen. Mr. Kishi said that there were multiple programs within that section, so they just used an umbrella at the time. Once they had worked out which programs they would work on, they could reallocate the funds from the bucket into specific areas. Mr. Nāho'opi'i added that on the programmatic side, the broad categories, those funds, and the intent of those programs were moved into the Kilohana contract, so there are increases in other areas. He reminded everyone that the first budget was done before the contract was approved, and then the pieces were moved into the Kilohana program. Certain areas increased while others decreased. Mr. Choy said he only brought this to the forefront because those adjustments would not be possible the following year.

Dir. Tokioka asked about the DMAP category. He asked Mr. Kishi if it was broken down according to who made the contracts or if it was in-house. Mr. Kishi said within the DMAP category, the majority is for Kilohana, about \$12 million, but some are for the previous DMAP contracts such as the DMAP/Community Enrichment/Signature Events, so it is a mixture by the majority of the \$13.5 million. Dir. Tokioka mentioned Mr. McCully's point at the last Board meeting, regarding Kilohana programs and asked if anyone had scheduled a presentation for Kilohana to discuss the status of the programs. He said he is comfortable that they are doing what it was intended to do but said it would be good to get an update.

Mr. Nāho'opi'i said they have been scheduling periodic updates and alternating between the major contracts. They had the HVCB U.S. marketing contract do their updates on advertising at the last meeting, so the agenda for the Board meeting will include Kilohana. Dir. Tokioka said they all need exposure to it as not all the Board members are aware of what each program is. They need to have knowledge about this for community questions. Mr. Nāho'opi'i said they also do summaries within the CEO report, but since a lot of the project is different from the past, they should continue to inform and educate the Board. They have other programs they will put out in the coming Board agenda.

Chair Arakawa suggested talking to the committee chairs, but the HVCB and Kilohana contracts are the major contracts that use a large budget, so they should also have those presentations. Mr. Nāho'opi'i asked if Mr. Ka'anā'anā could review what is coming up in the Ho'okahua meeting. Then the committee chairs can decide what to bring to the Board's agenda. Mr. Ka'anā'anā said they have Kilohana updates at the next Ho'okahua meeting on May 20. The agenda has been distributed to members of the committee. He said it would be helpful if he had a panelist link to help answer questions. Chair Arakawa said that even though Kilohana would give a presentation at the Ho'okahua meeting, he asked if all parties were happy to give a summary at every Board meeting. Mr. Ka'anā'anā said they were happy to do that. Mr. McCully said he appreciated Dir. Tokioka's reference to his comment at the previous Board meeting. He emphasized that after 20-plus years of the HVCB being the sole contractor for the HTA, with a new contractor and defining of interest between the two contractors, Kilohana must have a position of reporting at each meeting. He would have appreciated having more information and presentations nine months into the contract. Chair Arakawa agreed that it is an excellent point. Ms. Agas supported that as well.

Ms. Agas had a question for Mr. Choy about the fact that he said they will not be able to do what they are doing now in the next FY budget. Mr. Choy said he would present that issue at the next agenda item.

Mr. Kishi circled back to certain questions. He said they did experience some cost savings. In the previous DMAP, Community Enrichment, Signature Event contract with the HVCB, he estimated that he would save about \$600,000 to \$700,000, although this has not been confirmed yet. A lot of those events were canceled due to the Maui wildfires, so there were some cost savings. They also discontinued one of the programs in the Kilohana contract. He asked Mr. Ka'anā'anā to elaborate. Mr. Nāho'opi'i said he referred to Smart Tourism, where they adjusted the scope in the current FY. Chair Arakawa said this could be discussed at the Ho'okahua meeting.

Mr. Kishi continued with his presentation. He spoke about Governance and Org-Wide. They will move \$60,000 from Governance to support Branding Destination Management and HVC marketing.

He spoke about the HCC marketing. They are adding \$787,000 to recover costs for calendar year 2023 services. There were no questions.

Mr. Kishi spoke about Perpetuating Hawaiian Culture. To utilize the full funding, they reallocated \$633,000 from this area, primarily from Hawaiian Culture projects that were not identified during the year.

Chair Arakawa mentioned that the middle column clarifies where all the money goes.

Mr. Kishi spoke about Planning and Evaluation. The funds for the governance study were originally placed in BLI509 Tourism Strategic Plan Update, but this is a misnomer, so he reassigned the money to governance and org-wides since it is a governance study. The DMAPs experienced significant delays due to the Maui wildfires, so DMAP planning and implementation were postponed. Instead, an evaluation of each DMAP will be conducted. Evaluation results will be used to determine the extent to which the DMAP actions were accomplished and to plan for the next iteration of the DMAPs. Mr. Nāho'opi'i added that the details of the program adjustments will come up at the subject matter committees. So, the \$1 million cost saving is being used to support Branding, Destination Management, and HCC marketing.

Mr. Kishi spoke about Resident and Communication Outreach. As previously discussed, they are moving \$435,000 from there to the various programs,

(1) The Spring Tourism Update was a stream-only event, so there were cost savings for that budget.

(2) Communication contracts are being evaluated for greater efficiency and effectiveness.

Chair Arakawa asked for the date and terms of the communication contract. Mr. Kishi said they are on a calendar basis.

For Safety and Salaries, there were no budget reallocations.

For Sports, there was a \$52,000 cost savings from the previous contract as the contract came in under budget, so they could save money from sports and set some aside for travel.

For Workforce Development there was no budget reallocation.

Dir. Tokioka asked if LPGA is zeroed out. Mr. Kishi said there was money allocated there, but after the November Board meeting, they decided to reallocate the funds for the Maui wildfire services and the branding incremental budget. Mr. Nāho'opi'i elaborated and said LPGA was supposed to be in FY2024, but it has been moved to August, so it will be in the FY2025 budget. He said there is a narrative at the end of the budget summary. There were no questions or comments.

Chair Arakawa said the motion is to recommend approval of the reallocation that was presented for FY2024. Further details would be discussed in the Ho'okahua meeting. Mr. Kishi did the roll call, and the motion passed unanimously. Mr. Kishi added that the recommendation is adopted.

Mr. Choy asked how often they must report the reallocations to the BFCC chair and Board, and what kind of approval system they want to see. Chair Arakawa said they could make that a BFCC agenda item, but maybe in the third quarter, they will know what to reallocate, so a good time might be the fourth quarter to take stock of what they are short on, etc. Mr. Choy said the third quarter is a bit late, but they could discuss that in the future.

Mr. Choy asked if the 2024 budget is closed. Chair Arakawa said it is a recommendation for the Board for now. Mr. Choy said the presentations take a lot of time for Mr. Kishi and asked if they need this granular presentation for the future as they are short-staffed. Chair Arakawa said this could be discussed, but the full presentation is very helpful. Chair Arakawa thanked them for their hard work and noted that they could continuously improve the policies and procedures.

Mr. McCully said the HTA must not lose its focus on the four pillars, must follow the procurement rules and regulations, and stay within the confines of good fiscal policy. He said the point that needs to be made to the legislature is that it has restricted HTA's future flexibility. The legislature needs feedback, and Mr. McCully thought good documentation of what HTA did and reallocations is a valuable point to make.

7. Motion, Presentation, Discussion, and Action on Fiscal Year 2025 Hawai'i Tourism Authority Operating Budget

Mr. Choy said a motion is not needed. Chair Arakawa said they would have a discussion. He asked Mr. Nāho'opi'i to elaborate. Mr. Nāho'opi'i reminded everyone about the Special Board meeting on January 3, where the Board had approved the detailed budget. They had submitted Form A in the calendar year 2023 with details of what they thought were appropriate budgeted projects. They were based on existing contracts with an Opportunity Fund of about \$10 million.

Some contracts would be coming up for readjustment. The amount was \$69 million. They also presented it in a prioritized order to get to the \$69 million. They continued to work with the Finance and Ways and Means chairs and the Tourism subject matter chairs to explain those areas. The result was \$63 million. They convinced the legislators that the core was critical to their functioning. Some things desired by the legislature that had not been identified before were additional sports and signature events since they had been successful. That was part of the Opportunity Fund. They also called more for the Smart Tourism Destination management app, partially because it was part of the previous Kilohana contract. Mr. Nāho'opi'i also consulted with staff when making adjustments. Any changes were presented to the legislature or the PIG of the relevant committees.

Chair Arakawa spoke about the DMAP bill, and Mr. Nāho'opi'i said that DMAP and Smart Tourism have also been in the programs in the budget line items for the last year. They continue to support the intent and the type of work that is needed. So that is still seen as a solution for what the HTA is responsible for.

Mr. Miyasato made an observation. He recalled it as Mr. Nāho'opi'i articulated that the full Board approved the baseline budget, and what was below that line was discretionary if they got further funding. He said it was all out in the open. The added observation was that Mr. McCully had put it out to vote on when they made the resolution. The HTA will be presented by a CEO and the Chair of the Board. Chair Arakawa recollected the same as well. He said they also submitted Form A to DBEDT, which goes to BNF and the governor. The governor then submits it to the legislature. It came out to \$60 million, less than Form A, but then they asked for permission to lobby for \$69 million, the original amount as voted in January. He also mentioned that the voice of the HTA should not be kept secret by the CEO and the Chair. It is a matter of transparency for everyone. They are not challenging the authority, but if certain members of the Board had the information, they would be better positioned to help with decision-making, etc.

Mr. Miyasato clarified that they are in a fight to justify the existence of the HTA via budget, so it has become a political exercise. For a resolution to happen, he identified who those people should be. He said he is a firm believer in the sunshine law. He clarified that they gave the responsibility and kuleana to the CEO and Chair. He agreed that nothing should be hidden.

Mr. Choy said he was not involved in substantive budget talks until the end. He said HB1800, HB1, SD1, and CD1 have passed, which is the budget bill. The budget worksheet has not come in yet, but it was promised to come in on Monday, so still awaiting that. \$63 million is the amount appropriated for the HTA budget. They have \$64 million in CIP for the roof. They have \$34 million extra for R&M for the HCC. He spoke about restrictions and earmarks. When they got the \$60 million the previous year, Mr. Luis Salaveria told him they would not be subject to

the restrictions. In the current year, they are funded but will be subject to restrictions, which come in the budget memorandum. It is 5% permanent (definite) and 5% contingency restrictions. Right off the top, they will lose \$3.1 million and up to \$6.2 million in restrictions. This is not an HTA issue but is right across the board for all the departments. They should have put an extra 5% in their budget. Mr. Choy said they have an earmark of \$3.5 million for Rep. Quinlan's Destination Management application, which was negotiated. They are down from \$60 at a minimum of \$3.6 million to \$9.5 million from the \$63 million that was allocated. More importantly, the exercise they went through that morning with Mr. Kishi's reallocation sheet, a portion of that, is where they will have to make decisions on how they will take the 5 and 5 restrictions away from the contract. He said he understands that it has to be line by line. There were no questions on restrictions or earmarks.

Mr. Kishi noted that Mr. McCully and Dir. Tokioa excused themselves. Mr. Choy moved on to program IDs, a new phenomenon for the HTA. The budget is program-based. There are six new program IDs. This is important because programs are buckets of money that the legislature gives them to spend in a certain timeframe in a certain bucket. The buckets are Administration and Governance, Branding and Marketing, Sport and Signature events, Destination Stewardship and Community, Regenerative Tourism Development, and Workforce Development. The one thing is that the monies cannot be moved between program IDs. Chair Arakawa said that seemed harsh and asked who confirmed this fact. Mr. Choy said it is in the budget proposal HB 1800. HB1800 is a bill, and the provisions are part of that Bill, and the Bill that is passed is the law.

Mr. Miyasato said his understanding in prior years was that they could lump sum funding and were not subject to program IDs. He said it appeared they could move money around the previous year. Mr. Choy confirmed that it changed in the current year. Mr. Miyasato asked about exemptions. Mr. Choy said they never had exemptions. He said the legislature did this by themselves. Some departments have lump sum funding and some guidance from the legislature. The intent of the legislature was clear. They wanted to ensure they stayed in the lanes that the HTA said they would stay in and to see if they would execute the programs within those lanes. Mr. Miyasato said this was not clear other than HB1800. He said one of the key components of an independent Board was lumpsum funding. He said he asked the Chair many times whether they had lost lump sum funding, and the Chair said time and again that they had not lost lump sum funding. Mr. Choy said this is the first year, as they only had one program ID BED113, and now they have an additional six. Sen. Dela Cruz created the program IDs, and it was all in HB1800 and the House agreed to it. Chair Arakawa said that for the past two years, under Gov. Ige the HTA got money from him, and it did not have those restrictions, but the previous year, they got the \$60 million from Gov. Green without restrictions. That is why they were able to do reallocations. Mr. Miyasato said that the \$63 million comes with restrictions and attached strings that they did not have before. Mr. Choy had argued against it, but he was

shut down. He said he is taking it positively, and they will prove that the HTA can be trusted. Mr. Nāho'opi'i said that he and Mr. Kishi did work on the impact statement, and they had mentioned that the six separate programs are the HTA's preference, so they made it clear in their response to the Bill.

Mr. Choy asked about moving money around within programs, which he had asked Sen. Dela Cruz. He asked the Budget Director the same question. The Senator was clear that the line items within the program IDs are another restriction on their spending. During that morning, they went through the budget allocations for 2024, so they have restrictions on the program IDs and on exactly what the budget worksheet will dictate to the HTA. Having researched the different opinions on whether movement within the program ID is lawful or mandated, he looked again at the governor's budget execution policies, and it is clear in the policies that the governor is saying that everything in the budget is provisional and worksheets, which must be allocated to each contract or program they do. That leads him to believe that everything stated in the worksheet is something they have to adhere to. That was verified by Sen. Dela Cruz. The budget management is crucial, and they must ensure they hit the mark. In between program IDs, he believes movement will be restricted from the research he did and the conversations he had.

Mr. Miyasato asked for clarification on whether program IDs align with the budget submittal the Board approved in the previous January. Mr. Choy confirmed this as correct. Mr. Nāho'opi'i said it is similar to what Mr. Kishi put on the budget description in 2024. The legislature looked at each line item they submitted and classified them into different types.

Mr. Choy said there is a rumor that the HTA has a recurring budget. He says this is, in fact, correct because it does not state that the budget is non-recurring, but looking deeper, they have the contracts and the program IDs that will be recurring. He is not sure this is a good thing. He said they should start with blank paper the following year. An example of a non-recurring expense would be the HCC R&M funding. Chair Arakawa asked whether the legislature could bind all future legislatures. Mr. Choy said the future legislature can change this. Mr. Choy said that because they use program-based budgeting, the words recurring and non-recurring are academic exercises. The following year, they will start with a program-based budget. There were no questions.

Mr. Choy spoke about strategy for the coming year. They had parameters they had to work by and mentioned all the work done by Mr. Kishi and Mr. Nāho'opi'i. Chair Arakawa mentioned that a Bill in the legislature took away some planning power from officer state planning and gave it to the HTA. There is a question of whether the HTA has the employees and funding to do that. Mr. Choy said they do not have the funding for it, and whether they have the staffing is up to the staff. Chair Arakawa said this adds stress to the budget. They had additional planning

responsibilities the following year, which they had never had before. DBEDT, or Office of State Planning, moved the responsibility to the HTA, and they have their employees and budget, but the HTA did not get any extra budget or employees to do the job that the Office of Planning is doing. If they keep it next year, they will ask for more budget. Mr. Choy said laws can be strictly construed, and he plans to strictly construe the requirements of HB1800. He asked the Chair if he has a reporting requirement or something saying they should stray from it. He asked about Chair Arakawa's feelings. Chair Arakawa said they have to follow the law and the interpretations of the law, as well as the legislature. He said it is for the full Board to decide. He asked Mr. Choy if he had confirmed his interpretations of the issues with WAM, and Mr. Choy confirmed that he did. He also confirmed it with Budget and Finance but not with DBEDT. Unless they have a clear exemption under the law, they should strictly follow the program IDs. They are trying to build trust with the legislature and must follow the law.

Chair Arakawa shared with the committee that there were three bills the previous year where major state departments came in and proposed that the legislature approve the Bill to move money. Program IDs were established for the Department of Transportation and the Department of Public Safety, and one more department had a Bill. He said he would send the three bills to Mr. Cole. Mr. Choy said the important thing to know is that the concept of the legislature putting in program IDs was not only the HTA. They did it to other departments as well. Mr. Miyasato asked about the agencies that continue to have lump sum funding and do not have to do program IDs. He asked who they were and if they were addressed in HB1800. Mr. Choy said he could confirm later. Usually, a lumpsum funding feature would go with a sole source funding feature. He cannot see the legislature giving general funds on a lump sum basis. Chair Arakawa said there has been a lot of transformation in the last ten years, and the more they follow the law, the better it will be for the HTA. Ms. Agas agreed with Chair Arakawa and said they must clarify this during the full Board meeting. She said everything must be aligned, and the committees must know where their budgets are and start building up from there so that everyone is clear on what can be done and what restrictions apply. She thanked Mr. Kishi and the team for all the hard work.

Mr. Choy said his strategy is to ensure their shop is pristine and stay on track to earn back the exemption for procurement and sole source funding. He does not believe it is doable within the next legislative session, but perhaps two or three years down the line, they can get this done. Chair Arakawa said he and vice-chair Agas concur with Mr. Choy's comments. He said they will start with the 2026 budget in July or August.

8. Adjournment

Chair Arakawa adjourned the meeting at 11:38 a.m.

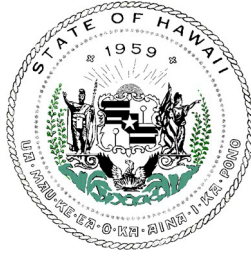
Respectfully submitted,

A handwritten signature in cursive script that reads "Sheillane Reyes".

Sheillane Reyes
Recorder

4

**Motion, Presentation, Discussion, and Action on
the Hawai'i Tourism Authority (HTA's)
May 2024 Financial Report;
Recommend Approval**



The State of Hawai`i
Department of Business, Economic Development, and Tourism
Hawai`i Tourism Authority
Financial Statements
May 31, 2024

These financial statements have been prepared by HTA management (unless otherwise noted) for information purposes only. See notes to the financial statements.

Prepared by: Talon Kishi, CPA

HTA Budget and Fiscal Officer

HAWAII TOURISM AUTHORITY

Hawaii Tourism Authority
May 31, 2024
Table of Contents

Balance Sheet	3
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual:	
Fiscal Year 2024 Tourism General Fund	4
Fiscal Year 2024 Convention Center General Fund	5
Roof Repair Project and Roof Related Repairs	6
EDA Tourism Grant	7
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual:	
Tourism Emergency Special Fund	8
Statement of Revenues, Expenditures, and Changes in Fund Balances:	
Tourism Special Fund	9
Convention Center Enterprise Special Fund	10
Selected Management Disclosures	11-13
Supplementary Information:	
Bank of Hawaii Bank Statements for the Tourism Emergency Special Fund:	
Trust Fund	15
Checking Account	16
Hawaii Convention Center Financial Statements (prepared by AEG Management HCC)	17-19

Hawaii Tourism Authority
Balance Sheet
As of May 31, 2024

	Tourism Funds	Convention Center Funds	Roof Project and Roof Related Repairs	EDA Tourism Grant	Tourism Emergency Special Fund	Total
Assets						
General Funds	11,964,419	2,269,375	-	-	-	14,233,794
Special Funds (restricted)	14,360,787	47,543,890	-	-	-	61,904,677
Federal Grants	-	-	-	11,674,717	-	11,674,717
General Obligation Bonds (GOB)	-	-	14,814,650	-	-	14,814,650
Cash and Cash Equivalents	-	-	-	-	636,941	636,941
Accounts Receivable*	-	225,623	-	-	-	225,623
Total Assets	26,325,206	50,038,888	14,814,650	11,674,717	636,941	103,490,402
Liabilities and Fund Balances						
Fund Balances						
Encumbered - General Funds	10,932,562	2,269,375	-	-	-	13,201,937
Unencumbered - General Funds	1,031,857	-	-	-	-	1,031,857
Total General Fund Balances	11,964,419	2,269,375	-	-	-	14,233,794
Encumbered - Special Funds	6,938,082	525,999	-	7,750,345	400,521	15,614,947
Unencumbered - Special Funds	7,422,705	47,243,514	-	3,924,372	236,420	58,827,011
Total Special Fund Balances	14,360,787	47,769,513	-	11,674,717	636,941	74,441,958
Encumbered - GOB	-	-	613,550	-	-	613,550
Unencumbered - GOB	-	-	14,201,100	-	-	14,201,100
Total GOB Fund Balance	-	-	14,814,650	-	-	14,814,650
Total Fund Balances	26,325,206	50,038,888	14,814,650	11,674,717	636,941	103,490,402
Total Liabilities and Fund Balances	26,325,206	50,038,888	14,814,650	11,674,717	636,941	103,490,402

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism General Fund
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			FY 24 Budget	Budget vs. Actual
	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining		Under (Over) Budget
Expenditures					
Administrative	55,914	300,360	7,298	307,658	-
Branding	7,626,796	28,838,124	4,146,392	33,212,917	228,401
Destination Management	441,223	7,896,342	5,442,884	13,525,069	185,843
Governance and Org-Wide*	7,554	269,304	245,589	514,893	-
HCC Marketing	1,175,000	3,962,000	-	3,962,000	-
Perpetuating Hawaiian Culture	236,236	1,096,291	171,283	1,317,765	50,191
Planning & Evaluation	153,253	596,086	175,383	771,469	-
Resident and Industry Comms	56,489	466,236	138,493	604,729	-
Safety & Security	140,000	520,000	-	520,000	-
Salaries	154,753	1,983,098	-	2,500,000	516,902
Sports	-	2,058,000	555,500	2,613,500	-
Workforce	-	49,740	49,740	150,000	50,520
Total	10,047,218	48,035,581	10,932,562	60,000,000	1,031,857
Change in Fund Balance	(10,047,218)	(48,035,581)			
Fund Balances					
May 1, 2024 / July 1, 2023	22,011,637	60,000,000			
May 31, 2024	11,964,419	11,964,419			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Convention Center General Fund
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Budget vs. Actual	
Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining	FY 24 Budget	Under (Over) Budget	
Expenditures					
HCC Marketing	-	1,223,700	-	1,223,700	-
HCC Operations	-	3,761,327	2,269,375	6,030,702	-
HCC Repairs and Maintenance	-	3,745,598	-	3,745,598	-
Total	-	8,730,625	2,269,375	11,000,000	-
Change in Fund Balance	-	(8,730,625)			
Fund Balances					
May 1, 2024 / July 1, 2023	2,269,375	11,000,000			
May 31, 2024	2,269,375	2,269,375			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Roof Project and Roof Related Repairs
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Total	Budget vs. Actual
Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining	Budget	Under (Over) Budget	
Expenditures					
Roof Project PM/CM	34,089	56,450	613,550	670,000	-
Roof Project Architect	-	-	-	517,000	517,000
Ballroom Gutter, Foyer, Lobby Glass	-	-	-	13,411,500	13,411,500
Parapet Roof Repairs	-	-	-	272,600	272,600
Total	34,089	56,450	613,550	14,871,100	14,201,100
Change in Fund Balance	(34,089)	(56,450)			
Fund Balances					
May 1, 2024 / July 1, 2023	14,848,739	14,871,100			
May 31, 2024	14,814,650	14,814,650			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
EDA Tourism Grant
Statement of Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Grant Budget	Budget vs. Actual
	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining		Under (Over) Budget
Expenditures					
Administrative	-	-	-	254,907	254,907
Branding	1,500,000	1,500,000	1,750,000	4,000,000	750,000
Destination Management	400,000	849,655	6,000,345	7,950,000	1,100,000
Planning	-	-	-	750,000	750,000
Salaries and Fringe	-	-	-	1,069,465	1,069,465
Total	1,900,000	2,349,655	7,750,345	14,024,372	3,924,372
Change in Fund Balance	(1,900,000)	(2,349,655)			
Fund Balances					
May 1, 2024 / July 1, 2023	13,574,717	14,024,372			
May 31, 2024	11,674,717	11,674,717			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism Emergency Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Budget vs. Actual
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Actual			Budget vs. Actual	
	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining	FY 24 Budget	Under (Over) Budget
Revenues					
Change in Fair Value	-	53,273			
Interest, Net	206	72,404			
Total	206	125,677			
Expenditures					
Branding	150,000	4,100,000	150,000	4,250,000	-
Resident and Industry Comms	138,502	248,786	100,521	349,307	-
Planning	-	-	150,000	150,000	-
Safety and Security	-	250,693	-	250,693	-
Total	288,502	4,599,479	400,521	5,000,000	-
Change in Fund Balance	(288,296)	(4,473,802)			
Fund Balances					
May 1, 2024 / July 1, 2023	925,237	5,110,743			
May 31, 2024	636,941	636,941			

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Tourism Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining
Revenues			
Interest	80,796	642,161	
Total	80,796	642,161	
Expenditures			
Administrative	-	37,171	82,710
Branding	23,966	471,923	798,202
Destination Management	-	1,320,000	-
Perpetuating Hawaiian Culture	-	-	5,948,568
Planning & Evaluation	-	49,227	-
Resident and Industry Comms	-	20,541	22,602
Workforce	-	46,000	86,000
Total	23,966	1,944,862	6,938,082
Change in Fund Balance	56,830	(1,302,701)	
Fund Balances			
May 1, 2024 / July 1, 2023	14,303,957	15,663,488	
May 31, 2024	14,360,787	14,360,787	

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
Convention Center Enterprise Special Fund
Statement of Revenues, Expenditures, Changes in Fund Balances, and Encumbrances
For the Month Ended May 31, 2024 and YTD
Fund Balance as of May 31, 2024

	Month Ended May 31, 2024	YTD Paid	Encumbrances Remaining
Revenues			
HCC Operations	2,088,915	3,312,199	
Interest	201,818	1,218,122	
TAT	-	11,000,000	
Other*	12,000	1,015,067	
Total	<u>2,302,733</u>	<u>16,545,388</u>	
Expenditures			
HCC Operations	-	110,894	-
HCC Repairs and Maintenance	-	3,132,506	525,999
Total	<u>-</u>	<u>3,243,400</u>	<u>525,999</u>
Change in Fund Balance	<u>2,302,733</u>	<u>13,301,988</u>	
Fund Balances			
May 1, 2024 / July 1, 2023	<u>45,466,780</u>	<u>34,467,525</u>	
May 31, 2024	<u>47,769,513</u>	<u>47,769,513</u>	

* Refer to notes of the financial statements for more information.

Hawaii Tourism Authority
May 31, 2024
Selected Management Disclosures

1. Summary of Significant Accounting Policies

The Hawaii Tourism Authority (HTA or Authority) was established on January 1, 1999, by Act 156, Session Laws of Hawaii 1998. It was placed within the State of Hawaii, Department of Business, Economic Development, and Tourism, for administrative purposes only. The Authority is responsible for developing a strategic tourism marketing plan and developing measures of effectiveness to assess the overall benefits and effectiveness of the marketing plan and progress toward achieving the Authority's strategic plan goals. In addition, effective July 1, 2000, control and management of the Hawaii Convention Center (HCC) were transferred to the Authority from the Convention Center Authority (CCA) by Executive Order No. 3817. Effective July 1, 2002, the Center, by statute, became the responsibility of the Authority. The Center opened to the public in June 1998 and is used for various events, including conventions and trade shows, public shows, and spectator events. The Center offers approximately 350,000 square feet of rentable space, including 51 meeting rooms.

The Authority is governed by a board of directors comprising 12 voting members, including those recommended by the State Legislature. The Governor of the State appoints the 12 voting members.

Funds

The Authority's funds are as follows:

Tourism Funds:

- **Tourism Special Fund (TSF)** – The TSF accounted for functions related to developing and promoting the tourism industry. Effective January 1, 2022, pursuant to Act 1 Special Legislative Session 2021, the TSF was sunset and discontinued the ability to expend any new funds. Funds encumbered as of June 30, 2021, can be spent. The TSF's encumbered fund balance includes \$5,948,568 for the Center for Hawaiian Music and Dance.
- **General Funds** – The 2023 State legislature did not provide HTA with an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$60,000,000 in general funds from Section 5 of Act 164, SLH 2023, to HTA on July 1, 2023. The funds will lapse on June 30, 2024.

Convention Center Funds:

- **Convention Center Enterprise Special Fund (CCESF)** – Under Section 201B-8, the Convention Center Enterprise Special Fund accounts for functions related to the operation and management of the Hawaii Convention Center (HCC). Unencumbered funds are unavailable to spend because the 2023 Hawaii State Legislature did not provide the CCESF with an expenditure ceiling to fund the operations of the HCC.
- **General Funds (operations)** – The 2023 State legislature did not provide the HCC with an operating budget for fiscal year 2024. As such, the Governor approved the transfer of \$11,000,000 in general funds from Section 5 of Act 164, SLH 2023, for the HCC on July 1, 2023. Funds will lapse on June 30, 2024.
- **General Funds (CIP)** - Pursuant to Act 164, SLH 2023, \$64,000,000 of general funds were provided for long-term repairs of the HCC rooftop terrace deck. Per Executive Memorandum 23-08, dated October 30, 2023, the Department of Budget and Finance (B&F) transferred HTA's \$64,000,000 operating appropriation to B&F for the Maui wildfires. The Legislature reappropriated the funds as general obligation bonds for fiscal year 2025.

Hawaii Tourism Authority
May 31, 2024
Selected Management Disclosures

- **General Obligation Bonds** – Under Act 248, SLH 2022, \$15,000,000 of general obligation bond funds were provided for the temporary repairs of the HCC roof repair and other items. The Governor authorized the release of funds on February 22, 2023. Unused funds will lapse on June 30, 2024.

Tourism Emergency Special Fund:

- The Tourism Emergency Special Fund accounts for functions related to maintaining a tourism emergency fund. Per Section 201B-10, revenues prescribed by Section 237D-6.5(b) and all investment earnings are credited to the fund’s assets. Funds are currently held at the Bank of Hawaii. Funds must be exclusively used to respond to a tourism emergency per Section 201B-9.

On August 19, 2023, the governor declared a tourism emergency in the sixth emergency proclamation relating to the Maui wildfires. The Governor extended the tourism emergency in the eleventh emergency proclamation dated May 3, 2024.

Federal Funds:

- **American Rescue Plan Act (ARPA)** – Official Name: Coronavirus State Fiscal Recovery Fund (CSFRF) Subaward. The former Governor authorized \$106,000,000 of ARPA funds to support HTA’s and HCC’s fiscal years 2022 and 2023 operations. HTA and HCC received \$95,000,000 and \$11,000,000, respectively. In total, for the two years ending June 30, 2023, \$59,155,512 and \$10,011,197 were spent on HTA and HCC operations, respectively. The Authority returned \$36,833,291 to the Department of Budget and Finance (B&F) on July 31, 2023.
- **Economic Development Administration (EDA) Tourism Grant** – Official Name: ARPA-EDA Tourism Grant (Non-Competitive ARPA State Tourism Grant for the State of Hawaii) – The Authority was awarded \$14,024,372 on December 8, 2021. Grant rules required the approval of the Grant Administration Plan (GAP) before the commencement of work. EDA approved the Authority’s GAP on March 21, 2023. The Authority will share approximately \$7,200,000 of the grant with the Department of Land and Natural Resources (DLNR) to enhance and develop Hawaii’s outdoor recreational assets. All work must be completed by May 31, 2027, and money spent by September 30, 2027.

Basis of Accounting

The Governmental Funds’ financial statements are reported using the modified-accrual basis of accounting.

Transient Accommodations Tax (TAT)

Under Section 237D-6.5, \$11,000,000 shall be allocated to the Convention Center Enterprise Special Fund annually. The annual \$11,000,000 TAT distribution was completed in December 2023.

Governance & Org-Wide Expenditures

Governance and organization-wide expenditures include board member inter-island travel, meeting minutes, insurance premiums, and audit expenses for the Authority and the HCC.

Investments

The Authority’s investments are reported at fair value.

The TSF and CCESF participate in the State’s investment pool program directed by B&F.

Hawaii Tourism Authority
May 31, 2024
Selected Management Disclosures

Encumbrances

Encumbrances are obligations in the form of purchase orders, contracts, or other commitments that only become liabilities once the performance of the conditions stated in the commitment is completed.

Per HRS 40-90 (b), "All encumbrances for contracts shall become void after five years from the end of the fiscal year of the original encumbrance, provided that the comptroller may grant an exemption from this subsection if the comptroller finds that there is sufficient justification to extend a contract encumbrance."

Use of Estimates

Preparing these financial statements required management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

2. Accrued Vacation Liability

On June 30, 2023, management estimated the accrued vacation liability of approximately \$339,000, with a current liability of approximately \$132,000.

3. Retirement Benefits

Employees' Retirement System of the State of Hawaii (ERS)

At June 30, 2023, management reported a net pension liability of approximately \$6,063,000 for its proportionate share of the State's net pension liability. An actuarial valuation determined the net pension liability as of June 30, 2022.

For the year ended June 30, 2023, the Authority recognized pension expenses of approximately \$335,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to pensions of approximately \$576,000 and (\$571,000), respectively.

Hawaii Employer-Union Health Benefits Trust Fund (EUTF)

On June 30, 2023, management estimated the net other post-employment benefits (OPEB) liability of approximately \$4,808,000. An actuarial valuation measured the net OPEB liability as of July 1, 2022.

For the year ended June 30, 2023, the Authority recognized OPEB expenses of approximately \$18,000. On June 30, 2023, management estimated the deferred outflows and deferred inflows of resources related to OPEB of approximately \$227,000 and (\$536,000), respectively.

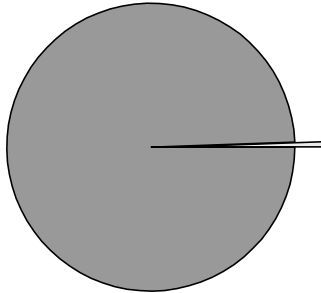
4. Other Matters

- a. The Hawaii Convention Center earned \$1,015,067 in other revenue in the current fiscal year, consisting of \$723,445 in employee retention tax credits (ERTC) and \$66,000 in distributed antennae service (DAS) income, and a receivable of \$225,623 for an estimated reimbursement from the Federal Emergency Management Agency (FEMA) for Maui Wildfire Response Expenditures. All federal reimbursements for the Maui Wildfire must be deposited into a trust account administered by the Hawaii Emergency Management Agency for Maui recovery efforts under SB582.

Supplementary Information

Summary Of Investments

Investment Allocation



0.4%	CASH	1,038.18
99.6%	CASH EQUIVALENTS	235,464.40
100.0%	TOTAL	236,502.58

Investment Summary

	Market Value	%	Estimated Income	Current Yield
CASH	1,038.18	0.44	0	0.00
CASH EQUIVALENTS	235,464.40	99.56	12,197	5.18
Total Fund	236,502.58	100.00	12,197	5.16

Schedule Of Investments

UNITS	DESCRIPTION	BOOK VALUE	MARKET VALUE	% OF CATEGORY
	CASH	1,038.18	1,038.18	100.00
	CASH EQUIVALENTS			
	CASH MANAGEMENT			
235,464.4	DREYFUS TREASURY OBLIGATIONS CASH MANAGEMENT FUND	235,464.40	235,464.40	100.00
	Total Fund	236,502.58*	236,502.58*	100.00*

h Bank of Hawaii

Statement of Account

Last statement: April 30, 2024
 This statement: May 31, 2024
 Total days in statement period: 31

Account:
 Page 1 of 1
 Number of Enclosures: (0)



00003752-TDBSAD11400601057408-LETTER02-000000 0
 HAWAII TOURISM AUTHORITY
 TOURISM EMERGENCY SPECIAL FUND
 1801 KALAKAUA AVE 1ST FL
 HONOLULU HI 96815

Direct inquiries to:
 888 643-3888
 BANK OF HAWAII
 111 S KING ST
 HONOLULU HI 96813

Bank of Hawaii

BANKING BY APPOINTMENT IS AN EASY AND CONVENIENT WAY FOR YOU TO TAKE CARE OF YOUR BANKING NEEDS. GET FINANCIAL GUIDANCE, OPEN A NEW ACCOUNT, DISCUSS YOUR EXISTING ACCOUNT AND MORE WITH ONE OF OUR KNOWLEDGABLE TEAM MEMBERS. CHOOSE FROM IN-PERSON OR PHONE APPOINTMENTS - WE OFFER BOTH! BANK OF HAWAII IS DEDICATED TO SIMPLIFYING YOUR LIFE AND FINANCES. BOOK AN APPOINTMENT IN YOUR MOBILE APP OR AT BOH.COM/APPOINTMENT.

Analyzed Business Checking

Account number	0091-585227	Beginning balance	\$688,939.67
Low balance	\$550,437.92	Total additions	.00
Average balance	\$596,526.72	Total subtractions	138,501.75
		Ending balance	\$550,437.92

CHECKS

Number	Date	Amount	Number	Date	Amount
1014	05-02	50,993.91	1022	05-16	5,235.60
1017 *	05-07	2,654.45	1023	05-20	15,094.23
1018	05-07	2,910.99	1024	05-30	22,450.26
1019	05-07	26,256.54	1025	05-24	5,471.20
1020	05-07	3,141.36			
1021	05-07	4,293.21			

* Skip in check sequence

DAILY BALANCES

Date	Amount	Date	Amount	Date	Amount
04-30	688,939.67	05-16	593,453.61	05-30	550,437.92
05-02	637,945.76	05-20	578,359.38		
05-07	598,689.21	05-24	572,888.18		

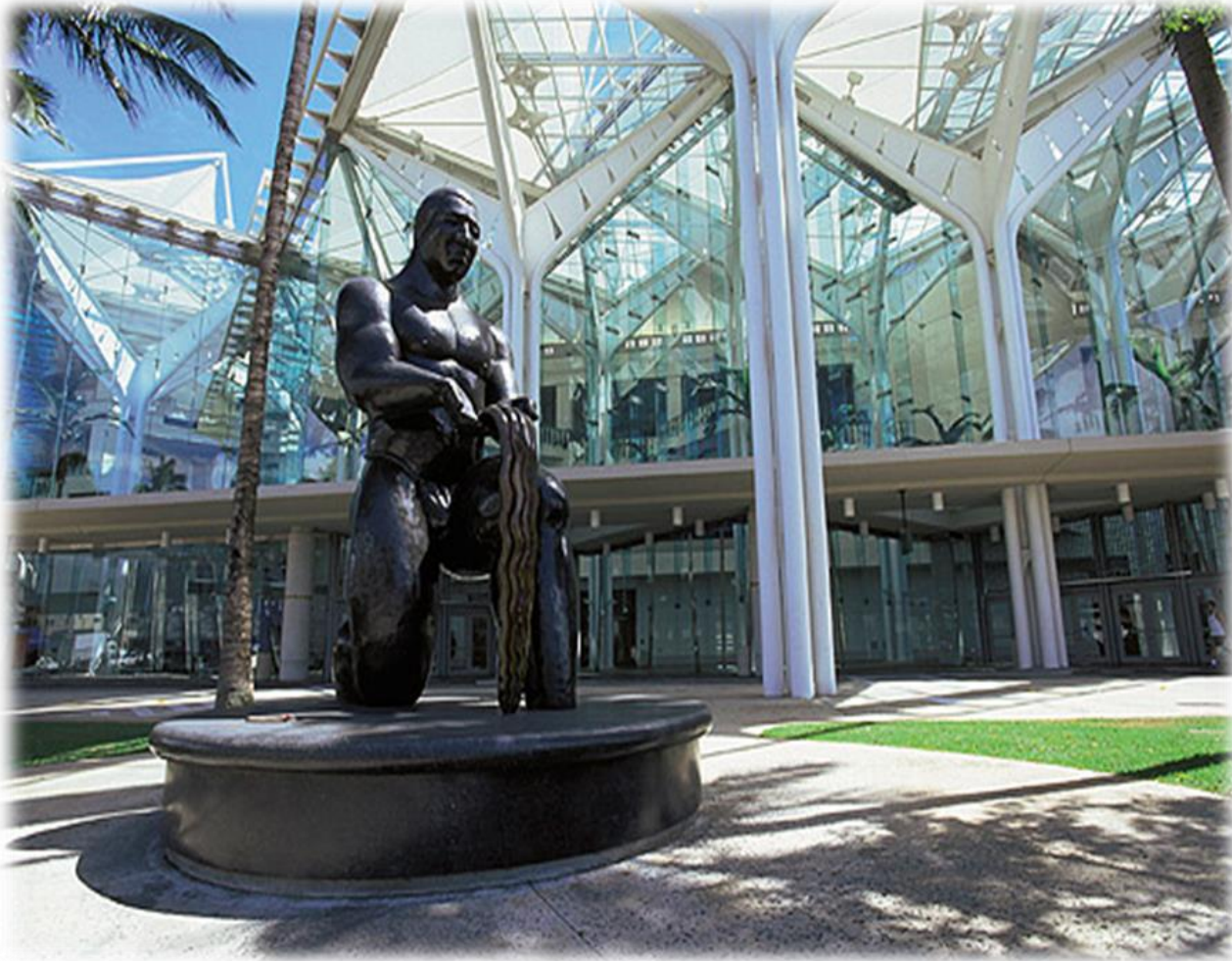
MEMBER FDIC

EQUAL HOUSING LENDER

5

**Motion, Presentation, Discussion, and Action on
the Hawai'i Convention Center's May 2024
Financial Report and Update on the Hawai'i
Convention Center's 6-Year Repair and
Maintenance Plan; Recommend Approval**

Hawai'i Convention Center HTA Board Meeting Update



Update for
May 2024
For
(June 2024 meeting)

Financial Update

	May-24 Actual	May-24 FYTD Actual	FY 2024 Reforecast	FY 2024 Budget	Variance	FY 2023 Actual	FY 2022 Actual
Facility Number of Events	27	255	261	225	36	273	213
Facility Operating Revenue	\$3,983,100	\$24,187,800	\$27,265,800	\$18,354,500	\$8,911,300	\$14,310,800	\$7,178,200
Facility Other Income	\$151,200	\$1,456,200	\$1,600,000	\$125,700	\$1,474,300	\$135,700	\$78,500
Facility Total Revenue	\$4,134,300	\$25,644,000	\$28,865,800	\$18,480,200	\$10,385,600	\$14,446,500	\$7,256,700
Facility Operating Expenses	-\$2,945,200	-\$22,561,500	-\$25,757,100	-\$23,812,600	-\$1,944,500	-\$18,412,200	-\$11,842,500
Facility Net Income/(Subsidy)	\$1,189,100	\$3,082,500	\$3,108,700	-\$5,332,400	\$8,441,100	-\$3,965,700	-\$4,585,800
Local S&M Operating Expenses	-\$138,200	-\$881,600	-\$1,045,700	-\$1,223,700	\$178,000	-\$959,400	-\$522,600
HCC Net Income/(Subsidy)	\$1,050,900	\$2,200,900	\$2,063,000	-\$6,556,100	\$8,619,100	-\$4,925,100	-\$5,108,400

ROI May 2024 FYTD

	<u>FYTD 2024</u>	<u>ROI</u>	<u>CW's FYTD</u>
HCC Revenue + State Revenue	07.23-05.24	\$16.04	(20)
+Tax Revenue	07.23-04.24	\$13.97	(14)
	07.23-03.24	\$12.87	(13)
= \$452.4 M	07.23-02.24	\$13.94	(12)
	07.23-01.24	\$15.33	(11)
HCC Expense + HVCB MCI	07.23-12.23	\$17.79	(10)
Expense = \$28.2 M	07.23-11.23	\$20.63	(10)
	07.23-10.23	\$23.16	(8)
	07.23-09.23	\$18.62	(6)
	07.23-08.23	\$25.91	(5)
	07.23	\$30.74	(4)
	<u>FY 2023 ROI</u>		
	07.22-06.23	\$4.19	(7)

***ROI = For every dollar spent,
\$16.04 returned to the State***

FY 2024 (July 2023 – June 2024) Citywide Events

REPORT - PACE - CW - DEFINITES ON THE BOOKS - FY

Created By: Test User
Created On: 06/01/2024

Fiscal Year: Contract Room Block Begin	Total Bookings	Total Contract Rooms	Total Attendees	Total EEI Value	Tax Generation
2024	21	116650	56500	\$390,944,353.03	\$45,740,489.30
2025	17	109834	60350	\$355,606,685.23	\$41,605,982.17
2026	11	125878	46800	\$322,029,359.56	\$37,677,435.07
2027	6	60534	28200	\$205,714,043.53	\$24,068,543.09
2028	4	18122	12700	\$76,611,872.74	\$8,963,589.11
2029	1	3031	3200	\$18,913,205.09	\$2,212,845.00
2030	2	14274	8500	\$59,868,034.80	\$7,004,560.07
2031	4	79385	23000	\$155,305,245.80	\$18,170,713.76
2033	1	19550	6500	\$41,075,194.39	\$4,805,797.74
2036	1	40829	7000	\$53,244,980.15	\$6,229,662.68
Grand Totals	68	588087	252750	\$1,679,312,974.32	\$196,479,618.00

FY 24	
Total Bookings	21
Total Contract Rooms	116,350
Total Attendees	56,500
Total EEI Value	\$390,944,353.05
Total Tax Generation	\$45,740,489.30



Source: June 2024 Meet Hawai'i Pace "Definites on the Books FY" Report

Recent Events @ Hawai'i Convention Center

- 2024 National Conference on Race & Ethnicity in Higher Education (“NCORE”) Annual Meeting, May 28-June 1, 5,000 attendees (CW)
- Festival of the Pacific Arts & Culture (FESTPAC), June 6-14, 60,000 attendees
- 2024 ASPB Annual Meeting, June 22-26, 1,600 attendees (CW)



Upcoming Local/Citywide Events

- Indoor Air Institute, July 6-11, 500 attendees (CW)
- Na Hoku Hanohano Awards, Aug 3, 1,000 attendees
- Pokemon World Championship, Aug 16-18, Est. 50K+ attendees(CW)
- Made in Hawai'i Festival, Aug 23, 60,000 attendees



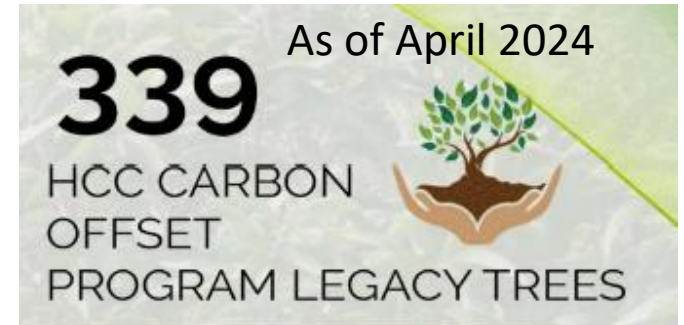
Definite Local/CW Bookings for next 3 months

Month	Total # of Local Events	Total # of Citywides
June 2024	5	1
July 2024	18	1
August 2024	11	2



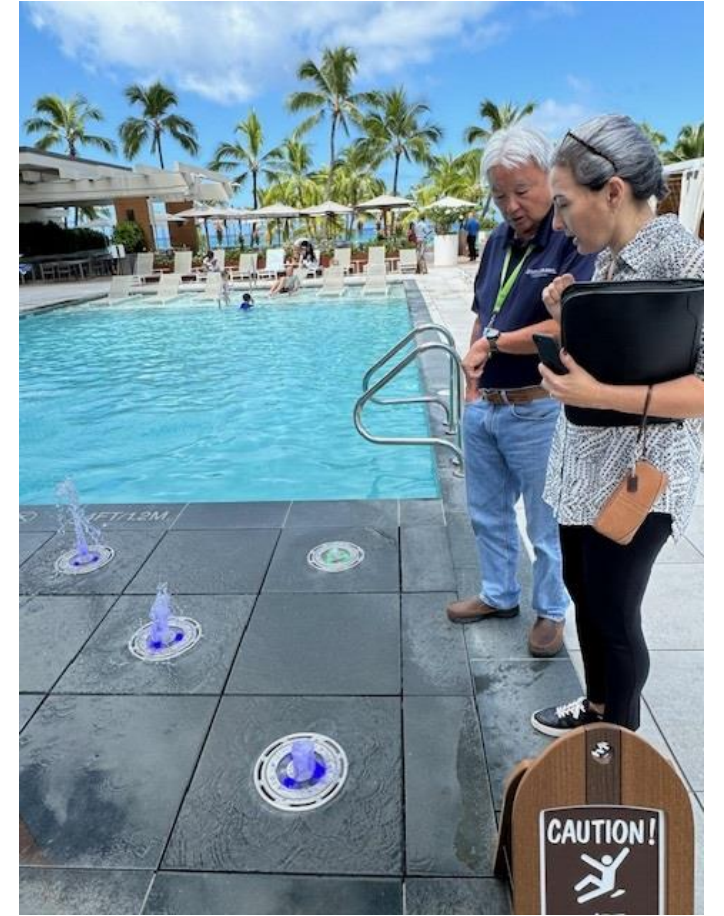
Carbon Offset Program

- This is a first-of-its-kind Carbon Offset Program that provides meeting organizers with the opportunity to offset the carbon footprint of their meeting.
- Participating events include:
 - 2024 Honolulu Festival (17 trees)
 - 2024 Transpacific Volleyball Championship (10 trees)
 - 2024 Sony Open Gala Dinner (9 trees)
 - CHEST 2023 (42 trees)
 - 2023 International Conference on Machine Learning (36 trees)
 - 2023 Okinawan Festival (11 trees)



Repair, Maintenance and Replacement Projects Update

Rooftop Terrace Deck – Site Visit



Inspection of proposed pedestal tile pavers for Rooftop project with PM, Rider Levett Bucknall
At the Waikīkī Marriott pool and event deck

New F&B Equipment



New Main Kitchen Dishwasher, Portable Warmers, Pan Racks and Tabletop Refrigerators

Chiller Repair – 2nd Crane Lift



Second crane lift to remove and install remaining two chillers

Chill Water Pipe Reinsulation

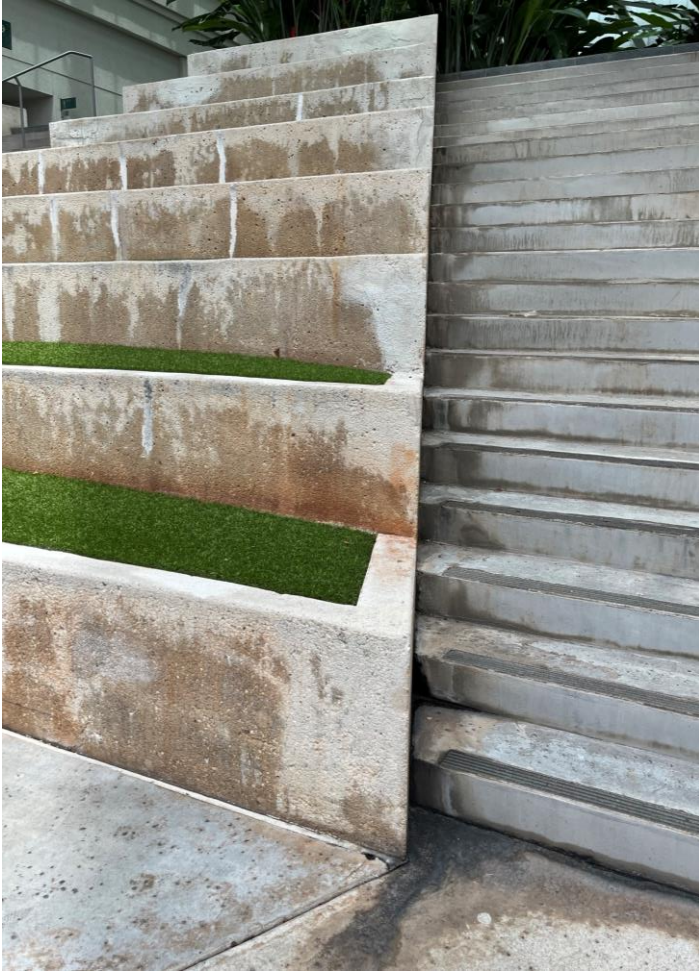


Reinsulating chill water pipes throughout building. Breaks in insulation is causing leaks in the Intermediate level service corridor, Main Kitchen and Parking level.

New Cheerleading Floors



Grand Staircase Planter Painting



Before



After



Parking Helix Cleaning



Before



After



CURRENT PROJECTS

IMPROVE GUEST EXPERIENCE

- New F&B China, Banquet Displays, Service Equipment
- New Speakers and Equipment to upgrade sound in meeting rooms
- Upgrade Screens and add Surround Sound in Theatres
- New Video Wall Screen in Boardroom
- Replace Escalators - start with Esc 1, 2 and 3
- Repair Meeting Room Air Walls
- New Wheelchair Lift in Theatre 320
- New Facilities Equipment

IMPROVE OUR BUILDING

- Paint Entire Building Exterior and Interior
- Repair Leaks
 - Kalākaua Kitchen
 - Ballroom Roof
 - Lobby and Ballroom Foyer Ceiling
 - Planters – 3rd floor, Grand Staircase, Intermediate level
- New Air Conditioning Chillers
- Replace Green Slate Tile – 3rd floor and Ala Wai Patio
- Upgrade all Lighting to LED lights
- Install Solar panels for Energy Savings

IMPROVE DEPARTMENT EFFICIENCY – New Equipment

- New Pot Wash and Glass Wash Machines
- New Boilers in Kalākaua Kitchen
- New Parking System and Equipment
- New Housekeeping Scrubber machines

Repair, Maintenance and Replacement Projects

Major Project Update

Rooftop Terrace Deck Repair

- Completed Schematic Design to begin Design Development with architect, design team and CM/PM.

Chiller Replacement

- Project on schedule, 75% completed, final two units replaced in May.

LED Lighting Upgrade

- Final fixtures and intensities approved. Working on installation schedule.

Exterior Building Painting

- To start next week, on Kahakai Dr. side of building.

Escalator Modernization

- Working with short list bidders on final questions. Award will be made soon.

Ballroom Roof Repair and Ballroom Gutter, Foyer and Lobby Transom Glass Repair

- Issued RFP's for general contractor.

Repair, Maintenance and Replacement Projects

6-Year Plan (page 1)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
001	Rooftop Terrace Deck Full Repair	\$ 64,000,000	1	Q1 2027	\$ -	\$ -	\$ 30,000,000	\$ 30,000,000	\$ 4,000,000			\$ 64,000,000
011	Ballroom Gutter, Foyer Transom Glass Roof Repair and Soffit Repair	\$ 11,002,524	1	Q2 2026	\$ 73,479	\$ 220,000	\$ 3,000,000	\$ 7,709,044				\$ 11,002,523
013	Ballroom Roof Repairs	\$ 1,363,143	1	12/2024	\$ 45,315	\$ 110,812	\$ 1,207,017					\$ 1,363,144
012	Parapet Roof Repairs	\$ 2,374,257	1	12/2024	\$ 39,748	\$ 63,995	\$ 2,270,514					\$ 2,374,257
003	Kalākaua Kitchen and Atkinson Drywell Renovation	\$ 2,871,047	1	Q2 2026	\$ 334,849	\$ 10,000	\$ 1,000,000	\$ 1,526,199				\$ 2,871,048
007	Kitchen Hood Control Panel Replacement	\$ 448,043	1	9/2024	\$ 162,384	\$ 200,000	\$ 85,660					\$ 448,044
009	Slate Tile Repair	\$ 712,135	1	12/2024	\$ 171,242	\$ 36,681	\$ 504,212					\$ 712,135
010	Chiller Replacement	\$ 6,168,875	1	8/2024	\$ 3,132,937	\$ 564,983	\$ 2,470,955					\$ 6,168,875
014	Lobby Water Feature	\$ 1,086,810	3	--	\$ 3,932				\$ 1,082,878			\$ 1,086,810
015	House Sound Audio System Upgrade	\$ 5,665,068	1	Q2 2025	\$ 63,048	\$ 2,495,613	\$ 3,106,407					\$ 5,665,068
022	Chill Water Pipe Reinsulation	\$ 1,227,894	1	8/2024	\$ 307,520	\$ 370,374	\$ 550,000					\$ 1,227,894
023	Air Wall Repairs	\$ 282,058	1	12/2024	\$ 89,061		\$ 192,996					\$ 282,057
024	Roll-up Door Replacement	\$ 225,000	2	--	\$ 23,656		\$ 201,344					\$ 225,000
026	IT Network Upgrades	\$ 300,000	3	12/2024	\$ -		\$ 300,000					\$ 300,000
027	Ice Machines Replacement	\$ 500,000	1	12/2024	\$ -		\$ 500,000					\$ 500,000
028	Theatre 310 and 320 Furnishings Upgrade	\$ 750,000	3	--	\$ -			\$ 375,000	\$ 375,000			\$ 750,000
029	Theatre 310 and 320 Seating Upgrade	\$ 500,000	3	--	\$ 155			\$ 249,845	\$ 250,000			\$ 500,000
030	FB China and Equipment Upgrade #2	\$ 6,489,000	1	8/2024	\$ 3,029,442	\$ 170,558	\$ 3,289,000					\$ 6,489,000
031	Ala Wai Waterfall Repair	\$ 1,081,501	3	--	\$ 1,985				\$ 1,079,516			\$ 1,081,501
041	Exterior Building Door Replacement	\$ 50,000	1	9/2024	\$ -		\$ 50,000					\$ 50,000
043	Air Handler Unit 9 and 10 Replacement - revised to Repair Only	\$ 416,382	2	completed	\$ 10,707	\$ -			\$ 405,675			\$ 416,382
044	Fire Sprinkler Line Refurbishment	\$ 353,394	1	12/2024	\$ 398		\$ 352,996					\$ 353,394
045	Escalator Modernization	\$ 11,507,869	1	2027	\$ 34,548	\$ 116	\$ 3,600,000	\$ 2,520,000	\$ 5,353,205			\$ 11,507,869
046	LED Light Upgrade	\$ 6,446,361	1	12/2025	\$ 95,149	\$ 1,985,947	\$ 4,000,000	\$ 365,265				\$ 6,446,361
047	Pickleball Courts	\$ 558,697	1	9/2024	\$ -	\$ 250,000	\$ 308,697					\$ 558,697

Repair, Maintenance and Replacement Projects

6-Year Plan (page 2)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
048	Electrical Harmonics Testing	\$ 100,000	3	--	\$ -				\$ 100,000			\$ 100,000
049	Main Kitchen Dishwasher Replacement	\$ 464,456	1	completed	\$ 445,368	\$ 19,089						\$ 464,457
050	Main Kitchen Flooring Replacement	\$ 648,881	1/3	12/2024	\$ 128,806	\$ 6,222	\$ 513,853					\$ 648,881
051	Phone System Replacement	\$ 30,000	1	10/2024	\$ -		\$ 30,000					\$ 30,000
054	Boardroom Upgrade	\$ 1,099,549	3	2026	\$ 113,802	\$ 2,168		\$ 983,579				\$ 1,099,549
055	Elevator #2 Upgrade	\$ 250,000	3	--	\$ -				\$ 250,000			\$ 250,000
058	Kitchen Hood Fire Suppression System Replacement	\$ 374,430	1	9/2024	\$ 36,540	\$ 337,891						\$ 374,431
060	Lobby Sail Repair and Maintenance	\$ 179,000	1	12/2024	\$ 41,196	\$ -	\$ 61,021		\$ 76,783			\$ 179,000
061	ADA Lift (#320) Replacement	\$ 165,000	1	10/2024	\$ 86,818		\$ 78,182					\$ 165,000
064	FB Equipment #1	\$ 1,412,556	1	8/2024	\$ 556,402	\$ 800,000	\$ 56,154					\$ 1,412,556
066	Kalākaua Kitchen Boiler Replacement	\$ 135,602	1	10/2024	\$ 3,620	\$ 6,380	\$ 125,602					\$ 135,602
068	3rd Floor Planter Repair and Exterior Planter Repair	\$ 12,399,209	1	Q2 2026	\$ 57,577	\$ 107,504	\$ 6,000,000	\$ 6,234,128				\$ 12,399,209
069	Parking System Equipment Upgrade	\$ 583,753	1	12/2024	\$ 37,128	\$ 4,445	\$ 542,180					\$ 583,753
070	Parking Garage Floor Sealing	\$ 2,444,244	1	12/2024	\$ -	\$ 5,000	\$ 2,439,244					\$ 2,444,244
071	Access Control Upgrade	\$ 2,000,000	3	--	\$ -				\$ 1,000,000	\$ 1,000,000		\$ 2,000,000
072	Ride-on Scrubber Replacement	\$ 85,959	1	11/2024	\$ 101		\$ 85,858					\$ 85,959
073	Common Area Furniture Upgrade	\$ 265,000	1	12/2024	\$ -		\$ 265,000					\$ 265,000
074	Ice Rink and Equipment	\$ 825,000	1	Q2 2025	\$ -		\$ 825,000					\$ 825,000
075	Exterior Building Painting	\$ 2,496,056	1	Q2 2026	\$ 20,488	\$ 315,940	\$ 1,959,628	\$ 200,000				\$ 2,496,056
077	Interior Building Painting	\$ 5,139,686	1	Q4 2026	\$ -	\$ 20,000	\$ 40,000	\$ 1,250,000	\$ 3,829,686			\$ 5,139,686
078	Pot Wash Machine Replacement	\$ 212,670	1	7/2024	\$ 104,366	\$ 8,304	\$ 100,000					\$ 212,670
079	Digital Signage Upgrade	\$ 6,150,000	1	Q2 2027	\$ 20,390			\$ 3,000,000	\$ 3,129,610			\$ 6,150,000
081	Facility Equipment Replacement	\$ 1,000,000	1	Q2 2025	\$ -		\$ 1,000,000					\$ 1,000,000
082	Escalator and Elevator Repairs	\$ 1,000,000	1	Q2 2026	\$ 225,873	\$ 81,335	\$ 300,000	\$ 392,792				\$ 1,000,000

Repair, Maintenance and Replacement Projects

6-Year Plan (page 3)

Project Number	Project Title	Estimated Project Cost	Priority	Tentative Completion	Prior Expenses to April '24	FY24	FY25	FY26	FY27	FY28	FY29	Total
083	Café 808 Renovation	\$ 3,000,000	2	--	\$ -			\$ 3,000,000				\$ 3,000,000
084	Frictionlist Concession	\$ 1,500,000	1	--	\$ -		\$ 1,500,000					\$ 1,500,000
085	1801 Renovation	\$ 1,500,000	1	--	\$ -		\$ 1,500,000					\$ 1,500,000
086	Water Remediation - Misc Repairs	\$ 500,000	1	Q2 2025	\$ 1,758	\$ 248,242	\$ 250,000					\$ 500,000
089	Cabling Infrastructure Upgrade	\$ 850,000	1	Q2 2025	\$ -	\$ 400,000	\$ 450,000					\$ 850,000
090	Architect Procurement	\$ 17,801	1	completed	\$ -	\$ 17,801						\$ 17,801
091	Children's Courtyard and 4th Fl Railing Repair	\$ 2,627,471	1	Q1 2027	\$ -		\$ 1,000,000	\$ 1,627,471				\$ 2,627,471
092	Sump Pump Replacement	\$ 61,905	1	7/2024	\$ 9,672	\$ 32,233	\$ 20,000					\$ 61,905
093	Stairwell 5/6 - Temporary Repair	\$ 500,000	1	12/2024	\$ -		\$ 500,000					\$ 500,000
094	Solar Panel Installation	\$ 7,088,900	1	Q3 2025	\$ 1,775	\$ 8,226	\$ 3,500,000	\$ 3,578,900				\$ 7,088,901
095	Immersive Experience Equipment	\$ 1,000,000	1	10/2024	\$ -	\$ 500,000	\$ 500,000					\$ 1,000,000
---	Legal Retainer	\$ 251,094		on-going	\$ 161,637	\$ 1,547	\$ 87,910					\$ 251,094
GRAND TOTAL		\$ 120,738,280			\$ 9,672,872	\$ 9,401,406	\$ 50,719,430	\$ 33,012,223	\$ 16,932,353	\$ 1,000,000	\$ -	

Current project
Cumming-managed project
HCC-managed project
CM/PM - to be assigned

Repair, Maintenance and Replacement Projects

CUMMING GROUP Priority Projects

- *Kitchen Hood Control Panel and Fire Suppression Upgrade*
- *Slate Tile Repair*
- *Chiller Replacement*
- *Ballroom Roof Repairs*
- *House Sound Audio Upgrade*
- *Ballroom Gutter, Foyer Transom Glass and Soffit Repair*
- *3rd floor and Exterior Planters Repair*
- *LED Lighting Upgrade*
- *Main Kitchen Flooring Replacement*
- *Exterior Building Painting*
- *Kalākaua Kitchen Wall Repair and Atkinson Drywell Replacement*
- *Interior Building Painting*
- *Pot Wash Machine Replacement*
- *Glass Wash Machine Replacement*
- *Parking Garage Equipment Upgrade and Floor Sealing*
- *Fire Sprinkler Line Refurbishment*
- *Escalator Modernization*
- *Kalākaua Kitchen Boiler Replacement*
- *Exterior Door Replacement*
- *Solar Panel Installation*

Repair, Maintenance and Replacement Projects Completed (since 2020)

COMPLETED 2020

- *Gutter Trough, Roof Repairs; \$8.3M*
- *Boiler Replacement; \$585k*
- *Ala Wai Waterfall Repairs; \$185k*
- *Chiller 4 Repairs; \$55k*
- *#320 Roof Repairs; \$1.4M*
- *Banquet Chairs/Tables Upgrade; \$2.25M*

COMPLETED 2021

- *Cooling Tower Replacement; \$3.2M*
- *Theatre LED Lighting Upgrade; \$77k*
- *Roof Overflow Drain Repairs; \$16k*
- *Jockey Chiller Repairs; \$28k*
- *ADA Lift Replacement; \$71.5k*
- *Emergency Generator Repairs; \$32k*
- *Window Repairs – Vandalism; \$177k*

COMPLETED 2022

- *Leak Repairs – 12/21-1/22; \$396k*
- *Chiller Repairs; \$69.3k*
- *Trellis Renovation; \$4.7M*

COMPLETED 2022

- *Lobby Glass Replacement; \$25k*
- *New Security Camera, Access Control; \$1.56M*
- *Kitchen AC Compressor Replacement; \$16.5k*

COMPLETED 2023

- *Event Stage ADA Ramp; \$41k*
- *Escalator #1 Handrail Replacement; \$64k*
- *Exterior Sign Refurbishment; \$50k*
- *Leak Repair Remediation; \$168k*
- *Forklift Replacement; \$175k*

COMPLETED 2024

- *Water Intrusion Remediation; \$400k*
- *Ballroom Wallcovering; \$200k*
- *Exterior Security Camera; \$225k*
- *Transformer Replacement; \$131k*
- *#348 Walk-in Refrigerator Replacement, \$123k*
- *Lobby Glass Repair, Vandalism, \$26k*
- *Ride-on Sweeper Replacement, \$50k*
- *Main Kitchen Dishwasher Replacement, \$425k*



Mahalo Nui Loa

8

**Motion, Presentation, Discussion, and Action on
Fiscal Year 2025 Hawai'i Tourism Authority
Operating Budget;
Recommend Approval**

Hawaii Tourism Authority
FY 2025 Budget
Draft Subject to Change

BLI	BLI Title	Description	A	B	C	A-B-C	Staff
			FY 2025 Budget	Multi-Year Contracts (N1)	B&F 10% Restriction (N2)	Remaining Budget	
BED 113 Administrative & Governance							
004	Cruise Infrastructure Improvements and Arrival Experience	Planning - Hawai'i Cruise Industry Consultant Services	89,000	25,000	8,900	55,100	DN CA IG TK
010	HTUS/HTJ Campaign Effectiveness Study	Planning - Evaluations and Campaign Effectiveness	180,000	-	18,000	162,000	
101	Community-Industry Outreach & Public Relations Svcs	Communication & Outreach - Public Relations, Communications, and Outreach Services	250,000	-	25,000	225,000	
103	hawaiitourismauthority.org	Communication & Outreach - HTA Web Support	25,000	-	2,500	22,500	
654	Program Evaluation	Planning - Program Evaluation	90,000	-	9,000	81,000	
901	General and Administrative	Overhead costs such as office supplies, membership dues for industry associations and databases, and registration fees for conventions and meetings, etc.	844,278	-	84,428	759,850	
915	Organization-Wide	Planning - Tourism Strategic Plan Update	300,000	-	30,000	270,000	
915	Organization-Wide	Financial audit services	125,000	-	12,500	112,500	
998	Travel - Admin	Travel for all HTA Programs and board members	190,000	-	19,000	171,000	
TBD	Administrative Salaries	Salaries for 14 positions - CEO, CAO, VPF, DOP, CCO, EA, BUFO, AS, PM, PS, CM, PS, AA, PL	1,603,382	1,603,382	160,338	(160,338)	
BED113 Administrative & Governance Subtotal			3,696,660	1,628,382	369,666	1,698,612	
BED 114 Branding & Marketing (BM)							
306	Island-Based International Marketing	Island Destination Brand Management & Marketing	3,200,000	-	320,000	2,880,000	DN
320	Island Chapters Staffing and Admin						
318	gohawaii.com	Global Support Services					
339	Global Digital Marketing Strategy						
350	Global Market Shared Resources		1,375,000	725,695	137,500	511,805	
321	US (formerly North America)	USA MMA	15,204,991	15,030,000	1,520,499	(1,345,508)	
322	Canada	Canada MMA	1,000,000	1,000,000	100,000	(100,000)	
323	Japan	Japan MMA	6,500,000	7,650,000	650,000	(1,800,000)	
324	Korea	Korea MMA	900,000	433,640	90,000	376,360	
325	Oceania	Oceania MMA	1,290,905	418,180	129,091	743,635	
326	Europe	Europe MMA	1,000,000	1,000,000	100,000	(100,000)	
380	Marketing Opportunity Fund	Other - FY 2024 Carryover USA, MCI, Other Markets	2,696,815	-	269,682	2,427,134	
317, 319, 331	Convention Center Sales & Marketing - City Wide; MCI MFF; Meetings, Convention & Incentives	Global MCI	5,500,000	4,175,000	550,000	775,000	
TBD	Branding Salaries	Salaries for 5 positions - CBO, BM x3, AA	581,490	581,490	58,149	(58,149)	
BED114 Branding Subtotal			39,249,201	31,014,005	3,924,920	4,310,276	
BED 115 Sports & Signature Events (SS)							
312	PGA Tour Contracts	PGA	2,038,850	-	203,885	1,834,965	DN KK
343	LPGA	LPGA	250,000	-	25,000	225,000	
346	Sport Opportunity Fund	Sports Opportunities	1,654,525	-	165,453	1,489,073	
TBD	TBD	Opportunity Fund - Sponsorships, Sports & Signature Events	1,500,000	-	150,000	1,350,000	
378	UH Athletics Branding Partnership	Big West Conference	167,000	167,000	16,700	(16,700)	
700	Signature Events	Signature Events	1,630,766	583,000	163,077	884,689	
TBD	Sports Salaries	Salaries for 1 position - BM	76,934	76,934	7,693	(7,693)	
BED115 Sports and Signature Events Subtotal			7,318,075	826,934	731,808	5,759,334	
BED 116 Destination Stewardship and Community (DC)							
014	Pono Travel Education Program	Visitor Education Post Arrival Marketing	964,148	399,092	96,415	468,641	KK
402	Kahu 'āina	Kahu 'āina	784,022	313,000	78,402	392,620	
601	Visitor Assistance Programs (VAP)	VAP for O'ahu, Maui, Kaua'i, Hawai'i	650,000	90,000	65,000	495,000	
TBD	Destination Management Application	Destination Management App	1,500,000	-	150,000	1,350,000	
TBD	Destination Management Application	Recovery and Stabilization through Smart Tourism - DM App	450,000	-	45,000	405,000	
718	Resort Area Hawaiian Cultural Initiative	Resort Area Hawaiian Cultural Initiative	784,022	313,000	78,402	392,620	
TBD	Community-Based Tourism	Destination Management - DMAP Implementation	500,000	-	50,000	450,000	
TBD	Community-Based Tourism	Destination Management Implementation	122,154	-	12,215	109,939	
TBD	Destination Management Application	Smart Tourism - Destination Management App	1,550,000	-	155,000	1,395,000	
TBD	Destination Management and Community Salaries	Salaries for 7 positions - CSO, DM x 5, AA	619,537	619,537	61,954	(61,954)	
BED116 Destination Stewardship and Community Subtotal			7,923,883	1,734,629	792,388	5,396,866	
BED 117 Regenerative Tourism Development (RD)							
201	Kukulu Ola	Kukulu Ola	784,022	313,000	78,402	392,620	KK
656	Community Tourism Collaborative	Technical Assistance and Quality Assurance	1,682,603	914,449	168,260	599,894	
701	Community Enrichment Program	Community Enrichment Program	1,066,270	63,000	106,627	896,643	
TBD	Regenerative Tourism Development Salaries	Salaries for 3 positions - BM x3	229,286	229,286	22,929	(22,929)	
BED117 Regenerative Tourism Development Subtotal			3,762,181	1,519,735	376,218	1,866,228	
BED 118 Workforce Development (WD)							
102	Hawai'i Tourism Summit	Tourism Fall Education Conference & Spring Update	300,000	-	30,000	270,000	CA
202	Hawaiian Culture Initiative	Hawaiian Culture Initiative Program - Native Hawaiian cultural education and training program for the visitor industry workforce	250,000	-	25,000	225,000	
803	Future Workforce Development (LEI)	Future Workforce - Highschool program	150,000	-	15,000	135,000	
805	Scholarship Program	Future Workforce — Ho'oilina Scholarship Program and Current Workforce Trainings	350,000	-	35,000	315,000	
BED118 Workforce Development Subtotal			1,050,000	-	105,000	945,000	
FY 2025 Tourism Budget Total			63,000,000	36,723,685	6,300,000	19,976,315	

N1 - Identified active multi-year contracts that must use the fiscal year 2025 budget.
N2 - B&F will restrict 10% of HTA's budget at the beginning of FY25 with a 5% hard restriction and a 5% contingency restriction. B&F may cancel the 5% contingency restriction, but finance does not expect B&F to cancel it. Programs should prepare "trigger" plans to spend the 5% if B&F returns the funds to HTA.