



**REGULAR BOARD MEETING
HAWAII TOURISM AUTHORITY
Thursday, July 25, 2024, 9:30 a.m.**

Hybrid In-Person & Virtual Meeting

Hawai'i Convention Convention center
Parking Level | Executive Boardroom A
1801 Kalākaua Avenue
Honolulu, Hawai'i 96815

MINUTES OF THE REGULAR BOARD MEETING

MEMBERS PRESENT:

Mufi Hannemann (Chair), Mahina Paishon (Vice Chair), Kimberly Agas (Zoom), David Arakawa, Stephanie Iona, James McCully, Blaine Miyasato, Roy Pfund, James Tokioka (Ex Officio, DBEDT Director) (Zoom), Chris West, Mike White

HTA STAFF PRESENT:

Daniel Nāho'opi'i, Kalani Ka'anā'anā, Isaac Choy, Caroline Anderson, Jadie Goo, Iwalani Kūali'i Kaho'ohanohano, Talon Kishi, Ilihia Gionson, Maka Casson-Fisher, Carole Hagihara, Tracey Fermahin, Kristen Colburn, Maile Carvalho

GUESTS:

Kylie Butts, Jennifer Chun, Jeffrey Eslinger, Laci Goshi, Kara Imai, Erin Khan, Noelle Liew, Tom Mullen, Cat Orlans, Teri Orton, Jessica Lani Rich, Mari Tait, Jay Talwar, Angela Vento, Keith Vieira

LEGAL COUNSEL:

John Cole

1. Call to Order

Chair Hannemann called the meeting to order at 9:30 a.m.

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. Gionson did the roll call, and all Board members were in attendance. Members who attended via Zoom were by themselves.

3. Opening Protocol

Mr. Casson-Fisher did the opening cultural protocol.

4. Report of Permitted Interactions at Informational Meetings or Presentations Not Organized by the Board Under HRS section 92-2.5(e)

There was no input on Permitted Interaction Groups.

5. Approval of Meeting Minutes

a. Approval of Meeting Minutes of the June 27, 2024 Regular Board Meeting

Mr. White made the motion to adopt the minutes, and Ms. Paishon seconded, and the motion passed unanimously.

b. Approval of Meeting Minutes of the July 8, 2024 Special Board Meeting

Mr. White made the motion to adopt the minutes, and Ms. Paishon seconded, and the motion passed unanimously.

6. CEO Report

Interim CEO Daniel Nāho'opi'i gave a brief oral report and informed Board members that the detailed report had been submitted in their information packet.

Mr. Nāho'opi'i reminded Board members that proposals for the vacant staff position and the reorganization of the HTA had been approved by the Board during the July 23rd meeting and submitted to the Department of Business, Economic Development and Tourism (DBEDT) for review. The proposals were then to be submitted to the Department of Human Resources Development (DHRD) to go through the redescription of positions and structures. This was an ongoing process.

a. Update on the Maui Wildfire Recovery

Mr. Nāho'opi'i stated that all except two of the recommendations for Maui recovery made by the Permitted Interaction Group (PIG) had been implemented.

One unimplemented recommendation was to support Maui businesses by working with Maui County and the Council for Native Hawaiian Advancement (CNHA) to identify retail space for businesses that had lost their space to the Lahaina fires. This would provide opportunities for visitors to purchase native Hawai'i products. However, Maui County and CNHA had been unable to identify a location and negotiate a lease before the June 30 deadline. \$100,000 was allocated for this contract, which was now canceled.

The other recommendation that could not be executed was an allocation of \$25,000 to be provided to organizations to provide a bridge between the community and agencies. The \$25,000 was still in the fund.

During the meeting of the Ho'okahua Standing Committee the previous day, there were discussions about whether there was still an emergency and what plans should be put forward regarding utilizing the remaining funds.

Mr. Nāho'opi'i congratulated the destination stewardship department for the Festival of Pacific Arts and Culture (FestPAC) success. He thanked Mr. Ka'anā'anā for representing the HTA on the festival commission for several years. The festival was a beneficial experience, not least in the many informal meetings during which ideas, knowledge, and cultural togetherness were exchanged. The previous day, he met with the President/CEO of the Guam Visitors' Bureau to discuss airline issues and share ideas about different destinations.

A new Brand Manager has been hired and will be responsible for the Canada, Oceania, Global MCI, and cruise markets. An RFP had been issued for the Korea major market area since the current contract was to expire at the end of the 2024 calendar year.

The gohawaii.com website has been upgraded and updated with new features and information. In particular, more information had been included about specific itineraries and activities for Maui. The Hawai'i travel industry website had been updated with new features to evaluate marketing tools. Regarding the planning and evaluation of the workforce area, the HTA established an excellent partnership with KCC (Kapi'olani Community College) and the Culinary Institute of the Pacific, run by Chef Roy Yamaguchi. Tuition waivers had been created for 32 mid-level chefs in hotels and restaurants in a five-week program run by the Culinary Institute of America. This training would elevate the chefs' skills and encourage them to focus on utilizing Hawai'i products and Hawai'i-grown products in their menus.

b. Legislative Update

7. Board Chair Report

Chair Hannemann presented a detailed written report to Board members but outlined three major items for discussion.

1. He reminded Board members that August would mark one year since the wildfires had wrought havoc on Maui, especially West Maui. Maui Mayor Richard Bissen believed that this anniversary would demonstrate the need to redouble efforts to help Maui recover from an event that affected the economy, housing, and quality of life. Chair Hanneman assured Board members that the HTA would continue to do their part, whether in a leading role or by providing partnership and support to ensure that the County of Maui would recover as fast as possible. This would ensure that the Maui community would continue to enjoy all the special characteristics of life on the island.

Chair Hannemann noted that there was much anxiety about statistics showing that the number of visitors, length of stay, and the number of dollars circulating in the Hawai'i economy lagged behind the norm. The Chair himself, Interim CEO Nāho'opi'i and Hawai'i Visitor and Convention Bureau (HVCB) Senior Vice President of Marketing Mr. Jay Talwar had been concerned about developing a plan to help the State recover from this setback. Over the past few months, discussions have taken place, and the Chair collaborates with the Chair of the Branding Standing Committee, Mr. Miyasato, to formulate options, some of which will be discussed during the present meeting. Chair Hanneman was happy that the HTA was proactive and had plans in view. The authority was poised to collaborate and make progress. The Chair stated that now, more than ever, private industries are calling the HTA to propose collaborating or partnering with them. Chair Hannemann had been keeping Gov. Green and the Mayor of Maui informed about the HTA's plans. Chair Hannemann informed Board members that talking points and suggestions were available from staff and Mr. Talwar.

2. Chair Hannemann expressed his excitement about the forthcoming tourism conference organized by the HTA each fall. Interim CEO Nāho'opi'i and his team had been working hard to assemble a robust agenda, including speakers from afar who would come to Hawai'i to share their *mana'o* and best practices at national or international levels. The conference would provide an opportunity to bring together industry leaders to discuss issues of importance, not just from the point of view of tourism but also from the perspective of quality of life. Chair Hannemann acknowledged Ms. Iona's suggestion that the agenda should include the importance of disaster preparedness and planning of recovery efforts and stated that this would appear on the conference agenda. The Chair sought ways to invite nationally famous speakers to the conference. A national leader in the hospitality industry, Mr. William Hornbuckle, Chairman of MGM Resorts and Chairman of the Travel and Tourism Advisory Board, had already accepted his invitation to address the conference. U.S. Secretary of Commerce Gina Raimondo was also invited, and the Chair hoped that national campaign activities would allow her to address the conference. Chair Hannemann looked forward to

welcoming everyone from government leaders to tourism stakeholders to community members under one roof for three days from September 30 to October 2. This event would demonstrate that the HTA had a listening ear to everyone's needs, objectives, and priorities.

3. Chair Hannemann had asked Mr. Nāho'opi'i to continue to inform Board members of the many events sponsored by the HTA. The Chair invited and encouraged each board member to attend to see the fruits of the HTA's labors. As an example, during the previous weekend, the Chair attended the Prince Lot Hula Festival at the Frank F. Fasi Memorial Grounds. Mr. Ka'anā'anā and the staff of Kilohana had also been present at this fantastic free event, which portrayed destination stewardship in action. The event was also attended by vendors selling food and Hawaiian products, and it showed that Hawaiian culture and Hula were alive and well. The HTA was congratulated for supporting and funding this event. This was similar to the case of FestPAC, when the work of Gov. and First Lady Green, Dr. Salah, Mr. Ka'anā'anā, and the entire team made the event a success, which the HTA shared. Chair Hannemann encouraged Board members to do their best to attend the HTA-sponsored events.

The Chair invited questions from Board members and the public.

Dir. Tokioka referred to the report of the Interim CEO/President and stated that he had received the request for approval of the position of Chief Brand Officer and the reorganization chart. Mr. Nāho'opi'i had mentioned that the Board had approved the reorganization chart during the July 2023 Board meeting, but Dir. Tokioka was unsure whether many members remembered that discussion; Members West and Pfund had not been Board members then. Considering the organization chart, Dir. Tokioka believed that further discussion was needed. He had signed off on the position of Brand Manager but not on the organization chart because he thought the other Board members should be able to give input on it.

Dir. Tokioka pointed out that when referring to FestPAC, it was necessary to thank Jamie Lum, who had been involved in the backend work at the Attorney General's office. Mr. Ka'anā'anā knew the effort involved in ensuring that everything was done correctly regarding procurements. Dir Tokioka also thanked Aaron Salā vand Makaanani Salā in Gravitas Pasifika.

Dir. Tokioka informed Board members that he had received calls about a promotion for West Maui hotels, an idea that industry leaders had shared. He asked whether commitments had been made about the \$1.5 million or \$1.6 million to be requested from the HTA for the program. Chair Hannemann responded that subject to Board approval, \$1.5 million was to be allocated to underwrite a Southern California saturation campaign.

Dir. Tokioka stated that the calls he had received seemed unaware of that, and he wanted to ensure that Board members could provide input on the program, which he was supposed to be on the agenda for the present meeting.

Chair Hannemann replied that he would be able to clarify the situation for the people who had contacted Dir. Tokioka if he were given their details offline. He suggested that these might be

persons who had received second-hand information.

Chair Hannemann asked Mr. Talwar of HVCB to clarify the \$1.5 million. Mr. Talwar stated that he had received similar inquiries, and many hoteliers and ownership groups had asked for a meeting to obtain information. Visitor statistics had shown softness even before the wildfires, and since then, the situation has worsened, especially in West Maui and Maui in general. HVCB staff had developed this idea to be presented to each standing committee and the Board for approval. September was around the corner. He repeated that, at present, the idea was subject to approval.

As Chair of the Branding Standing Committee, Mr. Miyasato added that it took some time for all the standing committees to discuss and approve suggestions before being approved by the Board. He commented that the idea had been suggested on many occasions, and later in the agenda of the present meeting, the Board would be able to discuss and possibly approve it.

Mr. Miyasato asked whether the Chief Branding Officer position had already been in place. Mr. Nāho'opi'i explained that the position referred to by Dir. Tokioka was that of the Chief Stewardship Officer.

Mr. Nāho'opi'i reminded the Board that the Brand Officer had been redescribed as the Stewardship Officer. In the organization chart that had been approved, there had previously been only one position called the Chief Brand Officer, who was responsible for both branding and destination stewardship. The Board had approved splitting the position into two separate branches, creating the second officer position. Mr. Miyasato pointed out that a Chief Stewardship Officer had been added to the organization chart.

Mr. Ka'anā'anā commented that it was uncomfortable for him to sit with the Board and hear discussions about whether his job would be created, but on paper, he was still technically the Chief Brand Officer until his position was redescribed as Chief Stewardship Officer. That change will take place after DBEDT approves the organization chart.

Dir. Tokioka noted that the position had appeared in the budget and had been signed off on. He stated that he could sign off on the organization chart if Board members were satisfied with it, but he pointed out that since July 2023, they might have forgotten some details. This was the reason he felt it was important for everyone to have a chance to discuss the chart.

Mr. Miyasato clarified that when he referred to statute, he meant the function of stewardship as part of the *kuleana* of the HTA. The term "branding" came within his area as Chair of the Branding Standing Committee.

Mr. Arakawa asked what would be involved in the program for West Coast publicity and whether it was to be discussed during the present meeting. Two or three months ago, he recommended conducting an activity in the summer or early fall to rectify the market's softness. As Chair of the Budget, Finance, and Convention Convention Center (BFCC) Standing

Committee he was concerned to know the details of this program and whether it had ever been specifically presented.

Mr. Talwar informed Board Members that this would be a marketing program for the Southern California market, from Los Angeles down to San Diego, focusing on the potential for visitation to Hawai'i in the short term. It might eventually examine long-term branding programs for people who had not yet selected Hawai'i as a vacation destination, but in the first instance, with the super softness of Maui, it would concentrate on people who were most likely to travel in the short term.

Mr. Arakawa asked about the campaign's specifics since he had heard it was related to NFL sports agreements. This discussion had not reached BFCC committee members.

Mr. Talwar promised to give an overview, but Mr. Arakawa asked why the BFCC committee had not been involved. Mr. Talwar responded that the campaign was still being discussed. Chair Hannemann explained that it would be discussed in detail during the agenda item devoted to the budget. In the meantime, he requested that the discussion should move on.

Mr. Arakawa requested just one sentence about the program, and Mr. Talwar replied that it was a marketing program focused on the greater Los Angeles market that would utilize all available tools, such as digital marketing, social media, public relations, events, and coordination with the travel trade and the MCI sales team.

Mr. Arakawa asked whether the program would involve professional sports teams. and Mr. Talwar replied that the intention was to counter social media chat that still discouraged visitors by having Gov. Green state that now was the time to visit. The marketing team was considering creating that media opportunity at a sporting event venue.

Mr. Arakawa asked which type of sporting event was being considered, and Chair Hannemann repeated that questions would be answered during the budget agenda item. The Chair pointed out that this item had been presented to the BFCC committee during its July 15 meeting, and the committee unanimously passed the incremental activation. Mr. Arakawa responded that he had recommended such a program occur, but the details had never been presented to the BFCC committee.

Mr. Arakawa stated that for years, he had recommended that Board members participate in planning the HTA conference and asked Mr. Nāho'opī'i whether this would be acceptable to staff. He would volunteer to be part of the planning process because he believed that there were many potential partners in the wider community. He reminded Board members that the governance report warned against working in isolation. Mr. Arakawa encouraged other Board members to become involved.

Vice Chair Paishon stated that she would join Mr. Arakawa, and Mr. Nāho'opī'i informed them that there was a meeting every Friday morning for which he would send a link.

Mr. Miyasato stated that it was assumed that before an agenda for Board meetings was established, committee meetings had taken place to vet the items included, whether they related to sports or not. A marketing campaign was a branding issue, not a budget issue. The Branding Standing Committee had discussed the campaign, not necessarily in great detail, since it was still being vetted and ideas were being considered. However, it was clear that there would be an installation in Southern California in September.

8. Nomination and Election of the Board Chair and Board Vice Chair of the Hawai'i Tourism Authority

Chair Hannemann reminded Board members that the nomination and election of the Board Chair and Vice Chair took place every July.

Mr. Miyasato proposed a motion to nominate Mr. Hannemann as Board Chair, and Vice Chair Paishon seconded it.

Dir. Tokioka proposed a motion to defer agenda items 8, 9, 10, 11, and 13 because the Speaker of the House had not yet nominated to fill the vacant Board seat. Speaker Saiki was occupied with the election campaign, and it would be prudent to wait for his selection of the new member to give that person the opportunity to decide on which committee they wished to serve, who should serve as Board Chair, and Vice Chair, and how the standing committees should be composed. It would be more inclusive to wait for that person to be selected. Dir. Tokioka pointed out that a motion to defer took precedence over other motions, but he would allow the other Board members to decide.

Chair Hannemann asked whether there was a second for Dir. Tokioka's motion was seconded by Mr. Arakawa.

Mr. McCully stated that, in general, he would support Dir. Tokioka's motion, but he was not in favor of allowing the CEO search committee to wait for an indeterminate amount of time, so he would like that committee to be excluded. He believed it was inappropriate for the authority to have no permanent CEO.

Dir. Tokioka explained he had specified items 8, 9, 10, 11, and 13, not item 12, and Mr. McCully apologized. Dir. Tokioka repeated that he proposed to defer agenda items 8, 9, 10, 11 and 13.

Chair Hannemann stated that he did not favor the motion and believed that the HTA, as an authority, was well aware of Speaker Saiki's situation. The Chair knew that Vice Chair Paishon had made the Speaker aware of the importance of nominating a twelfth Board member for appointment by the Governor. Chair Hannemann believed the Speaker would understand that a Chair had always been elected every July. The Chair had asked members to state their preferences for standing committee membership; at that time, no one had protested. The two new members would be given priority consideration for the committees on which they wished

to serve. Even Dir. Tokioka had responded to the survey. Chair Hannemann thought it was prudent, and members would note that their preferences had been considered where possible.

Ms. Iona commented concerning the motion on the floor that on previous occasions, members had been brought onto the Board by the Governor after July, and situations could occur that resulted in the departure of a member. The Board had work to do, but each person's vote was important. Several board members had been recruited after the loss of two board members. She believed it was important not to wait and to keep moving forward. She noted that the HTA had adapted to changes and challenges. Vice Chair Paishon said she did not intend to vote for the motion.

Vice Chair Paishon informed Board members that she was in close communication with Speaker Saiki regarding the nomination of a new member, and he had not indicated any desire to stall this election process. She asked for clarification about the two motions on the floor.

Chair Hanneman stated that the motion to defer took precedence over the previous motion.

Mr. Arakawa spoke in support of the motion to defer and pointed out that deferring the specified agenda items would not prevent standing committees and the Board from operating as usual. Members could be assigned to committees. Mr. Arakawa reminded Board members that the key issues of the recently completed governance study were openness and transparency. Input from a new Board member from a different industry would give a broader perspective. The Chair and the Vice Chair would still hold their positions, and committees would operate as usual.

Mr. Miyasato agreed that deferring the motion would not stop progress but would maintain the status quo and add to dysfunction. He pointed out that the HTA always seemed to find reasons to delay progress and make decisions to keep the organization moving. These public meetings were transparent. For the HTA to return to its roots and become a viable authority, it had to run the business. The Board had been delaying the appointment of a CEO for many reasons. Mr. Miyasato had been saying for the previous year that an organization could not exist without a leader. The Board had deferred the selection of a CEO and was blamed for being dysfunctional. This was an example of the result of deferring. It was important to take steps to build a viable organization.

Mr. Arakawa referred to transparency and asked whether Mr. Miyasato or any other Board member had seen the slate for the standing committees.

Ms. Iona reminded Mr. Arakawa that everyone had been polled. Previously, she had never wanted to serve on the BFCC committee but had requested to do so this time because she wanted to help.

Mr. Arakawa responded that he wanted Ms. Iona to serve on the BFCC committee. Voting on members of standing committees was scheduled to take place during the present meeting, but

it would be better to vote after the twelfth Board member has been appointed. Mr. Arakawa noted that the process to appoint a CEO was moving ahead. He recalled that the governance committee had commented that the HTA was so dysfunctional that no one would want to be the CEO.

Mr. Miyasato asked about the possible results of deferring the agenda items.

Mr. Arakawa referred again to the possible expertise of a new Board member.

Chair Hannemann encouraged the Board members to move on in the discussion and asked Dir. Tokioka, if he wishes to add more comments,

Dir Tokioka informed Board members that the House Tourism Chair had asked him to ensure that there would be input from whoever would be appointed. He suggested that, if necessary, a recess could be called to allow members to call the Chair of the House Tourism Committee.

In deference to the two new Board members, Chair Hannemann clarified that the slates for standing committee membership were always unveiled in the course of the Board meeting. When he had been appointed, he had never known the makeup of the committees. Secondly, he often received calls from legislative leaders who were satisfied with the HTA's progress, especially the Senate Ways and Means Chair who had been a chief critic in the past. Sen Dela Cruz now supported many HTA initiatives and hoped there would be no evidence of a step back.

Chair Hannemann called for a roll call vote on the motion to defer agenda items 8, 9, 10, 11, and 13.

Mr. Gionson conducted the vote, and the votes were cast as follows:

Chair Hannemann - Nay, Vice Chair Paishon - Nay, Member Agas - Aye, Member Arakawa - Aye, Member Iona - Nay, Member McCully - Aye, Member Miyasato - Nay, Member Pfund - Nay, Dir. Tokioka - Aye, Member West - Aye, Member White - Aye.

Mr. Gionson declared the motion had been carried by six votes to five.

Attorney Cole explained that a majority referred to the number of members to which the Board was entitled, not just a majority of the members who were present. This meant that seven votes were required.

Mr. Gionson stated that the motion had not been carried.

Atty. Cole reminded Board members that a majority referred to the number of members to which the Board was entitled.

Dir. Tokioka commented that since the Speaker had not appointed anyone, no one was in that position. He asked what would happen if the Speaker had appointed someone and the person were absent. Mr. Zane had resigned from the Board, so there were only eleven members. It

was necessary to verify the technicalities since there were twelve positions but only eleven members. Mr. Zane was no longer a member, so he was not absent since he was no longer a member.

Mr. McCully asked for clarification on whether the majority had been defined by Article IV Section 3 of Parliamentary Procedure. Atty. Cole confirmed this was the case and stated there was also a statute. The Board Bylaws dealt with quorum voting in Section 6 of Article VII.

Chair Hannemann requested a short recess to clarify this issue.

Atty. Cole explained that seven votes were required, and this meant that the motion to defer had not been carried because Section 201B-2(e), the HTA Board membership statute, stated that seven members would constitute a quorum and a minimum of seven affirmative votes were necessary for all actions by the authority.

Chair Hannemann stated that the motion to defer had been defeated.

Mr. Arakawa asked Atty. Cole whether seven votes were necessary to pass any Board action by the HTA, if the same six votes that voted for deferral were to vote to abstain, then there would not be seven votes to pass items 8, 9, 10, 11, and 13. Atty. Cole agreed that this would be the case.

Chair Hannemann suggested that now that the previous motion was back on the floor for discussion, voting should take place during the present meeting on the composition of the PIG and for the nomination of the Chair and Vice Chair. All other committee decisions would be deferred until the twelfth Board member would be installed.

Mr. McCully asked the Chair to clarify that the PIG he referred to was to search for the CEO, and the Chair confirmed this.

Mr. Arakawa expressed his appreciation for the proposed compromise. While he would personally take the vote for the Chair and Vice Chair, he continued to believe that it was necessary to wait until the new member was installed. He would still vote the same way but appreciated the Chair's attempt to compromise. He agreed that electing the PIG was very important and should proceed.

Ms. Agas commented that Mr. Arakawa had said exactly what she had been about to say. She believed that the person to be nominated by the Speaker would be a great addition to the Board and felt that if the establishment of standing committees was to be deferred, the Board should maintain the existing Chair and Vice Chair until everything could be done at once. Progress could still be made. Ms. Agas agreed that the PIG was important. If she were the last person on the Board, the new person, she would love to collaborate with this team on those big decisions. There would still be a Chair and a Vice Chair, and all the committees would still function. Ms. Agas also hoped that the new person would have some specific talent or expertise contributing to the Board functioning. She agreed that the CEO selection of PIG was

urgent and vital.

Dir. Tokioka agreed with Members Arakawa and Agas since both Chair Hannemann and Vice Chair Paishon would still be in office, even though he appreciated the Chair's willingness to compromise.

Mr. McCully asked whether agenda item 13 was also to be deferred.

Chair Hannemann replied that the only committee to be voted on today was the PIG to set up the Presidency, which he did not plan to defer. Mr. McCully replied that it was important for agenda item 13 to take advantage of the Board's power under Article V to appoint members to fill vacancies in standing committees since there were two new members. He believed that if there were gaps in the committees and members were available to serve, we should elect them to serve as Art V Section 1 required.

Dir. Tokioka responded that because the motion to defer item 13 had been defeated, this item was still on the agenda and would have to be discussed.

Mr. McCully explained that he understood that the Chair had asked for a deferral. Chair Hannemann replied that the PIG would be chosen so that the selection process for the President/CEO could continue, but the selection of standing committees was to be deferred. The Board was to consider moving forward with the vote for the Chair and Vice Chair.

Mr. McCully suggested that the election of Board members to vacancies on standing committees should occur to take advantage of the availability of the new members and fill the committees today.

Mr. Arakawa stated that he understood that the gaps in committees had been filled during the last Board meeting.

Chair Hannemann responded that the Board could proceed until the twelfth member was installed. He suggested that during the next meeting, the staff could identify the gaps in each committee and suggest that members fill them out.

Mr. Miyasato commented that there would always be shortages, and stopping work to wait for vacancies to be filled caused dysfunction. He had experienced this from the airport perspective when refurbishment was deferred because of an expected arrival and continued to be deferred for the following five years. In his opinion, deferral was not good business.

Mr. Arakawa pointed out that no business decision was being deferred. Mr. Miyasato referred to item 10 to create the executive committee, the deferral of which would hold up business.

Mr. Arakawa stated that existing committees oversaw every item listed in item 10 for action by the executive committee.

Mr. Miyasato repeated that the decision to create a new executive committee was to be

deferred to wait for the new Board member.

Mr. Arakawa stated that the purpose of the executive committee was to guide tourism policy, and this had not been suspended:

“Shall be Responsible for the Review, Evaluation, and Recommendation for the Authority’s Workforce, Tourism Education, Training, and Career Counseling Programs.

Mr. Arakawa pointed out that everything listed there was being done.

The Committee Shall also be Responsible for Matters Relating to Legislative and Governmental Affairs.”

Mr. Arakawa stated that a legislative and government affairs committee existed, and it was arguable whether issues had been referred to during the past session, but it had usually been done.

Chair Hannemann asked for other comments.

Mr. West asked for clarification about the agenda items to be considered now that the motion to defer had failed.

Chair Hannemann reviewed the motion on the floor to nominate himself as Board Chair and stated that before taking a vote, he wanted to consider the fact that some members were uncomfortable voting on committee members. Chair Hanneman proposed to go ahead only with the votes on the Chair and Vice Chair and the vote for the CEO selection PIG. All other decisions on standing committees, including the executive standing committee, were to be deferred until the twelfth member was appointed.

Mr. West stated that action would be taken on the whole agenda apart from those motions mentioned, and the Chair confirmed this.

Chair Hannemann called for a vote.

Ms. Agas asked whether the agenda was now in force. Mr. McCully explained that Board members were to vote on agenda item 8 to reinstall the Chair and Vice Chair.

Mr. McCully asked Atty. Cole will state what the result would be if the vote came out six to five, and Atty. Cole confirmed that any action of the Board required seven votes.

Chair Hannemann stated that he now understood that seven was the required number, regardless of the number of members.

Mr. Arakawa repeated that if the same six members who wanted to defer were now to abstain, there would not be seven aye votes. Atty. Cole confirmed this and pointed out that they could just vote no.

Atty. Cole asked for the motion to be clarified.

Chair Hannemann withdrew his amendments and called for a vote on the primary motion.

The primary motion was for Mr. Hannemann to serve as Chair and Ms. Paishon to serve as Vice Chair.

Vice Chair Paishon asked for clarification from Atty. Cole because she had understood that the motion had been made to nominate the Chair and not the Vice Chair.

Mr. Miyasato proposed an amendment to his original motion and nominated Mr. Hannemann as Chair and Ms. Paishon as Vice Chair. The motion was seconded by Ms. Iona.

Ms. Iona addressed fellow Board members on behalf of the Chair and Vice Chair and their achievements for the HTA. Ms. Iona had worked on the Maui fire with Vice Chair Paishon, and she praised Vice Chair Paishon's participation in the conference that was held in Maui and her support for the community. The community and Ms. Iona's family personally appreciated Vice Chair Paishon's sympathy and genuine interest. Ms. Iona had been proud to call the Vice Chair a colleague and hoped all Board members would support her nomination.

Ms. Iona recalled that previously, everybody had wanted the HTA to go away, and no one had wanted to give money to the HTA, although she did not say that a single person was responsible for this change. Ms. Iona commented that she had known Chair Hannemann longer than she'd known many people in business. Ms. Iona had been proud to work for him when he was Council Chair. He had helped many people in the industry to stand. Ms. Iona was proud that, as a hotel manager for more than 30 years, whenever she had needed support on tourism or government issues, she had called on Chair Hannemann's vast knowledge of the industry. Ms. Iona had been proud to serve on the HLTA Board as part of a team that moved forward and was decisive.

Ms. Iona noted that the increase in funding was one of the major results of Chair Hannemann's time on the HTA. The work being done by Mr. Nāho'opi'i and Mr. Ka'anā'anā with half the staff was garnering good reports. Ms. Iona believed that Chair Hannemann had provided so much positive direction. If she were asked to be Chair of this Board, she would refuse because she wished to be able to support and provide backup for Chair Hannemann and Vice Chair Paishon. Ms. Iona stated that from her 40 years in the industry, she would back both of them because she knew where their hearts were, and The HTA had obtained funding, which depended on a person willing to go out and tell the HTA story. She felt that work had been done. Chair Hannemann was a decisive leader with a strong personality who controlled situations and was effective. Ms. Iona believed he was the best and had done an outstanding job of sharing the HTA story with the community. She heard all the time how much change had taken place.

Chair Hannemann called for a vote on the motion, and Mr. Gionson stated that the amended motion now included both Chair and Vice Chair.

Mr. Gionson conducted the roll call vote as follows:

Chair Hannemann - Aye, Vice Chair Paishon - Aye, Member Agas - Abstention because she wanted the new member to be part of the process, Member Arakawa - Nay although he supported the continued leadership of the present Chair and Vice Chair until the new member was installed, Member Iona - Aye, Member McCully - Aye, Member Miyasato - Aye, Member Pfund - Aye, Dir. Tokioka - Nay, repeating Member Arakawa's assertions, Member West - Abstention for the same reason as Member Agas, Member White - Aye.

Mr. Gionson stated there were seven Aye votes, so the original amendment remained.

Chair Hannemann congratulated Vice Chair Paishon.

Mr. Gionson now conducted a roll call vote on the original motion to elect Chair Hannemann and Vice Chair Paishon. The votes were as follows:

Chair Hannemann - Aye, Vice Chair Paishon - Aye, Member Agas - Abstention, Member Arakawa - Nay, Member Iona - Aye, Member McCully - Aye, Member Miyasato - Aye, Member Pfund - Aye, Dir. Tokioka - Nay, Member West - Abstention, Member White - Aye.

Mr. Gionson stated that the motion had been carried.

Chair Hannemann congratulated everyone and called for a recess.

9. Discussion on the Membership of Standing Committees and Permitted Interaction Groups

Chair Hanneman reminded Board members that he intended to defer discussion and action on all committees except one. This was the recommendation for forming a PIG to assist in selecting the President/CEO of the HTA. The Chair intended to discuss the proposal and then go on to item 12, in which Mr. White, the Administrative and Audit Standing Committee Chair, would report his committee's recommendation.

Chair Hannemann pointed out that selecting the President/CEO was a very important decision, and much discussion had already taken place concerning whether the Board should proceed. The Chair remarked that when he had originally taken office, many persons had stated that it was not the right time to appoint a President/CEO since the legislature had expressed many concerns to the HTA. However, this had passed, and during the past legislative session, the Chair relied on a report prepared by Chair White detailing salaries being paid to presidents and CEOs of other organizations around the country.

On the basis of this report, the HTA had taken the bold step of asking the legislature to go forward with the appointment of the President/CEO and also of a Brand Marketing Officer. The legislature had also approved the requested increase in salary for the CEO from \$250,000 to \$300,000 and for the CBO from \$175,000 to \$225,000. Former Board member Ching had recommended deferring the appointment of the CBO until after the appointment of the CEO,

and Chair Hannemann agreed with this suggestion. The highest priority was the selection of the President/CEO, so the Chair proposed that the appointment of the CBO be deferred until after the appointment of the new CEO.

Secondly, Chair Hannemann informed Board members that two current HTA staff members, Mr. Nāho'opi'i and Mr. Ka'anā'anā, intended to apply for the post of CEO. It was important to ensure that they would not be part of the selection process in any shape or form, whether by providing staff support or by being in the room during discussions. It was important to ensure that this would be an impartial process in which all rules were followed.

Chair Hanneman intended to offer a PIG selection slate of six Board members. He recommended that three non-Board members be part of the PIG and participate in the selection process. He would also recommend that a member of staff should be a non-voting member, implying that the PIG would have ten members, including three non-board members and one member of staff who would be non-voting. Chair Hannemann proposed that two HTA staff members would participate in the process, including one HTA staff member who would be available to support staff.

Chair Hannemann proposed the following six members: Mr. White, who would function as the Chair of the committee; Ms. Iona to be the Vice Chair; and Members Paishon, McCully, Miyasato, and Pfund.

The Chair proposed the following three industry/community members: Mr. Dylan Ching, a former member of the Board and part of the industry who would provide a strong business perspective, Mr. Mike Rompel, the owner of the Domino's franchise throughout Hawai'i; and Ms. Angela Vento, the General Manager of Wailea Beach Marriott, to provide a voice from Maui.

Chair Hannemann proposed that the non-voting staff member would be Ms. Caroline Anderson, who had been with the HTA since the beginning. Vice President of Finance Isaac Choy would provide staff support. Mr. Nāho'opi'i and Mr. Ka'anā'anā would not be part of the process.

10. Motion, Discussion and Action to Create an EXECUTIVE STANDING COMMITTEE for the Purpose of Guiding Tourism Policies and the Authority's Strategic Direction. The Committee Shall be Responsible for the Review, Evaluation, and Recommendation for the Authority's Workforce, Tourism Education, Training, and Career Counseling Programs. The Committee Shall also be Responsible for Matters Relating to Legislative and Governmental Affairs

This agenda item was deferred to a subsequent meeting.

11. Motion, Discussion and Action to Change the Purpose of the ADMINISTRATIVE & AUDIT

STANDING COMMITTEE by Deleting the Sentence: “The Committee Shall also be Responsible for Matters Relating to Legislative and Governmental Affairs.”

This agenda item was deferred to a subsequent meeting.

12. Discussion and Action Regarding the Formation of a Permitted Interaction Group to Assist in the Selection Process for the Position of President and CEO of the Hawai‘i Tourism Authority

Chair Hannemann invited Mr. White, the Administrative and Audit Standing Committee Chair, to give his committee’s report.

Mr. White explained that his committee’s recommendations were somewhat different from those of the Chair but were moving in a similar direction. He stated that the HTA needed a CEO to ensure its forward progress. Chair Hannemann had previously mentioned the study on salary ranges. Mr. White believed it was important to convey to the government and the legislature that these positions were significantly well-funded in other organizations. Mr. White had compiled a list of salary ranges available to CEOs of non-profit agencies throughout the State of Hawai‘i. This study showed that many presidents of non-profits were paid higher salaries than the present CEO of the HTA.

Mr. White pointed out that it was important to remember that the HTA brought much economic benefit to the State. He informed Board members that at least 50 or 60 people within the University of Hawai‘i system were paid more than the President of the HTA. Across the nation, the CEOs of the ten or so organizations with budgets in the range of the HTA budget received an average salary of \$440,000. The highest was Nashville, where the CEO was paid over \$1 million. Mr. White conceded that, in reality, the legislature would not authorize this type of salary, and he gave Chair Hannemann credit for securing the additional funds for this position. The HTA had reached out to several people about the brand marketing position, but the salary had been inadequate to attract any of them. Mr. White was convinced that the increase in salary would assist in recruitment. He agreed with the Chair that the Chief Brand Officer should only be appointed after the appointment of the CEO.

Mr. White reminded Board members that at the last meeting, it had become clear that a PIG was the right format to conduct the work expeditiously because it could be done without notice. It allowed the level of confidentiality regarding the applicants to be maintained. Many people did not want their employers to know they were applying unless they reached the short list. Up to that time, the process had to be kept as clean and quiet as possible. Mr. White also noted that his committee was close to securing a search firm.

Mr. White proposed a motion to authorize a PIG to move forward with managing the selection process for a new President/CEO. He added that the selection of the members of the PIG would

be discussed after the vote. The motion was seconded by Mr. Pfund.

There was no discussion, and the Chair called for a roll call vote on the motion to authorize forming a Permitted Interaction Group.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

Mr. White went on to explain the selection of the committee members. He stated that during their previous meeting, the Administrative and Audit Committee members had discussed the possibility of selecting members of the PIG by a simple written ballot in two or three rounds. Mr. White stated that the members of the selection committee would decide on the number and categories of non-Board members, establish the hiring schedule, establish a vetting criterion for the search team, establish the number of finalists to be provided, and determine the number of persons to be recommended to the Board, either two or three, depending on the quality of the candidates.

The members of the Administrative and Audit Committee had considered that non-Board members might comprise a designee of the tourism chairs, a designee by the Governor from his cabinet, the head of the TIM School, the head of the UHERO and, as the Chair had mentioned, a staff member from the HTA. These non-Board PIG members did not need to be voted on since the members of the PIG would make the final decision.

Atty. Cole clarified that the result of the balloting process would be a slate of six Board members, after which the slate would be announced publicly, and the Board would make a motion.

Mr. White noted that this was a different method of creating the slate and clarified that balloting would not be a secret ballot. He also stated that he understood that Mr. West and Miyasato did not wish to be included in the PIG. However, Chair Hannemann explained that it was fair game under Mr. White's proposal.

Mr. White asked Board members to declare their stand if they did not wish to be part of the PIG. Mr. Arakawa reminded Board members that everyone was in play, but Mr. White wanted to know whether any member did not wish to be included.

Chair Hannemann explained that voting for the six PIG members was to take place immediately and when the results were revealed, the Board would decide whether to accept the results of the ballot or the Chair's original slate.

Dir. Tokioka informed Board members that because some members had asked him and Chair Hannemann not to serve on the PIG during the previous meeting, he had excluded himself and was still exempted.

Chair Hannemann stated that he would also remove himself from the slate, even though legislators had asked him to take part, but he would exclude himself to provide one more

opportunity for other members to serve. He had planned to waive his seat to Mr. Miyasato because an airline perspective was needed. He reminded members they would now vote for nine people to fill six slots.

Mr. White clarified that this voting required only a majority and need not comply with the statute or the bylaws.

Mr. Kishi announced that only four top spots had been definitively elected. The remaining two spots were tied, so there would be a second round of voting.

He announced the top four names: Members McCully, White, Iona, and Paishon. These four names would be crossed off, and there would be balloting for the remaining two places on the PIG.

Mr. Kishi announced that the entire slate consisted of Members Agas, Arakawa, Iona, McCully, Paishon, and White.

Chair Hannemann thanked the election committee.

Mr. White stated that the other issue was that when the non-board members were decided upon, someone might be very adept at this type of process. At this point, the PIG had no chair, but the members would decide on a chair.

Mr. White proposed a motion that the members for the selection committee should be as follows: Members Agas, Arakawa, Iona, McCully, Paishon, and White. The motion was seconded by Mr. Arakawa.

Atty. Cole pointed out that it was necessary to ensure that the authority for this action was specified. It was also necessary to determine whether the voting status of non-Board members would be decided by the Board or by the PIG members. Mr. White responded that the PIG members would decide on voting status, but the intention was for them to be voting members.

Chair Hannemann proposed a motion to validate the voting that just took place for these six members.

Mr. White explained that his motion was to form a PIG with these six members, but Chair Hannemann responded that it was still necessary to return to his proposal on which he had deferred action until hearing Mr. White's proposal.

Mr. White replied that he did not mind which proposal was heard first.

Chair Hannemann stated that he wanted a unanimous vote and would suggest a show of hands to determine which slate would be used, followed by a motion.

Atty. Col asked for clarification of whether the Chair's suggestions for non-Board members would be part of the slate. Chair Hanneman replied that the PIG members would make that

decision.

The show of hands for Chair Hanneman's proposal was five hands.

The show of hands for the member ballot proposal was six hands.

Chair Hannemann called for a roll call vote on Mr. White's balloted slate.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

Chair Hannemann commented that the PIG committee members were now established.

13. Action to Elect Board Members to Standing Committees and Permitted Interaction Group

This agenda item was deferred to a subsequent meeting.

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

Chair Hannemann called for the Director of Tourism Research at DBEDT, Ms. Jennifer Chun, to present this report.

Ms. Chun reminded Board members that they had been supplied with a detailed report, which she would present highlights of. She noted that visitor statistics for June were not yet available and would be published during the following week.

According to the TSA, more people had passed through the airports during June, with an increase towards the end of the month. Hotel reports for the State had been published earlier in the week and showed slight drops in occupancy and average daily rate (ADR) compared with the previous year. Vacation rental occupancy was also reduced, but the ADR was slightly higher. However, the number of hotel visitors exceeded that of vacation rentals.

Ms. Chun stated that Transient Accommodations Tax (TAT) collections for the State during June had amounted to \$58.1 million. This had been one of the lowest monthly collections for some time.

The total TAT collection for FY24 had amounted to \$827.3 million which was a reduction of 4.4% in FY23.

Ms. Chun informed Board members that more nonstop air seats were scheduled for July, while August was to have slightly fewer seats, and more seats were to be scheduled for September.

Ms. Chun shared information from *Portrait of American Traveler Hawai'i Edition*, which had been published on the HTA website showing that the younger generation still had high interest in visiting Hawai'i. The higher income bracket (target) travelers had a greater interest in visiting

Hawai'i. In a survey, 33% of those interviewed said they had considered visiting Hawai'i but changed their mind, with the most influential factors being the cost of airfare, vacation package, and hotel price.

Concerning whether the Maui wildfire emergency still existed, 66% of those planning to visit Hawai'i said they were aware of the fire. However, 57% said the fire did not impact the likelihood of their visiting Hawai'i. 26% of surveyed said they would not visit Hawai'i over the next two years because of the fires. 8% said they intended to visit but had decided not to. This showed that the Maui fires were still an issue.

Ms. Chun stated that traveler profiles were published on a regular basis, monthly in the US, quarterly in Canada, and annually in Japan, Australia, and Korea. Each report analyzed trends for the different segmentations that each global marketing team (GMT) had selected for the survey, examining the importance of travel factors in each market, such as accessibility, value for money, and cultural attractions. Various factors had distinct levels of importance for each market.

Considering the outlook for the next six months, Ms. Chun stated that the market was expected to continue to lag behind, although it was likely to improve during the fall. Despite this, figures were expected to lag behind pre-pandemic figures. The report gave details of the booking pace for air tickets for each market. Ms. Chun noted that the pace for Oahu was a little closer to pre-pandemic levels than that of other islands.

Chair Hannemann thanked Ms. Chun for her report and appreciated its bright spots, particularly that Hawai'i Island, Kaua'i, and Oahu were doing well. Maui was a drag on the rest of the State and efforts had to be made to inform visitors that Maui was open.

15. Report and Update by the HO'OKAHUA HAWAI'I STANDING COMMITTEE of their Meeting Held on July 24, 2024

- a. Presentation, Discussion and/or Action on the Destination Management Action Plan Evaluation Report Findings by Pacific Research and Evaluation (PRE)**
- b. Presentation of DBEDT's Spring 2024 Resident Sentiment Survey by Chris Kam of Omnitrak Group**

This agenda item was to be deferred to a subsequent meeting.

16. Report and Update by the BUDGET, FINANCE, AND CONVENTION CONVENTION CENTER STANDING COMMITTEE of their Meeting Held on July 16, 2024

- a. Motion, Presentation, Discussion, and Action on HTA's Financial Reports for April and May 2024**

Chair Hannemann asked the Chair of the Budget, Finance, and Convention Convention Center Standing Committee, Mr. Arakawa, to present this item.

Mr. Arakawa asked the Board's permission to submit reports for approval for three separate months. He stated that the BFCC committee had thoroughly reviewed all the reports and attachments.

Mr. Arakawa proposed a motion to approve the financial reports for April and May 2024. He informed Board members that these reports had been fully discussed during the BFCC meetings. Mr. Arakawa asked Vice President in Charge of Finance Isaac Choy to comment.

Mr. Choy stated that the BFCC Committee had recommended approval by the full Board. Mr. Arakawa asked Mr. Kishi to explain how these financial reports related to the budget. Mr. Kishi explained that finances were either on budget or the budget had been adjusted to comply with the law and contracts. Board members were supplied with detailed figures in their information packets, and the financial reports were voted on during the May and June BFCC Committee meetings.

There were no questions.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

b. Motion, Presentation, Discussion, and Action on Fiscal Year 2024 Budget Allocations

Mr. Arakawa proposed a motion to approve the 2024 Financial Year (FY24) allocations.

Mr. Choy added that the large paper with which Board members had been supplied was important because it contained information that Sen. Dela Cruz would request. Sen. Dela Cruz would ask about the differences between the actual and budgeted amounts, which were shown on the schedule. This would not be permitted during the 2025 Financial Year (FY25). This report was to be submitted to the legislature every month and was provided beforehand.

There were no questions from Board members or the online audience.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

c. Motion, Presentation, Discussion, and Action on the Hawai'i Convention Convention center's April, May, and June Financial Report and Update on the Hawai'i Convention Convention center's 6-Year Repair and Maintenance Plan

Mr. Arakawa proposed a motion to approve the HCC financial report and update on the repair and maintenance plan for April, May, and June 2024.

He pointed out that this presentation had been discussed and approved during the May, June, and July BFCC Committee meetings.

The General Manager of the HCC, Ms. Teri Orton, stated that her presentation would consist of brief highlights of the financial situation of the Convention Center, along with a summary of capital improvement projects since these would be voted on.

Ms. Orton informed Board members that the Convention Center had ended FY24 with seven events in June, including one Citywide event and six local events. Highlights had been the meeting of the American Society of Plant Biologists with 1,400 participants and the Festival of Pacific Arts and Culture, FestPAC, which, while not classified as a citywide event, gave the impression of one with its weeklong activities. Ms. Orton stated that seeing plans come to life in the exhibit halls had been rewarding. She thanked Mr. Ka'anā'anā and his team for their hard work.

During FY24 the Convention Center had a gross revenue of \$28.9 million, \$10.4 million higher than budgeted, with a net income of \$3.4 million, which was \$8.7 million better than budgeted. \$1.5 million of revenue had come from interest earned on government treasury obligations that yielded higher returns than budgeted.

FY24 had been the third year in its history that the Convention Center had posted a positive bottom line, saving the State \$8.9 million in subsidy for FY24. Ms. Orton thanked her team for their collective efforts. The just-ended FY24 had been very busy, and FY25 was expected to be equally busy.

The 21 Citywide events that the Hawai'i Visitor and Convention Bureau (HVCB) had brought to the Convention Center had generated \$390.9 million in economic impact and \$45.7 million in tax for the State of Hawai'i.

Ms. Orton reminded Board members of the importance of Citywide business to the Convention Center's financial success. She stated that the right market mix of association and corporate business was vital. During FY24, the Convention Center hosted the following four corporate events:

- Best Western which generated \$1.5 million over the course of a weeklong event

- Applied Materials, generating \$1.3 million.

- Global Life, almost \$400,000,

- Capricorn, \$200,000.

The Convention Center team had realized that the recipe for success was to diversify. Citywide events drove tax and stimulated the economy, but it was essential not to forget local business because Citywide events could not fill every calendar day. The work of the local sales team was vital since they filled in the gaps with local events, ranging from sports to festivals and concerts. The team intended for the Convention Center to be used for more than just meetings,

conventions, and incentives. During FY24, HVCB provided a good mix of local business. Ms. Orton thanked the team for their support and congratulated them on achieving this result despite all the leaks in the building. They had often held discussions with meeting planners about rooms that would not be available. It was not easy to take six to ten rooms out of inventory during an event. Ms. Orton was grateful for the support of legislators and the HTA to obtain \$4 million to repair the roof.

Mr. Arakawa asked whether the mix of events was being emulated by other convention centers and she replied that her boss was planning to highlight HCC at the upcoming global conference. Ms. Orton was to speak at the conference about their success and the range of events hosted.

Ms. Orton informed Board members that the Convention Center was expanding into provision of indoor sports and had bought equipment to begin offering immersive experiences. The plan was to roll out an immersive winter holiday experience on Black Friday, which would run through the new year. The Convention Center had recently bought 45 pickleball courts.

The HCC team used different business models to generate revenue for the Convention Center and the State. The Convention Center was a role model for ASM Global and would be highlighted during the upcoming annual global conference in August.

The return on investment (ROI) for the Convention Center was \$14.64 for the State. At one time, the ROI had reached the \$23-\$25 range, but that was when many more corporate events took place. However, the Convention Center made a positive return for every dollar invested by the State in terms of the economic impact of Citywide events.

Ms. Orton reviewed several recent and forthcoming events. During August, the Convention Center was to host the Na Hoku Hanohano Awards and the Pokémon World Championship, a very large offshore event with an expected attendance of more than 50,000. The Convention Center was also to host, for the second year running, the Made in Hawai'i Festival with 60,000 attendees. The report provided a list of local and Citywide events scheduled for the next three months.

Ms. Orton informed Board members that the HCC had recently been awarded Hawai'i Green Business Award for sustainability initiatives. She also noted that the Convention Center's carbon offset program had planted 371 legacy trees to date and has accounted for the offset of 359.31 metric tonnes of CO₂.

Ms. Orton presented highlights of the repair and maintenance program, noting that the exterior of the building was being repainted with a green trim. The detailed report contained photographs of the changes and lists of other projects being executed. The report also contained details of the 6-year capital improvement plan with completion dates and cash flow details. In addition, the report contained a list of all the projects completed since 2020.

Ms. Orton reminded Board members that the Convention Center would be partially closed in

2026 to conduct the rooftop repair project. With the assistance of HVCB, the team has been contacting clients scheduled for 2026 to make alternative arrangements. Half of these clients had opted to reschedule their events in future years, and the remainder had decided to remain in the State and use headquarters hotels to continue their programs in 2026.

The building would still be open at weekends, mostly for local events such as festivals, concerts, and sporting events, which would not necessitate a pause in construction. It was important that the construction project should not be elongated and should be completed during 2026.

VP Choy was spearheading the design and development phase for the rooftop project, and it was on time and budget.

There were no questions from Board members.

For the benefit of new Board members, Mr. Choy explained that the HTA and HCC accounts were audited annually, and the figures could be relied upon.

House Tourism Chair Sean Quinlan was part of the online audience of the Board session but had no questions.

Ms. Diane had an online question, but she could not communicate. Mr. Arakawa reminded her she could submit her question during the subsequent meeting.

Mr. Gionson conducted the roll call vote, and the motion was carried unanimously.

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

Mr. Arakawa said the item had been recommended and approved by the Branding Standing Committee and BFCC in multiple meetings. There will be three motions connected with the agenda item.

Mr. Arakawa made motion one:

The HTA Board of directors to approve the FY2025 budget in the amount of \$63 million as presented and detailed in the company budget documents in packet item 16d. Mr. Arakawa made a motion, and Ms. Agas seconded. There is a 10% restriction. Mr. Choy said the state government budget and finance department restricts every general funded department by 10%. 5% permanent and 5% temporary. It is for all general funded departments. Mr. Miyasato said previously that they were not subject to general fund as they had special funding through the TAT, but that would be for another conversation. Ms. Paishon asked what the budget for 2024 was. Mr. Arakawa said the difference between this year and 2024 was that the legislature did not give them a budget, so they asked the governor. They asked for \$64 million, but they

received \$60 million. Mr. Ka'anā'anā would elaborate more after the meeting. Mr. Gionson did the roll call, and the motion passed unanimously.

Chair Hannemann mentioned the second motion. He made a motion that the HTA Board of Directors approve the U.S. fall market saturation in the amount of \$1,666,667 from FY25 and BLI 321 as presented and detailed in the accompanying budget documents in Meeting Packet item 16d. Mr. Arakawa seconded the motion. Chair Hannemann said the campaign has been with them since April 2024. They have been discussing this for months, and two committees have vetted it. The mayor of Maui and Gov. Green have an aligned interest in this and are prepared to join the group. Part and parcel of this is an opportunity to participate and be present at a game between the L.A. Rams and the San Francisco 49ers, their first home game at the L.A. stadium. The L.A. Rams came to the island, and it was HTA funded, so there is a growing love from the Rams for the island. They have also raised \$450,000 for Maui. He acknowledged some people on the call and asked them to give comments, two individuals who have been strong advocates for the industry. He called on Keith, a long-time visitor industry executive. He asked Mr. Keith Vieira to share a few thoughts.

Mr. Vieira mentioned that the booking pace on Maui was a real challenge. Some of the larger companies are the frequent travel programs from Marriott, Hilton, etc. They are asking to move forward with \$1.5 million. Post-fires, Red Cross, etc., stayed in hotels during the disaster; about 250,000 room nights were generated for the hotels at not-bad rates. They are all almost gone by now. Besides having the challenge of no booking pace for next year, they will have to fill 250,000 - 300,000 room nights on Maui that were filled previously by that type of business. If that is not met, it will result in a \$40 million loss in taxes to the State, just the hotel portion. With everything else, it comes to about a \$67 million hit. The \$1.5 million they are trying to get to address that is a good start, but it needs to be higher. It should also be San Francisco because the Bay Area is number two, following L.A. Something extra has to be done in the current year to compensate for the loss. Part of the reason for getting the marketing span is because they were continually hearing from guests that they had a great time when they visited, but they were still afraid of whether it was appropriate to celebrate in Maui. There are still concerns that celebrating will be disrespectful.

Chair Hannemann said those were compelling figures and thanked him for the presentation. Mr. Vieira said they need to align, and then they can go to the companies and get their resources to join.

Chair Hannemann introduced Ms. Angela Vento, a former chair at the Maui Hotel and Lodging Association. They have raised the most money for charity walks in Maui.

Ms. Vento said she started her career in 1989. In 2004, she had her first general manager job and has always worked collaboratively with Mr. Vieira. From the Maui Hotel & Lodging Association's perspective, they have been meeting with the mayor since October 2023. They spoke about being supportive and helping families recover. They have been in contact with the mayor for the campaign. 96% of their business in Maui comes from the West Coast. She reiterated what Mr. Vieira said about customers being unsure whether they are welcome in Maui. She believes that saturation will help amplify the message that everyone is welcome. They want to ensure a good holiday season. They are concerned about employees and want to keep them employed and working. Occupancy during the summer is about 20% down compared to what they have traditionally been. Hotels in Maui are running on 60%. The message amplified by private partnership overlain on top is the only way they can recover. This initiative was done in 2009 to help recover from the financial crisis, and it was one of the most successful campaigns. They need a unified message. They need a statewide message to help bring back customers who have gone to Mexico and Latin America. All her colleagues were supportive and asked the HTA to help them. They are about 25% behind the pace for all the hotels in Maui. Group numbers are lagging. She said her company is the largest hotel company. Their CEO moved his meeting from Japan to Maui. They worked in Lahaina, and they went to the high school. They are bringing their board meetings to the island in February. Having programs on the island is something needed. Their company and other brands are supporting the initiative and making this a successful market so they can do the same in other cities soon.

Chair Hannemann thanked Ms. Vento for their ongoing commitment to the State.

Mr. White supported this but said that \$1.5 million is a lot to come from the State, and often, the public feels that is all the money being spent, but that is not the case. Everyone needs to understand that if the HTA puts money into this program and brings other players to the table, such as the airlines and hotels, it will help pace with funding. The value of this is that when additional dollars are added to the pot, it can be a very successful promotion. He would like to show how everyone is doing their part and take it to the Board and the larger community. Chair Hannemann thanked Ms. Vento and Mr. Vieira.

Mr. Gionson did the roll call and the motion passed unanimously.

Mr. Miyasato made motion number three:

He moved that the HTA Board of Directors approve the following programmatic request for FY25, \$5,556 for the Korea RFP transition from budget line item 324 and \$594,444 for the Japan incremental budget line item 323. The total amount of \$600,000 is presented and detailed in the accompanying budget documents and Meeting Packet item 16d. Mr. Arakawa seconded the motion. Mr. Gionson made the roll call, and the motion passed unanimously.

e. Motion, Discussion, and Action Regarding the Fiscal Year 2025 Hawai'i Convention Convention center (HCC) Operating and Sales and Marketing Budgets

Mr. Choy recommended an amendment to the motion. It is only for the operating budget. Mr. Arakawa made a motion to approve the FY25 HCC operating budget, which was discussed at the prior committee meeting and recommended for approval by the BFCC. There were no questions. Mr. Gionson made the roll call, and the motion was approved unanimously. He noted that Ms. Agas had to leave in five minutes.

17. Report and Update by the BRANDING STANDING COMMITTEE of their Meeting Held on July 23, 2024

a. Presentation and/or Discussion on Global Support Services for Brand Management and Marketing

Mr. Miyasato said that refocusing their efforts as part of the committee to make decisions to bring to the full Board is coming together.

Ms. Kaho'ohanohano said in the Meeting Packet for agenda 17, there is a minor adjustment in the second slide. The updated Packet is on the website. She introduced Mr. Eslinger and Ms. Imai.

Ms. Imai spoke about Global Support Services. She mentioned exciting additions to the team. All the marketing services are applicable to all of HTA's GMTs. Mr. Eslinger said that without the wealth of data, they could not synthesize it as needed. He thanked everyone for their hard work. Key areas for the GSS are tracking visitor trends, profiling segmentation, the MMGY, etc. and many other companies they work with. They take all the information and use it whether in presentations, for the GMTs, or for the partners, really focusing on the data and using it appropriately. They are taking requests and questions and reporting them out effectively. Once DBEDT publishes the annual report for the year-end of Calendar Year 2023 they will take the information and put it in PDFs or handouts, front and back, for the Japan traveler, the Oceania traveler, etc.

The second half of their focus is on air route development. They are in a phase of air service stabilization. They are seeing reductions in frequencies using L.A as an example. They are also seeing reductions in the secondary non-stop to neighbor islands. The West is important to Maui and the neighbor islands. They do air service grids, air service changes, a week-over-week analysis of what has been added or pulled etc. They also see how many people visit each airport by country of origin daily. The HTA and HTUSA GMTs are having conversations with the various

airlines for in-depth conversations. He will see ANA again in a few weeks. As part of the contract, they proposed working with an air service development team working with the HTA before the pandemic. The HTA engaged Brad Defiore to help articulate a strategy and a broad framework to provide direction on opportunities to move forward. Number one is the Maui recovery, which is down 20% non-stop seats. Second is long-haul markets focused on international markets, whether it's Taiwan, China, etc., and being able to broaden with the new aircraft technology out there. The third area is the Alaskan potential merger so that they are on top of what they need to be aware of.

Ms. Imai spoke about Knowledge Bank, the digital asset management system that they manage on behalf of the HTA. Suzie from the staff manages this. The HTA has two brand documents, one of which is the Hawaiian Island Brand Guidelines. There is the Ma'ema'e toolkit, and they are always looking for new ways to make it more efficient and usable so users can find out what they want. She spoke about social media support services for all the GMTs. This includes the tools the HTA provides all the contractors that they share. Sprout is the enterprise platform that all HTA contractors use to schedule and launch their social assets. Tint is a user-generated management tool used to get permission to use other people's content to host on the HTA social platforms. The GoHawaii.com site is managed, hosted, and managed by Miles Partnership, which has a partnership with them. They train everyone to make updates on their own. There is also a system where you can go in and request assistance if you have larger requests for the website. Mr. Miyasato said they should end up with one site.

18. Report of the Governance Study Permitted Interaction Group

Chair Hannemann deferred this item.

19. Adjournment

The meeting adjourned at 3:10 p.m.

Respectfully submitted,



Sheillane Reyes
Recorder