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**HO'OKAHUA HAWAI'I STANDING COMMITTEE MEETING
HAWAI'I TOURISM AUTHORITY
Wednesday, June 26, 2024, at 10:00 a.m.
VIRTUAL MEETING**

MINUTES OF HO'OKAHUA HAWAI'I STANDING COMMITTEE MEETING

MEMBERS PRESENT:	Mahina Paishon (Chair), Dylan Ching (Vice Chair), Kimberly Agas, Mufi Hannemann, Sherry Menor-McNamara
MEMBER NOT PRESENT:	Sig Zane
NON-VOTING MEMBER:	David Arakawa
HTA STAFF PRESENT:	Kalani Ka'anā'anā, Talon Kishi, Caroline Anderson, Maka Casson-Fisher, Carole Hagihara
GUEST:	Dede Howa, Tyler Gomes
LEGAL COUNSEL:	John Cole

1. Call to Order and Opening Protocol

Chair Paishon called the meeting to order at 10:02 a.m. Mr. Casson-Fisher opened the meeting with the E Hō Mai chant.

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. Casson-Fisher did the roll call. All were confirmed in attendance, and that they were alone. Mr. Zane was excused. Chair Paishon recognized Mr. Ching, Ms. Menor-McNamara, and Mr. Zane as their term for the HTA board expired at the end of June 2024. She expressed her gratitude to them all for serving on the committee.

3. Approval of Minutes of the May 20, 202 Ho'okahua Hawai'i Standing Committee Meeting

Ms. Menor-McNamara made a motion to approve the minutes. Mr. Ching seconded, and the motion was approved unanimously.

4. Presentation, Discussion and/or Action on Destination Stewardship Strategies for Fiscal Year 2025, Fiscal Year 2026-2027

At the previous meeting, approval was recommended of the Destination Stewardship Strategies to the full Board for their approval. The previous discussion was shortened, and they wanted to provide a second opportunity for the community to provide any further feedback to the team regarding the strategies.

Mr. Casson-Fisher presented the strategies from the Destination Stewardship branch. Strategies included:

Fostering collaboration between communities.

Implementing community-based tourism initiatives.

Developing educational programs aimed at increasing awareness among visitors about the destination's natural and cultural heritage.

Providing training and resources for tourism industry professionals

Promoting regenerative tourism practices

Using technology such as online booking systems and real-time data monitoring to better manage visitor flows.

Developing comprehensive crisis management plans to address emergencies.

Continuing to support programs that assist visitors in crisis.

Providing training and support for tourism businesses and community organizations

Continuing to implement programs that preserve and promote Hawai'i multi-ethnic cultural heritage through the HTA's Visitor Experience products.

Encouraging businesses to adopt environmentally friendly practices,

Implementing visitor management strategies

Forging partnerships with other destinations, organizations, and academic institutions to ensure best practices.

Collaboration with international organizations and initiatives focused on sustainable tourism.

Establishing monitoring and evaluation mechanisms to track the progress of destination stewardship initiatives.

Collecting data on key indicators, such as visitor satisfaction, environmental quality, and community well-being, to inform decision-making and future planning efforts.

Chair Paishon asked Ms. Anderson whether she thought those were the best strategies to get the HTA to meet the milestones and targets already laid out in the DMAP and Strategic Plan. Ms. Anderson said that they are the best. She is working with the staff to develop KPIs and measures in alignment with the Strategic Plan and targets.

Chair Paishon asked if they are attentive to new insights or what contractors have been informing them on how current strategies are being delivered. Is the HTA being nimble enough and taking in real-time feedback and input to ensure the strategies are relevant and cognizant of what is working and in place? Ms. Anderson deferred to Mr. Ka'anā'anā as his team produced the strategy. Ms. Howa answered that Mr. Ka'anā'anā was not available at the time. She said they have considered community feedback in developing the strategy, particularly the first two. The first is fostering collaboration between local communities, government agencies, and tourism stakeholders to ensure the residents' voices are heard and respected. The second strategy is community-based tourism initiatives, allowing residents to participate in and benefit from tourism activities.

Ms. Paishon asked if the HTA has the monetary and non-monetary resources to implement the strategies. Mr. Ka'anā'anā said no. These were what they felt were most aligned with the current Strategic Plan based on what they had learned from the DMAP interactions. Some of the resourcing in FY2025 was relatively thin, but they are looking forward to it as a bridge year for 2026 and 2027. One of the other challenges is that they will have only one administrator to nine managers. The structure, policy, and procedures of working this way will be challenging, and they need to work on it. Chair Paishon asked about negotiations on what is possible given the resources available. She asked if some strategies or tactics came off the list because of resource limitations.

Ms. Howa said that for the strategies, they have incorporated everything they feel addresses Destination Stewardship, but regarding the budget question, they are trying to figure out what programs and products they can implement to address the strategies. That is where some things will come off the list. She had nothing firm to share but asked if Mr. Ka'anā'anā wanted to elaborate on ideas. Mr. Ka'anā'anā said what they intended to do was present their staff recommendations for the strategies and pair them with the budget conversation. That will help them make final decisions that have not been made yet.

Mr. Arakawa asked if they tried to get these programs in the budget or were thought of after the budget approval. He questioned why the programs were taken out when the community requested these programs. Mr. Ka'anā'anā said they went through the exercise to produce the strategies with the exemption of submitting Form A for FY2026 and FY2027. These are more forward-looking. FY2025 is a bridge year for them, and they will have to adjust. The strategies were developed with the intention and timing so the HTA had time to vet them for the upcoming biennium.

Mr. Arakawa asked Mr. Kishi when they have to submit Form A to DBEDT. Mr. Kishi said the form was due September 15, the previous year, and the deadline for DBEDT submission to B&F is around September 26. Mr. Kishi asked staff to provide comments by July 15, which will help him formulate the first draft of Form A that they will present to the committee and Board in the July meetings. Mr. Arakawa said they are ahead of the curve. He asked Mr. Kishi to prepare a timeline for all the committees and Board members so they can stay updated.

Chair Paishon said no vote was required for the agenda item. Mr. Hannemann said it is good to know they will do everything to ensure that Destination Management Stewardship is part of the HTA's responsibilities. It is good that they have a plan, strategy, and funding, and they will be able to show their staffing needs and start developing a good track record for implementing a very important objective in what they do. Chair Paishon agreed with Mr. Hannemann.

Mr. Arakawa said he believes some of this is taking over planning duties for the Office of Planning and Sustainable Development (OPSD). Perhaps the staff and Mr. Kishi could research with OPSD how many staff they have and their budget to help the HTA implement this. Ms. Anderson said they were updated on the Tourism Functional Plan in the past legislative sessions. She has been working with OPSD to get the ball rolling and has been discussing resources with them. She is putting together what is needed to carry out the plan update. Mr. Arakawa said maybe that is a policy call from the Board to work with DBEDT and OPSD to help the HTA with resources.

Chair Paishon asked for direction on which committee should consider this suggestion and said they could move forward with it in future conversations. She spoke about KPIs and asked who develops the KPIs. Ms. Anderson said she works with the staff to produce the KPIs, looking at program objectives, goals, outputs, outcomes, etc. She said they have developed the KPIs, or the measures, and it is now about fine-tuning them. She could share the update in a future meeting if requested. Chair Paishon said the Board also adopted the AAEF declaration and process. In that process, they look for opportunities in every phase where communities can lend their expertise and support. She suggested applying some of those processes to the extent of building upon the work they have been working on. She asked how the members felt about

including community members in the process. Mr. Ching said getting the community involved is a positive impact.

Chair Paishon asked if the team could look at the ideal for extra staff and resources needed for the team to implement everything.

Mr. Ka'anā'anā congratulated Mr. Casson-Fisher and Ms. Dede Howa as this is a big project they have been working on. He thanked them for their work.

5. Presentation, Discussion and/or Action on Fiscal Year 2025 Budget

Mr. Kishi presented the HTA FY2025 Operating Budget. He spoke about the highlights. The legislature awarded them \$63 million for FY2025, but that amount has to be adjusted before they can confirm the amount available for new contracts. Those adjustments are \$33.6 million in multi-year contracts executed in prior fiscal years, including FY2024. There is a B&F 10% budget restriction of \$6.3 million. DMAP is \$3.5 million. Salaries for all the program IDs are at \$3.1 million. Administrative and Government Expenditures are \$1 million to support all the program IDs. This includes travel, meeting costs, office supplies, utilities, etc. After those adjustments, they have \$15.4 million available for new programs and contracts.

He explained the B&F 10% Budget Restriction:

5% hard restriction – B&F will reduce HTA's budget by \$3,150,000.

5% contingency restriction – B&F will reduce HTA's budget by another \$3,150,000 but may allot the funds in fiscal year 2025 Q4.

Historically, B&F has not returned the 5% contingency restriction to departments and agencies since fiscal year 2019.

Programs should develop "trigger plans" in the event B&F returns the funds to HTA; they could use the money for a side project.

B&F will allot HTA up to \$56.7 million at the start of the fiscal year. At the previous BFCC meeting, they discussed how the 10% restriction should be applied to the budget.

Each budget line item in the budget will be reduced by 10%.

Mr. Ching asked why the B&F did this. Mr. Kishi said the B&F wants to ensure projects do not go over budget or if they need money for an emergency. There are only restrictions for generally funded appropriations.

Mr. Arakawa asked if B&F sent out a memorandum about the 10% restriction. Mr. Kishi was unaware of a memorandum, but for the FY2024, they usually publish something called Budget Execution Instructions, which informs all the departments and agencies. In those instructions, they explained the 10% restrictions but did not reference the Maui wildfires. Mr. Arakawa asked to ensure all the Board members and chairs get this information.

Mr. Kishi showed the pie chart of the gross \$64 million budget without the restrictions:

BED113 Administrative & Governance (AG) has \$3.7 million

BED114 Branding and Marketing (BM) has \$39.2 million

BED115 Sports and Signature Events (SS) has \$7.3 million

BED116 Dest. Stewardship and Community (DC) has \$7.9 million

BED117 Regenerative Tourism Development (RD) has \$3.8 million

BED118 Workforce Development (WD) has \$1.1 million

Chair Paishon asked if there was a pie chart for 2024, but Mr. Kishi said he could make one for the July Board meeting.

Mr. Kishi spoke about the slide showing the budget per program.

Chair Paishon asked about multi-year contracts RFPs.

Mr. Kishi spoke about BED116 - Destination Stewardship and Community program. He estimated that they have already used \$1.1 million. He gave a few other examples.

Mr. Arakawa asked Mr. Kishi to explain the significance of program IDs and their flexibility to the committee. Mr. Kishi said the current year's budget is different because instead of having one program ID with all the money allocated this year, the legislature gave them six program IDs, namely:

BED113 Administrative & Governance

BED114 Branding

BED115 Sports and Signature Events

BED116 Destination Stewardship and Community

BED117 Regenerative Tourism Development

BED118 Workforce Development

The program IDs are essentially buckets for the program or mission. The HTA cannot allocate money between the buckets. Within program IDs, the legislature itemized the budgets. Mr. Arakawa said they asked the AG how flexible they could be with moving money, which may not be consistent with the program IDs and the worksheets. Mr. Kishi showed the budget worksheet published by the legislature and said he used it to prepare the budget statement for the slide deck. The legislature outlined the budget for every program or project.

Mr. Arakawa said that for the following year, they would recommend having the BFCC chair, vice-chair, Mr. Choy, and Mr. Kishi, involved with the Branding staff and conference committee so they can stay updated.

Mr. Hannemann appreciated Mr. Arakawa's comments. He gave some context. He spoke about what led to this situation. He said that for two years, the budget for the HTA was zero for two legislative sessions. The legislators had to be convinced they could trust the HTA with a recurring budget. Every year, they will start at \$63 million as the base. He said to keep in mind that lawmakers prefer who they talk to. They cannot take people to meetings if the legislature is not comfortable talking to those individuals. He said they needed to be sensitive to this. He said this needs to be factored in as they try to incorporate more people into the discussion. They are only allowed two Board members present at any meeting. He said it is significant that they now have a recurring budget, and they would want more in the future and want the restrictions taken away, but they must work with what they have for now.

Chair Paishon built on what Mr. Hannemann said about where the HTA is financially in her discussions with different legislatures. The HTA expected that they would utilize the financial resources designated back to the HTA in the DMAP area, which is one of the priority areas. They need the resources to implement what they said they would do on behalf of Hawai'i.

Mr. Arakawa agreed with the process outlined by Mr. Hannemann. He said that regarding the recurring budget, this legislature could not bind future legislatures to give a guaranteed amount. He would clarify that with the AG. He said that in the past, they have gone in with up to six members of the HTA to talk about budgets at the request of the budget chairs, WAM, and the finance chairs. They previously had a legislative PIG to do exactly that, but they could look into that again. Mr. Hannemann said the recurring budget came from Speaker Saiki and Chair Dela Cruz.

Mr. Kishi went over program ID 117 for Regenerative Tourism Development. They have \$3.7 million gross for the FY2025 budget, \$1.2 million of multi-year contracts, and a 10% restriction of \$376,000, leaving them with \$2 million for new programs and contracts. The multi-year

contracts cover the CNHA contract until December 2024. The Kilohana contract is Kūkulu Ola, Technical Assistance and Community Enrichment. There were no further questions or comments.

6. Kilohana Contract Updates

Mr. Gomes gave a program updates. He spoke about Visitor Education and Post-Arrival marketing (VEPAM). They have moved into a rhythm of creating a KPI thermometer produced by Nextstar Media, the parent company of KHON2. He showed how they are tracking KPIs. The final bar chart shows they are ahead of the expected points.

He highlighted that for TRAVEL808, five episodes go through the approval process with the staff. A video will be shown in the following day's BOD. There will be other materials about contract start to date, and benchmarks hit. There will be seven episodes of about twenty minutes each and a few shorts featuring regenerative desirable activities the HTA is involved in.

In terms of Maui VEPAM, that is a separate \$300,000 that the Board appropriated for Maui in response to the wildfire. They are in the process of finalizing the approvals on itineraries by Moku on Maui. This is to guide the visitors to the places they want them to go and give them ideas about things to do. He did not include a slide for technical assistance as he had provided the committee with a presentation the previous month, which would be shown to the full Board the following day.

He spoke about the Quality Assurance Program. The press conference is being held at the HCC, and more details will be provided later that day. He gave an update on the community funding opportunities 'Umeke portal. Most of the activities take place over the course of the year. They have only processed the final payment for three, which means those events have been evaluated. Everything else is in process and moving. He said that, for 2025, they are developing RFPs for the following year's funding opportunities. It was tight the past year, so the goal is to give them four months to go through the same application, evaluation, and awarding process to have contracts executed by December 31, 2024, which provides them a lot of time for execution.

Mr. Hannemann commended Mr. Gomes for putting together a great plan, and he is looking forward to the Qurator Program announcement later that day. Chair Paishon asked Mr. Gomes what some of the wins or achievements were. Mr. Gomes said having 'Umeke and the unification and development of the platform in such a short period is an excellent achievement, and he is proud of that. On the Visitor Education Post Arrival marketing side, they are still developing a voice and tone for the campaign, but he is proud of how it is growing. On the

Technical Assistance side, it is new and robust, and they are still on track to make the July 1 announcement that the application portal is open. He commended Mr. Jon Peahl and Ms. Anderson for a fantastic job creating something unlike any other program across the globe. That is a testament to how much work was put into this.

Chair Paishon asked his thoughts on what the HTA, Kilohana, and HVCB can do collectively with the community to engage them more proactively. Mr. Gomez said the community should try to take advantage of this and apply for as many programs as possible. When community members hear negative comments about the visitor industry, they could elaborate to others on how the visitor industry sustains them and enables them to support their staff, pay bills, support the community, etc.

Chair Paishon thanked Mr. Gomes and the team for their help.

Chair Paishon thanked everyone for all their hard work for the meeting.

7. Adjournment

Ms. Menor-McNamara and Mr. Ching gave their parting remarks about serving on the HTA Board. Chair Paishon adjourned the meeting at 11:18 a.m.

Respectfully submitted,



Sheillane Reyes
Recorder